2025

Environmental, Social and Governance Report

Xiamen Hithium Energy Storage Technology Co., Ltd.

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About This Report

Report Overview

This report marks the Environmental, Social, and Governance (ESG) report published by Xiamen Hithium Energy Storage Technology Co., Ltd. (hereinafter referred to as "Hithium," "the Company," or "we"). It provides a systematic overview of Hithium's philosophy, initiatives, and achievements in advancing sustainable development. By issuing this ESG report, we seek to respond to stakeholders' concerns, strengthen communication and engagement, and work collaboratively to foster sustainable environmental, social, and economic progress.

Scope of the Report

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

This report encompasses Xiamen Hithium Energy Storage Technology Co., Ltd., and its subsidiaries, consistent with the scope of Hithium's consolidated financial statements. The data coverage of this report is further detailed in the "ESG Performance Data Table."

Basis of Preparation

This report has been prepared in accordance with the *Environmental, Social, and Governance Reporting Code* (the "Reporting Code") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Hithium has fully complied with all mandatory disclosure requirements, as well as the "comply or explain" provisions set forth in the Reporting Code of the Stock Exchange of Hong Kong Limited, including adherence to the reporting principles.

This report has also been prepared in accordance with the *Sustainability Reporting Standards* (2021 Version) of the Global Reporting Initiative (GRI) and includes references to related documents, such as the *International Financial Reporting Sustainability Standards Disclosure Standard No. 2 — Climate-related Disclosure*, the *Nature-related Finance Disclosure Framework* (TNFD), EU *Corporate Sustainability Reporting Directive* (CSRD), and the accompany *European Sustainability Reporting Standards* (ESRS).

Data Explanation

The information and data presented in this report are derived from internal documents, statistical data, public disclosures, as well as reports and data from third-party authoritative organisations related to Xiamen Hithium Energy Storage Technology Co., Ltd. The currency and amounts referenced in this report are denominated in CNY.

Reliability Statement

The Board of Directors of Xiamen Hithium Energy Storage Technology Co., Ltd. and all of its directors hereby confirm that the contents of this report do not contain any false statements, misleading representations, or material omissions, and they bear full responsibility for the truthfulness, accuracy, and completeness of its information.

External Verification

To ensure the authenticity and reliability of the information disclosed in this report, Hithium has engaged an accredited third-party organisation to conduct independent, objective, and impartial verification in accordance with the AccountAbility AA1000 Assurance Standard 3rd edition (AA1000AS v3). The verification statement is available in the appendix of this report.

Report Language

The report is available in both Chinese and English versions. In the event of any discrepancies, the Simplified Chinese version shall prevail.

Report Access

This report is available in electronic format on the Company's official website at:

https://en.hithium.com/sustainability

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Chairman's Statement

As the global energy landscape is being reshaped by the green transition, Hithium rose to become the world's second-largest supplier of energy storage batteries in 2025. With firmer resolve, we stand at the forefront of this wave that defines the future. Guided by the emerging development paradigm under global carbon neutrality goals, we remain committed to our mission of "Let green energy benefit all, help strivers realise their dreams." Anchored in our strategic direction of "integration, internationalisation and brand building," we continue to advance across the full spectrum of energy storage solutions, driven by technological innovation and underpinned by responsible governance.

Building a systematic sustainability management framework to drive long-term value creation

Over the past year, we have deeply embedded sustainability into both our corporate strategy and daily operations. Through quantitative management and systematic evaluation, we have established a comprehensive sustainability management system spanning decision-making, execution and the supply chain. For the first time, ESG key performance indicators (KPIs) have been incorporated into our annual supplier performance evaluation system, advancing supply chain management from principle to quantification and from assessment to closed-loop management—making sustainability a fundamental requirement for supplier access and collaboration. Meanwhile, sustainability KPIs have also been formally integrated into the Company's overall performance management system, ensuring effective alignment between strategic objectives and sustainability goals.

Focussing on lean production and green development to set a benchmark for intelligent manufacturing

We firmly believe that a genuine green transition must begin at the manufacturing side. In January 2025, our Chongqing base was selected as a global "Lighthouse Factory," becoming the first in the global energy storage battery sector to receive this distinction. This recognition not only reflects the pinnacle of digitalised and intelligent manufacturing, but also demonstrates significant improvements in both resource efficiency and production effectiveness. At the same time, we have continued to advance the industrial application of recycling technologies, with a planned annual material recycling capacity of 15,000 tonnes, embedding green principles throughout the entire product lifecycle. On the technological front, we launched the native 8-hour long-duration energy storage solution—the coPower[3] 6.9MW/55.2MWh system—delivering extended storage duration and enhanced system efficiency to address real-world needs in grid security and round-the-clock renewable energy dispatch, thereby providing more resilient technical support for the global energy transition.

Upholding a customer-centric approach and win-win partnerships to deliver social value

Hithium's growth has always resonated with that of our customers, partners and society. In response to increasingly stringent ESG audit requirements from global customers, we have actively aligned with the due diligence requirements of the *EU Battery Regulation*, earning trust in international markets through transparency and compliance. In our first participation in the EcoVadis corporate social responsibility assessment, we were awarded a Gold rating, achieving a score of 80 and ranking first among China's battery and energy storage companies. In advancing global energy equity, our HeroEE residential energy storage product series has been deployed across multiple countries, with cumulative shipments reaching 260MWh, providing 114 households with stable, year-round electricity and bringing green energy into everyday life. As a result of our innovative practice of advancing energy equity through storage solutions, we were honoured with the "China Green Point · 2025 Sustainable Practice Lvbei Case" award.

Strengthening compliance operations and risk management to safeguard sustainable development

Steady progress requires a foundation of compliance. In 2025, we successfully obtained ISO 37301 Compliance Management System certification and ISO 37001 Anti-Bribery Management System certification, marking a new milestone in our governance capabilities and providing robust institutional support for our global expansion. We also organised specialised training on labour management and human rights compliance for the ESG Committee, enhancing management's understanding and execution of domestic and international labour compliance requirements, and ensuring that we uphold our standards and boundaries amid rapid growth. From the successful commissioning of our Texas plant in the United States to the accelerated establishment of localised teams in key regions such as Europe and Asia-Pacific, this rigorous compliance and risk management framework underpins our ability to navigate complex and evolving global environments with stability and confidence.

Moving forward with perseverance, the future holds great promise. Looking back from the vantage point of 2026, Hithium has demonstrated through action that technological innovation and responsible commitment can advance in tandem, and that commercial value and social value can be mutually reinforcing. Looking ahead, we will continue to be guided by our "HIMPACT 2037" sustainability strategy, embedding the values of "Freedom, Innovation, Sharing, Love" into the fabric of our development. We will pursue excellence in lean manufacturing, create value through open collaboration, and ensure steady progress through compliant operations.

We firmly believe that every technological breakthrough adds a touch of green to the world, and every commitment to responsibility builds strength for the future. Let us continue to join hands with partners worldwide, striving together to usher in a new chapter where clean energy benefits all humanity.

0

Induction

About Hithium Energy Storge

0.1 Company Overview

Hithium is a globally leading, innovation-driven new energy technology company, focussing on all-round energy storage solutions centred on energy storage batteries and systems. Since its establishment in 2019, the Company has consistently focused on the primary track of energy storage, firmly advanced its globalisation strategy, and systematically deployed capabilities in research and development, production, sales and services across key global markets.

Our Mission

Let green energy benefit all, help strivers realise their dreams.

Our Vision

Being a Respected Green Energy Company with World Leading Technology.

Our Strategy

We plan to implement the following strategies to achieve our long-term goals:

- Continuously focus on energy storage
- Firmly advance global localisation of operations
- Accelerate technological innovation
- Comprehensively promote digitalisation and intelligent transformation
- Build an agile and efficient global organisation

As the only manufacturer among global lithium-ion energy storage battery companies with shipments exceeding the GWh level that focuses exclusively on the energy storage sector, Hithium has provided high-quality products and professional energy storage services to customers in more than 40 countries and regions. In 2025, the Company's energy storage battery sales reached 56.6 GWh, and energy storage system sales reached 10.1 GWh, demonstrating strong growth momentum.

During the reporting period, the Company's principal operating revenue was mainly derived from energy storage products and related materials. Among these, revenue from energy storage battery sales accounted for 64.5%, revenue from energy storage systems accounted for 33.1%, and revenue from energy storage battery-related materials accounted for 2.4%. The above businesses all constitute clean energy-related revenue, reflecting the Company's strategic focus on core clean energy products and solutions.

In 2025

The Company's energy storage battery sales reached
56.60GWh

Energy storage system sales reached
10.10GWh

Revenue from energy storage battery sales accounted for
64.5%

Revenue from energy storage systems accounted for
33.1%

Revenue from energy storage battery-related materials accounted for
2.4%

Strategic Focus

Only Pure-player in the World[1]

The only pure-play energy storage company with a GWh-level global shipment volume of lithium-ion ESS Batteries

2nd in the World[2]

In terms of global lithium-ion ESS battery shipments in 2025

Global Footprint

40+ Countries and Regions

Provide energy storage products and solutions to customers in over 40 countries and regions

1st in the United States

First Chinese company to set up production capacity for energy storage systems in the United States[3]

Our R&D Capabilities

Advanced energy storage products[4]

- First mass-produced long-duration ESS battery with capacities exceeding 1,000Ah
- First to launch the world's first native 4-hour and 8-hour long-duration energy storage systems
- First sodium-ion utility-scale ESS battery with cycle life exceeding 20,000 cycles

4,700+
Global patents and patent applications

1,080+
Number of R&D staff

Our Growth Speed

104%
CAGR of ESS battery shipments from 2023 to 2025

661%
CAGR of overseas ESS battery shipments from 2023-2025

96%
CAGR of effective annual production capacity of ESS batteries

Looking ahead, as the global energy transition continues to accelerate, energy storage technologies are enabling green energy to become more accessible, efficient and sustainable. Hithium's products and technological achievements are continuously supporting the safe and stable operation of global power systems. The Company will continue to uphold a customer-centric philosophy, leverage its professional capabilities and technological innovation, support the comprehensive upgrade of clean energy, and provide global users with affordable, reliable and sustainable modern energy, jointly advancing towards a net-zero future.

[1] According to CIC.
[2] According to CIC.
[3] According to CIC.
[4] According to CIC.

0.2 Our Technologies and Products

The Company takes technological innovation as its core driving force, continuously deepens its technological layout, and has established an independently developed R&D system spanning the entire value chain, providing strong support for the comprehensive upgrading of energy storage products. At the same time, guided by customer needs, the Company continuously improves its product portfolio and develops energy storage solutions covering the entire industry chain.

Our Technologies and Production Platform

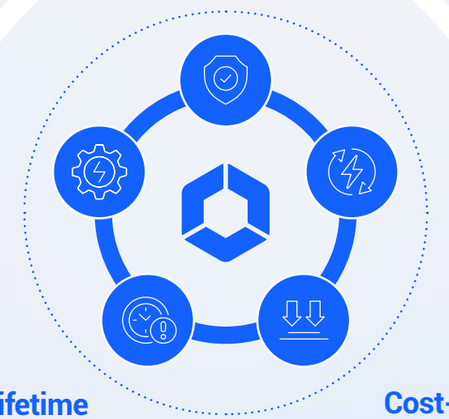
We continue to deepen our technological layout in key areas such as material innovation, battery structure optimisation, system architecture evolution, and manufacturing process enhancement, gradually forming an independently developed R&D system spanning the entire value chain. Supported by this system, energy storage products have achieved comprehensive improvements in key indicators such as safety, energy efficiency, consistency, lifetime and cost, while building a uniquely competitive technological ecosystem, further consolidating the Company's core technological position in the global energy transition.

High Safety

Passed 20+ safety and reliability tests
(including thermal runaway, overload, and drop tests)

High Energy Efficiency

Industry-leading
energy efficiency of 95% for systems



High Consistency

High consistency
in capacity,voltage and other key parameters

Long Lifetime

Long-lifetime products with
industry-leading 20,000+ cycle life

Cost-effective

Effective reduction of the cost of energy storage batteries and systems
throughout the product lifetime

To promote the industrialisation of key technologies, the Company has continuously increased investment in advanced manufacturing technologies, focussing on improving equipment efficiency, optimising production line configuration, and upgrading production process automation. It has gradually established an intelligent manufacturing platform characterised by high efficiency, high quality and low energy consumption. Leveraging this platform, the Company completed the iterative upgrade of four generations of smart factories within three years, making production processes more stable and controllable, improving resource utilisation efficiency, and achieving large-scale, highly consistent manufacturing output, thereby further enhancing manufacturing performance.

Our Products and Solutions

We consistently adhere to a customer-centric philosophy and provide energy storage products and solutions covering the entire industry chain for different application scenarios, including energy storage batteries, systems and overall deployment.

ESS Batteries

As the core component of electrochemical energy storage systems, the performance of ESS batteries is key to operational efficiency of energy storage stations throughout their lifecycle. We focus on battery technology and product innovation, building a product portfolio covering multiple specifications, including 280Ah, 314Ah, ∞Cell 587Ah and ∞Cell 1175Ah models, which are widely applicable to power grids, utilities and commercial and industrial scenarios. In addition, we have launched the world's first sodium-ion utility-scale ESS battery featuring high rate performance and a cycle life exceeding 20,000 cycles, which can be applied in extreme and complex scenarios such as high temperatures, and extreme cold , meeting diversified energy storage needs.

ESS batteries

314Ah

Nominal Capacity
314Ah
Cycle Life
≥11,000

280Ah-1P

Nominal Capacity
280Ah
Cycle Life
≥7,000

∞Cell 1175Ah

Nominal Capacity
1175Ah
Cycle Life
≥11,000

∞Cell 587Ah

Nominal Capacity
587Ah
Cycle Life
≥11,000

Sodium-ion ESS batteries

∞Cell N162Ah

Nominal Capacity
162Ah
Cycle Life
≥20,000

Energy Storage Systems

Leveraging deep expertise in battery technology, the Company developed energy storage systems covering multiple scenarios, including the power generation side, grid side, data centres, commercial and industrial applications, and residential use. The 5MWh liquid-cooled energy storage system we developed has become a widely adopted mainstream specification in the industry, demonstrating significant advantages in safety, energy efficiency and operational convenience.

Meanwhile, the ∞Power 6.9MWh long-duration energy storage system launched by the Company integrates key features such as high safety, cost advantages, flexible adaptability, ease of maintenance and environmental friendliness, further enhancing the economic efficiency and reliability of long-duration energy storage across multiple application scenarios.

Utility & Commercial Systems

∞Block 261kWh

∞Block 5.016MWh

∞Power 6.25MWh 2h/4h

∞Power N2.28MWh 1h

∞Power 6.9MWh 8h

Energy Storage Solutions

Building on enhanced system capabilities, the Company has extended towards the downstream of the value chain by establishing a highly modular and platform-based system architecture, enabling flexible combinations of energy storage units and providing customised integrated energy storage services for different regions and scenarios. We develop various types of products based on customer needs, including ultra-quiet energy storage systems tailored for the European market to meet stringent local noise regulations, and the "Desert Eagle" series designed for the Middle Eastern market, which has been specifically optimised for extreme environments such as high temperatures and sandstorms, providing stable support for energy supply under complex climatic conditions.

Diverse application scenarios

Power stations | Grids | Data centers, C&I and residential energy storage

Define and lead the industry

Solutions — All-round customized energy storage solutions

Energy Storage Systems	5MWh liquid-cooling energy storage system	∞Power 6.25MWh 2h/4h energy storage system	∞Power 6.9MWh 8h energy storage system
ESS Batteries	280Ah ESS battery	314Ah ESS battery	∞Cell 587Ah ESS battery
	∞Cell 1175Ah long-duration ESS battery	∞Cell N162Ah sodium-ion ESS battery	∞Cell 1300Ah long-duration ESS battery

Residential Systems

HeroEE 1

HeroEE LIGHT 1

HeroEE 2

HeroEE NeoPower 4

HeroEE MaxPower 8 AIO

HeroEE 8

HeroEE MaxPower 16

0.3 Our Global Footprint

Hithium consistently implements its globalisation strategy. Leveraging advanced products and technological capabilities, and upholding the philosophy of "integrate locally, serve the community", the Company has established a comprehensive operational network across key global markets including China, the United States and Europe, while actively expanding into emerging markets such as the Middle East, Africa, Oceania and South America.

Across its major operating locations, the Company has realised localised deployment of R&D, products, production capacity, supply chain, marketing, delivery and operation and maintenance services. It has provided high-quality products and customised energy storage application services to customers in more than 40 countries and regions, fully demonstrating the synergy between the implementation of its globalisation strategy and its local service capabilities.

Global Presence

0.4 Our Sustainable Development Achievement

Since its establishment, Hithium has consistently regarded sustainable development as one of its core strategies, continuously advancing exploration and practice in related fields. Over the past three years, the Company has made a series of progress in ESG. In 2025, the Company further improved its sustainability performance, demonstrating its positive contribution within the industry.

Our ESG Milestone Events Over the Past Three Years

▪ September 2025

Hithium's outstanding practice of promoting "energy equity" through energy storage solutions was selected for the case award in the 2025 "China Green Point · Sustainable Consumption Practice Case Selection" hosted by Yicai.

▪ April 2025

Hithium received a B rating in the CDP Climate Change Questionnaire, and its near-term carbon reduction targets were successfully validated by the Science Based Targets initiative (SBTi).

▪ June 2024

Hithium was awarded the "Top 10 Responsibility Contribution Cases" and "Top 10 Environmental Contribution Cases" in the 2024 Green Sustainable ESG List.

▪ October 2023

Hithium Xiamen base obtained PAS 2060 carbon neutrality certification.

▪ May 2023

The Company's President, Mr. Wang Pengcheng, was invited to deliver a keynote speech at the "China Carbon Neutrality 50 Forum", demonstrating Hithium's influence in sustainable development.

▪ October 2025

Hithium participated in the EcoVadis sustainability rating for the first time, achieving a high score of 80 and receiving a "Gold" rating, setting the highest score recorded to date[5] among domestic energy storage enterprises.

▪ October 2024

Construction commenced on the Hithium Heze zero-carbon integrated park.

▪ April 2024

Hithium prepared a climate action report with reference to the TCFD framework, presenting its specific actions and achievements in addressing climate change.

Hithium carbon management platform was officially launched and obtained relevant certification for carbon platform calculation, becoming the second such certification domestically and the first within the industry.

▪ August 2023

Hithium joined the United Nations Global Compact (UNGC).

[5] As of the end of 2025, prior to the publication of this report.

Our ESG Highlights in 2025

January 2025

Achievement and Award
Gold Award, Final of the 2nd Energy Electronics Industry Innovation Competition

Issuing Organisation
Industry Development Promotion Center, Ministry of Industry and Information Technology

February 2025

Achievement and Award
Chongqing Outstanding Private Enterprise Award

Issuing Organisation
Chongqing Municipal Development and Reform Commission and other government bodies

March 2025

Achievement and Award
2025 China Energy Storage Industry Best Long-Duration Energy Storage Technology Innovation Award

Issuing Organisation
Organising Committee of China International Energy Storage Conference
Energy Storage China Network

Achievement and Award
2025 "Beijixing Cup" Energy Storage Technology Innovation Enterprise

2025 "Beijixing Cup" Influential Overseas Energy Storage Supplier

Issuing Organisation
Beijixing Power Network
Beijixing Energy Storage Network
Beijing Volcano Engine Network Technology Co., Ltd.

April 2025

Achievement and Award
CDP Climate Change Questionnaire Rating: B

Issuing Organisation
CDP

Achievement and Award
Approval of near-term targets under the Science Based Targets initiative (SBTi)

Issuing Organisation
SBTi

Achievement and Award
Xiamen Science and Technology Progress Award

Issuing Organisation
Xiamen Municipal People's Government

April 2025

Achievement and Award

Top 5 Model Cases of Energy Storage Patent Innovation, 9th ESIC 2025

Issuing Organisation

International Energy Storage Alliance
China Energy Storage Alliance

Achievement and Award

Top 10 Model Cases of Energy Storage Technology Innovation, 9th International Energy Storage Innovation Competition – 2025

Issuing Organisation

International Energy Storage Alliance
China Energy Storage Alliance

May 2025

Achievement and Award

Hithium products obtained TÜV SÜD certification mark in accordance with the EU *New Battery Regulation* (EU) 2023/1542

Issuing Organisation

TÜV SÜD

Achievement and Award

Opening of Hithium's North American energy storage system manufacturing base

June 2025

Achievement and Award

Hithium BMS platform system obtained industrial information security TÜV SÜD certification mark based on IEC 62443-4-1 standard

Issuing Organisation

TÜV SÜD

July 2025

Achievement and Award

Hithium's Xiamen and Chongqing bases were recognised as Advanced-level Smart Factories

Issuing Organisation

Ministry of Industry and Information Technology

August 2025

Achievement and Award

2025 ESG100 "Top 10 Outstanding Benchmark Cases"

Issuing Organisation

China Energy News
China Institute of Energy Economics Research Green Climate Research Institute

September 2025

Achievement and Award

2025 Global Top 500 New Energy Enterprises

Issuing Organisation

China Energy News
China Institute of Energy Economics Research

Achievement and Award

China Green Point · 2025 Sustainable Practice Lvbei Case

Issuing Organisation

Yicai

October 2025

Achievement and Award

EcoVadis Sustainability Rating: Gold Medal

Issuing Organisation

EcoVadis

November 2025

Achievement and Award

Forbes China Globalisation "Leading Brand" TOP30

Issuing Organisation

Forbes China

December 2025

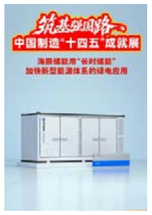
Achievement and Award

Held the 3rd Hithium Eco-Day

ISO 37301 Compliance Management System Certification

ISO 37001 Anti-bribery Management System Certification

Hithium products showcased at the China's Manufacturing "14th Five-Year Plan" Achievements Exhibition



January 2026

Achievement and Award

Hithium Chongqing manufacturing base was selected for the "Lighthouse Factory" list

Issuing Organisation

World Economic Forum

01

Hithium Leading the Way

Chapter Case

Achieving the Highest EcoVadis Score in the Industry, Setting a New Benchmark for Sustainable Development

ESG is integral to our long-term commitment and operational discipline, and serves as the cornerstone of the Company's high-quality growth. Since its establishment, the Company has remained committed to promoting the application of renewable energy, reducing carbon emissions and environmental impact, supporting the global energy transition, and advancing energy equity. We integrate ESG principles into every aspect of our corporate strategy and operations, from green technology research and development to supply chain management, and from low-carbon operations to the fulfilment of social responsibility. We remain committed to a development model that prioritises environmental protection, social contribution, and transparent governance, thereby creating broader social and environmental value to support the sustainable development of the global energy sector.

In October 2025, Hithium participated for the first time in the corporate social responsibility assessment conducted by the globally authoritative sustainability rating agency EcoVadis. In recognition of its strong overall performance, the Company was awarded Gold rating, achieving the highest score of 80 in China's battery and energy storage industry and ranking first in the industry. This achievement reflects the Company's continuous advancement in building its sustainable development system and demonstrates its leading position and transparency in the global sustainable energy sector.

In October 2025

Achieving the highest score of 80 in China's battery and energy storage industry

Ranking 1st in the industry

EcoVadis is one of the world's most influential corporate social responsibility and sustainability rating agencies. Its standardised and systematic evaluation model has become an important benchmark in the international business community for measuring corporate sustainability competitiveness. The rating covers more than 185 countries and over 250 industries, including more than 150,000 companies, and over 90% of global leading enterprises use its rating results as an important reference for supply chain access and cooperation.

The EcoVadis assessment framework is built around four core dimensions—Environment, Labour and Human Rights, Business Ethics, and Sustainable Procurement—covering 21 detailed issues. From policy planning and implementation to certification systems and information disclosure, it conducts a comprehensive and systematic evaluation of corporate sustainability management capabilities.

Scoring Issues	Hithium's Performance
Environment	The Company demonstrates outstanding performance in environmental management. From factory design to product research and development, green concepts are deeply integrated throughout the process. By adopting environmentally friendly materials and optimising process structures, the Company effectively reduces the carbon footprint throughout the entire product life cycle. At the same time, the Company has established a comprehensive environmental management system and obtained certifications such as ISO 14001 and ISO 50001, further enhancing energy efficiency and carbon emissions management capabilities. In the EcoVadis environmental assessment, the Company's score is significantly higher than the industry average.
Labour and Human Rights	The Company demonstrates excellent performance in labour and human rights. It has established a comprehensive system for employee rights protection and occupational health, adheres to equal pay for equal work, and safeguards employee compensation and benefits. The Company has obtained ISO 45001 certification, achieved 100% coverage of occupational health examinations, and regularly conducts safety training. At the same time, the Company implements equal employment and diversity policies. Employees may submit complaints and feedback through multiple channels and enjoy comprehensive benefits and psychological care. In the EcoVadis labour and human rights assessment, the Company's score is significantly higher than the industry average.
Business Ethics	The Company demonstrates strong performance in business ethics. It has established a standardised governance structure and ensures transparent decision-making through specialised committees. The Company has formulated a compliance system covering areas such as anti-corruption and data security, strictly preventing conflicts of interest and fraudulent behaviour. At the same time, the Company requires suppliers to comply with integrity commitments and has further strengthened its business ethics safeguards through intellectual property and information security certifications. In the EcoVadis business ethics assessment, the Company's score is significantly higher than the industry average.
Sustainable Procurement	The Company demonstrates outstanding performance in sustainable supply chain management. By extending its own experience to the supply chain, the Company conducts ESG training for suppliers and establishes an annual audit mechanism, helping suppliers improve their green management systems and jointly build an open and mutually beneficial sustainable industrial ecosystem. In the EcoVadis sustainable procurement assessment, the Company's score is significantly higher than the industry average.

Hithium actively responds to the global call for sustainable development by deeply integrating ESG principles into corporate governance, technological innovation, and industrial development. The Company continues to focus on the core field of green energy storage, continuously improving the energy efficiency and recycling level of energy storage technologies, and promoting the evolution of products toward higher performance, lower cost, and greater sustainability. Looking ahead, Hithium will harness technological innovation and responsible practices to work alongside industry partners in building a clean, secure, and equitable energy future — injecting lasting momentum into the global energy transition and contributing Hithium's distinctive strength.

1.1 Sustainable Development Strategy and Progress

HIMPACT 2037 Sustainable Development Strategy

As a leading enterprise in the energy storage industry, Hithium takes its corporate mission—"Let green energy benefit all, help strivers realise their dreams"—as its strategic guidance. The Company identified the intrinsic links between its business operations and ESG commitments, built the HIMPACT sustainable development strategy to reflect its industry characteristics and competitive strengths, and embedded the United Nations Sustainable Development Goals (SDGs) throughout its strategic framework. Since joining the United Nations Global Compact (UNGC) in 2023, the Company honours its international commitments, providing practical pathways to achieve the corporate vision and promoting positive impacts across environmental, social, and governance dimensions. The Company categorises key strategic issues into six core strategies based on stakeholder groups and establishes seven pillars for implementing ESG commitments, jointly forming a comprehensive sustainable development framework with long-term commitments extending to 2037, demonstrating its responsibility to diverse stakeholders.

Hithium Seven Pillars of Sustainable Development and Six Core Strategies

	Hithium Seven Pillars of Sustainable Development						
HITHIUM	**Six Core Strategies**						
	Hithium	Innovative	Empower	Proactive	Achievable	Collaborative	Transparent
	HITHIUM	**Green Innovation**	**Employee Empowerment**	**Customer Response**	**Social Welfare**	**Win-win Cooperation**	**Integrity**
	Hithium is committed to building the world's No. 1 energy storage battery brand	Through innovation, reduce the environmental impact throughout the entire lifecycle of product production, lower the product carbon footprint, and achieve carbon neutrality in the group's operations.	Provide training and development opportunities to improve work efficiency and happiness.	Implement rapid response mechanisms, personalized services, transparent communication, and continuous improvement to enhance customer experience and satisfaction.	Contribute to social prosperity and development through its own sustainable actions and achieve energy equality.	Build an ecological supply chain and establish long-term strategic cooperation with suppliers and industry partners.	Practice a sound and transparent business operation model, guiding commercial operations with the concept of sustainable development.

Implementation of the Sustainable Development Strategy

Establishing a Sustainable Development Performance Evaluation Mechanism

To ensure the effective implementation of its sustainable development strategy, the Company has built three key capabilities: "digital and intelligent integration," "value chain cooperation," and "sustainable talent development." The Company also recognises that sustainable development is integral to long-term value creation and investor confidence. Therefore, key sustainability performance indicators (KPIs) have been incorporated into the Company's overall performance system, coordinating the capabilities of all departments to comprehensively support the realisation and implementation of strategic goals.

In terms of indicator design, the Company draws on international standard frameworks such as GRI, SASB, and TCFD, as well as mainstream ESG ratings, while also incorporating the disclosure requirements of the HKEX, to establish its ESG performance indicator system. Indicator selection is guided by three principles: strategic focus, quantifiable tracking, and alignment with the Company's existing management capabilities. Each indicator must directly support the Company's sustainable development objectives, have clear data sources and measurement methodologies, and be strictly limited to ESG core issues that have a significant impact on long-term business value creation and risk management, thereby avoiding an excessive number of indicators. At the same time, the Company has established data collection, verification, and management processes to ensure that performance indicators are accessible and measurable. Through a scientific and quantitative ESG performance evaluation system, the Company effectively translates external ESG management requirements into operational practices across business units, meets regulatory disclosure requirements, and enhances ESG rating performance and industry influence.

In terms of indicator classification, based on the Company's operational realities, indicators are divided into three categories: assessment indicators, observation indicators, and bonus indicators, and different evaluation methods are applied to different types of indicators. At the same time, the Company has designed a performance evaluation scorecard, dividing assessment standards into three scoring ranges, supplemented by specific quantitative criteria and weight allocations to ensure objectivity and operability in the evaluation process. Performance evaluations strictly benchmark indicator target values, using data-driven analysis to identify the root causes of performance gaps. The feedback mechanism ensures that information is timely, specific, and constructive, while linking feedback to business scenarios to clarify improvement pathways. Based on this, the Company is able to transparently report progress and challenges internally and externally (i.e., publishing departmental performance dashboards and annual ESG reports), and has established institutionalised review mechanisms such as quarterly performance reviews to dynamically optimise indicator settings, data processes, and incentive rules, ensuring that the system continuously adapts to strategic adjustments and changes in the external environment.

Description of Indicator Types and Principles for Indicator Setting

Indicator Type	Description	Principles for Indicator Setting
Assessment Indicators	Mandatory indicators that must be achieved. These indicators directly affect the overall performance score and typically account for 5–10% of the annual performance evaluation.	▪ Indicators derived from stock exchange regulatory requirements and Hithium's sustainability strategy. ▪ Key ESG rating indicators (i.e., indicators with higher weighting in ESG ratings).
Observation Indicators	Indicators subject to close monitoring. These indicators are not currently included in the scoring system, but may be upgraded to assessment indicators or converted into bonus indicators in the future.	▪ General ESG rating indicators (i.e., indicators with moderate weighting in ESG ratings). ▪ Indicators that overlap with existing departmental performance evaluation metrics. ▪ Indicators for which the Company has not yet established relevant data collection and statistical capabilities.
Bonus Indicators	Indicators that reflect proactive innovation and leading practices undertaken by the Company. Bonus points may be awarded, with the total bonus not exceeding 5–10% of the overall performance score.	▪ Indicators that, after consultation with departments, have not been included in departmental assessment or observation indicators due to high implementation difficulty or cost.

To ensure the effective implementation of the sustainable development performance evaluation mechanism, the Company has established a comprehensive organisational support system. Relevant departments collaborate closely with clearly defined responsibilities, covering the formulation of performance policies, indicator allocation, data collection and management, daily implementation, and the application of evaluation results. Through systematic training and specialised guidance, the Company provides detailed explanations to departments and employees regarding performance indicators, evaluation methods, and data requirements, ensuring that all personnel understand indicator objectives and evaluation standards. This improves the implementation rate and effectiveness of indicators and ensures the effective deployment and continuous optimisation of sustainability indicators across the Company.

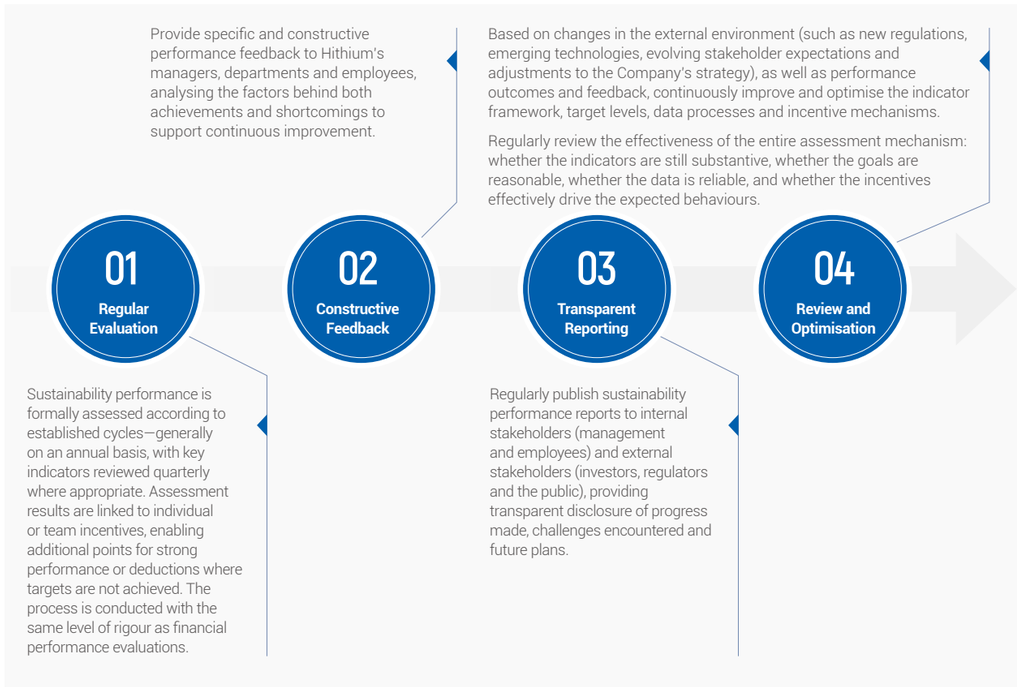
Implementing the Sustainable Performance Management System

The Company's performance evaluation focuses on organisational-level performance, emphasising the degree to which relevant departments achieve their targets and fulfil their responsibilities in ESG issue management. Based on departmental performance as the evaluation foundation, the Company has established 20 responsibility functions, including ESG management, EHS, compliance, supervision, public affairs, procurement, and human resources management, involving 14 first-level departments, thereby further strengthening organisational accountability in sustainable management.

The Company adopts the PDCA cycle to build its sustainable performance management process, including four stages: Performance Planning (Plan), Performance Execution and Guidance (Do), Performance Evaluation and Feedback (Check), and Application of Results and Improvement (Act).

During the planning stage, indicators and targets are clearly defined. During the execution stage, implementation is promoted and necessary support is provided. During the evaluation stage, data verification and performance analysis are conducted. During the results application stage, evaluation outcomes are used for rewards and penalties, improvement measures, and strategic adjustments, forming a closed-loop process and continuous improvement mechanism to ensure that sustainable performance management remains systematic, transparent, and traceable.

ESG Performance Evaluation and Improvement Mechanism



The Company evaluates the sustainable performance of each assessed department semi-annually and maintains a monthly progress update mechanism, under which departments submit reports on key performance indicators. These reports combine quantitative data with qualitative explanations to provide reliable support for mid-term assessments. In response to major ESG events, regulatory requirements, or rating feedback, the Company will also initiate a special review mechanism to conduct temporary inspections and in-depth evaluations of relevant responsible departments. This ensures the flexibility and responsiveness of the evaluation mechanism, forming a management closed loop that evolves from "periodic evaluation" to "continuous supervision," and ensuring the effective implementation of sustainable performance management within the organisation.

The Company will continue to improve its incentive and accountability mechanisms by closely linking ESG performance evaluation results with compensation, promotion, and annual rewards and penalties. This ensures that all indicators are effectively implemented in daily operations and promotes the achievement of strategic objectives and sustainable development commitments.

Sustainable Development Targets and Performance Progress

The Company continues to advance its sustainable development goals and steadily implement various initiatives centred on key environmental, social, and governance issues. Through regular monitoring and performance evaluation, the Company tracks progress in a timely manner to ensure that all actions effectively drive the implementation of strategic objectives and generate tangible outcomes.

Green Innovation				
Strategic Issue	**Indicator**	**2025 Target**	**2037 Target**	**2025 Progress**
Clean Technology Opportunities	Cumulative number of valid clean technology patent applications (items)	Over 4,500	Over 10,000	**4,797**
	Cumulative number of granted clean technology patents (items)	Over 2,000	Over 6,500	**2,609**
Climate Change Response	Greenhouse gas emission intensity from own operations (Scope 1 + Scope 2) (tCO_2e/GWh)	Achieve a 58.80% reduction in Scope 1 and 2 operational greenhouse gas emissions from 2023 levels by 2034		**Emission intensity reduced by 38.95% from 2023**
	Coverage rate of climate risk emergency response plans at operational sites (%)	100%	100%	**100%**
	Coverage rate of climate resilience assessments at operational sites (%)	/	100%	**100%**
Environmental Management and Resource Optimisation	Coverage rate of ISO 14001 Environmental Management System certification at mass production manufacturing base (%)	/	100%	**100%**[6]
	Comprehensive energy consumption intensity (per unit sales (GWh/GWh)	5% reduction from 2023	Reach industry-leading level	**6.66% reduction from 2023**
	NO_x emissions intensity in exhaust gas (per unit sales) (tonnes/GWh)	15% reduction from 2023	50% reduction from 2023	**62.89% reduction from 2023**
	SO_x emissions intensity in exhaust gas (per unit sales) (tonnes/GWh)	15% reduction from 2023	50% reduction from 2023	**38.75% reduction from 2023**
	Hazardous waste emission intensity (per unit sales (tonnes/GWh)	15% reduction from 2023	50% reduction from 2023	**53.68% reduction from 2023**
Product Carbon Footprint	Product carbon footprint certification plan	100% ISO 14067 coverage for key battery cell products	Maintain an industry-leading position	**100% ISO 14067 coverage for key battery cell products**

[6] As the U.S. manufacturing base commenced production in the second half of 2025, it was not considered within the scope of this performance assessment.

Employee Empowerment				
Strategic Issue	**Indicator**	**2025 Target**	**2037 Target**	**2025 Progress**
Employee Training and Development	Training coverage rate for full-time employees (%)	100%	100%	**100%**
Occupational Health and Safety	Coverage rate of safety-specific training for full-time employees (%)	100%	100%	**100%**
	Coverage rate of regular health checkups for specific positions (%)	100%	100%	**100%**
	Coverage rate of ISO 45001 Occupational Health and Safety Management System certification at mass production manufacturing base (%)	/	100%	**100%**[7]
	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	**Conducted**
	Major incident occurrence rate (%)	0%	0%	**0%**

Customer Response				
Strategic Issue	**Indicator**	**2025 Target**	**2037 Target**	**2025 Progress**
Product Quality and Safety	Coverage rate of ISO 9001 Quality Management System certification at mass production manufacturing base (%)	/	100%	**100%**[8]
Customer Service	Customer complaint closure rate (%)	Maintain ≥ 96%	Maintain ≥ 98%	**97.89%**
	Customer satisfaction (%)	≥ 90%	≥ 90%	**97.00%**
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	**Material recycling process capability has been established**

[7] As the U.S. manufacturing base commenced production in the second half of 2025, it was not considered within the scope of this performance assessment.

[8] As the U.S. manufacturing base commenced production in the second half of 2025, it was not considered within the scope of this performance assessment.

Social Responsibility				
Strategic Issue	**Indicator**	**2025 Target**	**2037 Target**	**2025 Progress**
Energy Equity	Number of countries/regions covered by energy equality products	Over 5	Over 15	**32**
Community Engagement and Public Welfare	Project-based management plan for public welfare affairs	Centralised management with initial coordination mechanism	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	**Coordinated management of public welfare affairs has been achieved**

Win-win Cooperation				
Strategic Issue	**Indicator**	**2025 Target**	**2037 Target**	**2025 Progress**
Sustainable Supply Chain	Number of suppliers covered by ESG reviews	40	80	**112**
	Percentage of previous fiscal year's supplier spend covered by ESG reviews (%)	70%	80%	**68.00%**
	Training coverage for key suppliers on the *Code of Conduct* (number of participants)	50	150	**117**
Industry Collaboration 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	Establish a stable industry collaboration mechanism in key technical areas to continuously advance the implementation and promotion of core outcomes	**Focussing on key areas such as critical material recycling, collaborative R&D mechanisms have been established with universities and research institutions**

Integrity and Compliance				
Strategic Issue	**Indicator**	**2025 Target**	**2037 Target**	**2025 Progress**
Corporate Governance and Business Ethics	Coverage rate of integrity training for employees (%)	100%	100%	**100%**
Intellectual Property Protection	Certification status of innovation and intellectual property management capability level	Passed	Passed	**Passed**
Information Security and Privacy Protection	Coverage rate of ISO 27001 Information Security Management System certification at mass production manufacturing base (%)	/	100%	**100%**[9]
	Coverage rate of employee information security training (%)	100% for IT personnel	100% for all full-time employees	**100% for all full-time employees**

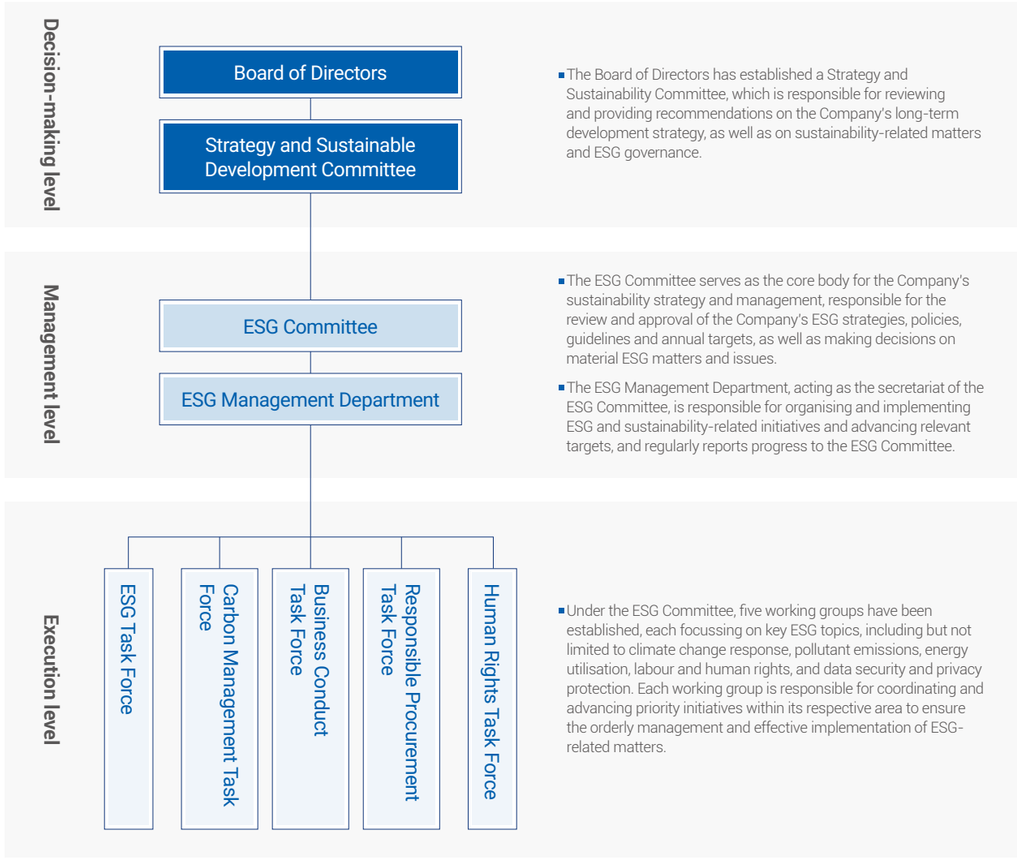
[9] The Chongqing manufacturing base obtained ISO 27001 Information Security Management System certification in April 2026.

1.2 Sustainable Development Governance

Hithium regards ESG governance as a core component of its broader corporate governance framework and its pursuit of sustainable development. The Company has established and continuously optimised its ESG governance and management mechanisms, promoting the integration of ESG principles into decision-making, management, and operations. By leveraging management accountability and structured organisational arrangements, the Company advances ESG work in a coordinated manner, fostering shared responsibility and continuously strengthening governance transparency and long-term value creation.

ESG Management Structure

The Company has established a comprehensive ESG governance system in which the Board Strategy and Sustainable Development Committee is responsible for decision-making, while the ESG Committee is responsible for over-sight. Through clearly defined responsibilities, cross-departmental collaboration, and regular performance evaluations, the Company ensures the effective implementation and continuous improvement of sustainable development targets.



Task Forces	Involved Functions		Responsibilities
ESG Task Force	▪ Board affairs ▪ ESG management ▪ Financial and tax reporting	▪ Brand management ▪ EHS management	Responsible for ESG disclosure review, implementation of strategic KPIs, communication of achievements, and data governance.
Carbon Management Task Force	▪ EHS management ▪ Production operations ▪ Financial and tax reporting	▪ Product management ▪ After-sales service	Responsible for the implementation of green electricity and energy conservation and emission reduction KPIs, carbon emissions and climate risk management, and green management throughout the entire product life cycle.
Business Conduct Task Force	▪ Supervision ▪ Audit	▪ Emergency management	Responsible for coordinating compliance disclosure, anti-corruption and compliance system management, business ethics data, and issues such as overseas trade barriers.
Responsible Procurement Task Force	▪ Procurement management	▪ ESG management	Responsible for implementing ESG requirements from customers and overseas regulations, and establishing responsible minerals and supply chain due diligence systems.
Labour and Human Rights Task Force	▪ ESG management ▪ Human resources management	▪ Administrative management ▪ Compliance management	Responsible for addressing overseas forced labour issues and establishing and auditing the Company's social responsibility system.

ESG Management System and Operation

The Company integrates the concept of sustainable development into its overall strategic planning and has established a three-tier management system consisting of the ESG Committee – ESG Management Department – ESG Task Force, forming a clear organisational structure and operational framework and laying the foundation for the systematic advancement of ESG management.

The ESG Committee is composed of six core members of the Company, with the Chairman serving as the Chair of the Committee. The Committee includes senior executives responsible for areas such as research and development, procurement, operations, production management, and corporate governance, and is responsible for promoting the effective implementation of key tasks including ESG strategy formulation, resource allocation, and risk management.

In practice, the ESG Committee serves as the highest governance body for ESG management within the Company, coordinating the overall direction of sustainable development and major ESG matters while providing unified objectives and action guidance across all levels. The ESG Management Department translates strategic requirements into coordinated actions across the organisation, while the ESG Task Force implements specific initiatives within business operations and reports results and data upward. By establishing a top-down strategic transmission mechanism and a bottom-up information feedback process, the Company ensures orderly coordination and dynamic optimisation of ESG management at the strategic, management, and execution levels.

	Responsibilities	Meeting Frequency
ESG Committee	Responsible for reviewing and approving the Company's ESG strategy, policies, guidelines, and annual targets. Regularly reviewing the Company's ESG performance and the effectiveness of policy implementation considering business development and proposing improvement recommendations. Supervising and evaluating the planning, processes, and performance of departments in promoting ESG targets, and reviewing the environmental and social impacts of business operations. Regularly assessing key ESG issues, action plans, and core indicators for the Group and manufacturing bases to ensure they remain adaptable to internal and external environmental changes and remain feasible. Coordinating ESG and sustainable development work across operational sites, manufacturing bases, and relevant departments to ensure consistent execution and coordinated progress.	Semi-annually
ESG Management Department	Collecting and analysing ESG-related information to support the Committee's decision-making, assisting in tracking the implementation progress of various decisions, and coordinating internal projects and tasks to ensure efficient advancement of work. Assisting the ESG Committee in formulating and breaking down sustainable development strategies and targets, continuously improving the ESG governance system, monitoring ESG data, and conducting performance assessments, while reporting the completion status of issue indicators on a semi-annual basis. Coordinating ESG risk management and related information disclosure to ensure data quality, compliance of disclosures, and effective operation of the management system.	Quarterly
ESG Task Force	ESG Task Force is divided into Group Functional Task Force and Manufacturing Base Task Force, each undertaking management responsibilities for their respective issues. They promote the implementation of the ESG strategy, coordinate and advance key initiatives, organise and collect key ESG data, and report the progress of indicator completion upward on a quarterly basis to ensure that issue management is conducted in a standardised, orderly, and closed-loop manner.	Quarterly

Fulfilment of Duties of the ESG Committee

The Hithium ESG Committee convenes two regular meetings bi-annually, and conducts additional special briefings on an ad hoc basis when significant progress is made on ESG work or urgent ESG matters arise. These meetings review the Company's sustainable development strategy, key ESG issues, and management practices to ensure that policies and initiatives are implemented in a timely and effective manner. Committee members also actively participate in ESG-focused training programmes to continuously enhance their professional judgment and governance capabilities in response to evolving regulatory requirements and industry trends. Through the combination of established meeting mechanisms, ad hoc special briefings, and capability-building initiatives, the Committee effectively performs its governance and supervisory functions, promotes innovation and management optimisation in the Company's ESG practices, and demonstrates its professional commitment and efficient operations on the path toward sustainable development.

Regular ESG Committee Meetings

In 2025, the Committee reviewed two reports on the progress of the Company's ESG work, with all committee members in attendance. The meeting topics covered ESG information disclosure, ESG ratings, and matters related to various ESG issues. The main contents are as follows:

Time	Conference Theme	Coverage
First ESG Committee Meeting in the First Half of 2025	ESG Information Disclosure	Report on the ESG report and key disclosure points, comparison with peer companies, and compliant disclosure practices.
	ESG Governance	Report on the integration plan of ESG KPIs with operations, the work of issue task forces, and the ESG compliance requirements of the Board.
	ESG Ratings	Report on the Company's participation progress in ESG ratings and subsequent plans.
	Carbon Management	Report on the implementation plan for SBTi short-term targets and supply chain carbon management.
	Sustainable Supply Chain	Report on the review of sustainable supply chain regulations in China and overseas and the progress of supplier ESG audits.
	Natural Resource Protection	Report on the preparation work for TCFD and TNFD disclosures.
Second ESG Committee Meeting in the Second Half of 2025	ESG Information Disclosure	Review of the TNFD report and the results of the double materiality assessment for this year's ESG report.
	ESG Governance	Review of the overall ESG KPI plan and departmental implementation arrangements.
	ESG Ratings	Report on the S&P CSA rating results and improvement plan.
	Carbon Management	Report on the progress of EPD certification and the implementation of carbon management measures on the production side.
	Sustainable Supply Chain	Report on the annual supply chain ESG audit work.
	Overseas ESG Compliance	Interpretation of EU battery regulations and battery passport policy requirements and report on response measures.

Irregular ESG Briefings

In addition to regular ESG Committee meetings, the Company also conducts ESG briefings during the Management Committee meetings, where members of the Strategy and Sustainable Development Committee receive updates on related matters to further integrate ESG work with the Company's top-level strategic decision-making. A total of seven briefings were conducted during the year, with the topics and main contents as follows:

Time	Report Theme	Coverage
March 2025	ESG Report Disclosure	Report on the framework standards used in the report, introduction of the double materiality analysis methodology, and identification of disclosure gaps and improvement plans.
	Zero-Carbon Factory Development	Overview of the current status and standards of national zero-carbon factory development, the Company's planning roadmap, and basic knowledge related to greenhouse gases.
July 2025	EcoVadis Rating	Report on findings after completing the rating, including progress made and corrective actions.
October 2025	Development Trends in EU ESG-Related Policies	Introduction to EU regulations such as CSRD and CSDDD, interpretation of green trade barriers, and analysis of the Company's response strategies.
	Carbon Management	Analysis of the Company's organisational carbon and product carbon data, and proposal of future emission reduction pathways.
November 2025	Analysis of EU ESG Carbon Footprint Standards	Analysis of the gap between the Company and relevant standards from both organisational carbon and product carbon perspectives, and proposal of EU compliance solutions.
December 2025	Implementation of ESG KPIs	Report on the mechanism linking ESG KPIs with business management performance and subsequent implementation plans.

Committee Capacity Building

To ensure the effectiveness and professionalism of the Committee's supervisory work, the Company also places strong emphasis on strengthening its sustainable development capabilities. Each year, the Company organises ESG-focused training sessions and invites experts from well-known universities, research institutions, and the sustainability field to provide systematic explanations of current ESG hot topics and development trends. These initiatives aim to continuously enhance committee members' professional knowledge and governance capabilities. During the year, the Company conducted two ESG-themed training sessions for the Committee, achieving a participation rate of 100%.

Hithium ESG Committee Training Case: Sustainable Supply Chain Training

To enhance ESG Committee members' systematic understanding of sustainable development and the collaborative value of supply chains, the Company organised a special training session in December titled "Pathways to Achieving Sustainable Business Value from a Supply Chain Perspective." The training invited Dr. Lü Jianzhong, former board member of GRI and an expert in the field of sustainable development, to serve as the lecturer. The training focused on sustainable business models and long-term corporate value creation, systematically introducing the logic behind the realisation of sustainable business value. It explained the sustainable supply chain model and its key components, and from the perspectives of organisational governance and strategic alignment, elaborated on the key elements required to transform sustainable development into sustainable operations.

The training also focused on supply chain transformation practices, introducing sustainable supply chain models and their application in real operations, supported by typical case studies. Through the case of zero-carbon industrial park development, the session shared implementation pathways and success factors for industrial parks in their low-carbon transition. In addition, through a case study of the digitalised operation system of an excellent peer's sustainable value chain, the training illustrated how digital technologies can be used to build an integrated management system connecting key links such as procurement, production, inventory, and logistics. This approach enables the connection and integration of value chain data and continuously optimises supply chain operational efficiency, providing valuable reference for the Company's advancement of sustainable supply chain development.

1.3 Stakeholder Communication

Guided by openness and transparency, Hithium maintains close communication with a wide range of stakeholders — including investors, employees, customers, governments, suppliers, partners, and the public. We regularly collect and analyse their feedback through online and offline channels, assess the potential impacts of our operations on these groups, and translate findings into improvement measures through systematic prioritisation, embedding them into daily management to advance our sustainable development goals.

Stakeholder Type	Stakeholder Representatives	Key Concerns	Communication Strategy & Channels	Corresponding Report Sections
Investors	Company shareholders and potential investors	■ Corporate Governance ■ Compliant Operations ■ Economic Performance ■ Anti-corruption ■ R&D and Innovation ■ Safety Production ■ Industrial Cooperation and Development ■ Climate Change Response	■ Strategy: Ensure investors have a comprehensive understanding of the Company's strategy, operational status, and future development direction by enhancing information transparency and timeliness. ■ Channels: Official website announcements or official public channels (e.g., WeChat official account), investor relations contacts, Hithium Eco-Day, on-site visits.	■ About This Report ■ 7.1 Corporate Governance ■ 7.2 Compliance and Business Ethics
Senior Management	President, Vice Presidents, Heads of Frist- Level Departments	■ Compliant Operations ■ Corporate Governance ■ Product Quality and Safety ■ Safety Production ■ R&D and Innovation ■ Information Security and Privacy Protection ■ Climate Change Response	■ Strategy: Ensure management can quickly access key data and market insights to support scientific decision-making by strengthening the accuracy and timeliness of information. ■ Channels: Internal management meetings and reports, corporate governance-related training, internal information communication platforms, internal emails, closed-door exchanges with external experts.	■ 1.2 Sustainable Development Governance ■ 7.1 Corporate Governance ■ 7.2 Compliance and Business Ethics
Frontline Employees	Union member representatives and employee representatives, other worker representatives serving the Company	■ Employee Rights and Welfare ■ Occupational Health and Safety ■ Product Quality and Safety ■ Talent Development and Growth ■ Diversity and Equal Opportunity ■ Information Security and Privacy Protection	■ Strategy: Enhance employees' sense of participation and belonging, and stimulate their work enthusiasm and creativity by building an open and transparent two-way communication mechanism. ■ Channels: Employee activities, employee training, employee assessment and promotion, unions and workers' congresses, internal information communication platforms, active organisation promotion committees, occupational health monitoring, safety production management, full-staff information security training and assessment, safety emergency drills.	■ 4.1 Rights and Benefits of Employees
Customers	Grid operators, independent power producers, renewable energy companies, energy project developers,commercial and industrial energy storage users, residential energy storage users	■ Product Quality and Safety ■ Responsible Supply Chain ■ Circular Economy ■ Responsible Mineral Due Diligence ■ Product Carbon Footprint ■ Clean Technology Opportunities ■ Climate Change Response	■ Strategy: Continuously improve customer experience and satisfaction by accurately grasping customer needs and providing personalised services and solutions. ■ Channels: Customer satisfaction surveys, full lifecycle green products and services, full lifecycle quality management, supply chain audits, responsible mineral supply chain due diligence.	■ 5.2 Customer Service
Government and Regulatory Bodies	Local governments in countries/regions where operations are located	■ Compliant Operations ■ Fair Competition ■ Anti-corruption ■ Product Carbon Footprint ■ Environmental Management System ■ Climate Change Response	■ Strategy: Ensure company operations align highly with policy guidelines and promote sustainable development by strengthening policy interpretation and compliance communication. ■ Channels: Institutional inspections, official document exchanges, policy implementation, information disclosure.	■ 3.2 Industrial Cooperation and Low-Carbon Investment
Suppliers	Core raw material suppliers such as materials and equipment	■ R&D and Innovation ■ Responsible Supply Chain ■ Information Security and Privacy Protection ■ Product Quality and Safety ■ Safety Production ■ Occupational Health and Safety ■ Climate Change Response ■ Environmental Management and Resource Optimisation	■ Strategy: Achieve a mutually beneficial long-term cooperative relationship by deepening cooperation and information sharing to improve supply chain transparency and efficiency. ■ Channels: Supply chain audits, supply chain quality/safety/responsible management, supplier coaching and improvement.	■ 3.1 Sustainable Supply Chain
Partners	Industry associations/chambers of commerce, standard working groups, and partner universities in countries/ regions where operations are located	■ Industrial Cooperation and Development ■ R&D and Innovation ■ Product Quality and Safety ■ Economic Performance ■ Emissions and Waste Management	■ Strategy: Promote mutual growth by strengthening strategic synergy and resource integration to ensure clear cooperation goals and consistent actions. ■ Channels: Exchange visits, standard/policy-related associations or working groups, strategic cooperation projects, information disclosure.	■ 3.2 Industrial Cooperation and Low-Carbon Investment
Media	Industry media, mainstream media	■ R&D and Innovation ■ Information Security and Privacy Protection ■ Compliant Operations ■ Anti-corruption ■ Climate Change Response ■ Safety Production ■ Public Welfare Charity and Volunteer Services	■ Strategy: Build a positive and professional brand image and enhance media recognition and support for the Company's development by proactively conveying company values and social responsibility practices. ■ Channels: Media exchange activities, industry forums or working groups, jointly planned reports, regular press releases or reports.	■ 0.2 Our Technology and Products ■ 3.2 Industrial Cooperation and Low-Carbon Investment
Public and Community	Non-governmental organisations, charitable institutions, social organisations, mainstream media	■ R&D and Innovation ■ Product Quality and Safety ■ Economic Performance ■ Public Welfare Charity and Volunteer Services ■ Community Communication and Development	■ Strategy: Improve public awareness and trust in the Company's development philosophy and practices by strengthening the fulfilment of social responsibilities and community interaction. ■ Channels: Exchange visits, media interviews, full lifecycle quality management, information disclosure, social welfare projects, community volunteer activities, charitable funds.	■ 6.1 Local Communities

1.4 Materiality Issue Analysis and Management

As sustainable development becomes a global priority, the management of ESG issues has emerged as a key benchmark for assessing long-term corporate value and social responsibility. Based on the requirements related to double materiality in the *Global Reporting Initiative (GRI) Standards*, the *European Sustainability Reporting Standards (ESRS)*, and the *International Sustainability Standards Board (ISSB) IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information,* Hithium conducted a comprehensive double materiality assessment in 2025 to identify key issues with significant impacts on both the Company's operations and the external environment.

This year's assessment integrated both impact materiality and financial materiality, while fully considering global sustainable development trends and stakeholder expectations. By expanding analytical standards and evaluation indicators, Hithium ensured the assessment's comprehensiveness and rigour, laying a stronger foundation for forward-looking and targeted sustainability strategies.

Materiality Assessment Process

To identify ESG issues with double materiality, Hithium systematically analysed global sustainable development trends, stakeholder expectations, and key links within the value chain, thereby identifying Impacts, Risks and Opportunities (IROs) associated with each ESG issue.

On this basis, we conducted comprehensive assessments of both impact materiality and financial materiality through in-depth interviews and survey questionnaires. Finally, by combining survey data and expert opinions, we identified several strategically significant issues and submitted them to the Company's ESG Committee for review and confirmation.

Hithium will address these issues in alignment with its sustainable development strategy, continuously optimise management measures to deliver more precise and transparent ESG disclosures and practices — building a solid foundation for long-term value creation.

Trend Analysis and Formation of Issue IROs

Through systematic analysis of global sustainable development trends and stakeholder expectations, potential ESG issues are identified.

Step 1

Conduct Double Materiality Assessment

The IROs of each issue are analysed, and based on in-depth interviews and survey questionnaires, the double materiality of the issues is assessed.

Step 2

Identify Material Issues

By combining survey data and expert opinions, issues with strategic importance are confirmed and submitted to the Company's ESG Committee for review and confirmation, ensuring the scientific rigor and applicability of the issues.

Step 3

Step 1:

Trend Analysis and Development of Issue IROs

Hithium conducted sustainable development trend analysis across the following six dimensions to lay a solid foundation for subsequent issue evaluation and management.

Analysis Level	Trend Summary	Examples
International Initiatives and Sustainable Development Trends	The global sustainable development agenda and regulatory framework are accelerating, particularly with regulations such as the EU CSRD and CSDDD. These impose higher requirements on companies for mandatory disclosure of environmental and social impacts and value chain due diligence, guiding enterprises to integrate ESG more deeply into operations and strategy.	▪ UN Sustainable Development Goals (SDGs) ▪ UN Global Compact (UNGC) Ten Principles ▪ EU *Corporate Sustainability Reporting Directive (CSRD)* ▪ EU *Corporate Sustainability Due Diligence Directive (CSDDD)*
China's Economic and Sustainable Development Trends	Led by the "Dual Carbon" goals, China is taking "New Quality Productive Forces" as a strategic direction to drive the energy storage industry towards green and high-end transformation, achieving a fundamental shift from scale expansion to technology-driven and innovation-led development.	▪ China's New Round of Nationally Determined Contributions (NDCs) ▪ *Action Plan for High-Quality Development of the New Energy Storage Manufacturing Industry* ▪ *Action Plan for Green and Low-Carbon Development of the Manufacturing Industry* ▪ *Notice on Carrying Out the Construction of Zero-Carbon Parks* ▪ *Guidelines for Responsible Mineral Supply Chain Due Diligence in China*
ESG Information Disclosure Trends	Global ESG information disclosure standards are in a critical period of rapid integration and tightening. Chinese local standards and international standards (such as ESRS, ISSB) jointly constitute a multi-dimensional disclosure requirement system, pushing companies from voluntary to standardised, from qualitative to quantitative, to conduct more comprehensive, comparable, and financially linked sustainable information reporting.	▪ Ministry of Finance *Basic Standards for Enterprise Sustainable Disclosure Standards (Trial)* ▪ HKEX *ESG Code* ▪ EU *European Sustainability Reporting Standards* (ESRS) ▪ GRI Sustainability Reporting Standards ▪ Task Force on Climate-related Financial Disclosures (TCFD) ▪ Taskforce on Nature-related Financial Disclosures (TNFD) ▪ ISSB *International Financial Reporting Standard S1 – General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)*
ESG Capital Market Rating Requirements	Global mainstream ESG rating agencies, through their assessment systems, have become important tools for the capital market to measure corporate ESG performance and risks. Their rating results directly affect investment decisions, financing costs, and brand reputation, forcing companies to systematically manage and continuously improve their performance in environmental, social, and governance aspects.	▪ EcoVadis Sustainability Rating ▪ S&P Global Corporate Sustainability Assessment (CSA) ▪ CDP Ratings ▪ MSCI ESG Ratings
New Energy Market Development Trends	In recent years, to promote global sustainable development, countries have actively responded to carbon emission reduction targets. As the lifeline of national economic development and an important cornerstone of national security, energy plays a crucial role. To ensure energy security and sustainability, countries worldwide have proposed and practiced strategies for energy structure transformation and building a green low-carbon economy, providing clear and long-term policy guidance and market growth momentum for the energy storage industry.	▪ *Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development* ▪ *Suggestions of the CPC Central Committee on Formulating the 15th Five-Year Plan for National Economic and Social Development*
Corporate Strategy	To actively respond to internal and external sustainable development requirements and market opportunities, Hithium has formulated the HIMPACT strategy. This aims to systematically integrate ESG concepts into core links such as company innovation, manufacturing, supply chain, and social responsibility, driving long-term commercial success and industry leadership through sustainable practices.	▪ Hithium HIMPACT Sustainable Development Strategy ▪ Hithium SBTi Near-Term Targets

Based on the above analysis of sustainable development trends and in consideration of stakeholder expectations, Hithium updated and optimised its ESG issues for 2024 and established the 2025 ESG Issue Repository.

Pillar	Issue
Environmental	Climate Change Response
	Environmental Management and Resource Optimisation
	Product Carbon Footprint
	Clean Technology Opportunities
	Circular Economy
	Biodiversity*
Social	R&D Innovation
	Occupational Health and Safety
	Equality and Diversity
	Rights and Benefits of Employees
	Sustainable Supply Chain
	Product Quality and Safety
	Local Communities
	Public Welfare and Charity
	Customer Service
	Industry Cooperation and Low-Carbon Investment
Governance	Corporate Governance
	Information Security and Privacy Protection
	Compliance and Business Ethics
	Intellectual Property Protection

*New Issue

Step 2:

Conducting the Double Materiality Assessment

During the year, Hithium conducted Impacts, Risks, and Opportunities (IROs) analysis for each issue. During the assessment phase, the Company evaluated each IRO based on its likelihood and magnitude of impact (financial materiality), or likelihood and severity (impact materiality).

Materiality Type	IROs Type	Assessment Level	Assessment Indicators	Assessment Method
Impact Materiality	Positive Impact	Likelihood	Likelihood	Survey Questionnaire
		Severity	Scale, Scope	
	Negative Impact	Likelihood	Likelihood	
		Severity	Scale, Scope, Irremediability	
Financial Materiality	Opportunity	Likelihood	Likelihood	Survey Questionnaire and Interviews
		Impact Scale	Impact Scale	
	Risk	Likelihood	Likelihood	
		Impact Scale	Impact Scale	

Issue	Impacts, Risks, and Opportunities			
	Positive Impact	Negative Impact	Opportunity	Risk
Climate Change Response	Hithium helps balance the grid and integrate renewable energy by providing efficient energy storage solutions, thereby reducing reliance on fossil fuels and promoting the low-carbon energy transition.	The production and disposal of energy storage equipment may involve the mining and processing of critical materials, potentially leading to environmental destruction and greenhouse gas emissions; thus, supply chain sustainability must be addressed.	The acceleration of the global energy transition has spawned huge demand for energy storage, directly driving order growth; leading low-carbon energy storage solutions help secure green financing and preferential procurement qualifications, enhancing market share.	Increased extreme weather may affect the stable operation of production bases, raising insurance and O&M costs. Additionally, failure to effectively reduce carbon emissions may lead to policy regulatory and market pressures, affecting the Company's compliant operations and business development.
Environmental Management and Resource Optimisation	Hithium promotes the development of the energy storage industry towards efficiency and sustainability by optimising energy storage system design and resource recycling, reducing raw material consumption and waste generation.	The production process of energy storage equipment may generate significant waste and high energy consumption, while the supply chain may involve resource over-exploitation and environmental destruction, necessitating strengthened full lifecycle environmental management.	Improving energy and resource use efficiency in the production process can directly lower Hithium's manufacturing costs and shape a reliable supplier image to consolidate customer relationships.	In the future, strict battery regulations will impose high requirements on supply chain environmental due diligence; if upstream material sources are poorly managed environmentally, there will be risks of supply chain disruption or even legal litigation.
Product Carbon Footprint	Hithium promotes the industry's transition to low-carbon by optimising product design and production processes to reduce carbon emissions across the full lifecycle of energy storage systems, providing more environmentally friendly energy storage solutions for society and customers.	Hithium's product carbon footprint may be affected by high-carbon emission materials (e.g., key battery metals) in the upstream supply chain; if the low-carbon transformation of suppliers is not effectively promoted, it will have adverse effects on the environment and industry sustainability.	Creating low-carbon battery products can meet the hard requirements of core customers for green supply chains, becoming a key differentiation advantage for Hithium's products, supporting premium pricing and market share growth.	For example, the EU "Battery Passport" mandates the disclosure of full lifecycle carbon footprints; if Hithium's product carbon footprint is too high, it will be unable to enter the EU market, directly losing business opportunities.
Clean Technology Opportunities	Hithium promotes the widespread application of clean energy and aids energy structure transformation by providing efficient energy storage solutions, creating green growth opportunities for society and the industry.	If the promotion of clean technologies is limited by insufficient policy support or technical bottlenecks, it may delay the sustainable development process of the energy storage industry, affecting the confidence of governments and customers.	Hithium can develop more competitive products through technological innovation and open up new revenue streams through relevant patent licensing, while enhancing company valuation.	Rapid iteration of technology routes means that if Hithium's R&D investment is insufficient leading to technological lag, existing production lines and inventory will face huge impairment risks.
Circular Economy	Hithium significantly improves resource utilisation and reduces dependence on raw materials by focussing on all-element lithium battery recycling technology and establishing a battery material recycling system, providing sustainable resource management solutions for the industry.	If recycling technology is not fully mature or costs are too high, it may increase the economic burden on suppliers and customers, affecting the promotion and popularisation of the circular economy model.	Building or cooperating to establish a battery recycling network can stabilise the acquisition of valuable metals, hedge against raw material price fluctuations, and open up new businesses in battery cascade utilisation and material regeneration.	Regulations on battery recycling rates and the proportion of recycled materials used in markets such as China, Europe, and the US are becoming increasingly strict; if Hithium fails to establish a sound recycling system, it may face high fines and compliance costs in the future.

Issue	Impacts, Risks, and Opportunities			
	Positive Impact	Negative Impact	Opportunity	Risk
Biodiversity	Hithium promotes ecosystem balance and stability by optimising energy storage project site selection and eco-friendly design, reducing damage to natural habitats and protecting local flora and fauna populations.	If project development does not fully consider ecological protection needs, it may have negative impacts on local ecosystems and community environments, threatening biodiversity in local communities.	Proactively avoiding ecologically sensitive areas and implementing ecological restoration during initial project planning can ensure smooth project progression, while shaping a responsible brand image and reducing community resistance.	If Hithium's energy storage projects are located in ecologically sensitive areas, they may trigger approval delays or community boycotts due to habitat destruction, directly leading to project investment failure.
R&D and Innovation	Hithium has promoted innovation in energy storage technology through continuous R&D investment, especially providing support for industry technological progress in areas such as electrochemical energy storage standards and technical research.	If R&D investment is too large or the choice of technology route is mistaken, it may increase financial pressure on the enterprise or cause resource waste, affecting the Company's long-term development and innovation capabilities.	Breakthrough technological innovations can form patent barriers, directly create revenue through technology licensing, and promote product performance improvement and cost reduction, significantly enhancing Hithium's gross margin and market valuation.	Energy storage technology iterates rapidly; if R&D investment direction is wrong or efficiency is low, Hithium's product competitiveness will be lost, and huge prior R&D investments will fail to convert into returns, causing asset impairment.
Occupational Health and Safety	Hithium reduces employee injury risks and improves employee job satisfaction and productivity through a sound occupational health management system and safety training.	If occupational health and safety measures are inadequate, frequent safety accidents may occur, affecting employee health and corporate reputation.	An excellent safety record can lower insurance premiums, reduce financial losses caused by work stoppages, and improve production efficiency and employee stability, indirectly lowering operating costs.	Battery production involves flammable and explosive chemicals; major safety accidents will lead to factory shutdowns, high fines, and compensation for Hithium, directly impacting profits and damaging investor confidence.
Equality and Diversity	Hithium attracts more talented individuals to join the energy storage industry by promoting gender equality and diverse recruitment, creating an inclusive working environment.	If equality and diversity policies are poorly implemented, it may lead to employee turnover or internal conflicts, affecting team collaboration efficiency and corporate image.	A diverse team can bring more comprehensive decision-making perspectives and innovative solutions, directly improving Hithium's R&D efficiency and market responsiveness, thereby seizing more business opportunities.	A monolithic internal culture may stifle innovative thinking, causing Hithium to miss development opportunities in a rapidly changing market, and affecting team effectiveness due to unreasonable talent structure.
Rights and Benefits of Employees	Hithium enhances employees' sense of belonging and happiness by providing competitive compensation, comprehensive social security, and flexible work arrangements.	If employee rights and welfare guarantees are insufficient, it may lead to low employee morale, affecting the Company's long-term development and competitiveness.	Competitive compensation, benefits, and equity incentive plans can effectively retain core talent, ensuring the advancement of key projects; the value created far exceeds the input, directly supporting performance growth.	Large-scale turnover of core technical personnel due to compensation or cultural issues will lead to interruptions in Hithium's R&D projects and leakage of trade secrets, directly damaging its core competitiveness and financial performance.
Sustainable Supply Chain	Hithium promotes the sustainable development of the supply chain and reduces resource waste and environmental pollution through responsible supplier selection and management.	If supplier quality control or ESG management is inadequate, it may increase supply chain risks, affecting corporate reputation and market competitiveness.	Establishing a green and responsible supply chain system can stabilise raw material supply, avoid compliance risks, and become a mandatory access qualification for obtaining orders from international high-end customers, directly securing revenue.	ESG scandals involving suppliers (such as labour issues or environmental pollution) will trigger chain reactions, leading to cancellation of Hithium's customer orders, damage to brand reputation, and huge default costs.

Issue	Impacts, Risks, and Opportunities			
	Positive Impact	Negative Impact	Opportunity	Risk
Product Quality and Safety	Hithium ensures product safety and reliability and enhances customer trust and market competitiveness through a strict digital quality management mechanism.	If the quality management mechanism is imperfect, it may lead to product quality issues, affecting customer satisfaction and brand value.	Quality and safety performance exceeding industry standards can become a brand core, supporting product premiums, reducing after-sales maintenance costs, and becoming a key plus factor in winning large project bids.	Large-scale product quality defects (such as battery thermal runaway) will trigger huge recalls, customer claims, and legal lawsuits, causing severe financial damage to Hithium and even endangering the Company's survival.
Local Communities	Hithium empowers community development through projects like energy equity, improving residents' electricity convenience and living standards, and promoting social harmony.	If energy storage project development does not fully consider community needs and the surrounding environment, it may lead to uneven resource distribution or environmental pollution, affecting the project's sustainability.	Providing stable clean energy and revenue sharing to communities through co-built energy storage projects can win support, ensure rapid project implementation and operation, and create stable electricity sales or service revenue.	If new energy storage projects face strong community opposition due to noise, safety, or other issues, it will lead to project delays or even suspension, preventing the recovery of prior investments and causing direct financial losses.
Public Welfare and Charity	Hithium enhances its corporate social responsibility image and promotes social well-being by promoting public welfare and charity activities in areas such as educational equity and improving the quality of life for special groups.	If public welfare and charity activities lack transparency or are ineffective, it may lead to public questioning of the Company's social responsibility.	Strategic philanthropy can directly open up potential markets, test technology application scenarios, and greatly enhance brand reputation, indirectly promoting sales.	If charitable activities are disconnected from the Company's core capabilities or are viewed as "greenwashing," it will waste funds and trigger public questioning, negatively affecting Hithium's brand reputation.
Customer Service	Hithium enhances customer satisfaction and loyalty and strengthens market competitiveness through high-quality customer service and after-sales support.	If customer service response is not timely or technical support is insufficient, it may lead to customer churn and damage to brand image.	Providing value-added services based on digitalisation, such as intelligent O&M and performance guarantees, can build long-term stable service revenue streams and enhance customer stickiness.	An imperfect after-sales service system, especially failure in remote monitoring and early warning for power station operations, will lead to customer churn and generate high maintenance costs, reducing project profits.
Industry Cooperation and Low-Carbon Investment	Hithium promotes innovation in energy storage technology and low-carbon investment through cooperation with industry partners, aiding social energy transition and sustainable development.	If the cooperation mechanism is imperfect or the return on low-carbon investment is low, it may lead to resource waste or project failure, affecting the Company's long-term development.	By building an industrial ecosystem with PV companies and others, long-term orders can be locked in and R&D costs shared; strategic investment in frontier low-carbon technologies may incubate new high-value business lines.	Mistakes in partner selection or failure in low-carbon technology investment will trap Hithium's funds, cause it to miss other market opportunities, and directly result in investment losses and strategic lag.
Corporate Governance	Hithium ensures consistency between corporate strategy and sustainable development goals and enhances its leadership and market competitiveness in the energy storage industry by establishing a sound sustainable development governance system and scientific risk management mechanism.	If the corporate governance structure is imperfect or risk management is inadequate, it may lead to decision-making errors or strategic deviations, affecting the Company's stable development and fulfilment of social responsibilities.	By optimising the sustainable development governance structure, Hithium can better coordinate daily operations with sustainable development goals, improve decision-making efficiency, and reduce operating costs. Meanwhile, a scientific risk management mechanism helps identify and avoid potential risks, providing guarantees for business expansion and financial stability.	If the corporate governance structure is imperfect or the risk management mechanism fails, it may lead to strategic execution deviations, resource waste, or major risk events, increasing financial burdens and affecting the stability of daily operations.

Issue	Impacts, Risks, and Opportunities			
	Positive Impact	Negative Impact	Opportunity	Risk
Information Security and Privacy Protection	Hithium ensures the security of customer data and energy storage system operation data and enhances customer trust and corporate reputation by strengthening information security management and privacy protection measures.	If information security protection is insufficient, it may lead to data leaks or system attacks, threatening customer privacy and core corporate interests, and affecting market trust.	By strengthening information security and privacy protection measures, Hithium can enhance customer trust in its energy storage systems, promoting business expansion and market share growth. Meanwhile, protecting internal data security helps avoid financial losses and operational disruptions caused by information leaks.	If information security protection is insufficient, it may lead to customer data leaks or system attacks, triggering legal lawsuits and reputation losses, thereby affecting business expansion and financial stability.
Compliance and Business Ethics	Hithium avoids legal risks, establishes a good corporate image, and enhances market competitiveness by strictly complying with laws and regulations and adhering to high standards of business ethics.	If compliance management is inadequate or business ethics are compromised, it may lead to illegal acts or ethical controversies, triggering legal sanctions and reputation losses, affecting the Company's long-term development.	By strictly complying with laws and regulations and adhering to high standards of business ethics, Hithium can avoid legal risks, reduce compliance costs, and simultaneously establish a good corporate image to attract more high-quality customers and partners, promoting business expansion.	If compliance management is inadequate or business ethics are compromised, it may lead to illegal acts or ethical controversies, triggering legal sanctions, fines, and market loss, causing significant impacts on financial health and daily operations.
Intellectual Property Protection	Hithium consolidates its technological advantages, prevents technology leakage, and enhances its innovation capability and market position in the energy storage industry by actively applying for and protecting intellectual property related to energy storage technology.	If intellectual property management is poor or protection is insufficient, it may lead to leakage of core technologies or infringement disputes, affecting the Company's technological innovation and market competitiveness.	By actively applying for and protecting intellectual property related to energy storage technology, Hithium can consolidate its leading technological position and prevent technology leakage, thereby gaining an advantage in market competition and improving business expansion capabilities and financial returns.	If intellectual property management is poor or protection is insufficient, it may lead to leakage of core technologies or infringement disputes, affecting the Company's technological innovation capability and market competitiveness, thereby having adverse effects on financial performance and business expansion.

Step 3:

Identification of Material Issues

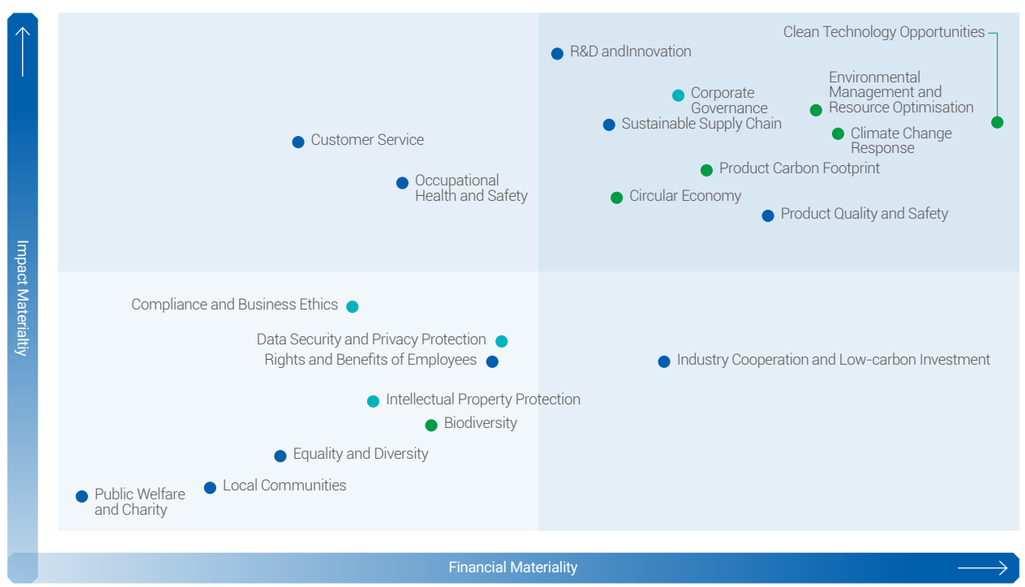
To systematically identify and determine ESG issues of strategic importance to the Company, we conducted cross-verification based on extensive research data, combined with industry trends and expert recommendations, to ensure the comprehensiveness and objectivity of the double materiality issue identification results.

Finally, in accordance with the Company's internal governance procedures, the preliminarily identified double materiality issues were submitted to the Company's ESG Committee for formal review and confirmation. The ESG Committee reviewed the scientific validity, applicability, and eligibility for inclusion of the issues by considering the Company's strategic direction, business realities, and the risk and opportunity framework. Through this process, the Committee ultimately confirmed key issues that are material and of strategic importance and incorporated them into the ESG management system and reporting scope, ensuring that the identified issues not only comply with professional standards but also remain aligned with the Company's sustainable development goals and stakeholder expectations.

Results of Material Issue Identification

Based on the above steps, among the 20 relevant issues preliminarily identified by the Company, 9 issues demonstrate double materiality, 1 issue demonstrate financial materiality only, and 2 issues demonstrate impact materiality only.

Pillar	9 Issues with Double Materiality	1 Issue with Financial Materiality	2 Issues with Impact Materiality
Environmental	▪ Climate Change Response ▪ Environmental Management and Resource Optimisation ▪ Product Carbon Footprint ▪ Clean Technology Opportunities ▪ Circular Economy		
Social	▪ Product Quality and Safety ▪ R&D Innovation ▪ Sustainable Supply Chain	▪ Industry Cooperation and Low-Carbon Investment	▪ Customer Service ▪ Occupational Health and Safety
Governance	▪ Corporate Governance		



2025 Hithium Double Materiality Issue Matrix

During the year, the Company continued to conduct systematic analysis around material issues and, in combination with the "HIMPACT 2037" strategic plan, further identified key sustainability issues. We classified issues according to dimensions such as positive and negative, actual and potential, opportunities and risks, clarified their impact pathways, and formulated response measures in advance for potential impacts, continuously optimising the sustainable development strategy. By continuously strengthening the creation of positive value for all stakeholders, the Company is committed to promoting coordinated growth between itself, the environment, and society in a more responsible manner.

Pillar	Issue	Dimension	Impact Pathway Description	Value Chain	Time Horizon	Scale of Impact	Affected Stakeholders	Hithium Response Section
Environmental	Climate Change Response	Risk	**Market Risk:** Supply chain disruptions and reduced production capacity caused by climate change may increase operating costs and affect Company profitability.	Upstream Corporate Operations	Medium-term Long-term	High	Suppliers Partners	2.1 Climate Change Response
		Opportunity	**Resource Efficiency Opportunity:** Adopting energy-saving and emission-reduction measures can optimise production efficiency, reduce energy costs, and improve financial stability.	Corporate Operations	Medium-term Long-term	High	Investors Senior Management Customers	
		Positive Impact	**Potential Positive:** The Company actively promotes the green energy transition, contributing to environmental and social sustainable development.	Upstream Corporate Operations Downstream	Medium-term	High	Suppliers Customers Government & Regulators Partners Public & Communities	
		Negative Impact	**Actual Negative:** To prevent operational interruptions caused by typhoons impacting the Xiamen base, the Company dynamically adjusts operations between Xiamen and Chongqing, possessing strong supply chain resilience and delivery capabilities to ensure stability for upstream and downstream partners.	Upstream Corporate Operations Downstream	Short-term Medium-term Long-term	Low	Suppliers Frontline Employees Senior Management Customer	
Environmental	Environmental Management and Resource Optimisation	Risk	**Technology Risk:** During the implementation of environmental management and resource optimisation, technical bottlenecks or insufficient R&D investment may be encountered, leading to project delays or cost overruns, affecting overall operational efficiency.	Corporate Operations	Medium-term	Low	Investors Senior Management	2.2 Environmental Management and Resource Optimisation
		Opportunity	**Resource Efficiency Opportunity:** By optimising resource utilisation efficiency, Hithium can reduce energy consumption and operating costs, improve production efficiency, and enhance the Company's financial stability and market competitiveness.	Corporate Operations Downstream	Medium-term	High	Senior Management Customers	
		Positive Impact	**Actual Positive:** The Company has been awarded the title of National Green Factory, achieving efficient management of production operations, resource optimisation, clean and intelligent production, green supply, and precise monitoring. It implements a green supply chain management system and builds a supplier certification system, driving collaborative transformation of upstream and downstream enterprises.	Upstream Corporate Operations Downstream	Short-term	High	Suppliers Senior Management Customers Partners	
		Negative Impact	**Potential Negative:** The Company establishes a sound environmental management system to continuously reduce the negative impact of production operations on the environment.	Corporate Operations	Long-term	Low	Senior Management Government & Regulators Media Public & Communities	

Time Horizon Short-term Medium-term Long-term Scale of Impact Low Medium High

Pillar	Issue	Dimension	Impact Pathway Description	Value Chain	Time Horizon	Scale of Impact	Affected Stakeholders	Hithium Response Section
Environmental	Product Carbon Footprint	Opportunity	**Market Opportunity:** The launch of low-carbon products aligns with green consumption trends, attracting environmentally conscious consumers and increasing market share.	Upstream Corporate Operations Downstream	■ ■	▲	Suppliers Customers Media Public & Communities	2.3 Product Carbon Footprint
		Risk	**Market Risk:** Failure to meet carbon footprint standards may affect product competitiveness in overseas markets.	Upstream Corporate Operations Downstream	■	▲	Suppliers Customers	
		Positive Impact	**Potential Positive:** The Company actively builds a carbon management platform and obtained the first "System Product Calculation Certification" issued by TÜV Rheinland for an energy storage technology enterprise. This covers carbon emission data across the entire process from raw material acquisition and pre-processing, product transportation, production and storage, distribution, to disposal and recycling, laying a solid foundation for whole value chain carbon reduction and the low-carbon transition of the energy storage industry.	Upstream Corporate Operations Downstream	■	▲	Suppliers Customers Partners	
Environmental	Clean Technology Opportunities	Opportunity	**Product and Service Opportunity:** By investing in clean energy and developing clean technology products, the Company can continuously grow its market share in the new energy sector.	Upstream Corporate Operations Downstream	■ ■	▲	Investors Suppliers Senior Management Customers Partners	2.4 Clean Technology Opportunities
		Positive Impact	**Actual Positive:** Hithium focuses on the application of energy storage technology, concentrating on cell safety and lifespan, energy storage system integration and energy efficiency, intelligent manufacturing, and integrated solution innovation. It has launched long-duration energy storage solutions, leading industry technological breakthroughs and sustainable development. **Potential Positive:** According to the Company's strategic plan, the Company will continue to increase R&D investment in clean technologies and delve deep into the energy storage field.	Upstream Corporate Operations Downstream	■	▲	Investors Suppliers Senior Management Customers Partners	
		Negative Impact	**Potential Negative:** By adopting clean technologies, the Company can enhance product competitiveness and meet market demand for green energy storage; however, if technology promotion is ineffective or market acceptance is low, it may have a negative impact on the Company's business expansion.	Corporate Operations Downstream	■	▲	Senior Management Customers	
Environmental	Circular Economy	Opportunity	**Resource Efficiency Opportunity:** By developing a circular economy model, Hithium can optimise resource utilisation, reduce raw material waste, lower costs, and enhance market competitiveness and brand value.	Corporate Operations Downstream	■	▲	Senior Management Customers	2.5 Circular Economy
		Risk	**Technology and Implementation Risk:** The implementation of the circular economy may face technical bottlenecks or difficulties in resource acquisition, leading to increased initial investment or decreased production efficiency, affecting the project's economic benefits and sustainable development.	Corporate Operations	■	▲	Senior Management	
		Positive Impact	**Potential Positive:** By promoting the circular economy model, Hithium can significantly improve resource utilisation efficiency and reduce waste emissions, thereby effectively reducing pressure on the environment, further enhancing the Company's sustainable development capabilities, and setting a benchmark for green development in the industry.	Upstream Corporate Operations Downstream	■	▲	Suppliers Senior Management Customers Partners	

Time Horizon ■ Short-term ■ Medium-term ■ Long-term Scale of Impact ▲ Low ▲ Medium ▲ High

Pillar	Issue	Dimension	Impact Pathway Description	Value Chain	Time Horizon	Scale of Impact	Affected Stakeholders	Hithium Response Section
Social	Product Quality and Safety	Opportunity	**Market Opportunity:** Improving product quality and safety can enhance customer loyalty, drive sales growth.	Corporate Operations Downstream	■	▲	Senior Management Frontline Employees Customers	5.1 Product Quality and Safety
		Risk	**Reputation Risk:** Product quality issues may lead to a decline in customer trust, damage brand reputation, and affect market share.	Corporate Operations	■	▲	Senior Management Frontline Employees Customers	
		Positive Impact	**Potential Positive:** Building a quality management system covering the entire process from production preparation to shipment achieves full-process monitoring of issues and control of key nodes. It values the needs of various stakeholders, helps achieve policy goals such as "Made in China 2025," reflects corporate social responsibility, and has a potential positive impact.	Upstream Corporate Operations Downstream	■	▲	Suppliers Senior Management Frontline Employees Customers Partners	
		Negative Impact	**Potential Negative:** If the Company lacks in quality culture construction, it may easily cause quality goals to fail to land, resulting in delivered products falling short of expectations.	Corporate Operations Downstream	■	▲	Senior Management Frontline Employees Customers	
Social	R&D Innovation	Opportunity	**Market Opportunity:** Entering new markets or opening up new business fields through innovation can enhance the Company's market competitiveness within the industry.	Corporate Operations Downstream	■ ■	▲	Senior Management Frontline Employees Customers	7.3 R&D Innovation and Intellectual Property Protection
		Risk	**Technology Risk:** Slow progress or failure in technology R&D may lead to wasted R&D investment, affecting the Company's future market share and revenue expectations.	Corporate Operations Downstream	■	▲	Senior Management Customers	
		Positive Impact	**Potential Positive:** Through continuous R&D and innovation, Hithium can continuously improve its technical strength and product performance, thereby occupying a leading position in the energy storage market, while promoting technological progress and sustainable development in the industry.	Corporate Operations Downstream	■	▲	Senior Management Customers	
		Negative Impact	**Potential Negative:** If Hithium over-invests in R&D and innovation while neglecting market demand or technical feasibility, it may lead to resource waste, increased financial pressure, and risks of technology failure, affecting the Company's short-term profitability and long-term development.	Corporate Operations	■	▲	Investors Senior Management	
Social	Sustainable Supply Chain	Opportunity	**Market Opportunity:** Improving supply chain sustainability can enhance brand image and attract more consumers and investors.	Upstream Corporate Operations	■	▲	Investors Suppliers Senior Management	3.1 Sustainable Supply Chain
		Risk	**Market Risk:** Environmental or social responsibility issues in the supply chain may lead to supply chain disruptions and increased costs.	Upstream Corporate Operations	■	▲	Suppliers Senior Management	
		Positive Impact	**Potential Positive:** The Company actively carries out supply chain ESG due diligence and will continue to improve the level of sustainable supply chain development in the future.	Upstream Corporate Operations	■	▲	Suppliers Senior Management	

Time Horizon ■ Short-term ■ Medium-term ■ Long-term Scale of Impact ▲ Low ▲ Medium ▲ High

Pillar	Issue	Dimension	Impact Pathway Description	Value Chain	Time Horizon	Scale of Impact	Affected Stakeholders	Hithium Response Section
Social	Occupational Health and Safety	Opportunity	**Talent Attraction Opportunity:** A good occupational health and safety environment can attract more excellent talents, reduce employee turnover, improve team stability, and provide a solid talent foundation for the Company's sustainable development.	Corporate Operations	■	▲	Senior Management Frontline Employees	4.3 Occupational Health and Safety
		Risk	**Compliance Risk:** Failure to strictly comply with national occupational health and safety regulations may result in legal consequences such as fines and production suspension for rectification, affecting the Company's normal operations.	Corporate Operations	■	▲	Senior Management Frontline Employees Government & Regulators	
		Negative Impact	**Potential Negative:** If Hithium fails to effectively manage occupational health and safety issues, it may lead to employees being exposed to harmful environments for a long time, triggering chronic health problems, increasing corporate medical expenses, and affecting employee work efficiency and mental health, ultimately weakening the Company's productivity and competitiveness.	Corporate Operations	■	▲	Senior Management Frontline Employees	
Governance	Corporate Governance	Opportunity	**Optimise Decision-making Efficiency:** A sound corporate governance structure can ensure the efficient operation of the board of directors and management, improve the scientific nature and transparency of decision-making, and help the Company seize market opportunities in the rapidly developing energy storage industry.	Corporate Operations	■	▲	Senior Management	7.1 Corporate Governance
		Risk	**Imperfect Governance Structure:** If the corporate governance structure is unreasonable, such as insufficient independence of the board of directors or lack of power check and balance mechanisms, it may lead to decision-making errors or internal corruption, affecting the Company's stable development.	Corporate Operations	■	▲	Senior Management	
		Positive Impact	**Potential Positive:** The Company plans to continuously improve its governance architecture over the next two years, strengthen management effectiveness, enhance transparency and compliance levels, and better respond to the concerns of the government and regulators.	Corporate Operations	■	▲	Senior Management Government & Regulators	
		Negative Impact	**Potential Negative:** If the Company fails to comply with relevant laws and regulations (such as anti-corruption laws, securities laws, etc.), it may face fines, lawsuits, or other legal consequences, causing negative impacts on corporate reputation and operations.	Corporate Operations	■	▲	Senior Management Government & Regulators	
Social	Customer Service	Positive Impact	**Actual Positive:** The Company has built a sound after-sales service system and obtained certification certificates this year to provide customers with high-quality service experiences. In the future, the Company plans to continuously improve customer satisfaction.	Corporate Operations Downstream	■	▲	Senior Management Customers	5.2 Customer Service
		Negative Impact	**Potential Negative:** If Hithium fails to effectively meet customer needs or solve customer problems, it may lead to a decline in customer satisfaction, trigger customer complaints or even churn, thereby damaging corporate reputation and affecting market share and long-term development.	Corporate Operations Downstream	■	▲	Senior Management Customers	
Social	Industry Cooperation and Low-Carbon Investment	Positive Impact	**Potential Positive:** By carrying out industry cooperation with industry partners and making low-carbon investments, Hithium can promote the innovation and popularization of energy storage technology, aid the green transition of the energy industry, and simultaneously enhance its own brand image and market competitiveness in the field of sustainable development.	Upstream Corporate Operations Downstream	■ ■ ■	▲	Suppliers Senior Management Customers Industry Partners	3.2 Industrial Cooperation and Low-Carbon Investment

Time Horizon ■ Short-term ■ Medium-term ■ Long-term Scale of Impact ▲ Low ▲ Medium ▲ High

02

Green Innovation

As sustainable development becomes a global imperative, environmental protection has become a core component of corporate responsibility. Hithium upholds the sustainable development philosophy and actively builds a systematic environmental management system to promote green and low-carbon operations. The Company advances climate action initiatives and works to reduce the carbon footprint of both its operations and value chain. At the same time, the Company is committed to developing green products, advancing circular economy practices, and working together with stakeholders to address global environmental challenges and jointly create a green and sustainable future.

Key Data[10]

Greenhouse gas emissions from owned operations (Scope 1 + Scope 2) **441,320.52 tCO_2e**	Scope 3 greenhouse gas emissions **4,052,093.47 tCO_2e**	Total water consumption **1.78 million m^3**	NO_x emissions **23.41 tonnes**
SO_x emissions **3.09 tonnes**	Particulate matter (PM) emissions **1.90 tonnes**	Total energy consumption **1,725.43 GWh**	Number of energy saving and emission reduction projects implemented **100+ cases**

[10] As the U.S. manufacturing base commenced production in the second half of 2025, it was not considered within the scope of this performance assessment.

Chapter Case

Hithium Chongqing Base Inducted into Global Lighthouse Network as a Lighthouse Factory, Setting a Benchmark for Intelligent and Green Low-Carbon Energy Storage Manufacturing

In January 2026, Hithium Chongqing Base was successfully selected for the Global Lighthouse Factory Network, becoming the world's only Lighthouse Factory dedicated to energy storage batteries. As the world's first mass-production base for kiloampere-hour (kAh) scale long-duration energy storage (LDES) dedicated batteries, its breakthroughs in intelligent manufacturing and digital transformation have established a new benchmark for high-quality development in the global energy storage industry.

Hithium Chongqing Base

The Global Lighthouse Network is a key initiative launched by the World Economic Forum (WEF), which aims to identify and promote best practices in the digital and intelligent transformation of global industries. It currently covers more than 30 countries and over 40 industries, with a total of more than 220 members worldwide. The Lighthouse Factory selection conducts a comprehensive assessment across five core dimensions: production efficiency, supply chain resilience, sustainable development, customer centricity, and talent development, and the awarded factories represent the highest level of digital and intelligent development in the global manufacturing industry. Previously, a number of world-leading battery manufacturers have received this honour.As one of the 23 newly selected bases worldwide, the successful recognition of the Chongqing Base fills the gap in the energy storage battery sector within this system, marking that China's energy storage battery manufacturing is accelerating toward an AI-driven comprehensive transformation, and promoting intelligent upgrading and green and low-carbon development.

It currently covers countries
30+

industries
40+

with a total of more than
220
members worldwide

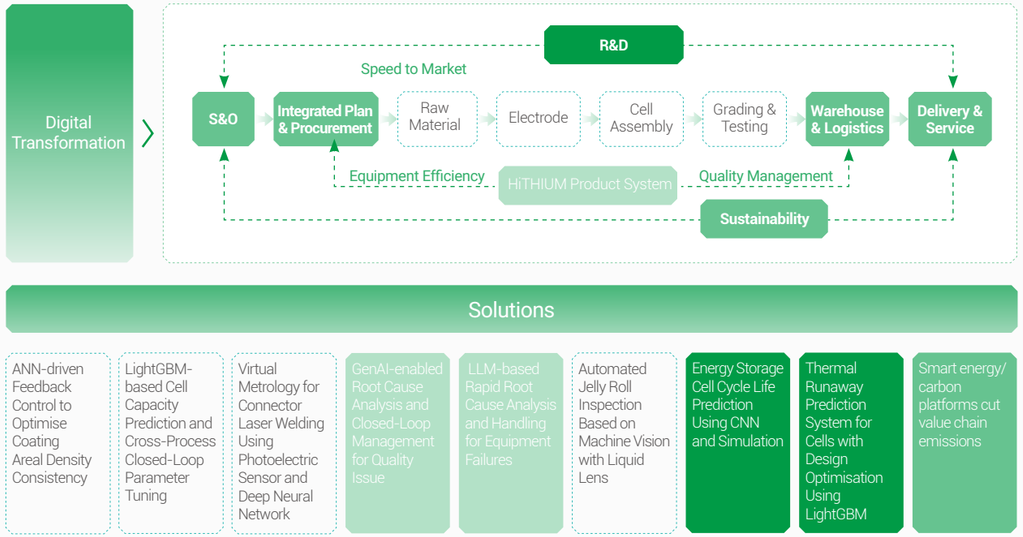
Five Lighthouse Factory Evaluation Dimensions

Leveraging the demonstration role of a Lighthouse Factory, the base is guided by industry-leading intelligent manufacturing and digitalisation practices. The base continues to build competitive advantages in key areas including safety, product consistency, cycle life, and production efficiency. Through systematic digital and intelligent upgrades, the base has achieved highly coordinated and refined production management, significantly improving product quality stability, overall equipment efficiency, and capacity utilisation. It has gradually established a manufacturing system characterised by leading quality, leading automation, and leading digitalisation.On this basis, the base effectively addresses the energy storage sector's stringent requirements for high product consistency, rapidly growing market demand, and downward price pressures. It has significantly improved the share of high-end products, operational efficiency, and overall output capability, enabling high-quality, large-scale product delivery.

Intelligent End-to-End Operations Enable Efficiency Improvements

To support high-quality and low-carbon development, the base has deployed more than 40 digital solutions, deeply embedding cutting-edge technologies such as generative artificial intelligence (GenAI), machine learning, and the Artificial Intelligence of Things (AIoT) into key stages of production and operations. This has enabled the establishment of an end-to-end intelligent management and control system covering R&D and design, material selection, manufacturing, quality control, and finished product inspection.Through data integration and algorithm-driven operations, the system enables real-time perception, dynamic decision-making, and continuous optimisation throughout the production process, significantly enhancing manufacturing stability and operational efficiency. At the same time, the base has implemented intelligent energy and carbon management platforms across the entire production process to conduct refined monitoring and analysis of energy consumption and value chain carbon emissions, promoting the coordinated implementation of energy efficiency optimisation and emissions reduction measures. This approach improves production efficiency while effectively reducing environmental impact.

The End-to-end Intelligent Management and Control System at the Chongqing Base



Supporting the Development of Low-Carbon Factories

While advancing intelligent manufacturing upgrades, the base simultaneously integrates green and low-carbon philosophy throughout its operational management. The base has reviewed the operational conditions of existing production facilities and established several energy-saving retrofit task forces led by the manufacturing department. These teams focus on key areas including energy structure, equipment energy efficiency and operational modes, identify opportunities for energy optimisation, explore various energy-saving retrofit initiatives, and introduce energy-efficient technologies and management measures to steadily improve factory energy efficiency and environmental performance.

Energy Efficiency Improvement Project of Exhaust Gas Waste Heat Recovery System

Background

The existing VOC organic exhaust gas treatment system at the Chongqing base uses electric heating for activated carbon desorption. The desorption process operates continuously 24 hours per day and consumes approximately 1,080 kWh of electricity daily, resulting in relatively high electricity costs and energy consumption. At the same time, the RTO exhaust gas treatment system generates high-temperature exhaust gas (approximately 70°C–100°C) during operation, which is directly discharged through the chimney, with the waste heat not recycled and utilised, resulting in obvious energy waste, and the energy efficiency of the overall system needs to be improved.

Solution

The Company implemented air duct system retrofits and automated control to recover waste heat from RTO exhaust gas, which is then utilised in the VOC activated carbon desorption process, reducing or even replacing the original electric heating method and thereby lowering energy consumption at the source. During project implementation, in response to the risk that excessive RTO exhaust temperatures (≥120°C) could ignite activated carbon, multiple safety control measures were adopted. These include the installation of make-up cooling fans and flame arresters, the configuration of dual temperature probes for redundant monitoring, and the retention of the nitrogen protection and fire sprinkler functions of the activated carbon tanks in the original VOC system. In addition, the newly installed waste heat recovery system has been integrated into the FMCS (Factory Manufacturing Control System) platform for real-time monitoring, ensuring the safe and stable operation of the system.

Real-time Monitoring and Alarm Functions through the FMCS System

Following the retrofit, the VOC system's average daily electricity consumption is expected to decrease by approximately 1,000 kWh, resulting in annual electricity cost savings of about CNY 210,000. At the same time, the average daily natural gas consumption of the RTO system is expected to decline by approximately 20 cubic meters, which—under equivalent operating conditions—translates into annual natural gas cost savings of about CNY 18,000[11]. Overall, the project delivers significant energy savings, cost reductions, and emissions reduction benefits. Building on the experience gained from this retrofit, the Company will prioritise integrating RTO waste heat recovery directly into VOC desorption processes during the planning stage of future projects, eliminating the need for electric heating configurations. This approach will further reduce initial equipment investment and enhance the overall low-carbon performance of the system.

By advancing a series of energy-saving retrofit initiatives, the base has improved the energy utilisation efficiency of its production facilities while reducing operational costs and carbon emission intensity. Through these practical efforts, the Company continues to strengthen its low-carbon manufacturing capabilities, achieving the coordinated enhancement of environmental performance and long-term sustainable development.

Looking ahead, Hithium will continue to give full play to the demonstration and leading role of the Lighthouse Factory in intelligent R&D, intelligent manufacturing, and the development of a green supply chain network. The Company will further enhance the level of intelligent and digital energy storage manufacturing. As a leading enterprise within the industry chain, Hithium will also promote digital and green upgrades across upstream and downstream industrial chains, advancing low-carbon innovation across the entire value chain and contributing Chinese solutions to the global transition toward green and sustainable energy systems.

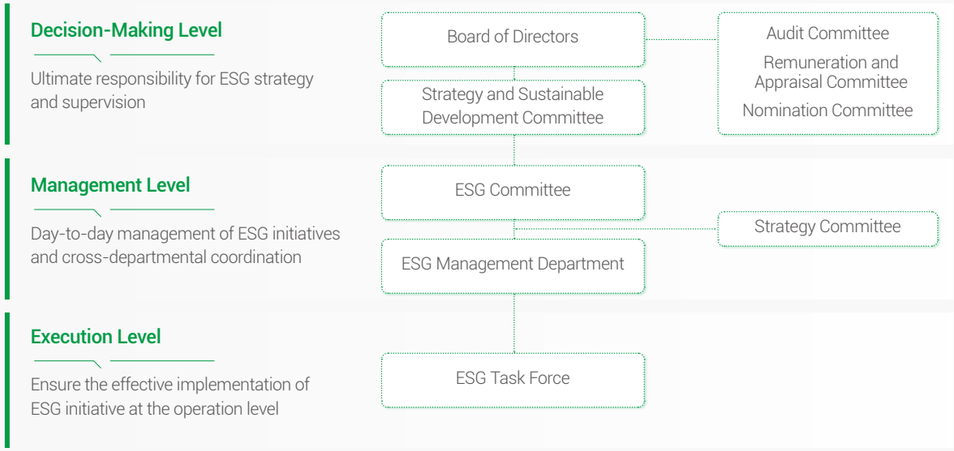
[11] The calculations are based on equipment operating 360 days per year, with electricity priced at CNY 0.55/kWh and natural gas priced at CNY 2.5/m³.

2.1 Climate Change Response

Addressing climate change has become central to corporate sustainable development. Hithium actively aligns with China's "Dual Carbon" Goals and the *Paris Agreement*. Based on the Task Force on Climate-related Financial Disclosures (TCFD) framework, the Company systematically advances climate action initiatives. By identifying climate-related risks and opportunities and integrating them with its business characteristics, Hithium formulates response strategies to optimise operations and enhance value chain resilience while promoting green development.

Climate and Nature Governance

Hithium regards climate change, green and low-carbon transformation, and natural resources protection as core corporate responsibilities. Leveraging its comprehensive ESG governance framework, the Company has established a systematic governance mechanism for climate- and nature-related issues. Climate change considerations are fully embedded within the Company's sustainable management framework, forming a three-tier governance structure covering the decision-making level, management level, and execution level. This top-down governance structure enables coordinated management and continuous improvement in environmental and ecological protection.



The Board of Directors, as the highest governance body for climate- and nature-related matters, is responsible for deciding on the establishment and improvement of the Company's climate and nature governance framework; deciding on and inspecting climate- and nature-related management matters and outcomes; and planning the blueprint of sustainable development guidelines and the formulation of strategic objectives. Based on the Company's sustainability strategy, the Board establishes relevant performance indicators and supervises and assesses the implementation progress.

In addition, the Board authorises the Strategy and Sustainable Development Committee to study and provide recommendations on the Company's sustainability strategy, objectives, and ESG policy matters. The Committee oversees the implementation of sustainability measures and assists the Board in decision-making and oversight on climate- and nature-related matters. It is also responsible for developing practical performance indicators, assessment, reward and punishment mechanisms, and drafting the Company's climate- and nature-related management policies. Furthermore, the Committee supervises the identification, assessment, and management of climate- and nature-related impacts, risks, and opportunities, and oversees the disclosure of carbon emissions data.

To further strengthen the Board's oversight and governance capabilities in relation to climate- and nature-related issues, members of the Board and its committees regularly participate in specialised training programmes focussing on key issues such as climate change and nature-related risks. Through continuously enhancing their professional knowledge and understanding and judgment capabilities of cutting-edge trends, the Board can systematically identify climate- and nature-related risks and opportunities and provide management with clear and resilient strategic guidance.

Climate and Nature Strategy

As part of its sustainability strategy, the Company has established "Green Innovation" as one of its six core sustainable development strategies, embedding climate action, environmental management, and efficient resource use into its business development pathway. The Company prioritises greenhouse gas emission reduction, continuously strengthening efforts across the energy storage ecosystem. Through technological and business model innovation, Hithium promotes product-level decarbonisation while strengthening its internal green and low-carbon management practices. At the same time, the Company actively collaborates with high-quality suppliers to promote low-carbon development across upstream and downstream industrial chains, contributing to the development of a greener and more sustainable industrial ecosystem.

To ensure effective implementation of these strategies and initiatives, the ESG Management Department, acting as the secretariat of the ESG Committee, works with the decision-making level and various specialised committees to advance strategic deployment and annual target implementation. Benchmarking against internationally recognised disclosure frameworks such as Task Force on Nature-related Financial Disclosures (TNFD) and TCFD, the Company systematically formulates and decomposes climate- and nature-related action plans. These tasks are assigned to ESG Task Forces, which implement initiatives within their respective areas of responsibility, coordinate resources, manage relevant data, and regularly report progress to management.

Among these task forces, the Carbon Inventory Task Force serves as a key working group supporting climate- and nature-related initiatives. It is responsible for systematically identifying and managing carbon emissions and nature-related risks and opportunities across the value chain. The task force also continuously develops and improves the Company's carbon and natural resource data management platform, focussing on resource consumption closely related to carbon emissions and potential impacts on biodiversity. This provides essential data support and decision-making foundations for exploring nature-based solutions, as well as identifying supply chain dependencies and impacts on nature.

Based on the above governance framework and division of responsibilities, The Company carries out the identification, assessment and management of climate- and nature-related risks and opportunities in an orderly manner in accordance with the following processes, and continuously improves the systematic management capacity of relevant issues.

Management Process of Climate and Nature Risks and Opportunities

Collection	▪ Management and the execution level identify climate- and nature-related risks and opportunities relevant to the Company through industry research reports, peer exchanges, and other information sources.
Assessment	▪ Based on the identified risks and opportunities, management and the execution level determine the key risks and opportunities to be prioritized at different stages through cross-departmental communication.
Materiality Identification	▪ The decision-making level and management prioritize the identified key risks and opportunities based on factors such as potential impact and likelihood of occurrence.
Analysis & Response	▪ Based on response measures proposed by management, the decision-making level conducts analysis and determines phased response strategies, while management and the execution level are responsible for implementing specific actions.

During the actual implementation process, the ESG Management Department, together with relevant functional departments, regularly conducts specialised assessments of climate- and nature-related risks. The results of these assessments are incorporated into the Company's overall risk map and serve as an important basis for developing risk response measures and allocating management resources.

Climate and Nature Risk Management

Hithium's business operations and value chain are closely interconnected with natural ecosystems, with mutual interactions and influences between them. Changes in natural environmental conditions may have significant impacts on the Company's operational performance and long-term development. Hithium remains committed to strengthening its ability to identify and manage climate-related risks and opportunities. By establishing a systematic assessment framework, the Company integrates climate- and nature-related risks into its overall enterprise risk management process, enabling continuous management of related impacts.

Climate Risk and Opportunity Assessment

With reference to internationally recognised 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), the Company has revised its internal risk management policies to explicitly classify climate-related risks—including rising investment costs, increasing demand for low-carbon products and services, supply and production disruptions or rising costs caused by natural disasters—as well as nature-related risks such as biodiversity risks, as an independent category of material risk. These risks are deeply embedded throughout the entire risk management process, including risk identification, assessment, response, and monitoring.

In assessing climate- and nature-related risks and opportunities, the Company defines impact time horizons as short-term (within 3 years), medium-term (3–10 years), and long-term (10 years and above), and evaluates the potential impacts across different stages of the supply chain.

Potential Impact

Risk/Opportunity Type		Description	Specific Impact	Risk/Opportunity Level	Impact Timeline	Value Chain Link	Financial Impact
Physical Risks	Acute Risks	Increased probability of extreme weather events such as typhoons, floods, heatwaves, and wildfires.	**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 labour shortage risks.	●	■ ■	Operations	Increased costs
			Increased supply chain vulnerability: Regional disasters may disrupt local supplier production (e.g., battery component shortages) or paralyse 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 Risks	The gradual impact of long-term temperature rise, humidity changes and sea level rise on production efficiency and product performance	**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 optimised for climate adaptability (e.g., insufficient heat dissipation), products may lose competitiveness in emerging markets (e.g., Southeast Asia, Middle East).	●	■	Sales / Operations	Reduced revenue
			Rising operating costs due to multiple factors: To cope with sustained high temperatures, significant investments in cooling facilities (such as industrial air-conditioning systems and cooling towers) and increased energy consumption may be required. Labour management measures—such as heat allowances and flexible work arrangements—may also increase labour costs. In addition, due to geographic factors, manufacturing facilities located in low-lying coastal areas may face certain flood risks during extreme weather events. Damage to buildings and equipment could lead to substantial repair costs and possible production interruptions.	●	■	Operations	Increased costs
Transition Risks	Policy Risks	Carbon tariffs in international trade (e.g., *EU New Battery Regulation*, U.S. *Inflation Reduction Act*) and restrictive measures on high-carbon-footprint products.	**Increased export difficulty:** If the energy storage product's lifecycle carbon intensity exceeds the threshold set by the importing country (e.g., E*U New Battery Regulation*), it raises the entry barriers.	●	■ ■	Sales / Operations	Reduced revenue
			Increased investment costs: Products sold to the EU must meet stricter requirements regarding carbon footprint, battery passports, battery recycling, etc., resulting in higher investment costs. As global and major market regulations on carbon emissions become increasingly stringent, policies continue to drive production technologies toward higher efficiency, lower energy consumption, and lower environmental impact. This requires continuous investment in R&D to develop environmentally friendly technologies or to identify more sustainable raw material supply chains.	●	■ ■	Operations	Increased costs

Risk/Opportunity Level ● Low ● Medium ● High Impact Timeline ■ Short-term ■ Medium-term ■ Long-term

Potential Impact							
Risk/Opportunity Type		Description	Specific Impact	Risk/Opportunity Level	Impact Timeline	Value Chain Link	Financial Impact
Transition Risks	Policy Risks	Mandatory requirements for corporate compliance disclosures and transparency of supply chain carbon emissions under HKEX ESG disclosure rules (HKEX *Environmental, Social and Governance Reporting Code*)	**Higher compliance costs:** Failure to comply with regulatory disclosure requirements will result in negative feedback from regulatory authorities.	●	■ ■	Operations	Increased costs
		Strengthened carbon management standards for the full lifecycle of energy storage systems in various countries (e.g., China *New Energy Storage Project Management Standards* requirements for LCA)	**Rising costs of technological retrofitting and erosion of market share:** The adoption of low-carbon production processes—such as green electricity-based hydrogen production in cathode material sintering—entails substantial capital expenditure for capacity retrofitting. In addition, failure to comply with emerging standards may result in existing products being classified as "non-green", leading to a loss of market share to lower-carbon competing alternatives.	●	■ ■	Operations	Increased costs
	Technology Risks	Competitive disadvantages due to delayed R&D or failure of low-carbon technologies; increased cost of low-carbon investments	**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.	●	■ ■ ■	Operations	Reduced revenue, increased costs
			Increased costs: The surge in demand for new low-carbon transformation technologies significantly increases investment costs.	●	■ ■ ■	Operations	Reduced revenue, increased costs
	Market Risks	Slowed growth in the global energy storage market (e.g., reduction in subsidies in Europe and the US) combined with concentrate domestic capacity release, leading to a "scissors gap" and potential price competition in the industry	**Product impairment risk:** Declining product prices without corresponding reductions in fixed costs may compress profit margins per unit.	●	■ ■	Sales / Operations	Reduced revenue
			Deteriorating price competition: Price competition from second-tier manufacturers may lead to a drop in industry average prices, compressing product gross margins.	●	■ ■	Sales / Operations	Reduced revenue
	Reputational Risks	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	**Reputational damage:** If ESG ratings are downgraded by rating agencies, the Company may face higher financing costs, negative impacts on brand value, and weakened confidence among investors and customers, ultimately affecting the Company's long-term value.	●	■ ■	Operations	Reduced revenue, increased costs
Transition Opportunities	Policy and legal opportunities	Support from international/national policies for the new energy sector	International and national policies, across four key dimensions—market demand stimulation, support for technological R&D, facilitation of capacity expansion, and global collaboration—create opportunities for Hithium Energy Storage in terms of technology commercialisation, cost optimisation, and market share expansion. **Expansion of market demand driven by the "dual carbon" goals and new energy storage policies:** The National Development and Reform Commission issued the *Special Action Plan for the Large-scale Development of New Energy Storage (2025–2027)* in 2025, marking China's transition towards a new phase of "scale-up, marketisation, and industrialisation" in the development of new energy storage. In addition, local policies—such as the notice issued by the Jiangsu Provincial Development and Reform Commission on accelerating the high-quality development of new energy storage projects—explicitly support technological advancement, call for a higher share of renewable power generation, and strengthen the role of energy storage in maintaining grid stability. **Acceleration of sodium-ion battery commercialisation through policy support:** The Central Committee's recommendations for the 15th Five-Year Plan emphasise a continued increase in the share of renewable energy supply and, for the first time, explicitly promote a "multi-energy complementary approach" integrating wind, solar, hydro, and nuclear power. Addressing renewable energy curtailment has become a top priority. Meanwhile, multiple local governments are facilitating the deployment of sodium-ion battery technologies through financial subsidies and pilot demonstration projects. **Local government investment promotion and industrial chain support:** Regional authorities are attracting new energy enterprises through preferential land policies and streamlined administrative approval processes, thereby supporting industrial cluster development and capacity expansion. **International policy frameworks expanding global opportunities:** The European Union, through the revised *Renewable Energy Directive* (EU) 2018/2001 (recast), has raised the target share of renewable energy within its overall energy mix, further broadening the global market space for energy storage technologies.	●	■ ■ ■	Operations	Increased revenue, increased assets
	Product and service opportunities	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 power, 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.	●	■ ■	Sales / Operations	Increased revenue
		Protection of intellectual property	Accumulating and protecting intellectual property is an important strategic means for companies to build technological barriers, enhance market competitiveness, and achieve sustainable profits.	●	■ ■ ■	R&D / Production / Marketing	Increased revenue, increased assets
		Industrial cooperation and low-carbon investments	By strengthening collaboration in low-carbon technologies and industrial ecosystems, companies can effectively integrate advantageous resources, share R&D and production costs, and significantly improve operational efficiency, ultimately translating into enhanced profitability.	●	■ ■ ■	Marketing / Sales / R&D Innovation	Increased revenue
		R&D innovation	Through technological innovation and market expansion, companies can enter emerging markets or expand into new business areas, thereby establishing significant competitive advantages.	●	■ ■	R&D innovation	Increased revenue

Risk/Opportunity Level ● Low ● Medium ● High Impact Timeline ■ Short-term ■ Medium-term ■ Long-term

Climate Scenario Analysis[12]

To quantify the potential impacts of climate-related risks and opportunities on its business under different climate scenarios, Hithium conducts systematic climate scenario analysis. Based on the scenario framework provided by the Network for Greening the Financial System (NGFS), the Company selected three representative concentration pathways—RCP2.6, RCP4.5, and RCP8.5—to assess the potential operational and financial impacts of physical risks. In addition, the Company applies the NGFS stress-testing model to evaluate the financial risks associated with carbon pricing differences under four policy pathways between 2024 and 2050, including the 2050 Net-zero Emission scenario and the 2°C scenario. This analysis enables the Company to assess its capacity to respond to climate transition risks.

Physical Risk Assessment

Based on the NGFS climate risk assessment model, and taking into account key factors such as the intensifying effects of climate change, historical natural disaster data, asset exposure characteristics, and vulnerability parameters, the Company conducted a systematic quantitative analysis of physical risks under different climate scenarios. The assessment scope covers Hithium's Xiamen and Chongqing manufacturing bases and the Shenzhen Research Institute. Using 2015 as the base year, projections were conducted through 2060 to estimate the potential annual relative asset losses under various natural hazard scenarios, including flooding, typhoons, extreme heat, sea-level rise, earthquakes, and wildfires.

Climate scenario simulations indicate that as climate change intensifies, flood-related physical risks show an increasing trend, with potential losses rising under different RCP scenarios. In addition, the Shenzhen Research Institute, due to its coastal location, geographic conditions, and climate characteristics, is more susceptible to extreme weather events. The area experiences a relatively high frequency of short-duration heavy rainfall and may face compound disaster risks. For example, typhoon events may occur simultaneously with storm surges and urban flooding, while prolonged high temperatures and periodic drought conditions may increase the probability of forest fires, further amplifying the potential scale of asset damage. Based on these findings, the Company identifies this region as a priority focus for physical risk management and plans to implement targeted adaptation and mitigation measures to continuously reduce its exposure to such risks.

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 Wildfires 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 Base															
Xiamen Base															
Shenzhen Research Institute															

Note: Daker shading of the blocks indicates a higher risk of asset loss to the Company under the given scenario.

[12] As the U.S. manufacturing base commenced production in the second half of 2025, the quantitative risk assessment in this climate scenario analysis does not include data related to this base.

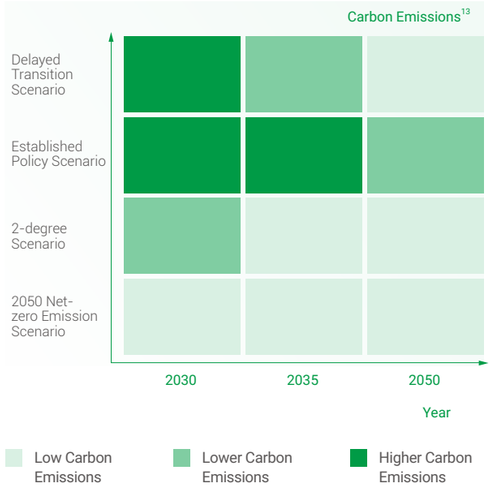
Transition Risk Assessment

To evaluate the potential long-term financial impacts of climate change on the Company, we focus on analysing potential financial pressures arising from low-carbon policies, technological innovation, and market transitions. By developing a forward-looking quantitative model, the Company estimates future carbon emission trends, emission reduction investment costs, and associated financial risks, transforming abstract transition risks into measurable economic indicators. This approach enables the Company to better understand its climate-related financial exposure and provides reliable data support for strategic planning, risk management, and capital allocation decisions.

Carbon Emission Forecast

Taking into account the Company's strategic positioning in the energy storage sector and its operational characteristics, as well as key assumptions including capacity expansion of energy storage equipment, optimisation of the energy mix, electrification of production processes, and improvements in operational efficiency, Hithium projects a declining trend in carbon emissions across all four NGFS macro scenarios. Under orderly transition pathways, the Company's emission reduction intensity increases as policy constraints become more stringent, with the most significant reductions occurring under the 2050 Net-zero Emission. Under disorderly transition pathways, due to uneven policy and market responses, emission reduction pressure is expected to intensify significantly after 2030, prompting companies to accelerate decarbonisation efforts to meet increasingly stringent low-carbon requirements.

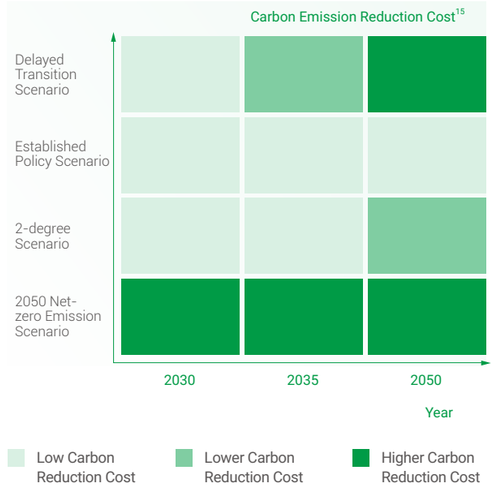
NGFS Climate Scenario



Carbon Emission Reduction Cost Forecast[14]

Analysis shows that under different climate policy scenarios, the economic resources required to achieve emission reduction targets vary significantly. The cost of carbon abatement is highly dependent on the transition pathway chosen and the pace of implementation. Under orderly transition pathways, the 2050 Net-zero Emission scenario imposes the most stringent emission reduction constraints, leading to higher levels of required investment and cost increases. Under delayed transition pathways, if companies take insufficient action during the early stages of the transition, the accumulated emission reduction demand and rapid increases in carbon prices after 2030 may lead to a sharp surge in abatement costs, which could significantly impact financial and operational performance.

NGFS Climate Scenario



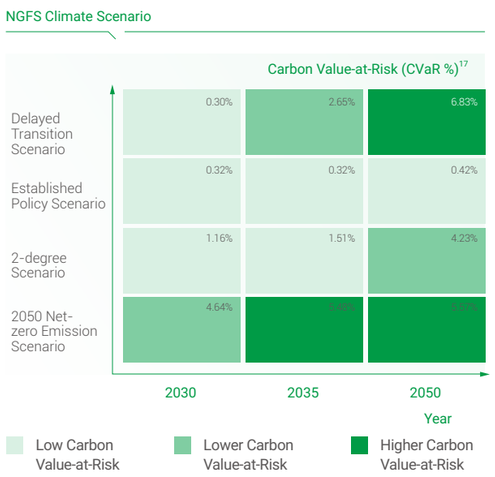
[13] Carbon Emission Range: Low emissions (<1.5 million tonnes), relatively low emissions (1.5–3.5 million tonnes), and relatively high emissions (>3.5 million tonnes).

[14] The Company's carbon abatement cost = emission reduction volume × carbon price. The carbon price is based on the REMIND model from the NGFS Phase V dataset.

[15] Carbon Abatement Cost Range: Low abatement cost (<CNY 1,000 million), relatively low abatement cost (CNY 1,000–1,500 million), and relatively high abatement cost (>CNY 1,500 million).

Carbon Value-at-Risk (CVaR) Forecast[16]

We use Carbon Value-at-Risk (CVaR) to measure the level of extreme carbon cost risks that may arise under adverse climate policy scenarios. Assessment results indicate that as climate policies become more stringent, the carbon cost risks faced by the Company increase significantly. Under orderly transition pathways, the CVaR under the 2050 Net-zero Emission scenario is projected to reach 5.57%. Although higher than in other scenarios, the overall risk trajectory remains relatively stable and within a controllable range. Under disorderly transition pathways, where climate action is delayed, CVaR is expected to increase sharply after 2030, rising rapidly from 0.30% to 6.83% by 2050, indicating a concentrated release of risk over a relatively short period. However, given the Company's strong financial resilience and risk tolerance, as well as the establishment of foundational support systems capable of adapting to different transition pathways and policy environments, the overall risk level remains relatively manageable even under the most stringent climate policy constraints.



Transition Opportunities

In the assessment of transition opportunities, The Company introduces the climate scenario framework provided by NGFS, combined with the macro environment of the continuous advancement of low-carbon process, selects the 2050 Net-zero Emission and the Established Policy scenarios for analysis, and evaluates the long-term impact and potential opportunities faced by the power energy storage business under the background of energy transition.

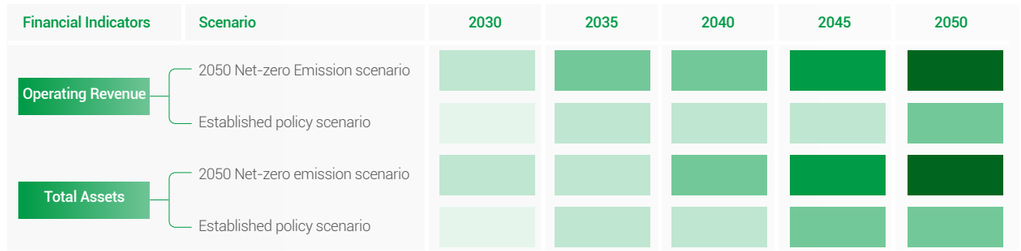
Under the 2050 Net-zero emission scenario:

The global energy system is accelerating toward a highly electrified structure dominated by renewable energy. Scenario assumptions indicate that the global end-use electrification rate could increase to around 70%, while the combined share of wind and solar power generation may exceed 60%. As a result, demand for flexible resources within power systems is expected to rise significantly. Against this backdrop, global energy storage capacity is projected to exceed 2,500 GWh. Among emerging technologies, long-duration energy storage and flow batteries are expected to command higher market premiums due to their advantages in system flexibility and safety performance. Based on these scenario assumptions and industry development trends, Hithium's related businesses are expected to maintain strong growth potential under this scenario, with a projected compound annual growth rate (CAGR) of over 10%.

Under the above scenario, policy support and technological innovation reinforce each other, accelerating the large-scale deployment of emerging energy storage technologies and significantly increasing the pace of industry innovation. By contrast, under the established policy scenario, progress in the energy transition remains limited, with the electrification rate increasing by only about 30%. Energy storage demand grows at a moderate pace, conventional technology pathways continue to dominate, and market competition primarily focuses on cost control and scale efficiency, resulting in more constrained profitability. These differences indicate that as decarbonisation efforts intensify, the power storage industry is shifting from a model focused primarily on installed capacity expansion toward one centered on technological performance and system value. This transition provides important insights for companies in selecting technology pathways, planning capacity deployment, and making strategic decisions.

[16] Corporate CVaR = Corporate Carbon Abatement Cost / Enterprise Value; Enterprise Value = (Total Assets + Liabilities) – Cash and Cash Equivalents.

[17] Carbon Value-at-Risk (CVaR) Range: Low (<2%), relatively low (2%–4%), and relatively high (>4%).



Note: Darker shading of the blocks indicates larger operating revenue and total asset scale of the Company under the given scenario.

Climate Metrics and Targets

To accelerate progress toward carbon neutrality, Hithium has established near-term carbon reduction targets, which were validated by the Science Based Targets initiative (SBTi) in March 2025. The Company commits to reducing greenhouse gas emissions from its own operations (Scope 1 + Scope 2) by 58.8% by 2034 compared with the 2023 baseline. Climate and nature considerations have been deeply integrated into the Company's strategic decision-making and performance management processes. Through measures such as energy efficiency improvements, green product optimisation, low-carbon technology adoption, and green supply chain collaboration, the Company continuously reduces the negative impacts of its business operations on climate change. At the same time, the Company provides detailed disclosure of the implementation progress of climate-related key indicators and progress against targets.

Climate-related Targets

Strategic Issues	Indicator	Target			2024 Progress and Achievement	2025 Progress and Achievement
		2025	2028	2037		
Climate Change Response	Greenhouse gas emissions from own operations (Scope 1 + Scope 2) (tCO_2e)	Achieve a 58.80% reduction in Scope 1 and 2 operational greenhouse gas emissions from 2023 levels by 2034			10.35% reduction from 2023	**38.95% GHG emissions intensity reduction from 2023**
	Coverage rate of emergency response plans for climate risks (%)	100%	100%	100%	100%	**100%**
	Coverage rate of climate resilience assessments for site facilities (%)	/	100%	100%	100%	**100%**
	Comprehensive energy consumption intensity (per unit sales) (GWh/GWh)	5% reduction from 2023	10% reduction from 2023	Reach industry-leading level	7.73% reduction from 2023	**6.66% reduction from 2023**
Product Carbon Footprint	Product carbon footprint certification plan	100% ISO 14067 coverage for key battery cell products	Complete product carbon footprint declaration in accordance with the *EU New Battery Regulation* requirements	Maintain industry leadership	100% ISO 14067 coverage for key battery cell products	**100% ISO 14067 coverage for key battery cell products**

Climate-related Metrics

Indicator	Unit	2025	2024
Climate Change Response			
Scope 1 Greenhouse Gas Emissions	tCO_2e	102,431.57	80,010.73
Scope 1 Greenhouse Gas Emission Intensity	tCO_2e/GWh	1,535.71	2,381.30
Scope 2 Greenhouse Gas Emissions (Market-based)	tCO_2e	338,888.94	246,480.26
Scope 2 Greenhouse Gas Emission Intensity	tCO_2e/GWh	5,080.79	7,335.70
Scope 3 Greenhouse Gas Emissions	tCO_2e	4,052,093.47	1,771,413.44
Scope 3 Greenhouse Gas Emission Intensity	tCO_2e/GWh	60,751.03	52,720.64
Upstream Scope 3 Emissions	tCO_2e	4,009,117.65	1,695,992.93
Downstream Scope 3 Emissions	tCO_2e	42,975.82	75,420.51
Asset amount vulnerable to climate-related transition risks[18]	CNY10,000	932,004.63	498,370.17
Percentage of asset amount vulnerable to climate-related transition risks[19]	%	23.91	11.65
Asset amount vulnerable to climate-related physical risks[20]	CNY10,000	4,364,315.49	3,587,647.08
Percentage of asset amount vulnerable to climate-related physical risks[21]	%	111.96	83.89
Asset amount related to climate opportunities	CNY10,000	3,889,047.09	3,145,043.61
Percentage of asset amount related to climate opportunities	%	100	100
Investment and financing amount related to climate-related risks and opportunities	CNY10,000	6,503	79.99
Environmental Management and Resource Optimisation			
Total Energy Consumption	GWh	1,725.43	968.76
Total Natural Gas Consumption	million m^3	53.52	43.30
Natural Gas Consumption Intensity	million m^3/GWh	0.80	1.30
Purchased Steam Consumption[22]	tonnes	66.20	/
Purchased Electricity Consumption	GWh	638.69	511.70
Electricity Consumption Intensity	GWh/GWh	9.63	15.20
Total Renewable Energy Consumption	GWh	507.58	459.40
Proportion of Renewable Energy in Total Energy Consumption	%	29.42	47.42

[18] Asset amount of each subsidiary in the United States and Europe

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

[20] Asset amount of Xiamen and Chongqing manufacturing bases

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

[22] The Xiamen manufacturing base has steam usage; however, since the invoices were issued in January 2026, the corresponding steam consumption has not been included in the carbon inventory statistics.

Hithium Xiamen Base "Solar + Energy Storage" Project Successfully Commissioned, Achieving 100% Green Electricity Use

In December 2025, the distributed photovoltaic and supporting energy storage power station project at Hithium's Xiamen Base was officially completed and put into operation, marking a significant milestone in the Company's green manufacturing efforts. The project provides stable green electricity to the facility, meeting production electricity demand and supporting Hithium's transition toward green, low-carbon, and intelligent manufacturing. At the same time, the base has deployed a 12 MW / 24 MWh electrochemical energy storage system, which performs real-time peak shaving and load balancing to smooth power fluctuations, reduce electricity costs, and provide emergency support during grid fluctuations or outages, thereby enhancing the reliability and safety of the facility's power supply.

Hithium Xiamen Base

The integrated configuration of solar power generation and energy storage not only ensures stable green electricity supply but also provides a model for flexible interaction and intelligent regulation within power systems, promoting the application of advanced energy management and energy-saving technologies. The project has been operating steadily, generating an average of approximately 12.42 million kWh of electricity annually. Based on the substitution of conventional fossil-fuel-based power generation, this is estimated to save about 4,137 tonnes of standard coal and reduce carbon dioxide emissions by approximately 10,278 tonnes each year[23], effectively lowering the environmental footprint of production and operational activities. Through the combined use of on-site solar power generation and Green Electricity Certificates (GECs), the Xiamen manufacturing base achieved 100% green electricity consumption during the reporting year.

In addition to green upgrades to the electricity system, Hithium has also implemented innovations in thermal energy supply. The Xiamen Base has successfully completed the Grid connection of externally purchased steam supply, and plans to utilise biomass boilers to replace traditional fossil fuels, providing clean regional heat supply to the facility. These measures further optimise the energy structure and promote the broader adoption of clean energy solutions.

[23] Emissions reductions are calculated based on the *2023 Power Sector Carbon Dioxide Emission Factors* published by the Ministry of Ecology and Environment and the National Bureau of Statistics, using the national fossil-fuel electricity emission factor of 0.8273 $kgCO_2/kWh$.

2.2 Environmental Management and Resource Optimisation

Hithium reduces its impact on natural resources and the environment through systematic environmental management. We have established an environmental management system covering the entire life cycle, continuously optimising the management of energy, water resources, and waste emissions to enhance resource efficiency and support the achievement of carbon neutrality goals.

Environmental Management System

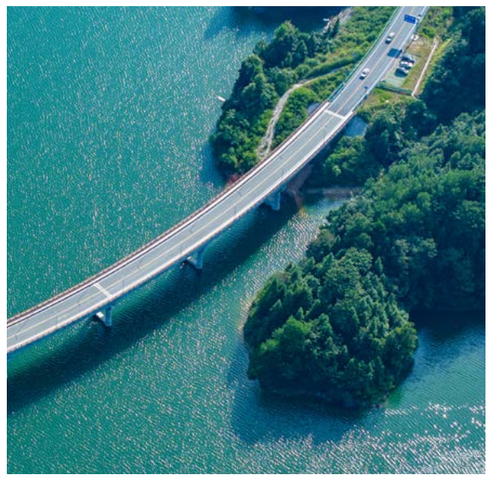
Hithium has established a comprehensive environmental management framework in accordance with the ISO 14001 standard, covering multiple environmental factors including wastewater, exhaust gas, solid waste, and noise. The Company has developed a series of environmental management policies, including the *Exhaust Gas Management Regulations*, *Wastewater Discharge Management Regulations*, *Volatile Organic Compounds Management Regulations*, *Solid Waste Management Regulations*, *Hazardous Waste Management Regulations*, and *Noise Management Regulations*, ensuring that environmental risks are effectively identified and controlled.

Hithium strictly complies with environmental protection laws and regulations, including the *Environmental Impact Assessment Law of the People's Republic of China*, and regularly conducts environmental impact assessments and risk inspections for workplaces and construction projects. The Company has also formulated the *Emergency Plan for Environmental Accidents*, which clearly defines emergency response procedures and responsibilities to strengthen its ability to respond quickly and effectively to unexpected environmental events.

In terms of building and improving the environmental management system, Hithium has issued the *Environmental Management Policy*, which defines the Company's commitments, principles, and action directions in environmental protection, providing clear guidance for all business units to pursue green and low-carbon development. The Company has established the ESG Committee as the highest governance body to drive the implementation of environmental strategies and targets. Through the coordinated efforts of the ESG Management Department and the EHS Management Department, environmental protection measures are effectively implemented and continuously optimised. At the operational level, manufacturing bases are responsible for implementing environmental management responsibilities, promoting clean production, pollution control, and carbon emission reduction targets to ensure the achievement of the Company's environmental objectives. In addition, the Company conducts annual internal reviews and third-party audits of the environmental management system, comprehensively examining policy implementation and risk control effectiveness in order to identify potential environmental risks and drive continuous improvement.

Leveraging the effective operation of the environmental management system and focussing on energy-saving improvements in manufacturing processes, the Company has implemented multiple energy-efficiency initiatives. This year, the Xiamen and Chongqing manufacturing bases carried out over 100 green retrofit projects, covering areas such as energy conservation, water efficiency, and material saving.

The Company consistently adheres to the principle of green development, integrating environmental protection into both strategic planning and daily operations. By setting scientific and measurable environmental management targets, the Company continuously improves environmental performance in operations and ensures ongoing enhancement of environmental governance while maintaining regulatory compliance. During the reporting year, no violations or non-compliance events occurred in the Company's environmental management.



During the reporting period, the Company's targets and progress in environmental management and resource optimisation are summarised in the table below:

	Environmental Management	Energy Management	Emissions and Waste Management
2025 Targets	Achieve 100% coverage of environmental risk assessments for operational sites	Reduce nitrogen oxides (NO_x)/sulfur oxides (SO_x) or harmful waste per unit of output by at least 15% from 2022 levels	Achieve a 5% reduction in comprehensive energy consumption per unit of output from 2023 levels
2025 Progress	Environmental risk assessments have been conducted for all operating sites ISO 14001 certification coverage: 100% ISO 50001 certification coverage: 100%[24]	NO_x emissions in wastewater per unit sales: 0.35 tonnes/GWh SO_x emissions in wastewater per unit sales: 0.05 tonnes/GWh Hazardous waste generation per unit sales: 63.93 tonnes/GWh	Achieve a 6.66% reduction in comprehensive energy consumption per unit sales from 2023 levels Purchased electricity: 638.69 GWh Natural gas consumption: 53.52 million m³ Water consumption: 1.78 million m³
2028 Target	Achieve 76% coverage of environmental management, energy management, and ecological management system certifications (such as ISO 14001, ISO 50001) for operational sites	Reduce NO_x/SO_x and harmful waste per unit of output by 20% from 2022 levels and achieve a 50% wastewater recycling rate Achieve 50% wastewater recycling rate	Achieve a 10% reduction in comprehensive energy consumption per unit of output from 2023 levels
2037 Target		Reduce NO_x/SO_x and harmful waste per unit of output by 50% from 2022 levels	Achieve industry-leading levels of comprehensive energy consumption per unit of output

To strengthen employees' environmental awareness and compliance capabilities, the Company provides environmental impact awareness and compliance management training for all employees. Training programmes are designed according to functional roles and job responsibilities, with key issues including wastewater management, exhaust gas management, hazardous waste management, compliance management for pollution-generating processes in battery cell and module manufacturing, environmental protection fundamentals, and the introduction of pollution treatment facilities. Training is delivered through in-person centralised sessions combined with internal departmental training, ensuring full coverage of key positions and traceable training records, thereby effectively supporting the implementation and continuous improvement of the environmental management system.

Conducting Hazardous Waste Management Training

[24] As the U.S. manufacturing base commenced production in the second half of 2025, it was not considered within the scope of this performance assessment.

Energy Management

Development of the Energy Management System

Hithium primarily consumes purchased electricity and natural gas as major energy sources. To reduce fossil fuel use and improve energy efficiency, the Company has established an energy policy of "energy conservation, consumption reduction, and green manufacturing." To systematically manage energy, the Company introduced the ISO 50001 Energy Management System and developed an *Energy Management Manual* to comprehensively manage energy-related activities across production systems (such as rechargeable battery cells and lithium-ion batteries), auxiliary production systems (such as central air-conditioning systems), and supporting systems (such as office buildings). During the reporting period, the Company obtained ISO 50001 certification, enabling institutionalised and standardised operation of its energy management system.

Within the energy management system, the Company has established standardised processes including target setting, risk identification, performance evaluation, data collection, and continuous improvement. These processes operate under the Plan–Do–Check–Act (PDCA) mechanism, ensuring that at least one internal energy audit and management review is conducted annually to continuously optimise energy management processes and performance. In 2025, the Company completed an internal audit of the energy management system to systematically evaluate the effectiveness of system operation. To ensure the standardisation of internal auditing, we have trained 80 ISO 50001 internal auditors to support system operation and continuous improvement.

To strengthen monitoring and analysis of energy data, Hithium established an Energy Management Centre system, enabling real-time data collection and dynamic monitoring of energy consumption for key equipment and processes. This provides critical data support for energy performance analysis and decision-making. In addition, the Company regularly conducts specialised energy audits to identify inefficiencies and waste in energy usage, propose energy-saving technological upgrades, and evaluate the effectiveness of improvement measures through data comparison to ensure the successful implementation of energy conservation initiatives.

Green Energy Application and Energy Structure Optimisation

Hithium actively promotes energy structure optimisation by constructing and operating rooftop photovoltaic power plants and systematically integrating renewable energy into production processes. Through green electricity procurement, the Company continues to increase the share of clean energy in total electricity consumption. At the same time, to further reduce carbon emissions, natural gas is promoted in key production processes as a substitute for traditional energy sources, facilitating the transition of production operations toward high-efficiency and low-carbon development.

The Company has also established clear energy management targets to further optimise the energy mix, reduce carbon emissions, and promote the implementation of green manufacturing practices.

2025

Renewable Energy Consumption

507.58 GWh

We emphasise cultivating employees' awareness and capabilities in energy conservation. To enhance employee participation and contributions in energy-saving initiatives, Hithium regularly organises special training sessions on "Integrating Energy Management with Dual-Carbon Goals," aimed at strengthening employees' knowledge and practical capabilities in areas such as energy management, target setting, energy efficiency assessment, and relevant regulations.

To further encourage broad employee participation in energy conservation efforts, the Company has also established the "Energy Conservation Innovation Award" to incentivise employees to propose effective suggestions and practical solutions related to energy saving, technological improvements, and management optimisation.

Heat Recovery Retrofit of Centrifugal Air Compressors at the Chongqing Base

Hithium Chongqing manufacturing base carried out a waste heat recovery retrofit to address the issue that the original heat transfer oil flue gas waste heat recovery system could not provide sufficient heat to meet the air preheating requirements of dehumidifiers in early-stage battery cell production processes. The retrofit included installing a three-stage compression waste heat recovery device for centrifugal air compressors. Through a closed-loop circulating water system, heat generated during the first, second, and third compression stages of the air compressor is recovered and converted into process hot water (≥60°C). This system is connected in parallel with the original flue gas waste heat pipeline network to provide dual heat sources, thereby reducing reliance on steam heating. Through the retrofit, the project is expected to save approximately 560,000 m³ of natural gas annually while reducing carbon emissions by around 1,200 tonnes, effectively improving energy utilisation efficiency.

Through the retrofit, the project is expected to save approximately

560,000m³

of natural gas annually

Heat Recovery Device

Water Resource Management

Hithium complies with relevant national laws, regulations, and local policies by strictly implementing discharge standards, reducing water use intensity, and improving water recycling rates. Through real-time monitoring of water quality data and wastewater reuse rates, water-saving corrective measures, technological improvement projects, and the introduction of an intelligent utility water management system, the Company strengthens water resource management.

Water Risk Assessment

Water resources are a critical natural factor supporting the production and operational activities of battery manufacturing enterprises. The Company utilised the WWF Water Risk Filter (WRF) tool to conduct water risk assessments across 17 locations, including its own operational bases and upstream suppliers in the supply chain.

The assessment primarily focused on basin-level physical risks, covering four key indicators: water scarcity, flooding, water quality, and ecosystem services. Under different climate and emissions scenarios, and based on three scenario assumptions—"optimistic," "current trend," and "pessimistic"—the Company used 2020 as the baseline year to project and analyse water-related risks for 2030 and 2050. Assessment results are categorised into four levels according to risk severity: low, medium, high and very high.

	Optimistic	Current Trend	Pessimistic
Scenarios	RCP2.6/RCP4.5, SSP1	RCP4.5/RCP6.0, SSP2	RCP6.0/RCP8.5, SSP3
Climate Aspects	Moderate mitigation measures so that GHG emissions are halved by 2050 Increase of global mean surface temperature is unlikely to exceed 2°C by the end of the 21st century	Intermediate mitigation measures so that GHG emissions peak around mid-century, then start declining Increase of global mean surface temperature is likely to exceed 2°C by the end of the 21st century	Business-as-usual so that GHG emissions continue to rise throughout the 21st century Increase of global mean surface temperature is likely to exceed 4°C by the end of the 21st century
Socio-economic Aspects	▪ Emphasis on human and nature well-being ▪ Effective and persistent cooperation and collaboration across the local, national, regional international scales and between public organisations, private sector and civil society within and across all scales of governance ▪ Rapid technological change ▪ Improved resource efficiency ▪ Sustainability concerns; more stringent environmental regulation implemented ▪ Research and technology development reduce the challenges of access to safe water and improved sanitation	▪ Current social and economic trends continue ▪ Relatively weak coordination and cooperation among national and international institutions, the private sector, and civil society for achieving sustainable development goals ▪ Technological progress but no major breakthroughs ▪ Modest decline in resource use intensity ▪ Moderate awareness of the environmental consequences of choices when using natural resources. Environmental systems experience degradation ▪ Access to safe water and improved sanitation in low-income countries makes unsteady progress	▪ Emphasis on national issues due to regional conflicts and nationalism ▪ Societies are becoming more skeptical about globalisation ▪ Global governance, institutions and leadership are relatively weak ▪ Low investment in technology development ▪ Increase in resource use intensity ▪ Environmental policies have very little importance ▪ Serious degradation of environmental systems in some regions ▪ Growing population and limited access to safe water and improved sanitation challenge human and natural systems
Resources	Intergovernmental Panel on Climate Change (IPCC) WWF Water Risk Filter (WWF WRF)		

Hithium Operational Sites Assessment[25]

				Current Risks	Future Projection(2030)			Future Projection(2050)		
Operational Site	Country	Province	Basin	Basin Physical Risks	Basin Physical Risk			Basin Physical Risk		
					Optimistic	Current Trend	Pessimistic	Optimistic	Current Trend	Pessimistic
Xiamen Base	China	Fujian	South China Sea							
Chongqing Base	China	Chongqing	Yalong River							
Shenzhen Research Institute	China	Guangdong	Pearl River							

Low Medium High Very High

[25] As the U.S. manufacturing base commenced production in the second half of 2025, the water risk assessment does not take it into account.

Based on basin-level water risk maps and related datasets, we assessed three operational bases. Results show that current basin-level physical risks across Hithium's operational sites are generally at a medium level. In the future, risk levels across all three sites are expected to increase. Among them, the Hithium Shenzhen Research Institute, located in the Pearl River basin, is situated near the coast with relatively low elevation and will face higher long-term water-related risks. As a result, the Company plans to implement targeted water management and risk mitigation measures for this location.

Supplier Assessment

				Current Risks	Future Projection(2030)			Future Projection(2050)		
Operational Site	Country	Province	Basin	Basin Physical Risks	Basin Physical Risk			Basin Physical Risk		
					Optimistic	Current Trend	Pessimistic	Optimistic	Current Trend	Pessimistic
Battery cell supplier 1	China	Hunan	Xiang River							
Battery cell supplier 2	China	Sichuan	Yangtze							
Battery cell supplier 3	China	Sichuan	Yangtze							
Battery cell supplier 4	China	Guizhou	Pearl River							
Battery cell supplier 5	China	Guangdong	South China Sea							
Battery cell supplier 6	China	Guangdong	Pearl River							
Battery cell supplier 7	China	Zhejiang	Yellow Sea & East China Sea							
Battery cell supplier 8	China	Jiangxi	Yangtze							
Battery cell supplier 9	China	Fujian	Yellow Sea & East China Sea Yellow Sea & East China Sea							
Battery cell supplier 10	China	Sichuan	Yangtze							
System Supplier 1	China	Jiangsu	Yellow Sea & East China Sea							
System Supplier 2	China	Zhejiang	Yellow Sea & East China Sea							
Equipment Supplier 1	China	Guangdong	Pearl River							
Equipment Supplier 2	Spain	Galicia	Mino & Lima							

Low Medium High Very High

Based on key procurement categories and annual procurement expenditure in 2024, Hithium selected 14 critical suppliers across three major supplier groups. Results indicate that most suppliers currently face medium-level water risks, although certain key basins are already experiencing pressure. Due to climate change and evolving regional water supply–demand dynamics, water risks across suppliers are expected to increase overall by 2030 and 2050. Some suppliers located in the Yellow Sea and East China Sea basins may face higher risks under pessimistic scenarios.

Localised water stress could significantly affect production and supply chain stability. Many key raw material and component suppliers operate in medium- to high-risk basins, and future drought or flooding events may directly impact production continuity and delivery capacity. Furthermore, the generally increasing risk levels projected for 2030 and 2050 highlight the long-term challenges climate change poses to water security within the supply chain. To address challenges arising from water resource risks, the Company will continue to strengthen water resource management in high-risk river basins, optimise its supply chain layout, and advance water-saving and water recycling initiatives. At the same time, the Company will collaborate with suppliers to enhance water management capabilities, while strengthening risk monitoring and response measures to mitigate the potential impacts of water-related risks on business stability and long-term sustainable development.

Brine Reuse — From “Wastewater” to “Resource”

The Chongqing base established a refined brine reuse system, converting brine discharged from the purified water system into a stable makeup water source for cooling towers. This approach enables cascading water reuse and value enhancement.

Supported by an automated collection system and precise delivery processes, along with float valve level control and pump linkage mechanisms, the project can efficiently reuse approximately 65 tonnes of compliant brine per day, significantly reducing freshwater consumption and wastewater discharge while delivering both environmental and resource-saving benefits.

The project can efficiently reuse approximately

65 tonnes

of compliant brine per day

Refined Cooling Water Management for Efficient Water Use

To address the issue of increased costs and energy consumption caused by excessive cooling water flow, the Xiamen Base optimised the operation parameters of its circulating cooling water system, lowered the inlet water temperature, and increased the supply-return water temperature difference to approximately 5 °C, thereby reducing the required mass flow for the same heat load. The project relies on automatic flow and temperature difference regulation via motorised valves. By precisely controlling the supply-return temperature difference, it achieves an average daily saving of around 2,500 tonnes of circulating water, significantly reducing water consumption and water costs.

It achieves an average daily saving of around

2,500 tonnes

of circulating water

Emissions and Waste Management

Hithium strictly complies with national environmental laws and regulations, including the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, and the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, ensuring that wastewater, exhaust gas, waste, and noise emissions meet relevant requirements. To ensure compliance with discharge standards, Hithium has established a pollutant discharge monitoring mechanism, regularly conducting self-monitoring of key emission sources such as wastewater and exhaust gas, and engaging qualified third-party institutions with provincial-level accreditation to carry out independent testing, ensuring the authenticity and validity of emission data.

Solid Waste Management

In waste management, the Company has adopted a closed-loop and efficient management system, continuously improving resource utilisation efficiency through a combination of source control and end-of-pipe management. By optimising production processes and enhancing refined raw material management, Hithium has effectively reduced waste generation and increased investment in the research and development of waste reuse technologies, promoting innovation in waste reduction processes and upgrades in recycling pathways.

We conduct scientific classification and treatment of solid waste to ensure compliant and efficient waste management. General solid waste is classified and collected as "recyclable" and "non-recyclable," and is subsequently outsourced for treatment or transported by municipal sanitation systems to ensure compliance with environmental protection requirements. In addition, Hithium continues to advance its zero-landfill target for solid waste and conducts zero-waste factory certification in accordance with the *Evaluation Specification for Zero-Waste Lithium-ion Battery Factories*. By optimising waste recycling systems and treatment processes and reducing landfill disposal volumes, the Company further promotes resource recovery and utilisation of waste.

The Company regularly conducts waste audits to comprehensively identify key waste generation points and potential areas for optimisation, analysing waste emission intensity and disposal performance across various processes and operational areas. These audits provide data support for setting waste reduction targets and improvement strategies. These activities have driven the transition of waste management from passive treatment to source control, effectively improving the overall efficiency of waste management.

2025

Non-hazardous waste discharge intensity	Reduction compared with 2024
1,791.32 tonnes/GWh	16.78%

Pollution Control

In terms of pollutant control and optimisation, Hithium has significantly reduced pollutant concentrations in wastewater and the emission intensity of particulate matter and volatile organic compounds in exhaust gas by optimising production processes, upgrading treatment facilities, and strengthening operational maintenance, thereby continuously improving environmental performance.

2025

Wastewater discharge intensity	Reduction compared with 2024	Sulfur oxides (SO_x) emission intensity	Reduction compared with 2024
838.49 tonnes/GWh	91.40%	0.05 tonnes/GWh	7.44%
Nitrogen oxides (NO_x) emission intensity	Reduction compared with 2024	Particulate matter(PM) emission intensity	Reduction compared with 2024
0.35 tonnes/GWh	41.51%	0.03 tonnes/GWh	85.75%
VOC emission intensity	Reduction compared with 2024		
0.50 tonnes/GWh	47.59%		

Hazardous Waste Management

For hazardous waste, the Company implements closed-loop management throughout the entire process, storing hazardous waste by category in designated areas equipped with necessary leak prevention and emergency response facilities. This ensures that all waste complies with environmental requirements and is managed through ledger management and transfer manifest systems. In addition, in the event of environmental emergencies, Hithium can rapidly initiate emergency response procedures in accordance with the *Emergency Response Management Procedures* and the *Accident Investigation Report and Handling Management Regulations*, ensuring efficient and controllable emergency handling and minimising environmental impacts.

2025

Hazardous waste discharge intensity	Reduction compared with 2024
63.93 tonnes/GWh	44.12%

In addition, the Company continues to organise training programmes on waste classification, hazardous waste identification, pollution prevention, and resource recycling to enhance employees' environmental awareness and operational compliance, strengthen their initiative and execution in waste sorting, pollution control, and recycling, and promote the development of a company-wide waste reduction culture.

2.3 Product Carbon Footprint

Hithium integrates sustainability concepts throughout product life cycle management, establishing a product carbon footprint accounting system. Through carbon footprint assessments, the Company identifies environmental impacts at each stage and implements corresponding emission reduction measures, providing customers with low-carbon and sustainable products and solutions while achieving green management and continuous optimisation across the entire life cycle.

Greenhouse Gas Emissions at the Product Level

With growing market demand for safe, environmentally friendly, and efficient energy solutions, Hithium adopts the Life Cycle Assessment (LCA) methodology to quantify and analyse product carbon footprints in accordance with the standards ISO 14067, ISO 14040, and ISO 14044, providing critical data support for subsequent carbon reduction measures.

During the reporting period, Hithium conducted a detailed assessment of the carbon footprint emissions of 314Ah energy storage batteries. The assessment scope covered the entire product life cycle, including raw material production, manufacturing processes, product transportation, electricity consumption during the use phase, and recycling and landfill treatment during the end-of-life stage.

Hithium Cell 314Ah — Achieving Significant Carbon Footprint Optimisation and Improved Environmental Performance

Building upon the technological breakthroughs of the Cell 280Ah, Hithium launched the Cell 314Ah. While increasing product capacity, this upgrade comprehensively improved environmental performance. Compared with 2023, the product's carbon emission intensity decreased by 15%, and wastewater discharge intensity decreased by 37.76%. In terms of waste and atmospheric emissions, the emission intensity of non-hazardous waste and hazardous waste decreased by 32.6% and 27.23%, respectively. Emissions of SO_x and NO_x were also effectively controlled, with reductions of 70.99% and 45.22%, respectively.

Compared with 2023

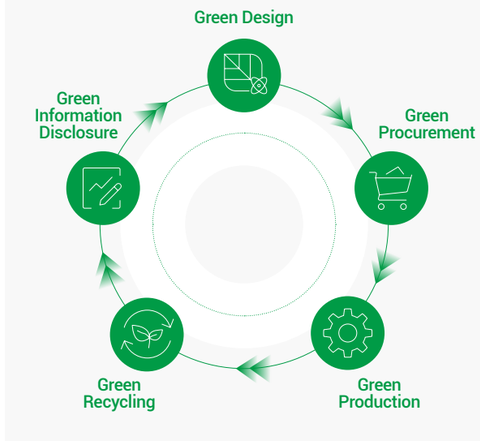
The product's carbon emission intensity decreased by

15%

Hithum Cell 314Ah

Green Management Across the Entire Life Cycle

Hithium attaches great importance to identifying carbon reduction opportunities across the entire product life cycle and has developed a comprehensive green management plan. This plan covers key stages including green design, green procurement, green production, and green recycling, and establishes quantifiable green management standards for each stage to ensure that environmental impacts are minimised throughout the product life cycle and carbon reduction targets are achieved.



Green Design

We introduce eco-design concepts in product design and follow the 3R principles (Reduce, Reuse, Recycle), requiring that energy consumption be reduced during the design phase, the use of hazardous substances be restricted, and product and component recycling or reuse be enabled, thereby reducing negative environmental impacts.

In terms of compliance with hazardous substances in products, the Company has established compliance lists for hazardous substances contained in raw materials and has embedded these requirements into product design and supply chain management processes, continuously promoting the application of environmentally friendly and recyclable alternative materials.

The Company requires suppliers to provide raw materials that comply with regulatory requirements such as the *Restriction of Hazardous Substances Directive* (RoHS) and the *Registration, Evaluation, Authorization and Restriction of Chemicals Regulation* (REACH). At the same time, material selection and substitution schemes are continuously optimised in line with product R&D progress, and implementation effectiveness is dynamically evaluated through tracking mechanisms.

Meanwhile, we continue to increase investment in the R&D of green materials and collaborates with industry partners to explore feasible substitution pathways, establishing a safe, environmentally friendly, and traceable raw material management system.

Implementing Green Design Concepts and Continuously Reducing Raw Material Use

Hithium has implemented multiple innovations in product design to reduce raw material consumption and optimise manufacturing processes. In the battery top cover design, the Company designed the terminal post assembly as an upper-and-lower combined structure, with hollow interiors in both terminals and a reverse-cone structure for connection. During assembly, self-piercing riveting can be directly applied, eliminating the need for traditional copper-aluminium welding processes, thereby simplifying manufacturing processes and reducing material usage.

This design significantly reduces terminal post material consumption, lowers the weight of the top cover, reduces production costs, and improves battery energy density, providing technical support for both product performance and environmental benefits. The Company continues to integrate concepts such as material reduction, lightweight design, and process optimisation into product design, promoting green design and sustainable development.

Green Procurement

Hithium has established comprehensive green procurement standards, requiring that purchased products comply with environmental laws and regulations and do not contain prohibited hazardous substances. The Company also actively promotes the use of recycled metal resources, gradually increasing their share in total procurement volume. At the same time, we implement green logistics and green packaging initiatives to reduce additional resource consumption during transportation.

To further promote suppliers' green and sustainable development, Hithium requires all suppliers to sign the *Supplier Management Agreement* and comply with ESG-related requirements in the agreement regarding environmental protection, corporate social responsibility (CSR), and hazardous substance management.

Green Production

During the production stage, the Company reduces carbon emissions and wastewater discharge per unit of product and optimises resource consumption by improving the utilisation efficiency of energy and water resources. Hithium has implemented multiple energy-saving projects, including optimisation of exhaust gas waste heat recovery systems, steam condensate recovery and reuse, optimisation of temperature differences in circulating cooling water systems, and brine recovery from purified water systems. Through cascading energy utilisation and water recycling, the Company effectively reduces freshwater consumption and optimises the energy use structure.

Introduction of Low-Concentration Helium Leak Detection to Enhance Green Manufacturing

During the manufacturing stage, the Chongqing base optimised the helium leak detection process. Based on mature preliminary verification, a low-concentration helium and nitrogen mixed gas solution was used to replace the original high-purity helium and was promoted across more production lines, covering the manufacturing processes of the 1175Ah series products.

After multi-batch verification, the base introduced the low-concentration helium leak detection process, effectively reducing gas consumption costs for individual battery cell testing and decreasing high-purity helium usage. While ensuring production efficiency and cost control, this initiative further improved resource utilisation efficiency in the manufacturing process.

Green Recycling

We gradually increase the utilisation rate of raw materials and strengthen the recycling and reuse of products, scraps, and packaging from the perspectives of waste resource utilisation and harmless treatment of raw materials.

2025

The recyclability rate of battery cell products reaches

70.30%

Green Information Disclosure

We continue to improve the green information disclosure mechanism by integrating existing information platforms, including the Supplier Relationship Management system (SRM), Customer Relationship Management system (CRM), Human Resource Management system (HRM), Enterprise Resource Planning system (ERP), Product Lifecycle Management system (PLM), Manufacturing Execution System (MES), Office Automation system (OA), After-sales Service system (AS), and the Energy Management Centre system. These platforms are used to develop functions for the collection, processing, analysis, sharing, and disclosure of green information across supply chain stages, including product design, procurement, production, distribution, and recycling and disposal. This enables full life cycle green digital management covering procurement, design, production, transportation, and downstream product use.

2.4 Clean Technology Opportunities

Hithium regards clean technology innovation as its core development direction and continues to deepen its presence in the green energy sector. In the context of the global energy transition and the accelerated evolution of clean technologies, the Company actively seizes development opportunities and promotes more efficient and broader applications of green energy through technological progress and the commercialisation of innovations, delivering sustainable value to industry systems and society.

Clean Technology Innovation

The Company continuously explores clean technologies and enhances its green innovation capabilities. In 2025, Hithium focused on clean energy-related products and solutions, coordinating product R&D and the application of technological innovation. All revenue from the Company's core business operations is derived from the clean technology sector, further strengthening its specialisation in this field.

2025

Total cumulative number of granted clean technology patents

2,609

New granted clean technology patents

611

In the future, the Company will continue to focus on the field of green clean technologies, deepening the R&D and application of key technologies in response to the needs of low-carbon transformation and high-quality development of energy systems, and promoting the implementation of clean energy solutions across a wider range of scenarios, thereby supporting energy structure optimisation and the green transition.

Clean Technology Breakthroughs and Upgrades

Hithium focuses on the electrochemical energy storage sector, continuously strengthening its lithium battery technology capabilities and gradually building a relatively comprehensive energy storage product system through continuous technological iteration and innovation. Guided by key industry demands, the Company continues to make breakthroughs across five technological dimensions: high safety, long lifetime, high energy efficiency, high consistency, and cost-effective, continuously improving product performance and overall system capabilities.

In 2025, the Company made further progress in long-duration energy storage technologies. While maintaining advantages in long lifetime, high safety, high efficiency, and cost-effective, the performance of long-duration energy storage systems has been further enhanced, strengthening the ability of energy storage solutions to support long-term stable energy supply.

This development responds to the rapidly growing demand for improved continuous operation capabilities and longer service life of energy storage systems driven by applications such as electric vehicles.

Hithium will continue to deepen its expertise in energy storage technology applications, focussing on innovation and optimisation in four key directions: enhancing safety and lifetime performance at the battery cell level; improving integration and efficiency at the energy storage system level; advancing intelligent manufacturing capabilities toward extreme optimisation; and promoting the deployment and application of integrated solutions. Through continuous technological breakthroughs in specialised areas, the Company will further optimise energy storage products and system performance while enhancing the reliability and application value of its overall solutions.

Long-Duration Energy Storage System — Designed for All-weather Green Power

Currently, long-duration energy storage technology has become a key enabler for addressing fluctuations in renewable energy generation and ensuring the stability of around-the-clock green power systems. On December 12, 2025, under the theme "The Awakening of Energy · The New World," the Company held its Third Eco-Day, during which it launched the 8-hour native long-duration energy storage solution ∞Power[8] 6.9MW/55.2MWh. Designed for long-duration energy storage scenarios, this solution provides an integrated system featuring high integration and flexible configuration capabilities. It can efficiently smooth fluctuations in renewable energy generation, deliver stable and sustainable long-duration power supply, and adapt to diverse application scenarios and extreme environmental conditions.

The 3rd Eco-Day

Three Key Advantages:

- Cost Reduction: Optimised structural design reduces redundant components and lowers material costs while improving assembly efficiency.
- Efficient Operation: Intelligent control strategies and end-to-end active balancing improve temperature control accuracy, response speed, and balancing efficiency while reducing auxiliary power consumption.
- Safety and Reliability: High-strength steel band reinforcement, a dual pressure relief valve explosion venting system, and new thermal insulation materials improve high-temperature and high-pressure resistance. The system has passed open-door combustion testing to verify reliability.

The "Champion Cell" for Long-Duration Energy Storage — Delivering Sustained Power Supply

To promote the development of long-duration energy storage technologies, Hithium introduced the ∞Cell 1300Ah 8h battery cell, specifically designed for long-duration energy storage systems. With large capacity, economic efficiency, high safety, and long lifetime as its core advantages, the battery cell provides reliable support for energy storage systems: The single-cell capacity reaches 1300Ah, more than four times that of mainstream battery cells, improving overall system utilisation and enabling higher energy efficiency. The number of system components is reduced by more than 30%, and the cost of power components is reduced by over 50% compared with 2-hour battery cells, lowering the levelized cost of electricity and demonstrating strong economic performance. A multi-layer safety protection system covering material properties to system integration ensures that thermal runaway does not propagate, guaranteeing safe operation throughout the entire life cycle of the system. The battery cell supports more than 25 years of service life, extending system lifecycle and improving resource utilisation efficiency.

Launch Event of the Long-Duration Energy Storage Battery Cell ∞Cell 1300Ah 8h

Lithium-Sodium Hybrid AIDC Full-Duration Solution — Enabling the Smart Future of the "AI+" Era

With the rapid development of artificial intelligence (AI), data centres face challenges including tight power supply, increased power fluctuations, and stability and cost volatility caused by the growing share of green electricity. In addition, AI data centre (AIDC) loads exhibit short-cycle, high-amplitude impact characteristics, which may affect the stable operation of power grids and data centres. Focussing solely on storage capacity can no longer meet comprehensive requirements, and energy storage solutions must balance energy supply, power quality, and system reliability.

In response to these power supply challenges for AI data centres, Hithium launched the ∞Power Solutions For AI Data Center. The solution adopts an innovative combination of "long-duration lithium battery stability + high-rate sodium battery instant response." Through flexible 1–8 hour modular configurations, it provides long-duration continuous power supply while responding to load fluctuations at the millisecond level to ensure power quality. Lithium battery modules provide stable backup power and can partially or fully replace diesel generators, reducing backup power costs, improving system reliability, and promoting the sustainable application of green energy in data centres. This solution effectively addresses short-cycle fluctuations, extreme loads, and external power supply abnormalities, providing efficient, reliable, and flexible full-duration energy storage support for data centres in the "AI+" era.

Launch of ∞Power Solutions for AI Data Center

2.5 Circular Economy

Hithium actively advances a circular economy by establishing a comprehensive recycling system and applying technological innovation across a range of recycling practices. This enables efficient resource circulation, reduces environmental burden, and supports the achievement of sustainable development goals.

Construction of Recycling System and Resource Allocation

Against the backdrop of the China "dual-carbon" goal, lithium battery recycling has received policy support and clear development guidance. Promoting resource circulation not only reduces energy consumption and carbon emissions but also supports the sustainable development of the new energy industry, while enhancing global competitiveness and resource security. Domestic policies aligned with the "dual-carbon" goal provide institutional guarantees for the recycling of batteries and materials, while international standards such as the *EU New Battery Regulation* set requirements for battery material recycling rates, providing guidance for companies entering European markets.

Hithum adheres to its core values of "Freedom, Innovation, Sharing, and Care", leveraging the Group's four research institutes and its subsidiary focused on material recycling, Hithum New Materials, to continuously deepen its expertise in key material technologies and application innovation, laying out advanced full-element lithium battery recycling technologies. The Company is committed to developing efficient and low-carbon recycling products and solutions, promoting continuous innovation in recycling technologies, and providing technological support for green, low-carbon, and sustainable development.

We have established a comprehensive lithium battery recycling system, covering full-element material recovery, refurbishment and reuse, as well as research, production, and industrialisation of key materials, while mastering core technologies to maximise the value of recycling. This has created a replicable and sustainable technological ecosystem. Through ongoing system improvements, the Company has developed independent innovation capabilities and a complete industrial chain in lithium battery recycling, providing a solid foundation for achieving green circulation and low-carbon development.

Core Technologies for Hithum Battery Recycling

Enhance battery reuse efficiency and lifespan.

Non-destructive Recycling Technology for LFP Cathode Sheets

Achieve efficient recovery of the complete battery cell materials.

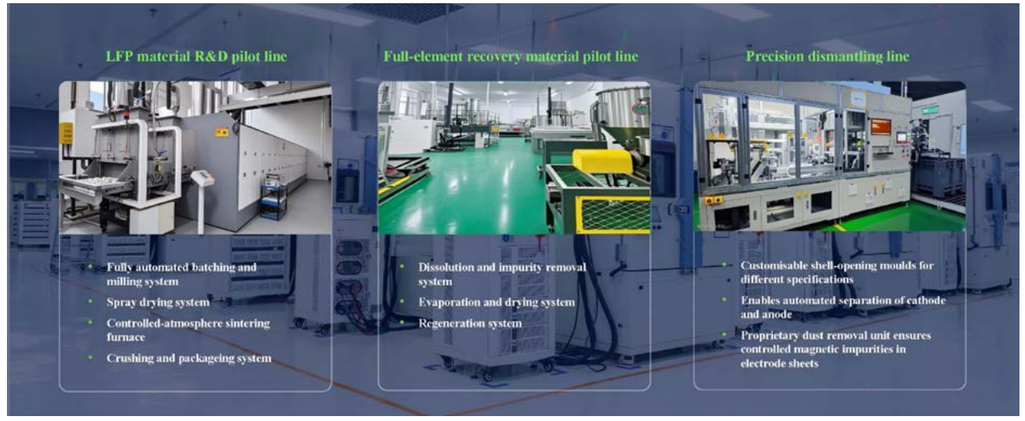
High-rate Full-cell Recycling Technology

Low-cost, High-yield Lithium Extraction Technology

Optimise lithium extraction processes to reduce costs and enhance resource utilisation.

Resource Allocation

To advance battery material recycling and circular utilisation, the Company has built a professional technical talent pipeline, forming an organisational system integrating R&D and production operations. Hithum continuously promotes the industrial application of recycling technologies, planning an annual recycling capacity of 15,000 tonnes. Regarding facilities, a pilot line covering the entire battery lifecycle has been completed, including an automated fine disassembly unit for cells, a full-element material recovery unit, and an LFP (Lithium Iron Phosphate) synthesis verification unit, enabling full-process verification and pilot production from waste cells to regenerated LFP materials.



Talent and Infrastructure Development for the Circular Economy

Employees	R&D Technical Personnel	Investment in Recycling Business Segment	Annual Material Recycling Processing Capacity
120+	40+	CNY 800 million	15,000 tonnes

In the industrialisation of LFP, the Company continuously promotes large-scale application of energy-storage LFP materials, planning an annual production of 120,000 tonnes of LFP cathode materials. These materials feature high compaction, high capacity, long cycle life, and low impurity content, meeting the energy density, reliability, and safety requirements of energy storage systems, and driving Hithum's circular economy strategy and green low-carbon development.

Additionally, we actively promote industry-academia-research collaboration, adhering to principles of "Resource Sharing, Complementary Advantages, Mutual Benefit, Cooperative Education, Collaborative Innovation, and Joint Development" to establish a collaborative model centred on "talent cultivation + research cooperation + resource sharing". Hithum maintains deep partnerships with Xiamen University of Technology, University of Chinese Academy of Sciences, Fuzhou University, and other universities and research institutions to jointly explore frontier technologies and deepen circular economy concepts and practices.

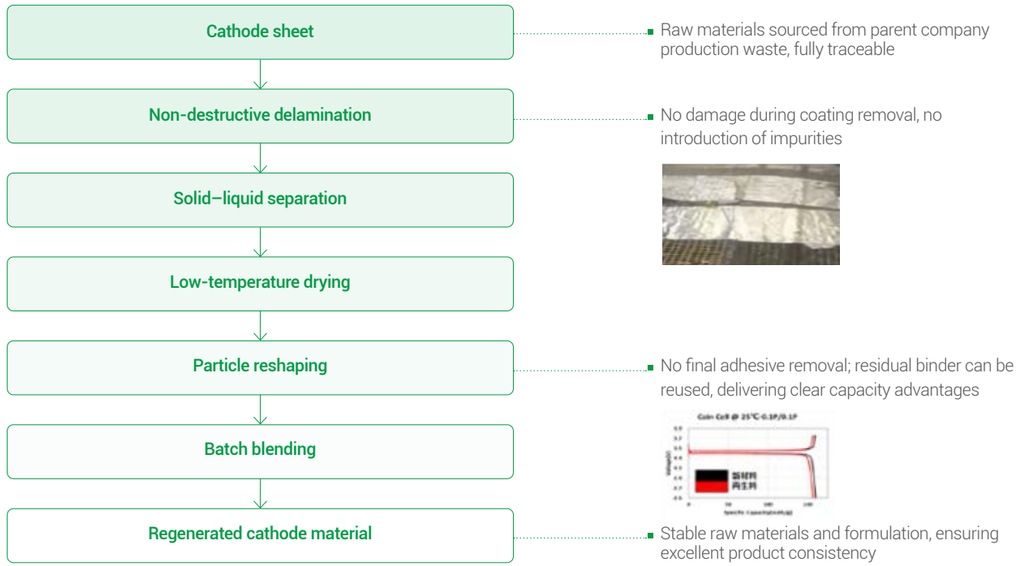
Technological Innovation and Material Recycling

In battery lifecycle management, Hithum continuously advances material recycling and reuse, conducting systematic technology deployment for different types and conditions of battery materials. By classifying and recovering electrodes, complete cells, and scrap materials, the Company applies non-destructive and waste recycling technologies to achieve efficient separation, regeneration, and circulation of key materials.

Application of Non-Destructive Recycling Technology

For scrap rolls and electrode sheets produced before cell electrolyte injection, Hithum conducts non-destructive recovery and regeneration, as these materials maintain normal performance and are suitable for direct reuse. Differing from traditional electrode powder recovery processes, the Company has developed non-destructive recycling technology, avoiding impurity introduction during recovery, achieving high automation and continuous production control, with zero interruption across the full process. The impurity levels of aluminium, copper, and other materials in regenerated materials can meet standards comparable to new materials.

Hithium New Materials Non-Destructive Regeneration Technology



Without material pulverisation or complex chemical treatment, non-destructive recycling has a shorter process, lower energy consumption, and better cost performance than wet recovery, and lower impurity levels and environmental impact than conventional dry recovery. By reducing the use of virgin materials and lowering carbon emissions in logistics and waste treatment during recycling, this technology effectively decreases the carbon footprint per battery. The regenerated electrode products feature high compaction, low impurities, and consistent performance, suitable for large-scale and residential energy storage applications, providing clear cost reduction benefits and promoting both economic and environmental gains.

Application of Waste Material Recycling Technology

Hithum employs key technologies in waste material recovery, covering various types and conditions of cell materials. For retired or scrapped complete cells, whole-cell recovery technology is applied, enabling efficient recovery and reuse of structural components and electrode materials. If material performance is abnormal or unsuitable for direct reuse, cells are disassembled and materials sorted, with wet recovery and solid-phase repair technologies applied for key material regeneration.

Recycling Technologies Applied in the Waste Material Recovery Stage

Waste Recycling Technology	Wet Recovery Technology	Solid-phase Repair Technology	Whole-cell Recycling Technology
Key Process Steps	▪ Efficient selective leaching technology ▪ Integrated impurity removal – extraction combined with short-range process	▪ Full automated fine disassembly of cells ▪ Molecular-level consistency control technology	▪ Recovery and reuse of all components from retired or scrapped cells, balancing recovery rate and economic efficiency
Technical Achievements and Metrics	▪ Acid usage reduced by ~50%, total lithium leaching ≥98.50%, iron leaching ≤0.50% ▪ Lithium salt segment: lithium recovery ≥94.50%, purity 99.62%, Li_2CO_3 main content ≥99.50%, meeting battery-grade standards	▪ Post-solid-phase regeneration, mixed powder properties meet internal material standards ▪ Ensures material performance consistency, cost advantages, and scalability	▪ Whole-cell recovery rate 70.30%

The lithium carbonate recovery process is continuously improved, with collaborative application of leaching, impurity removal, and extraction-stripping processes, achieving a total lithium recovery of 94%, with manufacturing costs significantly lower than conventional market recovery processes.

Lithium Carbonate Recycling Process of Hithium New Materials

High-Efficiency Selective Leaching Technology

Based on an inorganic acid–H_2O_2 synergistic mechanism, lithium ion (Li^+) is selectively leached while iron (Fe) dissolution is suppressed through optimised reagent addition strategies and precise pH control.

Integrated High-Efficiency Impurity Removal Process

Structure–performance relationship (SPR) regulation between lithium carbonate equivalent (LCE) impurities and lithium iron phosphate (LFP) performance, enabled by targeted development of impurity removal agents and process parameter optimisation.

Extraction–Back Extraction Technology

Efficient purification of lithium in complex systems, achieving extraction efficiency of over 99%.

Lithium recovery rate increased by 4% Manufacturing cost reduced by CNY 8,000 per tonnes

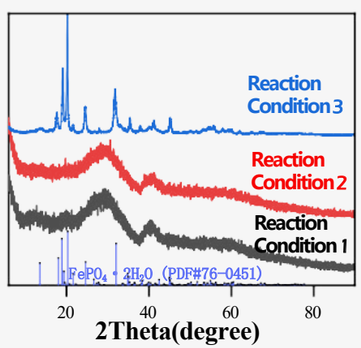
For element regeneration, Hithum developed an LFP regeneration process achieving selective precipitation and directional impurity removal. Optimised processes control aluminium content below 100 ppm, achieve phosphorous iron recovery rates over 95%, and meet battery-grade purity standards, enabling the synthesis of grade-A LFP materials from waste, maximising material value.

Optimised processes control aluminium content below

100ppm

Achieve phosphorous iron recovery rates over

95%



Mastery of the phase transition behaviour of iron phosphate: the monoclinic crystal structure is more stable, contributing to improved product consistency.

Graphite Recycling and Reuse Recognised by Clients

Graphite, primarily used as the anode active material in lithium-ion batteries, plays a critical role in battery performance and cycle life. Efficient graphite recycling from retired batteries or production waste conserves key resources and reduces environmental impact.

Hithum developed impurity removal processes for waste graphite, employing multi-stage recycling and impurity elimination to achieve reuse. This process maintains material activity and structural integrity while improving overall cell recovery, increasing the full-cell material recovery rate from 53.85% to 70.3%.

Batteries containing recycled graphite have passed customer testing, confirming stable performance and reliability across various battery applications. Using recycled graphite reduces raw material consumption while achieving dual benefits of green and low-carbon circularity.

Client Test

Benchmarking	Carbon Content	Sulfur Content
Client Standard	>98%	<0.03%
Client Test Results	99%	0.02%
Hithium Test Results	/	0.01%

2.6 Biodiversity

Global biodiversity loss and ecosystem degradation have become significant risks. Hithum actively implements international and domestic ecological protection initiatives, establishing biodiversity management policies and assessing the potential impact of its production and operations on ecosystems based on the TNFD framework, identifying key risk areas. The Company takes targeted measures to reduce direct and indirect impacts on the natural environment and biodiversity, promoting the synergy between ecosystem protection and corporate sustainable development.

Nature and Biodiversity Commitment

To build a systematic and standardised biodiversity management system and integrate biodiversity conservation into all operations, Hithum has formulated and publicly released specialised policy documents, including the *Biodiversity Protection Policy, Water Resource Management Policy, Environmental Health and Occupational Safety Policy*, and the *Environmental Management Statement*.

Hithum is committed to respecting natural ecosystems, integrating biodiversity protection into full-process business management, aiming to achieve "no net loss" by 2050 and gradually move towards a "net positive impact". The Company explicitly prohibits all forms of illegal deforestation and follows the mitigation hierarchy of "avoid—minimise—restore—offset" to identify, assess, and manage potential impacts of business activities on ecosystems, continuously promoting the construction of an eco-friendly supply chain.

Avoid
- During project site selection and design, priority is given to avoiding ecologically sensitive areas to prevent negative impacts on biodiversity at the source.

Minimise
- For impacts that cannot be fully avoided, effective measures are implemented to minimise them, such as adopting environmentally friendly technologies, optimising construction plans, and reducing resource consumption and pollutant emissions.

Restore
- For ecological damage that has already occurred, proactive actions are taken to restore and compensate, including rehabilitating local vegetation and reconstructing animal habitats.

Offset
- As a last resort, when residual impacts cannot be fully eliminated through the above measures, compensation is made by investing in conservation or restoration projects of equivalent or higher ecological value at other locations.

Assessment of Nature Dependencies, Impacts, Risks, and Opportunities

To strengthen the identification, assessment, and disclosure of nature-related impacts, the Company has incorporated the TNFD framework and adopted the LEAP (Locate, Evaluate, Assess, Prepare) methodology to establish a nature-related issue management system covering the entire value chain. This system spans the full business chain—from raw material procurement and manufacturing operations to project delivery—and aims to scientifically identify, systematically assess, and prioritise the management of the Company's key dependencies on natural ecosystems and potential impacts arising from both its own operations and supply chain activities. In doing so, Hithium seeks to accurately identify associated risks and opportunities, thereby providing a scientific basis for enhancing environmental resilience and long-term value creation.

TNFD LEAP Methodology[26]

Locate: Identify and determine priority sites

- Use location information and the BIA tool to identify sensitive sites.
- Apply the WWF BRF tool to assess the dependency on and impact to nature for each site, and determine risk levels.
- Integrate the above results to screen and select priority sites for attention.

Evaluate: Identify and measure dependencies and impacts on nature

- Based on the Company's operational footprint, combine ENCORE analysis and survey results to identify and assess nature dependencies and impacts.

Assess: Prioritise natural risks and opportunities, and identify existing risks and management measures

- Conduct impact pathway analysis to identify key natural risks and opportunities based on the most significant dependencies and impacts.

Prepare: Risk management strategies, targets, and performance management

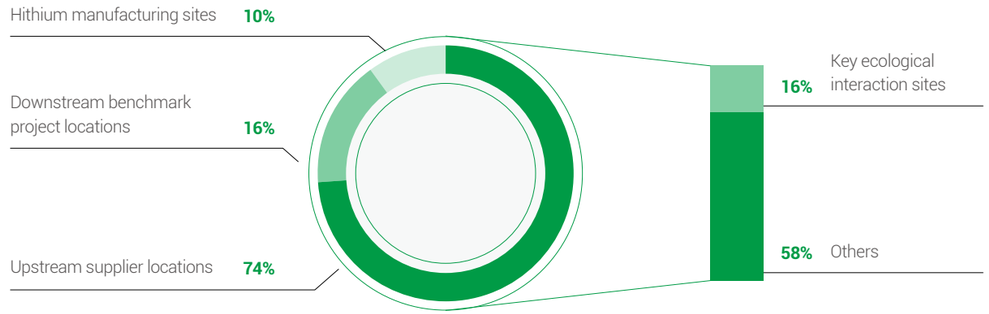
- Consider priority sites alongside key natural risks and opportunities to develop corresponding risk management strategies.
- Establish targets, define performance indicators to measure progress, and set up monitoring processes.
- Publish reports to disclose the outcomes and management measures.

Locate

Hithium utilised the Biodiversity Impact Assessment tool (BIA) and the WWF Biodiversity Risk Filter (BRF) to analyse project and operational locations. Through this process, the Company identified areas with ecological sensitivity as well as regions associated with nature-related dependencies and impacts, and screened priority locations for natural risk management.

Specifically, assessments were conducted across 19 locations covering upstream, internal operations, and downstream activities. Using BIA, Hithium evaluated endangered species and protected areas within a 10-kilometer radius of each operational site, identifying spatial correlations with ecologically sensitive areas and habitats of endangered species, as well as ecosystems and species potentially affected by corporate activities. Building upon this analysis, the WWF BRF tool was applied to conduct biodiversity risk screening for these locations, assessing potential impacts and ecological sensitivity and assigning biodiversity risk levels. Based on the combined results of these two tools, the Company ultimately identified three sites with significant ecological interactions, which were designated as priority locations for natural risk management.

[26] For detailed application of the TNFD LEAP methodology, please refer to the *Hithium 2025 Climate and Nature-related Financial Disclosures Report*.



Evaluate

To more accurately assess the impacts of corporate operations on natural resources and to comprehensively understand the supply chain's dependence on natural capital, Hithium applied the ENCORE tool to systematically identify ecosystem service dependencies and potential nature-related impacts across the value chain. Through the analysis of 10 key upstream and downstream industries, the Company identified nine potential nature-related impacts (such as disturbance, greenhouse gas emissions, and land use change) and 15 potential nature dependencies (such as water supply, global climate regulation, water purification, and storm mitigation).

Based on this assessment and a detailed evaluation of the Company's operational characteristics and supply chain profile, Hithium further identified five nature dependencies, and five nature impacts categorised as high, medium, or low importance, which were subsequently prioritised for further assessment.

Nature Dependency	Impact Drivers	Own Operations	Supply Chain
Water supply	▪ Freshwater resource utilisation	Medium	Medium
Water purification	▪ Pollution removal	Medium	Medium
Water flow regulation	▪ Resource use ▪ Land use change	Medium	Medium
Flood protection	▪ Climate change	Medium	Medium
Storm mitigation	▪ Climate change ▪ Land use change	Medium	Medium

Nature Impact	Impact Drivers	Own Operations	Supply Chain
Disturbance (noise, light pollution, etc.)	▪ Pollution	Medium	High
Non-GHG air pollutant emissions	▪ Pollution	Low	Medium
Solid waste generation and discharge	▪ Pollution ▪ Resource use	Low	Medium
Toxic soil and water pollutant discharge	▪ Pollution	High	High
Water use	▪ Freshwater resource utilisation	Low	Medium

Assess

A company's dependence on ecosystems and natural resources, together with the potential impacts of its activities on the natural environment, constitutes the fundamental source of nature-related risks and opportunities.

Based on the evaluation results, Hithium translated the identified dependencies and impacts into specific risk categories, and analysed opportunities that may arise from improving resource management or reducing ecological impacts.

Through a systematic analysis of drivers of changes in natural conditions, mechanisms through which business activities affect ecosystems, and potential financial consequences, the Company identified core nature dependencies and critical impact pathways. Building on this foundation, Hithium further assessed potential nature-related risks and opportunities to support management decision-making and strategic planning.

Nature-related Physical Risks

The Company's operations may be affected by changes in natural systems, including acute events such as extreme weather damaging facilities and chronic impacts like ecosystem degradation affecting supply chains and resource availability, constituting nature-related physical risks. In the reporting year, the Company identified acute physical risks such as extreme rainfall and typhoons, as well as chronic risks including declining water quality and light/noise pollution.

Nature-related Transition Risks

Policies, regulations, and market-driven green transitions may increase operational costs and compliance pressures. Delays in technology upgrades or shifts in market preferences can affect business models and asset utilisation efficiency, constituting nature-related transition risks. In the reporting year, the Company identified transition risks driven by regulations and policies related to water use, pollution, and the circular economy.

Nature-related Opportunities

The Company can create nature-related opportunities by optimising resource use, developing eco-friendly products, participating in ecosystem restoration, and managing natural capital, thereby generating cost savings, market expansion, and sustainable value creation. In the reporting year, the Company identified key opportunities in innovative products and services as well as ecosystem improvement.

Key Nature Dependencies[27]	Nature Risks / Opportunities	Description	Impact Pathway	Business Impact	Financial Impact
D1 Water Supply — PR1, TR1, O1 D2 Water Purification — PR2, TR2, O2 D3 Water Flow Regulation — PR3, O3 D4 Flood Protection — PR3, O2 D5 Storm Mitigation — PR3, O4	PR1 Physical Risk – Chronic	Water scarcity	Climate drying trends in the regions where production bases are located may reduce total available water resources.	Difficulties in securing water for production and potential constraints on capacity expansion plans; additional management efforts may be required to identify alternative water sources.	Increased raw water procurement costs; additional expenses incurred to secure water resources; potential loss of revenue due to production constraints.
	PR2 Physical Risk – Chronic	Deterioration of water quality	Water sources may experience quality degradation (e.g., eutrophication or pollution), impairing ecosystem services on which the Company depends.	Increased complexity of water treatment processes, higher reliance on treatment systems and chemicals, and greater operational and maintenance workloads.	Higher costs for treatment chemicals, energy consumption, and filtration materials; increased expenses for maintenance and upgrades of water treatment facilities.
	PR3 Physical Risk – Acute	Extreme rainfall, typhoons, or floods inundating facilities	Typhoons, heavy rainfall, or flooding may affect low-lying plant sites, submerging production equipment and warehouse inventories.	Damage to production equipment and shutdown of production lines; scrapping of inventory; potential data loss if data centres are affected.	Significant asset impairment and replacement costs; inventory losses; business interruption; higher insurance premiums following claims.
	TR1 Transition Risk – Policy	Water quotas and pricing policies	Governments may introduce strict water consumption caps and tiered water pricing in response to water crises.	Water-saving technological upgrades may be required to meet quotas; otherwise, production restrictions or shutdown risks may arise.	Compliance-related capital expenditures; significantly higher operating costs due to excess water charges; potential fines for non-compliance.
	TR2 Transition Risk – Policy	Stricter wastewater discharge standards	Environmental authorities may tighten industrial wastewater discharge standards (e.g., for heavy metals, total nitrogen, and total phosphorus).	Existing wastewater treatment facilities may require upgrades or reconstruction; wastewater treatment processes may become more complex.	Significant capital expenditures for facility upgrades; higher operating costs for wastewater treatment.
	O1 Opportunity – Resource Efficiency	Improving water recycling and reuse	Investments in reclaimed water reuse and circulating cooling technologies can significantly reduce freshwater consumption per unit of product.	Reduced dependence on external water supply and enhanced operational resilience; alignment with green manufacturing standards.	Direct reductions in water purchase and wastewater discharge fees; long-term operating cost savings with strong investment returns.

[27] D: Dependence. PR: Physical Risk. TR: Transition Risk. O: Opportunity.

Key Nature Dependencies[27]	Nature Risks / Opportunities	Description	Impact Pathway	Business Impact	Financial Impact
D1 Water Supply — PR1, TR1, O1 D2 Water Purification — PR2, TR2, O2 D3 Water Flow Regulation — PR3, O3 D4 Flood Protection — PR3, O2 D5 Storm Mitigation — PR3, O4	O2 Opportunity – Reputation Capital	Positioning as an environmental protection leader	By protecting surrounding ecosystems and addressing environmental risks, the Company can demonstrate strong risk management capabilities to customers and investors.	Enhanced brand reputation and stronger access to government support, community recognition, and ESG-focused investment.	Support for company valuation, improved negotiation positions, and lower cost of capital.
	O3 Opportunity – Ecosystem Protection	Participating in watershed ecological restoration	Actively supporting upstream watershed protection or ecological restoration projects such as afforestation.	Strategically ensuring long-term water security while strengthening partnerships with local governments and communities.	A strategic risk-mitigation investment whose benefits are reflected in the long-term stability of operations.
	O4 Opportunity – Products and Services	Developing energy storage for microgrids	Providing energy storage microgrid solutions for critical facilities (such as hospitals and data centres) in regions frequently affected by power outages caused by typhoons or floods.	Entry into the emerging power resilience market, differentiating products from competitors.	Higher product pricing power, improved profit margins, and new revenue streams.

Key Nature Impacts[28]	Nature Risks / Opportunities	Description	Impact Pathway	Business Impact	Financial Impact
I1 Disturbance (noise, light pollution, etc.) — PR1, TR1, O1 I2 Non-GHG air pollutant emissions — PR2, O2 I3 Solid waste generation and discharge — TR2, O1, O2 I4 Toxic soil and water pollutant discharge — PR3, O1, O2, O3 I5 Water use — PR4, TR3, O1	PR1 Physical Risk – Chronic	Operational light and noise pollution may damage local biodiversity.	Light pollution disrupts nocturnal species, while noise pollution affects wildlife habitats and breeding patterns, potentially degrading local ecosystems.	Potential environmental regulatory intervention and reputational damage to the Company's green image.	Higher ecological compensation or restoration costs and potential operational interruptions due to community complaints.
	TR1 Transition Risk – Policy	Failure to meet increasingly stringent environmental regulations, including noise and light pollution standards.	National or local authorities have raised biodiversity protection requirements, and existing standards are no longer compliant.	New project environmental approvals may be delayed, and existing facilities may require operational upgrades.	Increased expenditures for facility upgrades to achieve compliance.
	PR2 Physical Risk – Chronic	Pollutant emissions may contaminate surrounding air, soil, and water bodies, affecting ecosystem health.	Pollutant deposition alters soil pH, affects plant growth, harms the health of local flora and fauna, and disrupts ecological balance.	Potential ecological compensation obligations and strained relationships with communities and regulators.	Higher ecological remediation costs and potential operational interruptions due to community complaints.
	TR2 Transition Risk – Policy	Policies such as "Zero-Waste City" initiatives, extended producer responsibility (EPR), and mandatory battery recycling may impose new obligations.	New policies may impose specific targets and responsibilities for battery recycling and reuse.	Inadequate recycling systems or insufficient recycled material usage may affect product market access.	Increased compliance costs for recycling targets and potential increases in waste disposal costs.
	PR3 Physical Risk – Chronic	Improper waste storage may occupy land resources and contaminate soil and groundwater through leachate.	Pollution of plant sites and surrounding land and groundwater can impair ecosystem functions, potentially threatening drinking water sources and agricultural safety.	Severe environmental incidents, reputational damage, and potential environmental public interest litigation.	High soil and groundwater remediation costs.
	PR4 Physical Risk – Chronic	Water scarcity or water stress at operational locations may affect production continuity.	Local governments may prioritise residential water supply during droughts, restricting industrial water use.	Production interruptions and order delivery delays, affect the normal operation and expansion plans of the Company.	Revenue losses due to production interruptions and higher costs for emergency water procurement.
	TR3 Transition Risk – Policy	Rising water prices and stricter water efficiency standards.	Strict water resource management systems are being implemented, with tighter dual-control indicators on total water consumption and intensity.	New projects may fail water resource assessments, while existing capacity may require water-saving retrofits.	Rising water costs and increased capital expenditure for water-saving technologies.

[28] I: Impact. PR: Physical Risk. TR: Transition Risk. O: Opportunity.

Prepare

Hithium recognises its critical responsibility in ecosystem protection and restoration. Based on a systematic assessment of dependencies between its value chain and ecosystems and natural capital, as well as associated impact pathways and risk exposures, the Company has established clear nature-related goals and management directions. To more effectively address nature-related risks and capture opportunities, Hithium continues to advance nature conservation and ecosystem health through institutionalised management practices, enhanced disclosure, and the implementation of various environmental protection measures.

Nature Related Targets

Strategic Issue	Indicator	Target			2024 Progress	2025 Progress
		2025	2028	2037		
Environmental management and resource optimisation	Coverage rate of ISO 14001 Environmental Management System certification at mass production manufacturing base (%)	/	100%	100%	100%	**100%**
	NO_x emissions intensity in exhaust gas (per unit sales) (tonnes/GWh)	15% reduction from 2023	20% reduction from 2023	50% reduction from 2023	45.45% reduction from 2023	**62.89% reduction from 2023**
	SO_x emissions intensity in exhaust gas (per unit sales) (tonnes/GWh)	15% reduction from 2023	20% reduction from 2023	50% reduction from 2023	54.55% reduction from 2023	**38.75% reduction from 2023**
	Hazardous waste emission intensity (per unit sales) (tonnes/GWh)	15% reduction from 2023	20% reduction from 2023	50% reduction from 2023	22.18% reduction from 2023	**53.68% reduction from 2023**

Nature Related Metrics

Indicator	Unit	2025	2024
Environmental Management and Resource Optimisation			
Total Air Pollutant Emissions	tonnes	**61.61**	40.49
NO_x Emissions	tonnes	**23.41**	20.90
NO_x Emission Intensity	tonnes/GWh	**0.35**	0.60
SO_x Emissions	tonnes	**3.09**	1.60
SO_x Emission Intensity	tonnes/GWh	**0.05**	0.05
Particulate Matter(PM) Emissions	tonnes	**1.90**	6.72
Particulate Matter(PM) Emission Intensity	tonnes/GWh	**0.03**	0.20
VOC Emissions	tonnes	**33.21**	32.03
VOC Emission Intensity	tonnes/GWh	**0.50**	0.95
Total Wastewater Discharge	tonnes	**55,927.00**	327,685.00
Wastewater Discharge Intensity	tonnes/GWh	**838.49**	9,752.53
Total Non-Hazardous Waste	tonnes	**119,481.08**	72,326.78
Non-Hazardous Waste Intensity	tonnes/GWh	**1,791.32**	2,152.58
Total Disposed Non-Hazardous Waste	tonnes	**914.36**	794.18
Non-Hazardous Waste Disposal: Landfill	tonnes	**0**	0
Non-Hazardous Waste Disposal: Incineration with energy recovery	tonnes	**0**	268.18
Non-Hazardous Waste Disposal: Incineration without energy recovery	tonnes	**914.36**	0
Non-Hazardous Waste Disposal: Other	tonnes	**0**	0
Total Hazardous Waste	tonnes	**4,264.06**	3,842.72
Hazardous Waste Intensity	tonnes/GWh	**63.93**	114.37
Total Disposed Hazardous Waste	tonnes	**1,973.25**	1,406.97
Hazardous Waste Disposal Ratio	%	**46.28**	36.61
Total Waste Generated	tonnes	**123,745.14**	76,169.50
Total Waste Disposed	tonnes	**2,887.61**	2,201.15
Total Water Consumption	million m^3	**1.78**	1.50
Water Consumption Intensity	million m^3/GWh	**0.03**	0.04
Employees receiving environmental issue training	%	**100**	100
Operating sites with ISO 14001 certification	%	**100**	100
Sites with HAZWOPER certification or ISO 14001 compliance for hazardous waste management	%	**100**	100
Environmental management system coverage	%	**100**	100
Operating sites undergoing environmental risk assessment	%	**100**	100
Circular Economy			
Total Waste Recycled	tonnes	**122,206.54**	73,968.35
Overall Recycling Rate	%	**97.69**	97.11
Non-Hazardous Waste Recycled	tonnes	**119,917.20**	71,532.60
Hazardous Waste Recycled	tonnes	**2,289.34**	2,435.75
Hazardous Waste Recycling Ratio	%	**53.71**	63.69

Ecological Protection and Restoration

Hithium strictly complies with all applicable environmental regulations. During the plant planning and construction phases, ecological baseline surveys are conducted to assess local environmental conditions. Through scientific site layout and the introduction of environmentally and ecologically friendly technologies, Hithium minimises disturbances to local natural habitats and biodiversity to the greatest extent possible.

Honeycomb Impedance Composite Silencer System for Noise Reduction

To systematically address the noise generated during the pressure release process of air compressors, Hithium adopted a honeycomb impedance composite silencer enclosure as the core solution. This technology integrates the advantages of resistive structures (designed to treat mid- and high-frequency noise) and reactive structures (designed to suppress low-frequency noise), offering features such as a wide noise reduction frequency band and low airflow resistance.

The retrofit included installing silencing devices at the air compressor outlet and six exhaust outlets. Following implementation of the project, boundary noise levels at the facility have been consistently maintained within national standards—≤65 dB during daytime and ≤55 dB at night. This has effectively improved the working environment for employees while safeguarding the acoustic environment and ecological harmony of surrounding areas.

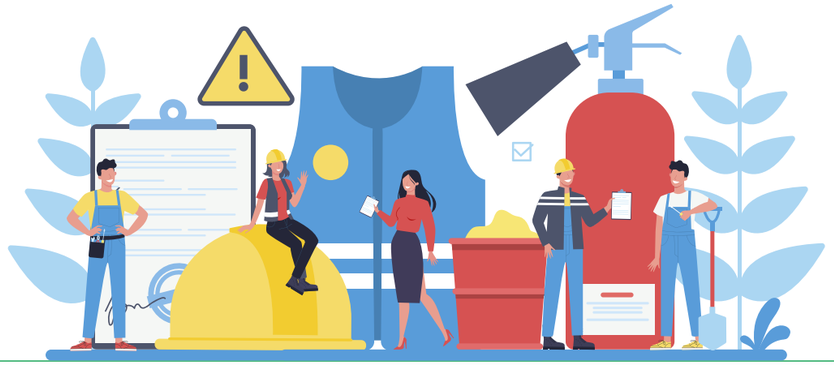
For areas where impacts are unavoidable during operations, Hithium firmly fulfils its responsibility for ecological restoration and commits to implementing systematic compensation and remediation measures. The Company develops and implements long-term ecological restoration plans for areas surrounding its manufacturing sites. These plans include, but are not limited to, implementing timely and effective measures to reduce damage to local ecosystems caused by natural disasters.

Hithium is committed to transforming its manufacturing facilities not only into green manufacturing bases, but also into ecological nodes that coexist harmoniously with surrounding environments. Through concrete actions, the Company contributes to the stability of local ecosystems around its facilities and advances the long-term goal of coordinated development between business operations and nature.

Flood Prevention at the Chongqing Manufacturing Base

In response to the orange rainstorm warning issued by Tongliang District on July 23, 2025, and in accordance with the *Hithium Emergency Management Regulations for Typhoon and Flood Prevention*, the Chongqing manufacturing base initiated rapid response measures to ensure that emergency operations were carried out efficiently and in an orderly manner, minimising potential losses from the disaster.

The base immediately organised the ME and FE departments to conduct preventive inspections and maintenance of production facilities. The PRD department was arranged to place fire sandbags outside the exterior walls of the production workshop to seal rolling shutter doors and fire doors, preventing rainwater backflow. At the same time, each department strengthened patrols of its respective areas, closed doors and windows in advance, secured various facilities, and reasonably adjusted work schedules to avoid employees working in the rain, thereby ensuring the safety of personnel and facilities. The entire base entered a state of heightened alert, with the emergency command centre maintaining continuous duty, ensuring that any abnormalities could be addressed promptly and effectively.



03

Win–Win Cooperation

Hithium upholds the philosophy of win–win cooperation, advancing sustainable development through supply chain management and collaboration with industry partners. The Company strengthens green supply chain management, drives partners to undertake clean investment and apply green technologies, leads the green transformation of the industrial chain and the development of a new energy ecosystem, and achieves the coordinated enhancement of economic and environmental value.

Key Data

Number of suppliers undergoing ESG review
122

Coverage of supplier ESG reviews as a percentage of procurement value in the previous fiscal year
68.00 %

Implementation rate of corrective actions from supplier ESG reviews
100 %

Number of suppliers participating in ESG capacity-building programmes
60

Percentage of new suppliers screened using sustainability standards
100 %

Number of participants in supplier ESG training
117 persons

Total duration of ESG management training sessions conducted
422.50 hours

Chapter Case

Conducting Supplier ESG Audits to Achieve an Upgrade in Sustainable Supply Chain Management

In the energy storage industry, supply chains span core battery materials, high-precision module manufacturing and system integration— with complex raw material sourcing that gives rise to multiple ESG risks, including environmental footprint, labour compliance, and supply chain security. At the same time, international markets have put forward higher requirements for green compliance and responsibility traceability. The cross-regional and multi-tier complexity of the supply chain makes sustainability risks in the supply chain a core challenge faced by the industry. Under this background, enterprises must strengthen the identification and management of ESG risks in the supply chain to ensure stable raw material supply, compliant operations, and overall sustainable development.

To this end, during this year, Hithium incorporated ESG Key Performance Indicators (ESG KPIs) into the annual comprehensive performance evaluation system for suppliers, realising the quantification of sustainable supply chain management. Through a quantitative and intuitive scoring system, the Company is able to assess the ESG development level of suppliers, providing a scientific basis for subsequent sustainable supply chain development, supplier capability enhancement, and ESG rectification. Meanwhile, the performance scoring results serve as an important reference for commercial cooperation and annual reviews, guiding suppliers to proactively improve environmental management, fulfil social responsibilities, and enhance governance systems.

Implementation Process and Scoring System

The supplier ESG audit process is jointly executed by the Company's internal ESG Management Department and the Procurement Centre. The ESG Management Department is responsible for formulating and updating assessment rules, organising on-site audits or self-assessment questionnaires for suppliers, and tracking rectification status and verifying completion. The Procurement Centre is responsible for consolidating ESG audit scores, incorporating them into the annual comprehensive performance, and assisting in supplier information collection, confirmation of audit results, and rectification tracking. The full score for the annual supplier ESG audit is 100 points, and it is incorporated into the comprehensive performance with a weighting of 20%, directly affecting commercial cooperation decisions.

Hithium Supplier ESG Scoring Mechanism

Hithium's supplier ESG scoring mechanism is constructed based on the principles of scientific methodology, quantification, and dynamic adjustment. Firstly, suppliers submit self-assessment questionnaires within the audit cycle and simultaneously undergo the Company's ESG on-site audits, generating supplier self-assessment scores and audit questionnaire scores. These two types of scores are combined to form the supplier's baseline audit score, providing an initial reference for subsequent performance calculation.

On this basis, the Company adopts a dynamic performance adjustment mechanism, conducting score additions and deductions based on suppliers' rectification status. Specifically, for non-conformities identified during audits, suppliers are required to submit corrective plans and complete rectification within the agreed timeframe. If the submission of corrective plans is overdue, or if measures are delayed or not completed, points will be deducted in accordance with established rules; whereas if all rectifications pass verification at the first attempt, additional points may be awarded. Meanwhile, for critical issues that trigger the Company's ESG management red lines (i.e. zero-tolerance items), even if other items meet requirements, the upper limit of their performance rating will be restricted, and the performance rating will be further downgraded if rectification is not completed on time, ensuring zero tolerance for significant ESG risks.

Since implementation, the Company established a standardised and quantitative supplier ESG control process, significantly improving the rate of ESG behavioural improvement and rectification efficiency among suppliers, and promoting the integration of ESG performance into cooperation decisions, thereby enhancing the overall sustainable development level of the supply chain. The Company will continuously optimise ESG KPI scoring rules, expand the scope of supplier coverage, and deepen collaborative cooperation with supply chain partners to promote the construction of a sustainable supply chain.

3.1 Sustainable Supply Chain

Robust partnerships with suppliers is the cornerstone of corporate sustainable development. Hithium is committed to committed to sustainable supply chain sustainability by driving partners to fulfil ESG responsibilities and raising supply chain performance through continuous assessment and improvement, supporting the green transformation and low-carbon development of the industrial chain.

Supplier Selection and Management

We focus on building a high-standard, transparent, and sustainable supply chain system. Through the improvement of management systems and strict process control, we ensure the compliance, reliability, and resilience of the supply chain. The Company formulated and implemented management systems such as the *Supplier Management Procedure*, the *Code of Conduct for Partners*, and the *Supplier Performance Assessment Management Regulations*, integrating the concept of sustainable development into the entire process of supplier admission, auditing, and performance management, so as to systematically improve supplier quality and cooperation stability.

The Company established a management process covering the full life cycle of suppliers. At the potential assessment stage, we identify quality, delivery, and ESG risks by collecting qualification, financial, and credit information. At the admission stage, suppliers are required to complete self-assessments, and the Company's cross-functional teams conduct on-site audits, focussing on quality control, delivery and R&D capabilities, environmental compliance, and business ethics. Upon passing the audit, suppliers sign the *Supplier Management Agreement* and are included in the qualified supplier list. During the cooperation process, we monitor supplier delivery and quality performance through regular communication and data monitoring, and conduct material validation and PPAP (Production Part Approval Process) reviews to ensure that key components meet certification requirements and are ready for mass production. Meanwhile, we regularly conduct performance evaluations, carrying out comprehensive assessments from the dimensions of quality, delivery, cost, and sustainable development, and promoting rectification to ensure continuous improvement and stable operation of the supply chain.

During the reporting year, we conducted environmental and social impact assessments for all new suppliers to ensure their compliance with the Company's sustainability and compliance standards.

To enhance the efficiency of supply chain management, the Company implements a tiered management system, managing suppliers in layers according to business importance and procurement proportion. According to the Company's definition, among direct material suppliers, those accounting for the top 70% of annual procurement amount are identified as key suppliers (also referred to as significant suppliers) and are included within the scope of key management.

In 2025

Direct material suppliers

876

Key direct material suppliers

876

In addition, the Company actively promotes localised procurement, prioritising procurement cooperation within the regions where its operating sites are located, making full use of local resources, shortening the supply chain, and enhancing delivery efficiency and collaboration capabilities.

Supplier Distribution	2025
Number of suppliers in Fujian region (units)	601
Number of suppliers in Chongqing region (units)	198
Number of suppliers in Shenzhen region (units)	284
Number of suppliers in overseas and Hong Kong, Macao and Taiwan regions (units)	300

Supplier ESG Management

The Company is committed to integrating the concept of sustainable development throughout the entire supply chain system, enhancing the resilience and robustness of the supply chain. We formulated the *Code of Conduct for Partners* applicable to all suppliers and have entered into the *Supplier Management Agreement* with suppliers. According to the agreement, suppliers are required to comply with ESG management standards in areas including quality assurance, confidentiality and intellectual property protection, integrity in performance, export control and sanctions compliance, safety management, social responsibility, and environmental and health management. At the same time, the agreement also requires suppliers to ensure that their sub-tier suppliers comply with the relevant requirements, thereby ensuring that responsibilities are further transmitted throughout the supply chain.

In addition, the Company continuously improves its supply chain due diligence management system by formulating the *Supplier ESG Management Procedures*, the *Supply Chain Due Diligence Management Regulations*, the *Supplier ESG Risk Management Regulations*, and the *Supplier ESG Performance Management Procedures*, conducting ESG risk screening and control over suppliers that directly or indirectly provide raw materials and auxiliary materials required for products to Hithium and its wholly-owned, holding, or joint venture enterprises, ensuring compliance with the Company's supplier management requirements. Meanwhile, we actively promote suppliers to carry out capacity building in sustainable development, continuously enhancing their risk resilience and achieving long-term win–win development with suppliers.

Compliance

Establishing the *Code of Conduct for Partners*, requiring all suppliers to comply with standards on human rights and labour practices, business ethics, and environmental management, thereby ensuring sustainable cooperation with Hithium.

Risk Assessment

The ESG Management Department, in collaboration with the procurement department, conducts preliminary ESG risk screening for potential suppliers. Based on the ESG information questionnaires completed by suppliers, their risk levels are assessed and categorized into three tiers: high, medium, and low.

Risk Management

Taking into account both supplier criticality and ESG risk levels, the Company formulates differentiated risk management measures, including document reviews and on-site audits. Issues identified during audits are classified into three levels according to severity: general issues, major issues, and zero-tolerance issues.

Corrective Actions and Capacity Building

For issues identified at different levels, suppliers are required to complete corrective actions within specified timeframes. Meanwhile, the Company provides ESG-related training and capacity-building support to suppliers, facilitating the continuous improvement of their sustainability management capabilities.

Risk Assessment

To identify potential risks in the supply chain, we comprehensively consider risk factors at the industry, geographical, product, and enterprise levels, and, in conjunction with ESG topics of key concern to the Company, formulated the *Supplier ESG Information Form*, which suppliers are required to complete. Based on the information submitted by suppliers, the Company identifies, assesses, and ranks ESG risks, thereby classifying suppliers into risk categories and screening those requiring further due diligence.

Environmental		Social		Governance
General Environmental Management Requirements	Water Resource Management	Occupational Health Management General Requirements	Conflict Minerals Management	Business Ethics Standards
Air Emissions Management	Soil and Biodiversity Protection	Fire Safety Management	Maintenance of Community Living Environment	Intellectual Property Protection
Wastewater Management	Energy Management	Chemical Management		
Waste Management	Climate Change Mitigation Measures	Occupational Health and Safety		
Noise and Vibration Control		Social Responsibility Fulfilment		

ESG Risk Audit Indicators

Based on the principle of risk orientation, during this year, we distributed the *Supplier ESG Information Form* to more than 200 direct material suppliers (i.e. Class I, Class II and OEM), introduced a quantitative risk scoring mechanism, and completed preliminary ESG information collection and risk identification. We classified the overall performance of suppliers into three risk categories: high, medium, and low. On this basis, combined with the importance level of suppliers (i.e. key suppliers, relatively important suppliers, and general suppliers), we formulated differentiated risk management strategies to ensure that the Company's supervision measures are both precise and effective, and aligned with the actual operational needs of the supply chain.

Risk Management

To ensure more comprehensive and in-depth risk identification and control, we adopt diversified, flexible, and tiered assessment methods during the audit process, including two major categories: document-based audits and on-site audits.

During the reporting year, the Company conducted due diligence on a total of 112 suppliers, accounting for approximately 68% of the annual procurement amount. Among them, based on risk assessment results and procurement cooperation (such as procurement amount), we selected 40 suppliers with potential high risks and important cooperation relationships for on-site audits. The audit scope covered key upstream segments such as lithium iron phosphate, separators, and electrolytes. Meanwhile, we jointly iterated the *Supplier ESG Due Diligence Audit Checklist* with third-party institutions, introducing a scoring evaluation mechanism to achieve standardisation of the evaluation process and visualisation of results.

To further deepen management, we included 72 suppliers, including those audited in the previous year, in online assessments. Through standardised self-assessment questionnaires, we achieved ESG performance tracking across a broader range of suppliers.

Total Number of Audited Suppliers in 2025

Document-based audit

ESG Questionnaire

72

On-site audit

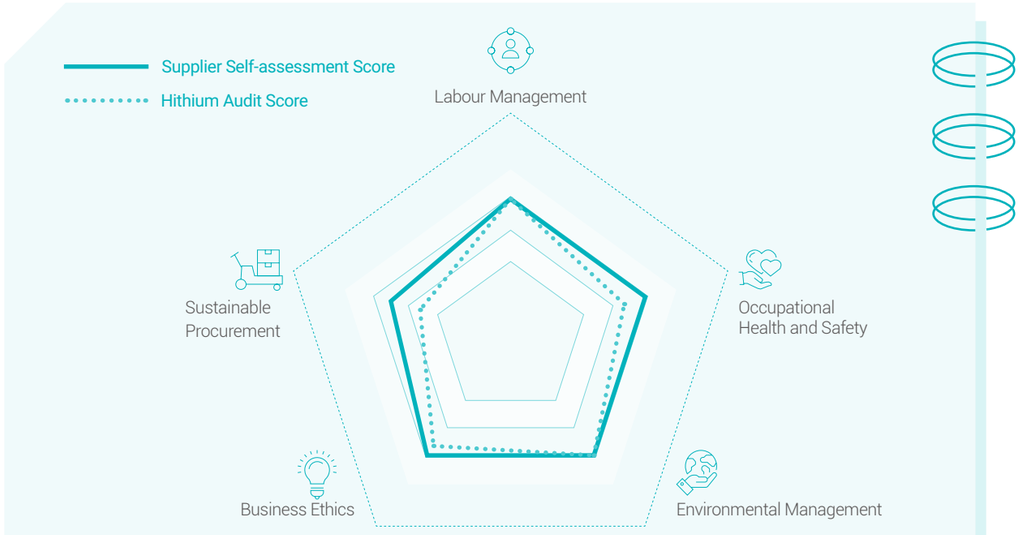
Company-led Due Diligence

15

Third-party-led Due Diligence

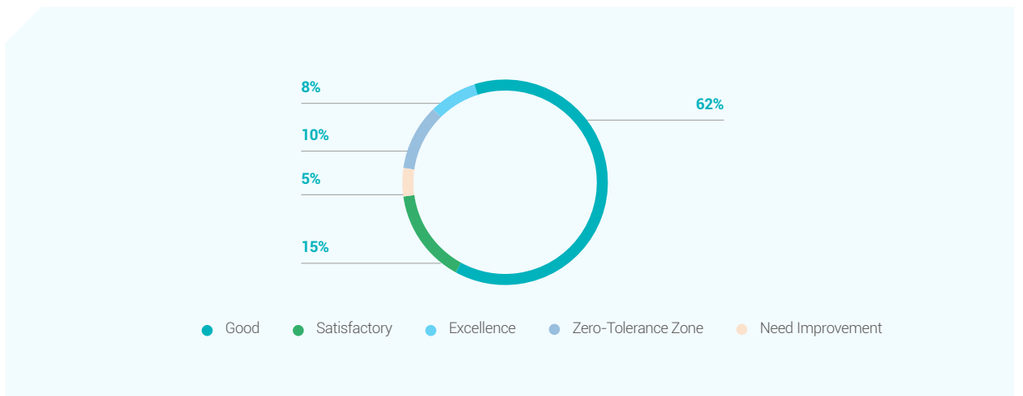
25

The self-assessment questionnaire focuses on labour management, occupational health and safety, environmental management, business ethics, and sustainable procurement, comprehensively covering ESG risks, and is aligned with domestic and international regulatory certification standards such as RBA (Responsible Business Alliance) and SA8000. The assessment results by topic are as follows:



Compared with supplier self-assessment scores, the audit results indicate that there are still gaps between certain practices and expected standards. The Company further prompted suppliers to strengthen management and implementation in relevant areas and continuously improve performance on related topics.

In terms of on-site audits, we classified suppliers based on assessment results, with the outcomes as follows:



Rectification and Capacity Building

Based on audit results, we formulated corresponding corrective plans, classifying identified issues into three levels according to severity, and setting clear rectification timelines and requirements for each level. For suppliers that fail to complete rectification on time, fail to meet requirements, or refuse to cooperate, the audit team will promptly notify the procurement business department and highlight relevant risks, working collaboratively to assess and, where appropriate, adjust procurement strategies to ensure effective control of supply chain risks.

Issue Level	Rectification Timeline	Ratification Requirement
Red-line Issues (zero-tolerance items)	Immediate improvement	Report progress at least once every two weeks until completion
Major Issues (critical items)	Improvement within three months	Report progress at least once per month until completion
General issues (general items)	Improvement within six months	Report progress at least once every two months until completion

To further enhance the overall sustainable management level of the supply chain, the Company developed targeted improvement plans focussing on four key areas requiring enhancement: social responsibility, water resource management, conflict minerals management, and climate change response. At the same time, time-bound rectification and continuous tracking mechanisms were implemented for topics such as occupational health management and energy management to ensure the effective implementation of improvement measures.

During the reporting year, the Company carried out classified management of issues identified in audits, set corresponding rectification timelines based on issue levels, and continuously tracked supplier rectification to ensure that issues are resolved in a timely and effective manner.

In addition, the Company attaches great importance to the opinions and feedback of supply chain employees, treating them as an important reference for risk identification and management optimisation. Through supplier due diligence, on-site interviews, and third-party assessments, the Company collects feedback from supply chain employees on labour conditions, occupational health and safety, and social responsibility, and incorporates such feedback into supplier evaluation and management decision-making processes. For issues raised by supply chain employees, the Company requires suppliers to carry out rectification after verification and tracks the rectification progress in real time, ensuring that feedback is addressed and responded to. At the same time, for employee groups that may face higher labour rights risks, such as outsourced workers, temporary workers, and contract workers, the Company adopts differentiated communication measures to reduce communication barriers, ensuring that their opinions are fully collected and properly addressed.

In terms of enhancing supplier ESG awareness and capacity building, the Company is committed to collaborative development with suppliers and co-creating value. We invite qualified third-party institutions and industry experts to conduct thematic training on sustainable supply chains, helping suppliers better understand compliance trends, industry best practices, and the Company's overall requirements for sustainable development, thereby enhancing their management capabilities and risk response capabilities.

2025

Number of suppliers participating in ESG management training
117 persons

Number of suppliers participating in ESG management training
60 units

Total duration of supplier ESG management training
422.50 hours

Hithium Conducted General ESG Audit Knowledge Training

To further enhance the sustainable management capabilities of suppliers, Hithium organised a specialised ESG training, inviting experts from professional third-party institutions to provide in-depth explanations. The training introduced basic ESG concepts, the RBA Code of Conduct, and the core elements of ESG due diligence, systematically outlining ESG standard requirements commonly applicable within the industry.

Experts provided systematic explanations of the core topics of the RBA Code of Conduct, including five major modules: labour and human rights, occupational health and safety, environmental management, business ethics, and management systems. Drawing on industry audit experience, the experts focused on analysing key control points of each topic and demonstrated common non-conformities that frequently arise in actual audits through typical case examples. Meanwhile, the training also provided targeted guidance on common difficulties encountered by suppliers when preparing RBA audit materials, helping them more accurately understand the depth of management requirements and audit focus under the RBA framework, thereby laying a solid foundation for subsequent audits and continuous improvement.

Responsible Mineral Management

As a battery manufacturing enterprise, the Company may use a variety of mineral resources in its production and operations, including tin, tungsten, tantalum, gold, lithium, copper, aluminium, mica, and graphite. The Company fully recognises that mineral extraction, trade, processing, and export activities in conflict-affected and high-risk areas may bring significant adverse impacts, and also acknowledges the responsibility of enterprises in respecting human rights and avoiding contributing to armed conflict. The Company commits to adhering to the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains* issued by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters, as well as the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (hereinafter referred to as the "*OECD Guidance*"), and to fully promoting and implementing the relevant policy requirements. We incorporated the *Responsible Mineral Supply Chain Due Diligence Management Policy* into contracts or agreements with suppliers, explicitly committing not to use minerals sourced from conflict regions, while requiring suppliers to adopt the same stance and prohibit the procurement of minerals from conflict regions, jointly promoting responsible operation and sustainable development of the supply chain. As at the end of the reporting period, the Company was not involved in any revenue related to minerals sourced from conflict-affected or high-risk areas.

The Company strictly follows the *OECD Guidance* to establish and implement a systematic mineral supply chain due diligence process, conducting risk identification, assessment, and management for supply chains involving responsible minerals and conflict minerals. By establishing a risk management system aligned with the OECD five-step framework, the Company continuously identifies potential risks in the supply chain, analyses their significance, formulates and implements targeted risk mitigation measures, and discloses relevant progress and results in a timely manner. Through this system, the Company strives to ensure that, in the procurement and use of mineral resources, it does not contribute to conflict, does not infringe human rights, and avoids significant adverse environmental impacts, thereby effectively enhancing the transparency and responsible management level of the mineral supply chain.

Step 1: Establish strong management systems

The Company has established the *Mineral Supply Chain Risk Management Policy*, clearly defining the ESG Management Department and the Procurement Center as jointly responsible for systematically identifying and assessing risks associated with suppliers of conflict minerals and responsible minerals, while establishing clear management responsibilities and procedures.

Step 2: Identify and assess adverse impacts

Relevant departments maintain and regularly update a list of risk regions, assessing potential risks from dimensions such as armed conflicts and human rights conditions. When a supplier, its material sources, or upstream entities are confirmed to be located in or sourced from high-risk regions, a "warning signal" is triggered, and the supplier is added to a priority monitoring list, providing the basis for subsequent risk screening and due diligence.

Step 3: Cease, prevent or mitigate adverse impacts

Based on the supplier's risk level, the Company implements differentiated risk management requirements, which may include providing risk statements, supplying supplementary key information, or disclosing upstream sourcing information. These measures ensure that potential risks are fully identified and addressed.

Step 4: Track implementation and results

For suppliers categorized as high risk, the Company conducts due diligence audits, either remotely or on-site, with a focus on verifying whether their activities contribute to armed conflict, human rights violations, money laundering, or other high-risk behaviors. This enhances supply chain transparency and responsible management practices.

Step 5: Communicate how impacts are addressed

The ESG Committee reviews risk mitigation strategies and corrective action plans based on due diligence findings and supervises their implementation. The Company publishes an annual Responsible Mineral Supply Chain Due Diligence Report on its official website, proactively disclosing its policy framework, risk assessment results, and corrective progress, ensuring openness and transparency in supply chain management.

During the reporting year, the Company continued to advance mineral supply chain management, referencing the *OECD Guidance* and the *Guidelines for Due Diligence in China's Mineral Supply Chains* issued by CCCMC, and established and published relevant systems and policies for mineral supply chain due diligence, such as the *Conflict Minerals Management Regulations, Responsible Minerals Management Regulations, Mineral Supply Chain Risk Management Regulations*, and the *Responsible Mineral Supply Chain Due Diligence Management Policy*. Training was also conducted for external suppliers and internal management personnel to enhance awareness of mineral supply chain management.

2025

Number of participants in conflict minerals and responsible mineral training

104 persons

Total duration of conflict minerals and responsible mineral training

312 hours

The Company conducted conflict mineral identification for raw materials of energy storage system components (battery cell products do not involve conflict minerals). A total of 33 suppliers' products involved 3TG elements (tungsten, tin, tantalum, and gold). The Company traced the sources of smelters for raw materials involving conflict minerals, among which 18 suppliers provided CMRT reports. Through risk identification and assessment of upstream smelters, no high-risk smelters were identified in 2025.

Based on its own product characteristics, the Company defines lithium, mica, graphite, copper, and aluminium as responsible minerals, covering materials such as graphite, lithium iron phosphate, electrolytes, copper and aluminium foils, copper and aluminium busbars, aluminium end plates, and mica fireproof boards. After screening, a total of 38 major suppliers requiring further review were identified. The Company progressively traced the mineral supply chains of these suppliers and mapped the supply chain structure. By collecting Know Your Supplier (KYS) information at all tiers, the Company conducted risk identification and assessment across the supply chain. No high-risk responsible mineral supply chains were identified in 2025.

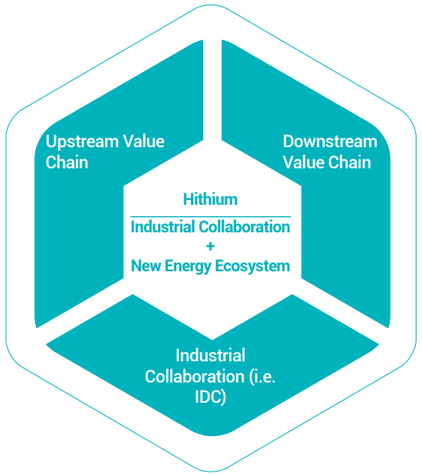
At the same time, in order to better promote conflict minerals and responsible minerals management, the Company selected five Tier 1 suppliers respectively to conduct on-site audits on conflict minerals and responsible minerals. The audit content mainly included system establishment of mineral supply chains, management implementation, human rights, health, safety, and environmental protection. The main audit findings related to deficiencies in system establishment and incomplete management implementation, with no risks identified in human rights or environmental protection.

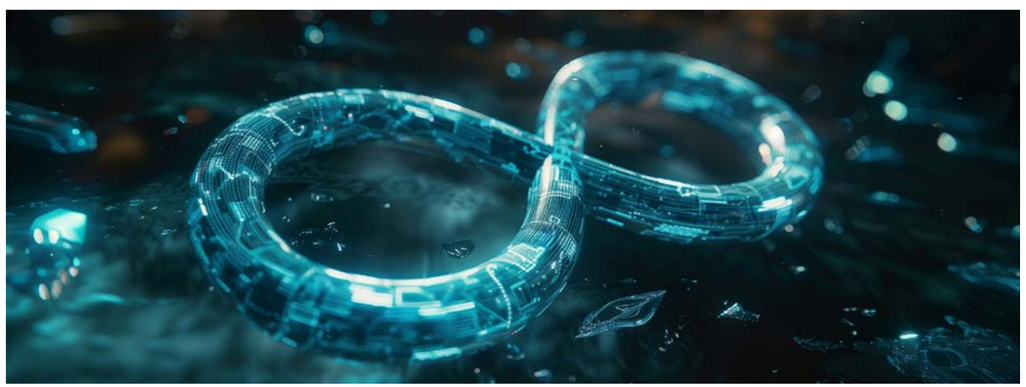
3.2 Industrial Collaboration and Low-Carbon Investment

Amid the global wave of energy transition, the Company leads industrial collaboration with a forward-looking strategy, actively promoting green investment by industry partners and advancing the application and development of low-carbon technologies. Through in-depth industrial collaboration and resource integration, the Company works with partners to jointly build a green new energy ecosystem, forming a collaborative network covering technology research and development, application promotion, and industrial implementation, thereby supporting the green upgrading of the industrial chain.

Industrial Ecosystem Collaboration

Leveraging its strong technological platform advantages, Hithium takes "ecosystem co-construction + new energy" as its core approach, joining hands with upstream supply chains, downstream customers, and industry partners to promote the coordinated construction of a green energy industrial ecosystem. At the same time, it actively engages with diverse stakeholders, including government policies, industry associations, international organisations, investors, and financial institutions, pooling institutional, capital, and industry resources to form an ecosystem co-construction framework characterised by multi-party participation, shared responsibility, and collaborative governance. During project advancement and industrial implementation, the Company continuously pays attention to the demands of communities and other social stakeholders, promoting the sharing of development outcomes. By facilitating the systematic integration of technology, capital, and application scenarios, the Company continuously consolidates the foundation of the green energy ecosystem, promotes efficient allocation and value realisation of new energy across the entire industrial chain, and accelerates the large-scale and systematic development of clean energy.





Alignment with Domestic and International Policies

Hithium integrates the concept of ecosystem co-construction into the global energy transition process, actively participating in international organisations and multilateral cooperation mechanisms, paying attention to and benchmarking against international rules on sustainable development and climate governance, and promoting the alignment between corporate practices and global green transition goals. At the same time, it closely follows the direction of China "14th Five-Year Plan" and relevant energy and industrial policies, contributing to the improvement and long-term development of the green energy ecosystem through coordinated efforts in industrial layout, technological innovation, and project practice.

Hithium Participated in International Climate Governance and Contributed to the Global Energy Transition

In November 2025, the 30th United Nations Climate Change Conference (COP30) was held in Belém, Brazil, providing an important platform for all parties to conduct exchanges and cooperation on global climate action and green transition pathways. During the conference, the China Pavilion series showcased the practical achievements of Chinese enterprises in addressing climate change and promoting green development.

Achieving global climate goals hinges on building a new-type power system centred on new energy. However, the intermittency and volatility of renewable energy remain key challenges restricting its large-scale development. Long-duration energy storage, with cross-time regulation capabilities, is becoming a key infrastructure for ensuring the safe and stable operation of power systems and promoting a high proportion of renewable energy integration, as well as an important pivot for global green industrial collaboration.

As an innovative representative in the field of long-duration energy storage, Hithium was invited to participate in the thematic discussion on "Technological Innovation and Localised Application: Supporting the Global Green Transition", systematically sharing its practical experience in energy storage technology innovation, product system development, and overseas localised application, and demonstrating the proactive role of Chinese energy storage enterprises in serving the global energy transition through technological strength. In response to the urgent global demand for "longer-duration and higher-efficiency" energy storage capabilities, Hithium continues to focus on key technologies such as large-capacity battery cells and system integration, enhancing the comprehensive performance of energy storage systems in terms of safety, stability, and economic efficiency, thereby providing solid support for the large-scale development of new energy.

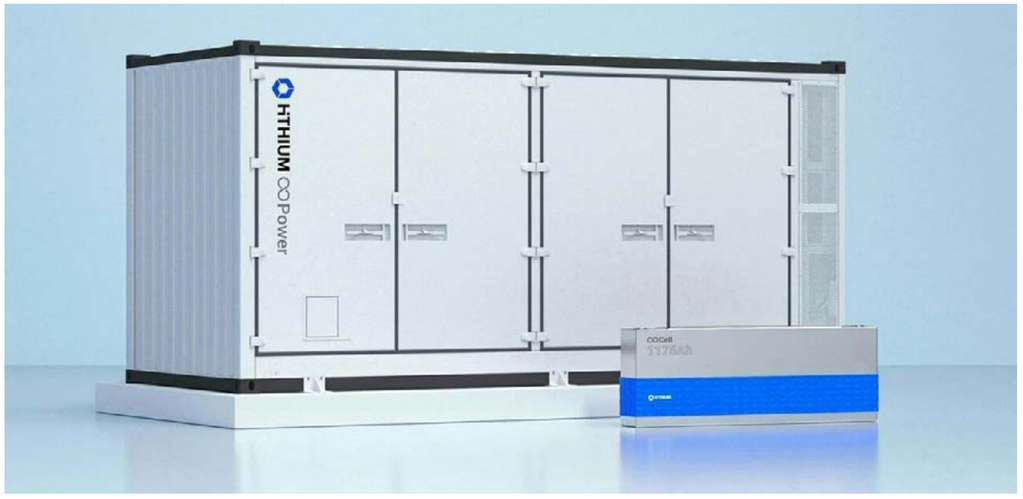
Speech by Wang Hao, Director of Investment and Development of Hithium

Relying on a clear technological roadmap and continuous innovation capability, Hithium has steadily established competitive advantages in the global energy storage industry and, together with industry partners, is promoting the transition of the industry from scale competition to value competition. By strengthening new energy infrastructure capabilities through energy storage technology, Hithium is actively participating in global climate governance and industrial collaboration, contributing Chinese solutions to the construction of a safer, more efficient, and more sustainable global energy system.

Hithium Participated in the 14th Five-Year Plan Achievement Exhibition

Against the backdrop of rapid development in the energy storage industry, China's power and energy storage battery sector has achieved strong market competitiveness and innovation capability, yet still faces challenges in enhancing industrial maturity, improving technical standards, and expanding global deployment. To promote high-quality industry development, China continues to optimise the policy environment, strengthen industrial guidance and standard-setting, and encourage enterprises to drive innovation and expand into international markets in an orderly manner. Under national policy guidance and industry development trends, enterprises should adhere to the principle of becoming "larger and stronger", expanding business scale while maintaining fair competition in the energy storage battery industry, deepening capabilities in technology, management, and industrial chains, and steadily enhancing core competitiveness through continuous technological investment, management innovation, and global development strategies along specialised and differentiated tracks.

As the only exhibitor from the energy storage sector, Hithium's self-developed ∞Power 6.25MWh 4h long-duration energy storage system was successfully selected for the "14th Five-Year Plan" China's Manufacturing Achievements Exhibition. This achievement, through system-level innovation capability and engineering application standards, demonstrates the technological pathway of China's energy storage industry towards high-end, intelligent, and green development during the "14th Five-Year Plan" period, highlighting the advancing strength of Chinese manufacturing in the field of new energy storage.



∞Power 6.25MWh 4h Long-Duration Energy Storage System

In alignment with the coordinated advancement of the "14th Five-Year Plan" for manufacturing strength and energy transition, Hithium, through forward-looking strategic deployment, focuses on the long-duration energy storage sector, continuously driving breakthroughs in key technologies such as large-capacity battery cells, system integration, and engineering application, accelerating the transformation of technological achievements into large-scale and scenario-based applications, and effectively supporting the construction of new-type power systems.

The development of China's manufacturing represents a history of innovation from catching up to leading, and from breakthrough to leapfrogging. Hithium continues to achieve technological breakthroughs "from zero to one" and industrial advancement "from follower to leader", fulfilling the mission of serving the nation through industry with the responsibility of a private enterprise, and leveraging robust technological strength to support the transition of Chinese manufacturing towards intelligent manufacturing.

Participation in Industry Standard Co-construction

Hithium actively leverages industry association platforms, participating in exchanges and cooperation within relevant organisations in the new energy and energy storage sectors. Through standard co-construction, rule coordination, and experience sharing, it collaborates with industry partners to explore the development of standard systems aligned with industry trends, promoting dissemination and application of technological achievements and best practices across the industry.

Hithium Led the Development of Long-Duration Energy Storage and AIDC Energy Storage Technical Standards

In December 2025, Hithium participated in the Gaogong Energy Storage Annual Conference, hosted by Gaogong Energy Storage and the Gaogong Industry Research Institute (GGII), delivering a keynote speech titled "Long-Duration Energy Storage Unlocks an Intelligent Future", systematically presenting the Company's technological layout and industry practices in the field of long-duration energy storage. As a core industry participant, Hithium actively engages in exchanges and cooperation with industry associations and research institutions, promoting the establishment of technical systems and application standards for long-duration energy storage and AIDC energy storage, providing referenceable technical frameworks and methodologies for the industry.

Hithium Participated in the Gaogong Energy Storage Annual Conference

In terms of technology and products, Hithium has launched self-defined long-duration energy storage solutions for application scenarios of four hours and above, establishing a complete chain from technological architecture design and system integration to large-scale mass production implementation, providing a verifiable and replicable pathway for the engineering application of long-duration energy storage across multiple scenarios. Meanwhile, in response to the high energy consumption, high load fluctuation, and green low-carbon transition requirements of data centres (AIDC), the Company actively explores application models of long-duration energy storage in AIDC scenarios, providing references for optimising the energy structure of new computing infrastructure through standardised design and systematic solutions.

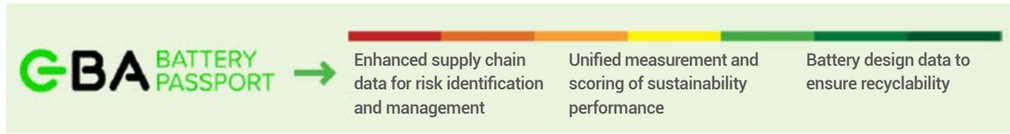
Hithium Co-authored the *2025 China AIDC Energy Storage Industry Development Blue Book* with GGII

At the same time, at the level of industry research and standard guidance, Hithium, in collaboration with Gaogong Industry Research, published the *2025 China AIDC Energy Storage Industry Development Blue Book*, outlining the strategic necessity of AIDC energy storage, the evolution pathway of power supply architecture, key technical requirements, and market development trends. Focussing on core topics such as safety, reliability, and economic efficiency, the publication promotes technical definitions and industry consensus on aspects including response speed, power and capacity configuration, long-duration energy storage adaptability, safety, and system compatibility. The Company will continue to play a leading role in the industry, accumulating replicable experience in areas such as industry standard definition, technical specifications, and application model exploration, providing forward-looking analysis and strategic reference for the industry.

Joining the Global Battery Alliance to Promote Battery Passport Standard Development

In 2025, the Company officially joined the Global Battery Alliance (GBA) and became one of its members. The Global Battery Alliance is a global cooperation platform composed of enterprises across the battery industry chain, research institutions, international organisations, and social groups, dedicated to promoting sustainable development and circular economy practices in the battery industry. Its members include battery manufacturers, raw material suppliers, automotive companies, financial institutions, and non-governmental organisations.

As a member company, the Company will actively participate in the work of the GBA, jointly promoting the development of the Battery Passport framework to enhance transparency and traceability of battery lifecycle information. The Company will also establish battery passports in accordance with GBA requirements, ensuring the provision of battery information that meets sustainable development standards to customers, and achieving full lifecycle management from material procurement, production, recycling to circular utilisation.



Core Value of the Battery Passport

Linking Green Finance

Hithium actively collaborates with financial institutions to explore pathways for the coordinated development of finance and the new energy industry. Through overseas market expansion and internationalisation, the Company promotes the global application of green energy solutions and continuously supports the development of the global green energy ecosystem.

Hithium Collaborated with Financial Institutions to Co-create a New Energy Ecosystem

The Company actively promotes the collaboration between enterprises and financial institutions to support the development of the new energy industrial ecosystem and sustainable development. In September 2025, Hithium signed a strategic cooperation agreement with HSBC Bank (China) Company Limited, clarifying cooperation directions in areas including corporate internationalisation, cross-border financing, and green project development. Through this cooperation, Hithium obtained stable financial support during its overseas market expansion, effectively addressing challenges such as cross-border guarantees, exchange rate fluctuations, and project financing, while also supporting the overall high-quality development of the energy storage industry.

In terms of low-carbon transition and climate action, Hithium actively participated in relevant seminars organised by HSBC China, sharing practical experience under its comprehensive sustainable development strategy and governance framework. The Company utilises a visualised carbon management platform to manage its own and its supply chain's carbon emissions, advances the research and development of green energy storage products, explores the value of lithium battery recycling industry chains, and builds green business scenarios.

Through collaboration with financial institutions, Hithium not only strengthens its own carbon management and technological innovation capabilities, but also promotes exploration and implementation across the energy storage industry in areas such as climate information disclosure, carbon reduction target setting, and low-carbon transition practices.

Signing of the Strategic Cooperation Agreement

Seamless Collaboration across the Value Chain

Hithium integrates key stakeholders across upstream and downstream suppliers, industry partners, and customers, deepening collaborative cooperation to promote the adoption and application of clean energy across different scenarios. Guided by ecosystem co-construction, the Company works with all parties in the industrial chain to explore development pathways that balance commercial value and social value, promoting the evolution of the industrial chain towards a greener, lower-carbon, and more sustainable direction, and jointly supporting the continuous improvement of the clean energy ecosystem and the objective of business for good.

Hithium Joined the "Supply Chain ESG Stewardship Initiative" (SCSI) to Build a Sustainable Development Ecosystem

In August 2025, Hithium joined the "Supply Chain ESG Stewardship Initiative" (SCSI), marking an important step in advancing collaborative governance of sustainable supply chains and deepening ESG co-construction across the industrial chain. Focussing on supply chain sustainability, the Company continues to build a systematic sustainable supply chain management system, integrating green development concepts throughout upstream and downstream collaboration processes. Through standard guidance, capacity co-building, and collaborative management, it drives industry partners to jointly enhance environmental, social, and governance performance. Leveraging core technological breakthroughs, supply chain structure optimisation, and integrated application of carbon management platforms, the Company continuously improves resource and energy utilisation efficiency, actively introduces clean energy solutions, and works with partners to reduce the carbon footprint of the value chain, promoting the development of the industrial ecosystem towards a green, low-carbon, and mutually beneficial direction.

Looking ahead, Hithium will work with member enterprises of the initiative to benchmark against international ESG management requirements, jointly promote the optimisation of supply chain ESG standards and assessment mechanisms, improve audit and information disclosure efficiency, and explore development pathways integrating ESG performance with financial innovation and industrial collaboration. It will continue to enhance supply chain resilience and sustainable competitiveness, contributing to the achievement of the United Nations 2030 Sustainable Development Goals.

Certification as a Member of the Supply Chain ESG Stewardship Initiative

Hithium Collaborated with Customers to Promote the Deployment of Large-scale Energy Storage

In December 2025, Hithium formally signed a cooperation agreement with the Comprehensive Energy Division of CRRC Zhuzhou Institute Co., Ltd. Centring on the shared objective of building a new-type power system and advancing large-scale energy storage development, both parties established a long-term and stable cooperation relationship for products and solutions during the "15th Five-Year Plan" period (2026–2030). According to the agreement, Hithium will supply a cumulative total of no less than 120 GWh of energy storage products during the cooperation period.

Leveraging its technological accumulation in energy storage battery cells and system-level solutions, Hithium established a full-chain collaborative mechanism with customers, forming synergy in product delivery, technological iteration, and expansion of application scenarios, jointly promoting the large-scale deployment of large-capacity energy storage across diverse scenarios. Through coordinated efforts with customers in market expansion and project implementation, Hithium continuously enhances the safety, reliability, and economic efficiency of energy storage systems, supporting the high-quality development of the energy storage industry and the green, low-carbon transformation of the energy structure.

Taking the five-year 120 GWh cooperation as an important starting point, Hithium will continue to deepen strategic collaboration with core customers, promote the application of large-capacity energy storage technologies, actively participate in the construction of new-type power systems, and contribute replicable and scalable solutions to the high-quality development of China's energy storage industry and the global energy transition.

Cooperation Signing Ceremony

Empowering Communities to Share the Clean Energy Ecosystem

Hithium pays attention to community needs and long-term impacts during project advancement and business development. By coordinating resources from various parties, it promotes the understanding and recognition of clean energy concepts at the community level and facilitates the co-construction and sharing of development outcomes. The Company continuously promotes the deep integration of corporate development with social well-being, achieving the sharing of resources, value, and green energy outcomes, and supporting the construction of an inclusive and sustainable clean energy ecosystem.

Establishing the U.S. Energy Storage Manufacturing Base to Promote Local Employment and Shared Green Energy Ecosystem

While accelerating technological innovation in clean energy and global expansion, Hithium attaches great importance to the positive impact of its development on local communities, incorporating community co-construction as an important component of promoting global sustainable operations. By advancing industrial implementation, talent cultivation, and collaborative innovation tailored to local conditions in different regions, the Company strengthens its deep connection with local communities and supports regional economic and social sustainable development.

In North America, Hithium officially commenced operations of its first overseas energy storage system manufacturing base in Mesquite, Texas, US, in May 2025. During the project construction, the Company maintained close cooperation with local governments, communities, and supply chain partners, efficiently completing the base establishment within one year. The plant focuses on "community collaboration, talent development, technological innovation, and operational excellence" as its core directions. Through cooperation with local school districts and surrounding universities, it promotes the integrated development of clean energy manufacturing and industrial education, expanding career development pathways for local young talent. Upon completion, the project will create approximately 200 jobs locally, further driving regional industrial development and enhancing community economic resilience.

Industry leaders, local officials, and partners visit the Texas base

Through the construction of the Texas base, Hithium integrates clean energy development goals with community needs, achieving shared employment opportunities and green energy ecosystem development, creating long-term value for local communities, and fulfilling its social responsibility in global operations.

Establishing an International R&D Centre in Hong Kong to Empower Talent and Promote Regional Green Development

In December 2025, Hithium established an international R&D centre in the Hong Kong Park of the Hetao Shenzhen–Hong Kong Science and Technology Innovation Cooperation Zone, actively participating in regional technological innovation and green development. Leveraging Hong Kong's highly internationalised innovation ecosystem and talent advantages, the Company continues to deepen collaboration with local research institutions and innovation platforms, promoting the research, development, and application validation of cutting-edge technologies such as long-duration energy storage, and supporting the cultivation of new quality productive forces in the region.

By advancing coordinated industrial and R&D deployment in the Guangdong–Hong Kong–Macao market, Hithium strengthened its global innovation network and injected new momentum into the green and low-carbon transition and high-quality development of the Greater Bay Area. Through continuous investment in technological innovation and talent development, the Company plays a leading role in the regional innovation ecosystem, promoting the coordinated development of industry, talent, and green energy, and contributing to local economic and social sustainable development. In the future, the Company will continue to promote global operations in a responsible manner, creating commercial value while actively fulfilling social responsibilities and generating long-term shared value for communities and broader society.

Opening Ceremony of the Hetao Shenzhen–Hong Kong Science and Technology Innovation Cooperation Zone

During the advancement of its sustainable development strategy, Hithium consistently adheres to the principle of collaborative win–win cooperation, promoting clean energy technological innovation, industrial application, and global deployment through collaboration with stakeholders across the value chain. In 2025, Hithium continued to deepen its efforts in industry contribution and technological innovation, participating in the construction and collaboration of global and national industry organisations. The Company joined a total of 22 organisations and associations, including 3 global organisations and 8 national-level industry associations, strengthening industry collaboration and technological leadership capabilities.

	Participating Associations/Organisations
1	China Battery Industry Association
2	Xiamen Federation of Industry and Commerce
3	Xiamen Association for the Promotion of Multinational Enterprises Development
4	Xiamen Technology Innovation Association
5	Xiamen Intelligent Manufacturing Industry Association
6	Xiamen High-tech Association
7	Shenzhen Battery Industry Association
8	Shenzhen Energy Storage Association
9	Xiamen New Power System & Transmission and Distribution Association
10	Xiamen Federation of Trade Unions
11	China Electricity Council
12	China Industrial Association of Power Sources
13	China Association for the Promotion of Industrial Development
14	China Association for the Promotion of Industrial Development – Energy Storage Branch
15	United Nations Global Compact (UNGC)
16	World Economic Forum
17	China Energy Storage Alliance
18	China New Energy Storage Industry Innovation Alliance
19	Guangdong Enterprise Institute for Internal Control
20	Global Battery Alliance
21	Fujian Battery Technology Association
22	Xiamen New Energy Battery Recycling and Utilisation Industry Association

In the future, Hithium will continue to deepen collaboration, continuously improve environmental, social, and governance performance, and promote the joint construction of a green and low-carbon energy ecosystem.

Low-carbon Investment

Against the backdrop of deepening global climate governance and the broad international consensus on low-carbon transition, the global energy structure is accelerating optimisation and upgrading, and renewable energy and supporting energy storage are experiencing sustained growth opportunities. China clearly set targets to increase the proportion of non-fossil energy consumption and promote the large-scale development of wind power and photovoltaic energy. The policy direction is clear, laying a solid foundation for the coordinated development of new energy and energy storage.

Meanwhile, investment costs for new energy power plant construction are entering a critical inflection point. Coupled with technological advancements and the deepening of electricity market liberalisation, the diversified model of "wind–solar–storage" participating in the power market is gradually maturing. At present, independent energy storage projects primarily derive revenue from capacity leasing and ancillary services such as peak shaving. Regional disparities remain evident, but a relatively predictable revenue base has taken shape.

Against this backdrop, the Company actively fulfils its mission of "let green energy benefit all". Leveraging its comprehensive capabilities in the development of wind power, photovoltaic, and energy storage power stations, and based on mature product and technology support, a well-established global sales network, and professional talent reserves, it integrates low-carbon development goals into business decision-making and investment practices, continuously promoting the coordinated development of low-carbon investment and its core business.

Relying on its leading position in the industrial chain and deep resource accumulation, the Company collaborates with multiple partners to identify high-quality integrated "wind–solar–storage" projects, advancing the large-scale development of new energy projects in an orderly manner while balancing economic feasibility and environmental benefits, thereby contributing to the achievement of global carbon neutrality goals.

Wind Farm

- Centralised Wind Power
- Distributed Wind Power

Energy Storage Facility

- Generation-side
- Grid-side & Stand-alone Energy Storge

Solar Farm

- Utility-scale Solar
- Distributed Solar

New Energy and Energy Storage Investment Layout

While continuously consolidating the foundation of existing projects, the Company is expanding its investment layout in the new energy sector. As at the end of the reporting period, it developed wind power, photovoltaic, and supporting energy storage projects in China with a scale of approximately 2.5 GWh, with more than 5 GWh of projects under development or in the pipeline. Overseas operations have expanded to more than five countries across Europe, Asia, and Australia, with projects under development exceeding 700 MWh, and global deployment continues to deepen.

In the development of new energy projects, the Company adheres to the principles of ecological priority and sustainability, advancing the construction of wind, solar, and energy storage power stations in accordance with local conditions, paying attention to coordination with local natural conditions, ecological environments, and land resources, actively exploring environmentally friendly power station development models, and continuously releasing the long-term value of low-carbon investment.

Shandong Heze 200MW/800MWh Energy Storage Power Station Project

Against the backdrop of continuous growth in installed new energy capacity, the Shandong power grid, as a regional power system dominated by thermal power, is facing the dual challenges of insufficient peak regulation capacity and increasing pressure for new energy consumption. As the proportion of output from new energy sources such as wind and photovoltaic continues to rise, the demand for flexible regulation resources in grid operation is increasing. In 2024, Shandong Province made positive progress in new energy consumption, with all newly added electricity consumption supplied by green power. Relevant policies have provided strong support for stable consumption and high-quality development of new energy by guiding new energy projects to participate in electricity market transactions. Under this background, energy storage facilities with rapid response and flexible regulation capabilities will gradually become important solutions for alleviating peak regulation pressure and improving new energy consumption capacity.

Hithium plans to invest CNY 580 million to construct an energy storage power station with an installed capacity of 200MW/800MWh, adopting a diversified energy storage technology configuration, with a focus on enhancing the comprehensive capabilities of the power station in peak shaving and valley filling, smoothing new energy fluctuations, and supporting the safe operation of the power grid. Upon completion, the project will effectively enhance the regulation capability and operational stability of the regional power grid, improve the level of new energy consumption, and support the optimisation of the power system structure. At present, the Company carried out preliminary demonstration work for the energy storage power station construction project and completed the feasibility study. The study demonstrates the functional positioning of the project in areas such as grid peak regulation and new energy consumption, and, in combination with national and local industrial policies and technical specifications, forms a clear construction plan. It also conducts comprehensive assessments of investment scale, economic feasibility, and environmental and safety impacts, laying the foundation for the project to enter the investment and construction stage. Through the implementation of this project, the Company will further promote the coordinated development of clean energy and power systems, actively serve the construction of new-type power systems, and promote the low-carbon transformation of the energy structure and regional green high-quality development.

04

Employee Empowerment

Hithium values employee contributions and is committed to creating a safe, healthy, and sustainable working environment, safeguarding employee rights, and providing career development and growth opportunities, thereby achieving the common development of employees and the Company.

Key Data

Proportion of female employees **23.64 %**	Proportion of female employees in managerial positions **14.61 %**	Proportion of women in management roles within revenue-generating functions **14.58 %**	Gender pay ratio of general employees (female to male) **93.88 %**	Employee training coverage rate **100 %**
Percentage of employees receiving regular performance and career development reviews **100 %**	Full-time employee safety training coverage rate **100 %**	Rate of major accidents **0 %**	Total training hours for employees **124,904.30 hours**	Average training hours per employee **14.32 hours**
Proportion of operational production sites certified under ISO 45001 Occupational Health and Safety Management Systems **100 %**		Occupational health examination coverage rate **100 %**	Number of occupational disease cases **0 case**	

Chapter Case

Conducting Specialised Training on Labour and Human Rights for the ESG Committee to Explore Responsible Employment Pathways

In June 2025, the Company organised specialised training on labour management and human rights compliance for the ESG Committee. Through learning and case discussions, the training strengthened management's understanding of domestic and overseas employment compliance requirements. The training focused on labour and human rights risks that enterprises may face in the process of overseas expansion, emphasising compliance as the baseline and responsibility as the guiding principle, and consolidating the human resources governance foundation for the Company's global operations.

This training invited Dr Liang Xiaohui, Deputy Chief Economist of the China Textile Information Center, and Chief Researcher of the Office for Social Responsibility of CNTAC, as the lecturer. Dr Liang has long been engaged in research on "business and human rights" and corporate social responsibility. He is one of the earliest scholars in China to teach courses on "business and human rights" in universities and is also a Chinese award recipient of the first "UN Sustainable Development Goals (SDG) Pioneers" selected by the United Nations Global Compact. He possesses profound theoretical knowledge and practical experience in corporate human rights due diligence and supply chain responsibility governance.

The training was themed around "Labour and Human Rights Due Diligence in Chinese Enterprises' Supply Chain Going Global: Trends and Challenges", took the evolution of international rules and the overseas practices of Chinese enterprises as entry points, and provided in-depth interpretation of corporate human rights due diligence responsibilities in supply chain and employment management from multiple dimensions, including macro trends, practical cases, and feasible action pathways.

The training outlined the increasingly stringent global requirements for labour and human rights due diligence, noting that these standards are becoming universal, legally binding, and extending across entire supply chains — compliance responsibilities that enterprises operating overseas can no longer avoid. The training further stressed that corporate human rights responsibilities in overseas operations now extend beyond employee rights to encompass environmental rights, livelihood rights, and the social well-being of local communities. Whether enterprises can conduct employment management in a lawful and compliant manner, respect local social cultures and achieve localisation, and collaborate with supply chain partners to address related risks, has become a fundamental criterion for assessing international operational capability and governance standards, rather than an optional requirement.

Building on this, the training outlined action priorities covering labour risk awareness, localisation of employment, protection of overseas employees' rights, and collaborative supply chain management — providing practical guidance for lawful employment management across different jurisdictions and prudent handling of labour and human rights risks.

In the context of global operations, the Company consistently regards human rights protection as an important component of employee management and social responsibility fulfilment. We implement the "Local for Local" operational management philosophy, taking compliance with laws and respect for human rights as fundamental principles of global operations. The Company strictly complies with applicable laws, regulations, and labour standards in all operating locations, respects local social cultures and employment environments, integrates into local communities through cooperative approaches, fulfils corporate social responsibilities, and promotes the coordinated enhancement of corporate development and community well-being.

The Company also translates its experience in governance and responsible practices into executable management mechanisms and operational norms, applying them to overseas operations and supply chain management to advance responsible employment practices and contribute practical learnings to Chinese enterprises navigating global human rights governance. We incorporate human rights protection and labour compliance requirements into governance systems and daily operations, implementing them through a combination of institutional development and capacity enhancement, thereby supporting employee rights protection, community development, and the stable global operation of the Company.

4.1 Rights and Benefits of Employees

Hithium prioritises the protection of employees' fundamental rights and well-being, providing comprehensive welfare and support, structured training and career development, and open communication channels —creating an open and inclusive working environment that enables employees to realise their potential and grow.

Protection of Employee Rights

The Company respects the fundamental rights of employees and strictly complies with international frameworks — including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and ILO Labour Standards — as well as Chinese labour law including *the Labour Law of the People's Republic of China* and the *Civil Code of the People's Republic of China*, as well as relevant regulations in each jurisdiction where it operates. The Company formulated the *Labour Rights Protection Policy* and is committed to effectively safeguard the legitimate rights and interests of all stakeholders, including employees, partners, suppliers, contractors, and customers.

We resolutely prohibit the employment of child labour and any form of forced labour. The Company strictly implements the Provisions on the *Prohibition of Child Labour* and the *Special Protection Provisions for Juvenile Workers* issued by the State Council of the People's Republic of China, establishes a zero-child labour employment mechanism, strictly verifies the age of recruits, and establishes remedial procedures for inadvertent recruitment. At the same time, we firmly oppose any exploitation or improper use of employees and combat any form of human trafficking, including illegal recruitment, transportation, transfer, or coercion by threats of violence, ensuring that the Company's and its partners' operations do not involve human trafficking, forced labour, or other illegal activities. In 2025, no incidents of child labour or forced labour occurred within the Company or its supply chain.

The Company fully respects employees' lawful rights to freedom of association, collective bargaining, and peaceful assembly. We formulate the *Management Provisions on Freedom of Association and Collective Bargaining*, adhere to the principle of non-interference in employees' voluntary organisation, and ensure employees' rights to collective bargaining and the independence of labour organisations. Through the signing of the *Collective Agreement*, the Company clearly stipulates employees' rights and interests, including remuneration, working hours, leave, social insurance, and welfare benefits, thereby safeguarding employees' lawful rights and interests in accordance with the law. To ensure that employees fully understand these rights, the Company communicates effectively through internal channels, clearly informing employees of their right to freely join any workers' organisation and ensuring that exercising such rights will not result in any adverse treatment.

Conducting SA8000 Social Responsibility Management Training to Strengthen the Foundation of Employee Rights Protection

SA8000 Internal Auditor Training Session

To enhance the capability to identify and manage labour rights and social responsibility risks, the Company organised SA8000 internal auditor training in October 2025. The training was delivered by a professional third-party institution, with a total of 29 relevant management and business personnel participating. The training content focused on the fundamental concepts and connotations of social responsibility management, systematically introducing the definition of social responsibility, the SA8000 standard framework, and audit methodologies, and providing in-depth interpretation of key standard clauses such as child labour, forced labour, discrimination, working hours, and occupational health and safety. At the same time, the training incorporated practical case-based group discussions, guiding participants to analyse potential risk scenarios from an audit perspective, thereby deepening their understanding of standard requirements and practical application.

In addition, the Company underwent third-party audits in accordance with the SA8000 standard and issued audit reports. It actively promoted rectification for issues identified during audits, continuously improving the social responsibility management system and enhancing compliance levels and management effectiveness.

Equal Pay for Equal Work

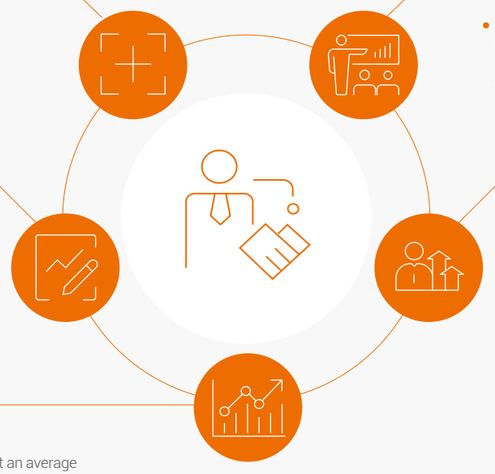
- The Company applies a consistent remuneration standard for employees in the same roles and with comparable skill levels, regardless of gender, years of service, or employment type. Any reduction in benefits on the basis of differences such as gender or ethnicity is strictly prohibited.

Prohibition of Forced Labour

- The Company adopts a zero-tolerance approach to forced labour and upholds the principle of voluntary employment. All forms of forced labour and any practices that restrict employees' personal freedom are strictly prohibited. For employees who undertake overtime on a voluntary basis, overtime pay is provided in accordance with applicable laws and regulations, or time off in lieu is arranged, thereby firmly preventing any occurrence of forced overtime.

Working Hours and Leave

- The Company implements a standard working hour system of 8 hours per day and 40 hours per week, with a maximum working time capped at an average of 60 hours per week. Statutory leave entitlements are provided in accordance with the law, including annual leave, marriage leave, maternity leave and breastfeeding leave. Employees are ensured full pay during their leave periods, effectively safeguarding their rights to rest and leave.



Remuneration and Career Development

- The Company has established a diversified remuneration system. Base salaries are determined based on job value, skill requirements and local market wage levels, ensuring that employees' basic living needs are met. In addition, performance-based pay is provided and assessed according to employees' periodic performance, thereby promoting talent development and incentivising employee engagement. Furthermore, the Company continues to refine its career development pathways by introducing a dual-track promotion system comprising a "professional track" and a "management track". This enables employees to choose development paths aligned with their expertise and career aspirations, fully unlocking their potential and motivation for growth.

Equal Employment and Non-discrimination

- The Company has issued updated versions of the Recruitment Management Measures and the Personnel Mobility Management Measures, further improving fair recruitment and onboarding mechanisms. The Company consistently upholds non-discriminatory recruitment practices, strictly prohibiting the inclusion of requirements unrelated to job responsibilities—such as gender, age or marital status—in recruitment information, thereby ensuring equal employment opportunities for all candidates. In addition, particular attention is given to supporting vulnerable groups and safeguarding their equal right to employment. In terms of employee mobility management, the Company has further standardised procedures for onboarding, confirmation of employment, and internal transfers, ensuring that employees are treated in a fair and equitable manner throughout role changes.

Employee Care and Well-being

We recognise that employees are the core driving force of the Company's development. The Company is committed to stimulating employees' potential and promoting their rapid growth by providing a competitive remuneration system and a dynamic working environment, thereby creating more sustainable value for the Company and driving its long-term prosperity and development.

Remuneration Management

The Company's *Remuneration Management Measures* ensure that base salaries meet or exceed local minimum wage requirements. Each year, it commissions third-party market surveys and uses the results — alongside industry benchmarks and local living costs — to develop fair salary adjustment plans. In addition, we establish clear performance standards, linking employee remuneration to performance appraisal results and skill development, thereby incentivising continuous improvement. At the same time, we ensure transparency and compliance in remuneration management. Upon onboarding, employees are provided with the *Remuneration Confirmation Letter* specifying salary structure and adjustment rules. Following annual salary adjustments, employees are informed in writing of the basis and results and are allowed to raise objections and request reviews to ensure fairness and equity in remuneration adjustments.

Benefits and Allowances

Hithium provides comprehensive welfare protection, governed by the *Welfare Management Measures*, which standardise welfare provisions, including holiday benefits, festive activities, commercial insurance, and annual health examinations. At the same time, the Company provides special allowances for catering, accommodation, transportation, and business travel to support employees' daily work and life. We also offer quality-of-life subsidies for events such as marriage and childbirth, effectively enhancing the overall welfare level of employees.

Statutory Social Insurance and Housing Fund

- Make statutory contributions to social insurance (including pension, unemployment, basic medical, work-related injury and maternity insurance), as well as provide commercial insurance and contributions to the housing provident fund.

Living Allowances and Supporting Services

- Provide employees with various forms of subsidised accommodation.
- Offer free shuttle bus services between dormitories and the workplace.
- Provide meal allowances based on the standards applicable in the employee's work location.
- Assist employees in obtaining residence permits and support applications for their children's schooling in Xiamen.
- Provide transport subsidies to support employees' safe return to Xiamen.
- Offer condolences and financial assistance to employees facing financial difficulties, bereavement in the family, as well as for marriage and childbirth.

Cultural and Sports Activities

- Provide indoor gym facilities equipped with a full range of fitness equipment.
- Establish interest-based clubs, including badminton, basketball, football and outdoor sports clubs, and organise a variety of sporting activities.

Employee Care and Wellbeing Support

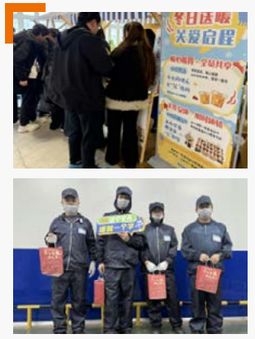
- Arrange annual health check-ups for employees with more than one year of service.
- Provide seasonal welfare packages for heatstroke prevention and dengue fever prevention.
- Organise family open days, youth networking events and mental health seminars.
- Arrange employee recuperation and wellness programmes.

Festive Benefits

- Provide festive benefits during traditional holidays such as the Dragon Boat Festival, Mid-Autumn Festival and Spring Festival.
- Organise cultural and recreational activities, including food fairs and celebrations for traditional festivals such as the Dragon Boat Festival and Mid-Autumn Festival.

Providing employee living support services to meet daily work and life needs

Organising various sports activities to enrich employees' leisure life



Providing seasonal care initiatives to address employees' living needs and health

Organising diverse festive activities to enhance employees' sense of well-being

Organising the Mid-Autumn Festival Garden Fair to Celebrate the Festival Together

In September, the Company held its first Mid-Autumn Festival themed series of activities titled "Celebrating the Mid-Autumn Festival in Full Bloom". The two-day event featured 20 booths and five interactive games, including traditional dice games, DIY crafts, and lantern riddles, creating a rich festive atmosphere through immersive experiences and promoting employee interaction and communication.

In addition, considering departmental team-building needs during the Mid-Autumn Festival, the Company provided venues, catering, and other resource support to facilitate departmental activities, simplifying preparation processes and enhancing participation convenience. These activities not only enriched employees' cultural life during the festival but also promoted corporate culture development and strengthened team cohesion.

Conducting Traditional Chinese Medicine Lectures to Care for Employee Health

In October 2025, the Company's labour union invited a distinguished traditional Chinese medicine practitioner to deliver a specialised lecture on "Traditional Chinese Medicine Constitution Regulation". The expert explained the characteristics, identification methods, and health maintenance points of nine body constitution types, and demonstrated simple and practical conditioning techniques, such as acupoint massage and dietary therapy prescriptions. During the event, employees actively interacted and consulted the expert based on their personal health conditions, receiving tailored guidance. The lecture disseminated scientific knowledge of traditional Chinese medicine health preservation and enhanced employees' ability for self-health management.

Organising Parent–Child Activities to Enhance Employee Well-being

To enrich the leisure life of employees and their families and promote parent–child interaction, the Company organised the "Craftsmanship Life Festival – Parent–Child Activity" in August 2025. The event included engaging activities such as a "Plant Science Class", a "Bubble Bath Water Play", and a "Mountain Dinner", with a total of 14 families participating.

Through an entertaining and educational approach, employees and their children enhanced communication and emotional connection in a relaxed and interactive environment, experiencing the joy and warmth of family companionship.

Employee Training and Development

Employee Development

Hithium is committed to building sustainable growth pathways for employees. Through systematic training and personalised support, the Company assists employees develop their capabilities and achieve their career objectives, fostering a relationship of shared growth between the employees and the Company. To ensure the systematic and standardised implementation of training, the Company established a comprehensive training and development system, including the *Training Management Measures, Internal Trainer Management Measures, Course Development Management Measures*, *External Training Management Measures*, and *Position Qualification Certification Management Measures*, providing standardised guidance for the entire training lifecycle.

Supported by this framework, Hithium has established a full-cycle training system for all employees. New employees complete training on corporate culture, policies, and fundamental job knowledge within seven days of onboarding, and are assigned mentors for one-to-one guidance to accelerate their integration. In terms of on-the-job skills training, the Company conducts annual job skill certification and provides general capability enhancement courses. Employees can access over 300 courses via the online training platform "Hithium Academy", enabling flexible learning and continuous development. In response to climate change trends and the transformation needs of the energy storage industry, the Company established an adaptive skills upgrading training system. Aligned with carbon neutrality targets, it offers "Core Technology Iteration and Upgrade Courses" and regularly updates courses on international standards such as EU CE and US UL, ensuring that employees' skills develop in line with global market technical requirements. On this basis, the Company encourages employees to form study groups to carry out experience sharing, case discussions, and practical exchanges in teams, fostering a collaborative learning atmosphere and promoting knowledge accumulation and shared growth.

In addition, the Company promotes management development. Heads of second- and third-level departments are required to participate in leadership training and pass assessments to enhance management capabilities and organisational performance, ensuring continuous optimisation of management standards and strategic execution at all levels.

Onboarding Training

- New employees complete corporate culture, company policies, and basic job training within the first seven days of onboarding.

On-the-job Skills Training

- Employees participate in annual job skill certification and take general competency courses via an online platform to support continuous skills development.

Skills Enhancement Training

- In response to industry transformation and carbon neutrality goals, a "Core Technology Iteration and Upgrade" course is offered to ensure employees' skills meet global market requirements.

Management Training

- Departmental leaders participate in leadership training programmes to enhance management capabilities and organisational performance.

HitHium Full-cycle Training System

2025

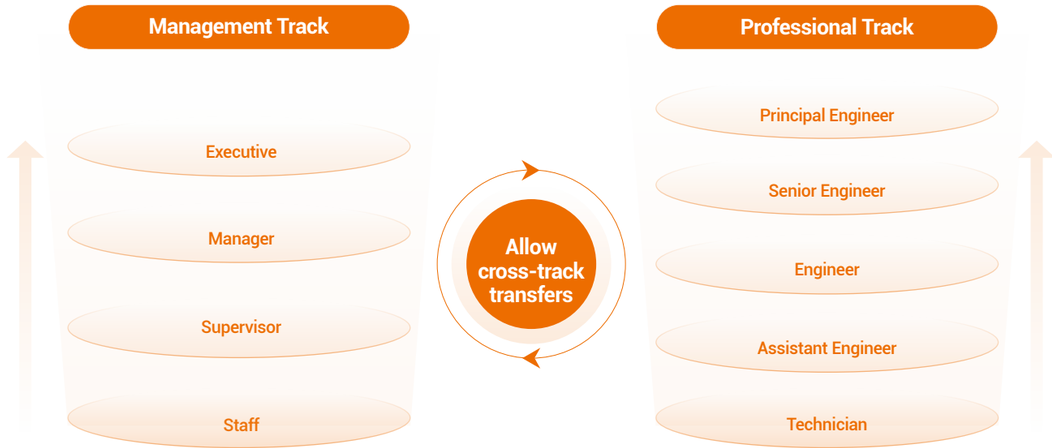
Total training hours for employees	Average training hours per employee	Employee training coverage
124,904.30 hours	14.32 hours	100 %

Employee Promotion and Performance Management

The Company places high importance on talent attraction and retention. To ensure fairness and transparency in career development, it has established clear promotion and selection mechanisms, continuously refining internal talent mobility and development pathways.

The Company implements a dual-track promotion mechanism, covering management and professional tracks. Promotion decisions are based on employee capabilities, performance, and job requirements, assessed through open internal processes that ensure objectivity and fairness, free from bias based on personal characteristics. In promotion management, the Company established a standardised evaluation system, clearly defining basic thresholds such as required years of service, performance requirements, and training completion for each grade. Promotion assessments are conducted from multiple dimensions to avoid a single performance-oriented approach and to comprehensively evaluate employees' overall development potential.

Within the management track, the Company focuses on employees' team management capability, strategic decision-making ability, and organisational influence, and conducts comprehensive selection through leadership assessments and 360-degree feedback. Within the professional track, emphasis is placed on professional depth and technological innovation capability, with project achievements, professional certifications, and industry influence serving as core evaluation criteria. The Company established a cross-track transition mechanism, allowing employees to apply for track changes based on career interests. For example, technical staff transitioning to management roles must complete relevant management training and pass assessments, while management staff transitioning to professional roles must demonstrate alignment between their professional capabilities and job requirements, thereby further stimulating talent vitality and enhancing organisational resilience.



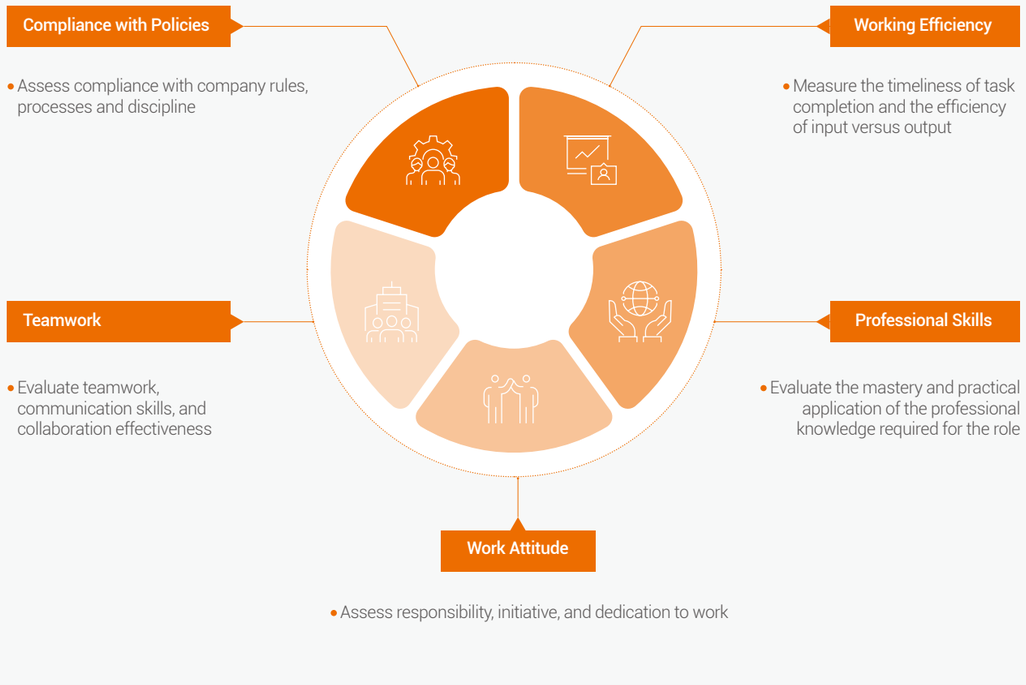
Dual-track Promotion Mechanism for Employees

The Company continuously improves its performance management system, using rigorous evaluation and ongoing feedback to unlock employee potential and support shared growth between the organisation and its people. The Company formulated and implemented the *Performance Appraisal Management Regulations*, establishing a standardised and institutionalised performance appraisal process, which provides an important basis for talent development, salary adjustments, and job promotions. The Company has established a dual-oriented incentive mechanism anchored in performance and capability. Salary adjustments are determined annually based on appraisal results and demonstrated capability growth from the employees. Performance appraisals are conducted semi-annually, with results classified into five grades: A, B+, B, C, and D, encouraging continuous improvement through differentiated evaluation.

Before the start of each appraisal cycle, employees are required to formulate performance plans and set phased objectives, which are guided and supervised by their direct supervisors. Employees may dynamically adjust their objectives based on job responsibilities, business needs, and changes in the market environment. Direct supervisors track employees' progress and conduct performance dialogues through regular or ad hoc communication mechanisms, including meetings or one-to-one discussions, to understand work progress, identify support needs, resolve issues, and provide interim feedback, thereby forming an agile and two-way communication mechanism.

During the performance evaluation stage, the Company conducts comprehensive assessments across five dimensions: work efficiency, professional skills, work attitude, teamwork, and compliance with policies. Employees first conduct self-assessments, followed by evaluations and interviews conducted by direct supervisors to jointly confirm appraisal results, which are ultimately reviewed by indirect supervisors to ensure objectivity and fairness. For gaps identified during the appraisal process, the Company implements a performance improvement mechanism to help employees identify deficiencies, analyse causes, and formulate improvement plans, thereby continuously enhancing employee capabilities.

Employee Performance Evaluation Dimensions



During the year, the Company further refined existing job grades by introducing transitional stages, establishing a more granular career development ladder. In addition to performance grade requirements, promotion criteria further strengthen evaluation of professional capability, contributions to business improvement, and talent development outcomes. For example, employees may be required to undertake departmental business optimisation projects or cultivate mature talent, effectively promoting capability enhancement and organisational development.

At the same time, the Company focuses on employees' career planning and long-term growth. Through annual one-to-one development interviews and the formulation of Individual Development Plans, as well as providing external career consultant support for high-potential talent, the Company enhances the retention of key personnel.

Employee Satisfaction and Communication

The Company is committed to establishing an open, transparent, and equitable communication between employees and management — ensuring that information flows freely, employee voices are respected, and participation in corporate management is actively encouraged. Through diversified communication channels, the Company ensures that employees can express their views in a timely and convenient manner and participate in decision-making processes, jointly fostering a harmonious and inclusive corporate culture.

The Company adheres to sound democratic participation mechanisms and promotes employee involvement in corporate management and decision-making. It formulated the *Employee Representative Election Control Procedure Management Measures* to standardise the election, training, responsibilities, and rights of employee representatives, ensuring that they can perform their duties in accordance with the law and genuinely reflect employees' opinions. The Company convenes an employee representative congress annually, where democratically elected representatives consult with management on major matters such as remuneration and benefits and working conditions, ensuring that employees' voices are fully heard. In addition, the Company's trade union regularly conducts collective bargaining with management on behalf of employees and signs collective agreements on key issues such as wage adjustments and working hours, thereby effectively safeguarding employees' legitimate rights and interests.

In daily work and life, the Company established diversified communication channels — including routine mechanisms, proactive management outreach, and platforms dedicated to specific employee groups — ensuring that opinions and suggestions can be raised at any time and fostering mutual understanding between employees and the Company.

Daily Communication

- Departmental Meetings: Each third-level department holds weekly meetings, during which employees can provide direct feedback on work issues and propose suggestions.
- Cross-Departmental Communication Meetings: Monthly meetings led by management are held to address collaboration challenges, promote information sharing, and optimise processes.
- One-to-One Meetings: Direct supervisors conduct quarterly one-to-one performance discussions with employees, focussing not only on work feedback but also on employees' career development needs and suggestions for the Company.

Proactive Communication by Management

- Annual All-Staff Meeting: The CEO or senior management team holds an annual company-wide meeting to report on business progress and address major employee concerns, such as benefit adjustments and organisational changes.

Communication and Support for Special Groups

- New Employee Integration: Within the first week of joining, new employees meet with HR and departmental supervisors for onboarding discussions, where the company's communication mechanisms are introduced, questions are addressed, and a mentor is assigned to support adaptation to the work environment.
- Care for Female and Minority Employees: Quarterly meetings are organised for female employees, and regular communication is maintained with employees with disabilities to optimise accessible facilities and job accommodations.

The Company provides a clear channel for employees to raise opinions and concerns through the *Employee Complaint Management Measures*. Employees may submit complaints in written or verbal form covering working conditions, remuneration and benefits, career development, management practices, or matters involving discrimination or harassment. In addition, the Company established a dedicated complaint handling system to ensure that all complaints are addressed in a timely manner, with designated personnel responsible for investigation. For each complaint, management will provide feedback within two working days, either verbally or in writing.

At the same time, the Company conducts regular annual employee satisfaction surveys to collect employees' opinions and suggestions, and formulates corresponding rectification plans for areas requiring improvement. Through continuous optimisation of management and the working environment, the Company aims to enhance employee satisfaction and organisational cohesion, fostering a more harmonious working atmosphere.

4.2 Equality and Diversity

Hithium adheres to principles of diversity and inclusion, maintaining an open and equitable working environment, opposing all forms of workplace discrimination, and promoting equal opportunity across gender, background, experience, and other dimensions. Through policies and practical measures, the Company continuously enhances workplace inclusiveness and strengthens employees' sense of belonging.

Anti-discrimination and Harassment

The Company is committed to creating a fair, inclusive, non-discriminatory, and safe working environment, and firmly opposes all forms of discrimination, forced labour, harassment, and abuse. The Company undertakes to ensure that employees enjoy equal rights in all aspects, including recruitment, career development, and remuneration and benefits. Any differential treatment based on personal characteristics such as gender, age, race, religious belief, disability, or sexual orientation is strictly prohibited, ensuring that employees' dignity and physical and mental well-being are fully protected.

We formulated the *Anti-Discrimination Management Regulations* and the *Anti-harassment and Abuse Management Regulations*, implementing a "zero-tolerance" anti-discrimination approach. All forms of harassment and abuse are strictly prohibited, including verbal insults, psychological harassment, mental and physical oppression, and sexual harassment. The Company clearly stipulates that any violation of the policy will be subject to serious disciplinary action.

The Company established a dedicated reporting procedure for discrimination and harassment incidents. Employees may report incidents to the Human Resources Department via a designated HR email address or verbally. Upon receipt of a complaint, the Human Resources Department will initiate a verification procedure within 48 hours. If the case is substantiated, it will be escalated to management level by level, and a verbal or written response will be provided to the complainant.

To strengthen awareness and implementation of anti-harassment policies across all staff, the Company conducts annual specialised anti-harassment training for both management and employees. The training covers behavioural identification, emergency handling, and complaint procedures. Training records are incorporated into performance appraisals to ensure that all employees comply with and implement anti-harassment requirements in practice.

Creating a Diverse Workplace

A diverse and inclusive workplace stimulates creativity and unlocks potential, generating broader development opportunities for both employees and the Company. We are committed to creating a working environment that respects differences, promotes equality, and fosters mutual understanding, enabling every employee to fully demonstrate their talents and potential.

The Company is committed to protecting the rights and interests of female employees and empowering women to thrive in the workplace. The Company signed the *Special Collective Agreement on Female Employees Rights Protection* with the trade union, clearly defining rights in areas such as workplace safety, maternity protection, breastfeeding support, and career development. The agreement establishes a supervision mechanism to ensure equal participation of female employees in corporate management and decision-making and to promote the implementation of special protection measures for female employees.

At the same time, we provide support for women in the workplace through diversified initiatives, such as organising themed activities for International Women's Day to foster a cultural atmosphere that respects women's value and advocates gender equality. For employees during maternity, the Company strictly complies with relevant laws and regulations, providing paid maternity leave and paternity leave in accordance with local legal requirements. At the same time, we offer flexible working support for pregnant and breastfeeding employees and establish dedicated communication channels to ensure their needs are addressed promptly. The Company also set up dedicated spaces for pregnant employees in shuttle buses, dormitories, and canteen areas, equipped standardised lactation rooms within factory premises, and provides regular health lectures to promote prenatal care knowledge, ensuring that working mothers can balance work and family while receiving adequate care and support.

2025

Total number of female employees **2,032 persons**	Proportion of female employees **23.64 %**	Proportion of female employees in management positions **14.61 %**	
Proportion of female employees in junior management positions **15.19 %**	Proportion of female employees in senior management positions **13.16 %**	Proportion of women in management roles within revenue-generating functions **14.58 %**	Male-to-female remuneration ratio (general employees) **93.88 %**
Male-to-female remuneration ratio (junior management) **86.39 %**	Male-to-female remuneration ratio (middle management) **84.11 %**	Male-to-female remuneration ratio (senior management) **66.40 %**	

Skincare Workshop to Empower Female Employees

On 8 March 2025, International Women's Day, the Company organised a skincare workshop for all female employees. The event invited professional instructors to provide skincare knowledge and hands-on guidance, helping female employees master scientific skincare methods. During the session, participants received personalised advice based on their skin types. The Company also provided skincare products, encouraging employees to pay attention to their health and personal image management.

Through this activity, the Company aims to enhance care and support for female employees, helping them shine in the workplace, strengthening their sense of belonging and well-being, and fostering a corporate culture of respect, care, and equality.

Establishing the Employee Childcare Centre to Alleviate Parenting Pressure

To address the challenge of childcare for employees, the Company partnered with a third-party childcare provider to establish an employee childcare centre, offering safe, professional, caring, and accessible childcare services. The centre is equipped with independent activity classrooms, nap rooms, a dining area, a medical room, and multifunctional activity spaces. The environment is warm, well-equipped, and compliant with requirements for children's activities and safety.

To ensure the sustainable operation of the childcare centre, the Company established comprehensive policies covering safety management, health care, dietary nutrition, and parent communication. The centre employs qualified teachers and childcare staff with early childhood education credentials and relevant experience, and staff regularly participate in professional and safety training to maintain stability and expertise.

Based on employee needs, the Company offers spring and autumn classes, as well as holiday care programmes during the winter and summer breaks. In addition, a variety of engaging activities, such as first aid training for children, firefighter experience sessions, and coffee-making workshops, are organised regularly to enrich the children's learning and overall experience.

Through the establishment of the childcare centre, the Company effectively reduces employees' childcare burden, enhances employee well-being and job satisfaction, and demonstrates its commitment to caring for employees and their families.

The Company fully safeguards the legitimate rights and interests of employees with disabilities, strictly prohibits any discrimination based on disability, and ensures that employees with disabilities enjoy equal rights and opportunities in recruitment, remuneration, training and development, promotion, and welfare protection, thereby promoting their full participation and integration into the Company's work and life.

The Company promotes the development of an accessible working environment and provides targeted support measures tailored to different types of disabilities. For employees with physical disabilities, workstations are adapted, wheelchair-friendly desks are provided, and commuting assistance facilities are made available. For visually impaired employees, screen-reading software is supplied, and Braille floor-selection buttons are installed on elevator panels. For hearing-impaired employees, visual alarm systems are implemented. All accessibility facilities are constructed in compliance with national standards, including the *Code for Design of Accessibility* (GB 50763-2012), effectively enhancing both convenience and safety for employees with disabilities.

In addition, we provide equal opportunities and care for employees from minority groups, ensuring that every employee can express themselves without discrimination or prejudice. Through activities such as festival celebrations and cultural sharing, the Company promotes mutual understanding and communication among employees from different backgrounds, creating an open, harmonious, and inclusive workplace environment.

Intangible Cultural Heritage Experience to Strengthen a Diverse Corporate Culture

In May 2025, the Company organised 35 employees to participate in the "Intangible Cultural Heritage Inheritance · The Beauty of Handcraft – Fragrance Plaque Making Experience" activity. The event invited a recognised inheritor of Longxiang fragrance plaque craftsmanship to provide instruction. With the support and organisation of the Company's trade union, employees had hands-on experience in traditional craftsmanship from Tongliang Longxiang.

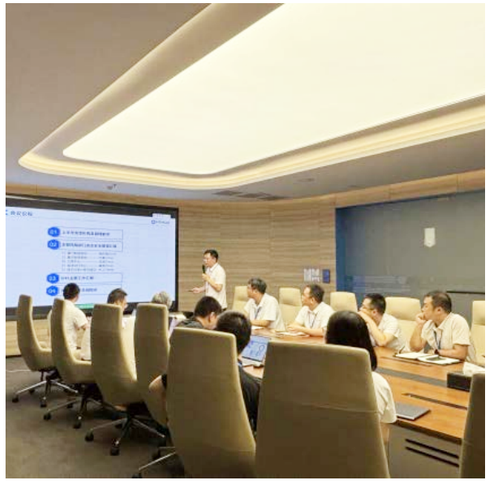
Under the guidance of the instructor, employees learned the techniques and key points of fragrance plaque making, experiencing the enjoyment of handicraft creation and the unique charm of traditional culture. By promoting employees' participation in cultural experiences, the Company further strengthened the development of a diverse corporate culture.

4.3 Occupational Health and Safety

Hithium is committed to high occupational safety and health standards, ensuring that all work processes are conducted in a safely and in an orderly manner. The company has established a comprehensive safety management system covering risk identification, control measures, and operational procedures, promoting a deeply embedded safety culture that protects employees across all work scenarios.

Safety Production

The Company strictly complies with applicable laws and regulations, including the *Work Safety Law of the People's Republic of China* and the *Regulations on the Reporting, Investigation and Handling of Production Safety Accidents*. It has formulated internal policies such as the *Environmental and Occupational Health and Safety Management Manual, Public Health Emergency Response Plan, EHS Incident Reporting, Investigation and Handling Procedures, Labor Protection Supplies Management Measures*, and *Emergency Response Management Procedures*, to comprehensively standardise safety management processes and minimise the risk of workplace accidents. Underpinned by a well-defined accountability framework, the Company rigorously implements the principle of "three controls and three musts", continuously optimising its safety governance structure. At the Group level, a Safety Committee has been established, chaired by the Group President, with heads of primary departments serving as members. The Safety Committee convenes quarterly meetings to review safety performance, deploy key tasks, and issue safety resolutions. In addition, the Company established EHS coordinators across departments in accordance with the *Environmental Safety Officer Management Regulations* and set up regional and specialised subcommittees. These committees convene at least monthly, with participation from full-time or part-time EHS personnel, who provide recommendations on improving EHS management systems. The EHS Department, as the core functional unit, is fully responsible for the implementation and execution of safety measures. The team comprises provincial-, municipal-, and district-level safety experts, certified safety engineers, and certified fire engineers, ensuring the effective operation of the safety management system.



The Safety Committee Holds Quarterly Meetings

Hithium upholds the safety policy of "people-oriented, safety first, prevention-oriented, and addressing issues at an early stage", and has established three annual "zero" occupational health and safety (OHS) targets: zero fatalities or major injuries, zero occupational disease incidents, and zero major smoke or fire events. In line with these targets, the Company develops annual management programmes, which are reviewed and approved by the CEO at the annual Safety Committee meeting before implementation. Progress towards the targets and key performance indicators is regularly monitored and evaluated, and through continuous monitoring, review, and dynamic adjustments, the Company drives steady improvement in occupational health and safety performance.

The Company conducts regular internal audits and external certification audits of its occupational health and safety management system, and during the reporting period successfully achieved ISO 45001 certification with 100% employee coverage. In addition, we established and strictly adhered to the *EHS Incident Reporting, Investigation and Handling Regulations*, which clearly define responsibilities, information reporting procedures, incident classification standards, and mechanisms for addressing work-related injuries in the event of a production safety incident, ensuring timely and orderly response. In 2025, no major production safety incidents occurred, and all safety targets were fully achieved.

A systematic safety management process has been established, covering risk identification and assessment, emergency management, and implementation of control measures, to continuously improve safety performance and mitigate risks.

Three annual "zero" occupational health and safety (OHS) targets

Fatalities or major injuries	Occupational disease incidents	Major smoke or fire events
0	0	0

Safety Risk Identification

- In accordance with *the Risk Assessment and Risk Classification Management Procedure*, the Company organises all departments to systematically identify major hazards, comprehensively recognising workplace risk factors that could lead to personnel injury. Based on this, a safety risk classification and control system is implemented to promote proactive prevention and end-to-end risk management.

Safety Risk Prevention and Control Measures

- Safety risk prevention and control are strengthened at the source and during operational processes.
- Prioritising inherently safe designs and adopting engineering controls such as isolation, enclosure, automatic shutdown, and interlock protection to reduce the likelihood of equipment failures and safety incidents.
- In addition, personal protective equipment is provided to personnel engaged in hazardous operations according to identified risk factors and job risk levels, reinforcing safety measures during work.

Stakeholder Safety Management

- Contractor safety management mechanisms are continuously advanced through monthly safety meetings, summarising safety performance and identifying potential risks.
- Work reporting procedures for contractors are standardised, and hazards and violations are systematically recorded, tracked, and rectified.
- Occupational health and safety (OHS) requirements are embedded in procurement processes and contractual terms, clearly defining contractors' safety responsibilities and management obligations during project execution.

Emergency Management

- The Company established and implemented the *Emergency Response Management Procedure*, setting up emergency response teams and a command centre, and equipping them with necessary emergency supplies and equipment.
- Emergency plans covering scenarios such as fire, poisoning, and special equipment accidents are formulated, and regular drills are conducted in high-risk areas and densely populated sites to enhance employees' risk awareness and emergency response capabilities.

We have also established comprehensive incident and hazard reporting mechanisms. Employees may report risks or incidents via the Feishu feedback platform or a 24-hour ERC hotline. Upon receiving reports, the Emergency Response Center (ERC) promptly initiates response actions to ensure timely identification and closure of risks.

24h

Employees may report risks or incidents via the Feishu feedback platform or a 24-hour ERC hotline

Posting Production Safety Risks and Incident Reporting Channels

In terms of hazardous chemical management, the Company has implemented policies such as the *Chemical Management Procedures*, the *Regulations on the Administration of Precursor (Explosive) Chemicals*, and *Operation Instructions for Precursor and Explosive Chemicals*, standardising procurement, usage, storage, and disposal processes to ensure compliance and reduce risks such as leakage, fire, and poisoning.

Occupational Safety Capability Building

The Company continuously strengthens safety capabilities among employees and contractors. In accordance with the *EHS Training Management Regulations*, differentiated training programmes are implemented based on job roles and management levels. A combination of online and offline training ensures full coverage across all personnel, including full-time employees, contractors, secondees, and security staff.

For manufacturing personnel, new hires must complete the three-level safety training (factory-level, department-level, and team-level) and pass assessments before commencing work. Safety management personnel must receive training from qualified institutions and obtain relevant certifications. The Company also conducts regular emergency drills to enhance response capabilities.

Targeted safety training programmes are implemented regularly, covering electrical safety, accident case studies, hazardous chemical management, and first aid. Enhanced training is provided for high-risk processes such as winding, mixing, and material preparation. In addition, the Company provides contractors with safety training and practical guidance to enhance their safety awareness and work practices, ensuring that safety management requirements are effectively implemented among partners.

Regular Safety Training for Contractors

To ensure contractors strictly comply with EHS, fire safety, occupational health, and information security requirements, the Company regularly conducts safety training programmes. Training covers the full lifecycle of contractor operations, including pre-entry preparation and qualification review, approval of construction plans, and operational standards for high-risk activities such as hot work, electrical work, and working at height. Through clear accountability and systematic training, contractors are equipped to identify risks and implement preventive measures, ensuring both operational and asset safety.

Occupational Health

Hithium places great importance on employee occupational health and safety. The Company established a comprehensive management system and formulated relevant policies and procedures, including the *Environmental and Occupational Health and Safety Management Manual*, the *Regulations on "Three Simultaneities" Management of New, Modified, and Expanded Occupational Disease Prevention Facilities*, the *Regulations on the monitoring and evaluation of occupational disease hazards*, the *Regulations on the Management of Maintenance and Overhaul of Occupational Disease Prevention Facilities*, and the *Regulations on Occupational Health Surveillance and Record Management of Workers*. Annual occupational health objectives are set to continuously improve occupational health management, prevent occupational disease risks, and safeguard employees' physical and mental health.

Occupational Health Goals

Coverage rate for occupational health checkups	100%
Cases of occupational diseases	0
Compliance rate for workplace occupational hazard factor testing	100%

To effectively identify, assess, and control occupational disease hazard risks in workplaces, the Company conducts annual monitoring of occupational hazard factors. By systematically identifying occupational hazards and critical points in each workplace, regular and daily monitoring plans are developed and implemented. Monitoring results are documented, reported, centrally archived, and submitted to local health supervision authorities in accordance with regulatory requirements.

During the monitoring process, we conduct on-site sampling and routine checks. Any abnormal findings are addressed promptly through corrective actions, forming a closed-loop management system. Monitoring and assessment results are disclosed to local employees, and the occupational health bulletin boards in workplaces are dynamically updated to ensure employees' right to be informed.

In addition, the Company commissions qualified occupational health technical service institutions to conduct occupational hazard monitoring and assessment, enhancing the professionalism, independence, and compliance of monitoring results.

For identified occupational hazards, the Company develops and implements corresponding management measures, and regularly maintains and inspects occupational disease prevention facilities to ensure their continuous effective operation and to mitigate occupational health risks.

Occupational Disease Hazard Factors[29]	Management Measures
Noise	Low-noise and low-vibration equipment is selected for workshops. Mixers are centrally located, noise-reduction devices are installed, pneumatic pumps have silencers, and roller presses are equipped with vibration-damping devices. Power stations are independently arranged, with boilers, air compressors, and chillers placed in separate rooms with vibration-damping devices; air compressors also have silencers. Duty rooms are separated from noisy areas with double-layer soundproof doors. Employees wear earplugs.
Ionising Radiation	Radiation sources used are sealed within measurement and control devices, installed securely, with workshop surveillance cameras enabling real-time monitoring. Each sealed source thickness gauge is marked with an ionising radiation warning sign.
Laser Radiation	Laser sources are enclosed within equipment, directed vertically downwards. The laser has strong directionality and minimal scatter. Observation windows are fitted with shielded glass, and protective laser glasses are provided on-site.
Fluorine and Its Compounds	Filling machines operate in a closed system. Exhaust and ventilation facilities are installed above the equipment. Explosion-proof centrifugal fans are used, and personnel wear activated carbon filter masks.
Graphite Dust	Mobile dust collectors are installed. During material feeding, the collector's suction port captures dust at the source. Personnel wear gas masks with filters, dust masks, and protective goggles.

At the same time, the Company strictly complies with relevant laws, provides health examinations for employees in positions with occupational disease risks, and maintains occupational health surveillance records for them.

[29] The occupational hazard factors presented in the table are illustrative and do not represent all possible types.

2025	2025	2025
Occupational health checkups coverage of employees in positions with occupational hazards	Cases of occupational diseases	Major smoke or fire events
100%	0	0

The Company also places strong emphasis on employee mental health. An Employee Assistance Program (EAP) provides professional support to help employees navigate personal and work-related challenges, enhancing overall well-being and performance.

Regular mental health surveys are conducted to systematically understand employees' mental health status. Based on questionnaire results, the Company identifies employees requiring focused care, and professional counsellors provide confidential, one-on-one follow-ups, timely intervention, and support to prevent potential psychological crises.

The Company developed a combined online and offline mental health support system. Online services include a mental health hotline providing timely consultation, guidance, and support for employees facing psychological stress or sudden crises. Offline, a "Mind Station" offers professional one-on-one psychological counselling to meet employees' individual needs in career development, family relationships, and emotional management.

"Workplace Stress and Emotional Management" Mental Health Lecture

In July 2025, the Company invited external mental health experts to deliver a specialised lecture focussing on stress management, emotional recognition, and expression. The session combined theoretical explanations with interactive Q&A, helping employees understand their emotional responses, learn methods to relieve stress, and acquire daily psychological adjustment skills. The lecture provided systematic guidance on mental health, improving employees' self-awareness and emotional management abilities. In the future, the Company will continue to monitor employees' physical and mental health and promote a healthy and positive workplace environment.

05

Customer Response

Hithium attaches great importance to product quality management and the development of customer service capabilities, regarding them as core elements underpinning the sustainable development of the Company. Adhering to the principle of being “customer demand-oriented”, the Company has established the quality policy of “customer first, serving with ‘core' dedication, striving for excellence, and continuous improvement”, and continues to increase investment in quality control and service system optimisation, with a commitment to providing customers with safe and reliable products and a professional service experience.

Key Data

ISO 9001 Quality Management System certification coverage of mass production manufacturing sites

100 %

Customer satisfaction

97.00 %

Percentage of products sold or delivered that were subject to recall due to safety and health reasons

0 %

Number of products and services assessed as requiring improvement in health and safety impacts

0

Customer complaint closure rate

97.89 %

Chapter Case

Completion of the World's First Open-Door Fire Test, Verifying Intrinsic Safety and Extreme Protection Capability of Products

In order to verify the safety protection capability of energy storage products under extreme scenarios, in May 2025, Hithium conducted the world's first all open-door large-scale fire test of the coBlock 5MWh Battery Energy Storage System (BESS). The test artificially triggered battery thermal runaway and maintained the container door in an open state. Under extreme conditions far exceeding conventional operating scenarios, it comprehensively verified the structural integrity, thermal isolation capability, and intrinsic safety protection performance of the energy storage system. The test was executed by the internationally authoritative testing and certification body UL Solutions and witnessed on-site throughout by a certified fire protection engineer from the U.S., ensuring the standardisation of the test process and the authority of the results.

Fire Test Site

With the continuous expansion of the global energy storage industry scale, fire incidents caused by battery thermal runaway occur from time to time, and the safety of energy storage systems has become a core issue of concern for regulatory authorities, customers, and insurance institutions. Market requirements for the safety performance of energy storage products continue to increase, and international authoritative safety certification and extreme operating condition verification are gradually becoming important bases for measuring product quality, safety, and reliability. Against this background, the Company proactively carried out an extreme fire test in accordance with internationally recognised testing methodologies, including UL9540A (Test Method for Evaluating Thermal Runaway Fire Propagation in Battery Energy Storage Systems) and NFPA855 (Standard for the Installation of Stationary Energy Storage Systems by the National Fire Protection Association of the United States). As an authoritative safety testing standard widely recognised in the global energy storage industry, UL9540A establishes a multi-level thermal runaway fire propagation evaluation system covering “cell–module–cabinet–system”, which is capable of systematically verifying the risk control capability of BESS under extreme fire conditions. By conducting this test, the Company further verified the safety protection capability of its products under extreme operating conditions, demonstrating its leading level in product quality and safety design.

This test comprehensively verified the safety and reliability of the BESS under the most stringent scenarios through four major extreme challenges:

Challenge : World's First Open-Door Combustion — Structural Safety Protection Capability under “High Temperature Resistance"

1

- Throughout the test, the prefabricated cabin door was kept fully open to create an unconstrained combustion environment, ensuring ample oxygen supply to the flame and maximising the heat release rate. The combustion lasted for over 15 hours, with peak temperatures reaching 1,372°C. Despite these extreme conditions, the triggered cabin structure exhibited no deformation or collapse, demonstrating exceptional structural fire resistance and safety protection capabilities.

Challenge : Dual 15 cm Extreme Spacing — “Close-Range” Thermal Runaway Non-Propagation between BESS Units

2

- The test adopted an extreme arrangement of “back-to-back and side-by-side”, reducing the spacing between BESS units to 15 cm, far below conventional engineering safety distances. Under extreme fire source conditions exceeding 1,300°C, no thermal propagation occurred in adjacent system cabinets, and the maximum temperatures remained significantly below the UL9540A thermal runaway triggering threshold, verifying the BESS's excellent thermal isolation performance and anti-propagation capability.

Challenge : Fire Suppression System Deactivated — Long-Duration Fire Resistance Safety Performance with “No External Support”

3

- Throughout the test, the fire suppression system was deactivated, relying solely on the BESS's structural protection and passive safety design to withstand sustained combustion impact. During the 15-hour extreme combustion process, adjacent systems only exhibited minor surface damage, while internal battery modules remained intact and undamaged, demonstrating the BESS's autonomous safety protection capability in the absence of external fire intervention.

Challenge : 100% State of Charge (SOC) — Reliability of System Design under “Full Load”

4

- The test was conducted under a 100% state of charge (SOC). By artificially triggering battery thermal runaway and actively igniting the released gases, a maximum energy release scenario was simulated. The results showed that, except for the triggered container, no thermal runaway propagation occurred in the remaining BESS units, fully verifying the structural stability of the BESS under full-load operating conditions.

The successful completion of this test is a strong demonstration of Hithium's long-term commitment to technological innovation and quality control, providing solid support for product safety performance. At the same time, this test was conducted based on internationally authoritative standards such as UL9540A, forming a demonstrative practical achievement in system-level extreme safety verification and providing a useful reference for the industry in carrying out higher-standard safety testing and safety design.

Looking ahead, Hithium will continue to deepen its efforts in key energy storage technologies, continuously improve the safety performance of energy storage batteries and systems, and further consolidate the foundation of product quality through testing verification and technological innovation, thereby providing safer and more reliable energy storage solutions for global customers.

5.1 Product Quality and Safety

Hithium is driven by the dual engines of technological innovation and lean management, and is committed to providing customers with safe, reliable, and high-performance lithium battery energy storage products and solutions. The Company optimises its products and services, actively responds to customer needs and market changes, and continuously consolidates the brand connotation of "Hithium Quality", thereby delivering excellent quality.

In terms of the quality management system, Hithium strictly follows the ISO 9001 quality management system standard, systematically identifies and rigorously implements the requirements of relevant laws, regulations, and industry standards. The Company has formulated and strictly implemented normative system documents such as the *Quality Management Manual, Product Monitoring and Measurement Management Procedure, and Nonconformity Management Procedure*, promoting the institutionalisation and standardisation of the quality management system across all business processes, and ensuring the effective operation of the quality management system.

In response to the multiple challenges faced by energy storage products in terms of safety, economic efficiency, and standardisation, Hithium, based on its own technological advantages and business characteristics, has proposed "zero defects" as its quality vision, and has established quality management objectives covering product safety, quality stability, and customer satisfaction. By decomposing quality objectives into relevant business units and key processes, the Company promotes the cascading implementation of quality management responsibilities, forming a quality management operation mechanism guided by objectives and supported by process control. Through continuous improvement and innovation, Hithium is committed to achieving high-quality management throughout the full product lifecycle, and to providing customers with safer, more reliable, and more sustainable energy storage solutions.

Quality Vision	Four Major Quality Objectives			
Defects	Major quality accidents	Occurrences of product safety incidents	Customer return rate for cell products	Customer satisfaction
0	0	0	≤100ppm	≥90%

Lifecycle Quality Management of Products

Hithium regards product quality as a key element of its core competitiveness and has established a quality management system covering the entire lifecycle, including product research and development, raw material procurement, production and manufacturing, quality inspection, shipment and delivery, and after-sales service. During the reporting period, the Company's quality management system continued to operate effectively and has passed ISO 9001 quality management system certification. Through a full-process, systematic, and digitalised control model, the Company ensures that products achieve high reliability and consistency at all stages of design, manufacturing, and use, laying a solid foundation for its long-term steady development.

In terms of digital empowerment, Hithium continues to deepen the intelligent level of quality management. Through the quality management system, end-to-end data integration is achieved from raw material procurement to finished product delivery, and digital technologies significantly enhance the transparency, traceability, and risk identification capability of quality control. At the same time, the Company utilises a data-driven approach to optimise process workflows, improve production efficiency, and provide strong support for technological innovation. This mechanism not only promotes continuous quality improvement, but also further enhances the performance, safety, and service life of energy storage batteries, providing customers with higher-quality and more stable product solutions.

Organisational Governance	A Quality Management Centre has been established, with a designated head responsible for overall coordination. Manufacturing bases leaders collaborate to implement quality initiatives across the organisation. By strengthening full-process quality control and cross-departmental cooperation, product quality is continuously enhanced.
R&D and Design	A systematic new product development process has been established. Cross-functional experts review each critical development milestone to ensure design rationality, manufacturability, and safety. Pilot trials are conducted prior to mass production to identify and mitigate potential design risks, ensuring alignment between product performance and market requirements.
Raw Material Control	Suppliers are subject to strict onboarding and audit procedures. Key raw materials, including cathode and anode materials and electrolytes, undergo comprehensive physicochemical testing and analysis using the materials laboratory and advanced instruments. This ensures stable, controllable raw material quality to support high-standard production.
Manufacturing	Automated production lines, integrated with Manufacturing Execution Systems (MES) and Quality Management Systems (QMS), enable real-time monitoring of the production process. Digital and automated methods are applied to environmental control, process parameter calibration, and critical operation inspection. Combined with statistical process control, this allows timely detection and correction of quality deviations, ensuring process stability. The digital system enables real-time cross-departmental information sharing, automated execution of critical operations, standardisation of inspection processes, and automatic monitoring and response to exceptions, ensuring that quality issues are promptly identified and addressed at key control points.
Shipment and After-Sales	Finished products undergo shipment inspection to verify model, packaging, and labelling compliance with customer requirements, with inspection reports generated accordingly. An efficient after-sales service mechanism ensures rapid response to quality feedback, providing technical support and solutions, thereby forming a closed-loop quality management system.

Whole-Life-Cycle Quality Management System

Quality System Audit and Improvement

The Company adheres to strict quality control throughout the entire process to ensure that each stage meets high-standard requirements and continuously optimises management effectiveness. We formulate annual internal audit and management review plans for the quality management system, and systematically evaluate its effectiveness, suitability, and adequacy.

During the reporting period, the Company completed internal audits and management reviews of the quality system. For nonconforming products and improvement suggestions identified during audits, the Company designates responsible departments to conduct root cause analysis, formulate and implement corrective and preventive measures, and clarify responsible persons and completion timelines, thereby promoting the optimisation and improvement of the quality management system.

At the same time, the Company continuously strengthens its quality management capability building. As of the end of the reporting period, a total of 164 ISO 9001 internal auditors have been trained and equipped. In terms of quality management system training, the Company conducted relevant training centred on ISO 9001 standards and operational requirements of the quality management system, enhancing professional capabilities to promote the improvement of quality management standards.

Conducting Quality Management System Training

Product Recall Management

Hithium attaches great importance to product quality and safety. Prior to product delivery to customers, strict shipment quality control measures are implemented to effectively prevent quality defects from entering the market and to reduce the risk of product recalls. The Company formulates and implements the *Battery Cell Shipment Inspection Management Measures* and *Battery Energy Storage System Shipment Inspection Management Measures*, conducting shipment inspections on both cell and system products to ensure that products are delivered only after passing all inspection requirements, thereby controlling product delivery quality at the source.

On this basis, the Company has established a comprehensive management process for nonconforming products and product quality risks. For suspected or nonconforming products, strict identification and isolation management measures are implemented. In accordance with systems such as the *Early Warning and Shutdown Mechanism Management Measures, Shipment Abnormality Termination Management Measures, and Process Abnormality Handling Management Measures*, nonconforming products are confirmed, controlled, and reviewed. For nonconforming products, appropriate measures such as rework, repair, scrapping, or release under concession are adopted. At the same time, responsible departments are required to formulate corrective and preventive measures and establish ledger records to ensure closed-loop management of issues and prevent recurrence of similar problems.

In terms of quality risk response, the Company ensures through institutionalised management processes that quality issues can be effectively identified and controlled at an early stage, preventing risk escalation. When necessary, the Company can promptly activate emergency mechanisms and take effective measures to mitigate risk impacts, safeguarding customer rights and product safety. During the year, no product recall incidents occurred.

Driven by Digital Intelligence, Chongqing Base Promoted a Leap in Manufacturing Efficiency

In January 2026, Hithium Chongqing Base was successfully recognised as a "Lighthouse Factory", becoming the world's first Lighthouse Factory in the energy storage battery sector. Within the Lighthouse Factory evaluation system, production efficiency and stable delivery capability are core assessment dimensions, and the foundation of high-efficiency manufacturing lies in a highly mature and resilient quality management system. The Chongqing Base has reconstructed the logic of quality governance through digital intelligence, shifting quality control forward to the full manufacturing process, and establishing a closed-loop management mechanism of "pre-event early warning, in-process control, and post-event traceability", thereby embedding quality capability deeply into the production system. Through integration of quality management and intelligent manufacturing, it has achieved simultaneous improvements in efficiency and yield under complex process conditions and successfully passed the Lighthouse Factory assessment.

Energy storage battery manufacturing itself is characterised by complex processes, long production cycles, and highly intensive quality control points. The production of batteries requires approximately 38 key processes, with an overall manufacturing cycle exceeding 10 days and involving thousands of quality control nodes. Any minor deviation may affect consistency and safety. This long-chain manufacturing characteristic makes it difficult for traditional sampling inspection and experience-driven management methods to identify risks in a timely manner or to support stable and efficient large-scale delivery.

In response to this challenge, the Company has leveraged digital intelligence to drive a fundamental transformation in quality management logic. By deploying several industry-leading intelligent quality control projects, the Chongqing base has achieved full-process quality controllability from raw material entry to finished product delivery.

Relying on artificial intelligence technology to conduct real-time learning and analysis of massive production data, the base has broken through the limitations of traditional "post-event alarm" approaches and established an intelligent process control system at key processes. The intelligent SPC system can proactively identify parameter fluctuation trends, issue early risk warnings in advance, and automatically recommend optimisation strategies, significantly improving the response speed and application efficiency of process control, and enabling the transformation of quality management from passive response to proactive prevention. In certain core process links, AI models are introduced to predict and adaptively regulate key quality parameters, significantly improving product consistency and reliability.

On this basis, the Company has built an intelligent root cause analysis system based on generative artificial intelligence and a proprietary enterprise quality knowledge base. When quality abnormalities occur, the system's "AI engineer" can output the top five potential causes and corresponding handling recommendations within 10 seconds, assisting engineers in rapid decision-making and closed-loop handling. At the same time, AI models can continuously monitor fluctuations in key quality parameters under different working conditions, production loads, and environmental conditions, enabling dynamic identification and real-time control of abnormal risks, ensuring that the production process remains under control at all times and supporting stable, high-quality manufacturing capabilities.

In addition, the Company has established a digital traceability system centred on an enterprise quality knowledge base and intelligent analysis platform, covering all elements of "man, machine, material, method, and environment". Each product corresponds to a complete digital record, forming a "digital twin" throughout the entire lifecycle, enabling bidirectional transparent traceability between raw material sources, process flows, and end products.

By constructing a full-chain, full-element, and full-cycle digital and intelligent quality management system, the Chongqing base has achieved simultaneous improvements in quality level and production efficiency. Based on the above practices, the Company has gradually accumulated and formed data-driven quality management logic, processes, and digital solutions, achieving standardisation and replicability, and laying a solid foundation for rapid replication and promotion in factories under construction and future new factories.

5.2 Customer Service

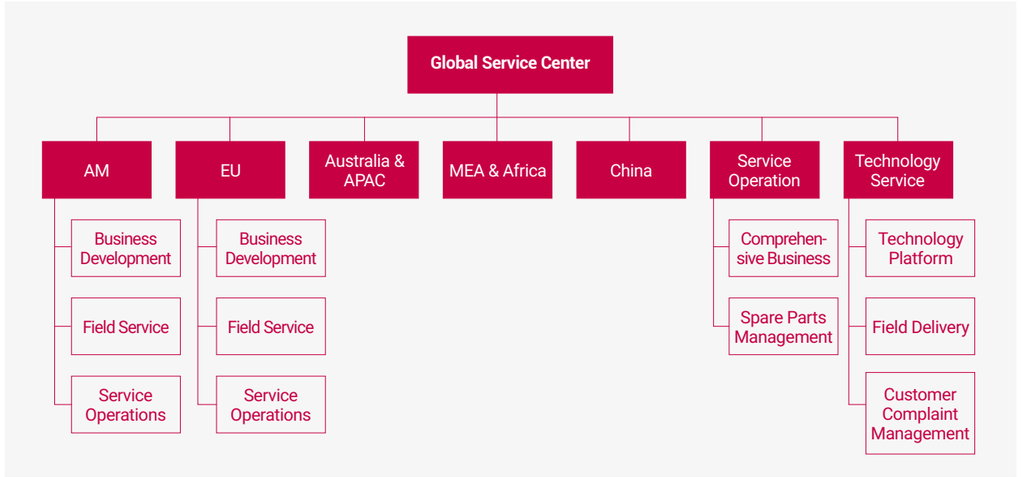
Hithium adheres to the core philosophy of "customer-centricity and delivering services that exceed expectations", and takes "customer respect, sincerity, teamwork, and customer satisfaction" as its service principles, improving and optimising the after-sales service management system. The Company encourages employees to actively contribute suggestions, thereby continuously improving service quality and customer satisfaction.

To achieve efficient service management, Hithium has formulated a series of standardised service management systems, including the *Product Delivery Management Procedure, Customer Service Management Measures, After-sales Spare Parts Delivery Management Measures*, and *Customer Satisfaction Management Procedure*, forming a complete closed-loop management mechanism. By incorporating customer feedback into daily service optimisation and system updates, the Company ensures continuous improvement in service quality and continuous enhancement of customer experience.

Service Team

Hithium is committed to providing customers with comprehensive, high-quality technical support and services. Our service team consists of experienced and highly skilled professionals, including professional rating engineers, training instructors, R&D personnel, and information platform maintenance personnel, ensuring the provision of efficient and professional solutions to customers. We have established a multi-channel feedback mechanism, providing 7×24-hour online support and 24-hour on-site response services, responding to customer needs at the fastest possible speed.

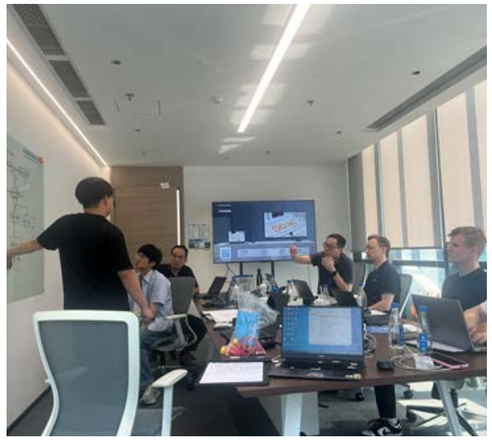
The Company has established a global service network covering major markets including China, the Americas, Europe, Asia-Pacific, and the Middle East and Africa. In the Americas and European markets, the Company provides full-process services covering business development, on-site service, and service operations, ensuring that customers receive professional support at every stage. In addition to major markets, the Company has also established a unified global service operation and technical service system to provide standardised technical and operational support. In order to optimise service response and logistics efficiency, the Company has deployed self-built warehousing in major markets and actively developed new warehousing facilities and cooperation with third-party warehouses, continuously enhancing global service capabilities and operational resilience.



Global Service Network

Relying on its global network layout and strong technical support capabilities, Hithium consistently adheres to a customer-centric approach, continuously optimising service processes and improving technical standards to create greater value for customers.

In order to enhance the on-site service capabilities of service providers and to assist customers in using energy storage systems in a standardised and safe manner, the Company regularly conducts systematic training for service providers and customers to improve their operational capabilities and technical standards. Training content includes introductions to equipment structure and functions, as well as routine maintenance processes and emergency response plans for energy storage systems, ensuring that partners can use and maintain products efficiently and safely.



After-sales Training for Service Providers and Customers

2025

Number of Service Provider After-Sales Training Participants

24 units

Number of Customer After-Sales Training Participants

51 persons

Response to Customer Requests

In order to optimise the customer service system and safeguard customer rights and interests, Hithium has established a comprehensive after-sales service system oriented towards customer needs. The Company has formulated the *Customer Complaint Handling Management Provisions* and the *After-sales Service Management Manual* to standardise after-sales service processes, and commits to responding to customer needs around the clock by providing rapid solutions, timely on-site support, prompt spare parts supply, regular inspections, and lifetime maintenance services. At the same time, through a standardised customer request response process, the Company achieves full-process closed-loop management from enquiry acceptance to problem resolution and follow-up tracking, ensuring that each customer request is handled in a timely, professional, and efficient manner.

Request Intake

- Customers submit service requests via telephone, email, or online platforms. The after-sales team verifies the accuracy of the request and ensures a consistent understanding of the issue between both parties.

1

Assessment and Solution Development

- The team assesses the root cause, severity, and urgency of the issue, determines whether remote support or on-site service is required, and defines a clear execution plan for the customer.

2

Service Delivery

- A rapid response is carried out in accordance with the defined plan. Resources are allocated appropriately based on on-site conditions, and key stages are monitored to ensure restoration of equipment functionality and resolution of the issue. Where necessary, cases are escalated to the technical team. All service activities are fully documented.
- During trial operation, any newly identified issues trigger reimplementation of the solution to ensure complete resolution.

3

Closure and Continuous Improvement

- Upon completion, a service report is prepared, documenting the issue, resolution measures, and improvement recommendations.
- Customer feedback is collected through follow-up and satisfaction surveys, and the data is incorporated into ongoing service optimisation and training systems to form a closed-loop improvement mechanism.

4

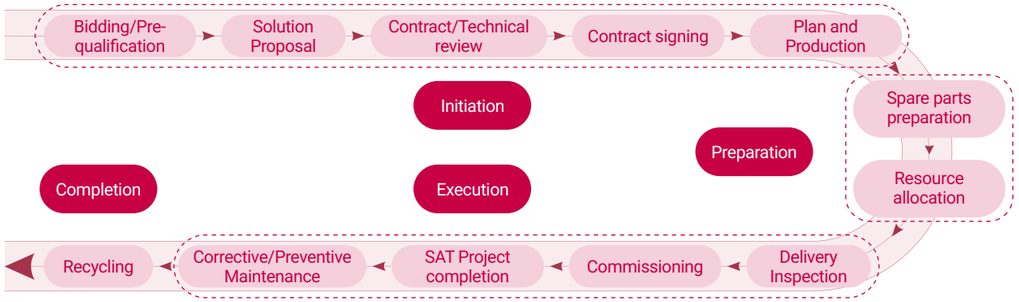
In addition, through digital empowerment and systematic management, Hithium has established an efficient and transparent customer request response mechanism. Relying on an intelligent management platform, the Company has realised unified management of customer information, service progress, and feedback, forming a digital closed loop from multi-channel acceptance to process tracking and effectiveness evaluation. The platform adopts a SaaS + PaaS architecture and integrates core business systems such as SAP and WMS. Through data interconnection and intelligent analysis, it promotes the transformation of the service model from passive response to proactive service.

At the same time, Hithium combines internal and external supervision mechanisms to regularly inspect and evaluate service execution, promptly identify and rectify potential issues, and ensure the effective implementation of service standards. Through the deep integration of digital tools and systematic management, the Company continuously improves service efficiency and quality, creating a higher-quality service experience for customers. During the reporting period, a total of 304 customer complaints were received, with a complaint closure rate of 97.89%. All unresolved complaints remain within the normal processing timeframe and are under continuous follow-up.

Hithium Service Lifecycle Management

In order to improve service quality, the Company has established a service lifecycle management system to ensure efficient connection and seamless execution of all stages from project initiation to decommissioning and recycling.

At the project initiation stage, the Company is committed to providing customers with rigorous evaluation and solutions. During the bidding stage, we maintain efficient communication with customers, inviting them to review products and visit production lines and logistics processes, demonstrating technical capabilities and production quality. During the proposal submission and technical contract review stages, the Company conducts cross-departmental coordination internally to comprehensively assess project feasibility, risk points, and compliance, ensuring alignment between contract terms and project execution. During the contract signing and production planning stage, the Company strictly complies with global standards and regulatory requirements, and, in combination with customer needs, optimises energy storage strategies and installation solutions, laying the foundation for smooth project implementation.



Project Service Lifecycle Management

During the spare parts preparation and resource allocation stage, the Company establishes a localised warehousing network, prepares required spare parts and tools in advance, and conducts intelligent scheduling based on project needs to ensure that urgent deliveries can be completed within 48 hours. The Company integrates technical, logistics, and on-site service resources, coordinating internal teams and cross-departmental collaboration to provide sufficient support for subsequent delivery, installation, and commissioning.

During the delivery, installation and commissioning, and rectification stages, the Company provides full-process logistics management, including transport route optimisation, handling of overweight transport permits, import customs clearance, and on-site delivery, ensuring that equipment arrives safely. Installation and commissioning are carried out by experienced professional teams, while maintaining real-time communication with customers and responding rapidly to project needs. For issues arising during on-site acceptance and operation, the team provides on-site support and continuous optimisation solutions to ensure stable system operation and customer satisfaction.

Finally, during the project completion and recycling stage, the Company assists customers in system decommissioning and recycling, ensuring the safe dismantling and environmentally sound disposal of energy storage equipment, thereby achieving resource recycling and sustainable development. Through lifecycle management, the Company not only ensures delivery efficiency and quality, but also provides long-term value assurance for customers, achieving efficient service throughout the entire process from project initiation to recycling.

Enhancing Customer Satisfaction

The Company is committed to improving customer experience and promotes recycling actions at the end of the full product lifecycle to provide customers with environmental value and effectively reduce environmental impact. In accordance with the *Customer Satisfaction Management Procedure*, the Company regularly collects customer experience data, including after-sales response speed, on-site support, spare parts management, and product usage, and gathers feedback through multiple channels such as on-site surveys, online questionnaires, and telephone communication. It conducts systematic analysis of service effectiveness and customer satisfaction. Based on the evaluation results, the Company uses them as an important basis for service improvement and training programmes, forming a closed-loop management mechanism, continuously optimising customer experience, and striving to provide customers with a higher-quality service experience.

In terms of after-sales team capability building, Hithium continuously improves the professional competence and service standards of internal and external after-sales service personnel through systematic theoretical and practical training. The Company focuses on strengthening the execution of service standards and improving the response speed and service quality of the team, ensuring that customers receive professional, timely, and efficient support throughout the full product lifecycle and service process.

2025

Customer satisfaction

97%

Jointly Promoting Battery Recycling Practices with Customers to Enhance Product Sustainability Value

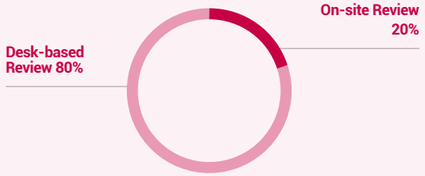
Hithium promotes the advancement of battery recycling practices through innovative design and co-creation of sustainable value with customers. In the design of battery end cap assemblies, the Company has introduced an innovative structure for convenient recycling, enhancing the sustainable management capability across the full product lifecycle. The design adopts an easy-to-disassemble structure, enabling the plastic cover components of the end cap assembly to be rapidly separated without damaging other components, thereby facilitating reuse.

This design incorporates pre-set fracture lines, allowing the cover components to be separated from the end cap with the application of moderate external force during the recycling process, while ensuring that the cover components remain intact for unified recycling and reuse. In addition, the internal structure of the cover components has been optimised to avoid irregular cracking during disassembly, significantly improving recycling efficiency and reducing material waste. While ensuring installation stability, this end cap design also takes into account battery performance stability and recycling convenience, significantly reducing the complexity of recycling operations at the end of the full product lifecycle.

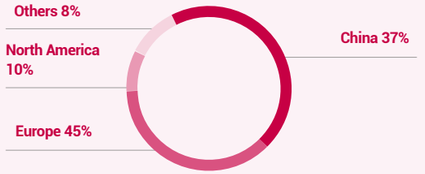
Through close cooperation with customers, Hithium has not only enhanced the overall sustainability value of battery packs, but also further reduced resource consumption and environmental impact, setting a benchmark for sustainable development in the industry.

Actively Responding to Customer ESG Audit Requirements and Deepening Industrial Chain Collaboration

During the year, the Company actively responded to ESG audit requirements from global customers, focussing on cooperation in due diligence management audits based on the requirements of the *EU New Battery Regulation*. The relevant audits adopted a combination of on-site audits and questionnaire-based audits, covering the Company's core management practices in the environmental, social, and governance fields. The Company completed responses to more than one thousand questionnaire items, mainly focussing on key topics such as labour and human rights protection, fulfilment of social responsibility, and supply chain management.



Distribution of Customer Audit Methods



Distribution of Customer Countries

To respond to customer audit requirements in an efficient and orderly manner, the Company coordinated multiple functional departments, including human resources, EHS management, manufacturing, and procurement, to participate collaboratively, ensuring the completeness, consistency, and traceability of relevant information disclosure. Audit results showed that the Company successfully passed all customer ESG audits during the year, demonstrating good performance in labour and human rights management system construction, EHS management, and energy conservation and consumption reduction. The relevant management effectiveness was recognised by customers, reflecting the Company's reliability and professionalism as a key supplier within customer supply chain systems.

Focussing on the due diligence requirements under the EU *New Battery Regulation* that attracted customer attention during the year's ESG audits, the Company, based on relevant regulatory provisions, systematically reviewed and benchmarked applicable requirements item by item, incorporating key customer audit concerns into the Company's existing ESG management framework. In key areas such as labour and human rights protection, supply chain responsibility, and risk identification and response, the Company has further improved and formulated corresponding policies, systems, and management standards, clarified management requirements and implementation pathways, and promoted the implementation of various measures through internal coordination mechanisms.

EU *New Battery Regulation*	Regulatory Requirement	Hithium Response
Article 49-1 (a)	Adopt and **clearly communicate to suppliers and the public the Company's battery due diligence policy**, covering raw materials listed in Annex X(1) and relevant social and environmental risk categories listed in Annex X(2).	Issued the *Code of Conduct for Business Partners*, ensuring full compliance with the clause requirements
Article 49-1 (b)	**Include in its battery due diligence policy standards consistent with those set out in internationally recognised due diligence instruments listed in Annex X(4).**	Issued the Code of *Conduct for Business Partners*, fully referencing the standards specified in the clause
Article 49-1 (c)	**Establish its internal management system** to support its battery due diligence policy by assigning responsibility to top management to oversee the policy, and retain records of such system for at least 10 years	Issued systems such as the *Supplier ESG Management Procedure, Conflict Minerals Management Provisions*, and *Supply Chain Due Diligence Management Provisions*, establishing a complete internal due diligence management system
Article 49-1 (d)	Establish and operate a supply chain control and transparency system, including chain-of-custody or traceability systems, to **identify upstream actors in the supply chain**	Formulated the *Mineral Supply Chain Traceability Information Collection Form* to meet information collection requirements
Article 49-1 (e)	Incorporate its battery due diligence policy (including risk management measures) **into contracts and agreements with suppliers**	Signed the *Supplier Management Agreement* with 100% of qualified suppliers, incorporating all due diligence policy requirements
Article 49-1 (f)	**Establish a grievance mechanism, including an early warning risk awareness system and remediation mechanism, or provide such mechanisms through cooperation agreements with other economic operators** or organisations, or by facilitating access to external experts or institutions (e.g. ombudsmen), based on the *UN Guiding Principles on Business and Human Rights*	Issued the *Supply Chain Management Grievance and Communication Mechanism*, clarifying grievance handling methods and establishing early warning and remediation mechanisms
Article 50-1 (a)	**Identify and assess risks of adverse impacts related to risk categories listed in Annex X(2)** within its supply chain as part of its management plan	Risks in the supply chain have been identified and assessed through second-party audits and questionnaire surveys
Article 52	**Operators shall annually review and publicly report (including on the internet) on their battery due diligence policy**	Formulated a reporting plan and regularly publishes reports annually on the official website

By transforming the due diligence requirements of the battery regulation into actionable and supervisable internal management measures, the Company enhances its capabilities in identifying, preventing, and controlling relevant risks, ensuring that operational practices remain aligned with customer compliance expectations, and laying a solid management foundation for more efficient responses to customer audit requirements and the deepening of long-term cooperative relationships.

06

Social Responsibility

Guided by its founding mission of "let green energy benefit all humanity," Hithium actively fulfils its social responsibilities, leverages its competitive strengths to advance energy equity, expand the reach of green energy, and empower the sustainable progress of communities. Through sustained charitable and public welfare initiatives, the Company gives back to society and drives the coordinated advancement of green energy and social development.

Key Data

Number of countries and regions covered by HeroEE energy equity products

32

Chapter Case

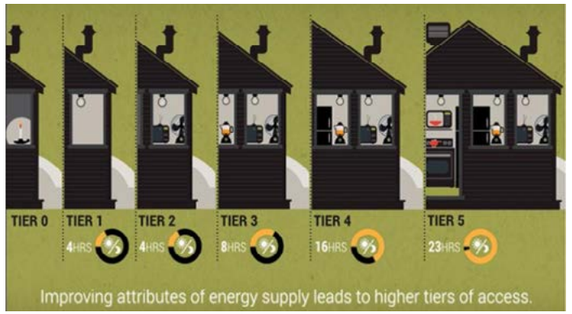
Selected as "China Green Point · Sustainable Practice Lvbei Case", Further Advancing Energy Equity

Hithium is consistently focused on community development and energy equity, promoting community economic development and sustainable progress through reliable and affordable energy solutions. In September 2025, by virtue of its innovative practice of "advancing energy equity through energy storage solutions", the Company was awarded the "China Green Point · 2025 Sustainable Practice Lvbei Case". This award represents professional recognition from various sectors of society for Hithium's continuous investment in inclusive clean energy.

The China Green Point[30] selection framework evaluates cases across six major directions, namely green traceability, green circularity, green design, green co-creation, green logistics, and green technology, and conducts case collection and evaluation, with emphasis on actual performance in green innovation, emission reduction and efficiency, industry demonstration, and long-term sustainability. The selection is jointly reviewed by professional institutions, media, and industry experts, systematically presenting enterprises' green practice achievements and promoting the dissemination and expansion of sustainable value on a broader scale.

Global energy access inequality remains a pressing challenge. The World Bank's multi-tier framework (MTF) measures energy access across five tiers — from no electricity service at all (Tier 0) to stable lighting and medium-power appliance use (Tier 5). Reaching Tier 3 means that households can access at least approximately 8 hours of lighting and basic appliance use per day, which is regarded as the minimum standard for escaping energy poverty. However, there are still approximately 732 million people worldwide who have not reached this level, and they mainly rely on unstable public electricity or high-cost diesel power generation.

Based on this global challenge, Hithium takes "enabling more people to afford reliable and sustainable modern energy services" as its long-term mission, relying on new energy storage technologies to make green energy more inclusive, efficient, and sustainable.



Multi-Tier Framework for Energy Access (MTF)

To address insufficient and unstable electricity access in energy-poor regions, Hithium's HeroEE series products provide affordable, reliable, and sustainable energy services, enabling residents to power lighting and basic appliances consistently. HeroEE features three core characteristics: low-cost energy supply (approximately USD 0.05 per kWh), long-term reliability (product lifespan of up to 10 years), and support for clean and sustainable energy, providing communities with economically affordable and low-carbon modern energy solutions. The products have been deployed in schools, medical points, households, and community commercial scenarios, improving local living conditions, enhancing access to public services, creating employment opportunities, promoting community economic development, and advancing the popularisation of clean energy and energy equity, thereby transforming the Company's ESG commitments into quantifiable social and environmental impacts.

Working with global partners, Hithium is building an inclusive energy ecosystem. The HeroEE series has been deployed across countries and regions including Nigeria, Bangladesh, Kenya, Zimbabwe, Myanmar, Lebanon, and Cambodia. In August 2025, under the witness of the Prime Minister of Pakistan, Hithium signed a strategic cooperation agreement with IEC, a leading power system integrator in Pakistan, focussing on the distribution of HeroEE residential energy storage systems. The two parties will also deploy 1 GWh of energy storage systems in residential and commercial and industrial scenarios. Through large-scale deployment, joint development of localised customised products, and promotion of local production and industrial chain support, this cooperation not only enhances local energy accessibility and supply reliability but also provides replicable experience for Hithium in promoting inclusive clean energy in South Asia and other energy-deficient regions.

Signing of a Strategy Cooperation Agreement with Distributor in Pakistan

[30] China Green Point is one of China's platforms recognising achievements in green transition and sustainable practices. It aims to identify and showcase exemplary corporate initiatives in green development, low-carbon transformation, and social value creation. The programme attracts participation from leading companies and institutions, and its annual "Lvbei Case" is regarded as an important reference for evaluating corporate performance in sustainability.

6.1 Local Communities

Hithium is committed to the development and well-being of communities in its areas of operation, investing actively in energy accessibility, education, and infrastructure — promoting the adoption of green energy and improving the quality of life for local residents.

Empowering Community Development

With energy equity as its core concept, Hithium actively participates in the construction of energy infrastructure and the green transition process in countries and regions along the "Belt and Road" initiative. It is committed to enabling users to obtain efficient energy storage experiences at lower cost through innovative technologies, promoting more equitable and sustainable access to electricity resources for local communities, improving people's livelihoods, and fostering inclusive regional development.

Relying on the HeroEE series residential energy storage products, the Company introduces stable and reliable electricity into daily community life scenarios. These products can be applied in public and livelihood-related locations such as schools, community shops, and barbershops, continuously supplying power to basic household electrical appliances such as fans, televisions, and rice cookers, helping local residents overcome constraints caused by unstable electricity supply, and transforming electricity accessibility into visible and sustainable improvements in living conditions and community development momentum. As of the end of the reporting period, the Company's energy equity products have covered regions including Africa, the Middle East, Southeast Asia, South Asia, and China, with a cumulative shipment volume of 260 MWh, equivalent to providing stable electricity for a full year to 114 households[31].

Launch of Zimbabwe Community Empowerment Project to Promote Electricity Equity and Energy Development

In December 2025, Hithium, together with Huayou Cobalt, launched a community co-development project for electricity equity in Goromonzi, Zimbabwe. The project continues the "Powering Warm Communities" development initiative carried out in 2024. This phase of the project is planned to be officially implemented in the first quarter of 2026. Through material donations, financial support, and a series of community activities, including a "Youth Entrepreneurship Competition" and monthly public welfare days, it aims to improve local living conditions, support youth entrepreneurship, and promote sustainable community development.

The Company actively participates in domestic and international conferences and exchange platforms related to energy, investment, and sustainable development. By sharing practical cases, experiences, and technical solutions, it supports the green energy transition of countries and regions along the "Belt and Road". At the same time, by cooperating with multiple foundations and providing energy storage products and technical solutions, the Company contributes to improving energy usage in local communities in developing countries. Through conference participation and collaboration with foundations, the Company continuously promotes knowledge sharing, experience exchange, and community co-development, achieving dual empowerment of energy accessibility and local sustainable development.

[31] Based on the World Bank's 2022 data, the average electricity consumption in Africa is approximately 570 kWh per person per year, and the United Nations reports an average household size of four persons. Using these figures, the electricity coverage of the energy storage product for basic household needs can be estimated. The above is a rough calculation and for reference only.

Participation in the Co-construction of the "China–Indonesia Community Sustainable Development Action Network"

In May 2025, the Company participated in the "Inaugural Global Business Summit on 'Belt and Road' Infrastructure" organised by the Indonesian government and the United Nations Global Compact (UNGC). As an important outcome of the summit, the Company, together with more than ten partners, officially launched the "China–Indonesia Community Sustainable Development Action Network", aiming to promote sustainable development of local communities in Indonesia through multi-party collaboration.

As a member of the network, the Company, together with other member organisations, discussed the implementation plan for community sustainable development projects in Indonesia. The Company will leverage its advantages in off-grid energy products to help address relatively weak power infrastructure in areas surrounding project parks, benefiting thousands of workers through practical actions. At the same time, it will explore multiple forms of cooperation and work together with member organisations to build a long-term, altruistic public welfare ecosystem, thereby promoting local livelihood improvements.

Participation in the China International Fair for Investment and Trade to Promote Energy Equity through Cross-border Exchange

In September 2025, the Company was invited to participate in the 25th China International Fair for Investment and Trade held in Xiamen, where it shared multiple cases of community co-development and energy empowerment projects. Through this international platform, the Company engaged in in-depth exchanges and experience sharing with government officials and industry experts from various countries on topics such as community energy infrastructure development and livelihood electricity supply assurance, and explored effective pathways for promoting sustainable community development in developing countries.

During subsequent corporate visits and discussions, the Company introduced its practical experience in off-grid energy product applications, improvement of community energy accessibility, and implementation of diversified public welfare activities to delegations of resident ambassadors to the World Trade Organisation and government officials from countries such as Kenya, Cameroon, and Zambia. The exchanges covered topics including improvement of community electricity usage, energy security for residents' daily lives, and energy support for enterprise development. Through these exchanges, the Company not only demonstrated its practical achievements in community co-development and energy empowerment, but also absorbed suggestions and cooperation opportunities from international peers, providing references for the implementation of future community projects in developing countries. The Company will continue to accumulate experience tailored to different communities, provide replicable practical models for future community co-development projects, and promote the achievement of sustainable development and energy equity goals.

Launch of the "135 Lighthouse Plan", Illuminating the Future of Green Electricity

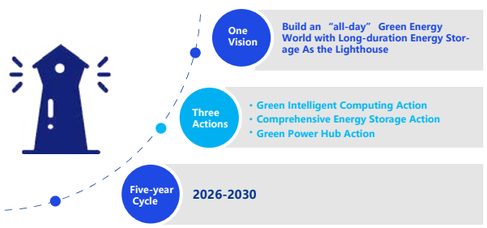
Promoting the widespread application of green energy hinges on addressing the structural challenges of renewable energy, namely "dependence on natural conditions, significant supply fluctuations, and difficulty in stable consumption". The development of all-weather, long-duration energy storage with cross-day and cross-cycle capabilities has become an important support for achieving the low-carbon transition. Against this background, Hithium has officially launched the "All-day Green Electricity · 135 Lighthouse Plan", aiming to realise the vision of "co-creating a new all-day green energy world" through the innovation and application of long-duration energy storage technologies.

The plan is centred on three major action directions: "Green Intelligent Computing", "Comprehensive Energy Storage", and "Green Power Hub", with a five-year planning cycle, and is committed to advancing the realisation of these three core objectives.

Firstly, through "Green Intelligent Computing" action, it aims to empower one hundred intelligent computing centres to achieve near-zero-carbon operation. Secondly, it promotes the "Comprehensive Energy Storage" action, implementing one thousand long-duration energy storage projects integrating generation, grid, and load, thereby enhancing the flexibility and regulation capability of energy systems. Thirdly, through the "Green Power Hub" action, it plans to construct ten ten-million-kilowatt-level new energy bases, providing solid support for new-type power systems.

During the strategic period from 2025 to 2030, Hithium will work alongside ecosystem partners to enhance the stability of renewable energy systems and promote the large-scale utilisation of green electricity across more industries and application scenarios. It is believed that, with the "lighthouse light" of long-duration energy storage, various industries will be illuminated, leading the world towards a cleaner and more sustainable energy future.

Under this strategic framework, based on baseline scenario estimates, the 135 Lighthouse Plan is expected, after the five-year strategic cycle, to reduce carbon emissions by approximately 437 million tonnes annually. By improving the availability and substitutability of clean electricity, it will support the safe and stable operation of the global energy system in the process of decarbonisation and contribute positively to achieving the 1.5°C temperature control target of the *Paris Agreement*.



China Green Point · 2025 Sustainable Practice Lvbei Case

Yicai

Excellence Award of the "Belt and Road" Green Development Story Short Video Competition

"Belt and Road" Environmental Technology Exchange and Transfer Centre

Excellence Award of the "Belt and Road" Environmental Technology Exchange and Transfer Centre Short Video Competition

"Belt and Road" Environmental Technology Exchange and Transfer Centre

6.2 Social Value

Hithium takes improving people's livelihoods and creating social value as its responsibility, continuously focuses on social needs and public interests, and, through public welfare and charitable practices as well as locally adapted energy development and transition, continuously promotes the organic integration of business operations and social responsibility, achieving the coordinated enhancement of economic benefits and social value.

Promoting Regional Energy Development

Based on local climatic conditions, geographical locations, and grid characteristics, Hithium focuses on key challenges in energy transition, provides efficient energy storage solutions, and promotes the popularisation of new energy and green low-carbon development. While optimising the balance between regional electricity supply and demand and improving system resilience and efficiency, the Company is committed to enabling residents and enterprises to access clean energy more equitably and reliably, while continuously expanding its service network so that green energy can truly benefit every location.

Supporting Stable Regional Electricity Supply

In the United States, with the rapid development of renewable energy such as wind and solar power, the energy structure is undergoing transformation; however, grid stability is facing unprecedented challenges. Power systems in various regions experience large peak–valley differences, uneven load distribution, and limited local grid carrying capacity. In addition, frequent extreme weather events such as high temperatures, strong storms, and lightning increase the risk of concentrated pressure or local power instability during peak periods. These factors impose higher requirements on power reliability and the electricity safety of residents and enterprises, making the development of energy storage technology increasingly important in the energy transition.

In response to these challenges, Hithium has deployed customised energy storage systems in Colorado and Texas. In Colorado, a 235 MWh standalone energy storage system effectively alleviates local grid pressure through peak shaving and valley filling and precise load regulation, providing stable electricity to the region. At the same time, it delivers significant environmental benefits, reducing approximately 11,750 tonnes of carbon dioxide emissions annually. In Texas, a fully liquid-cooled energy storage system with a capacity of 680 MWh adopts advanced thermal management design and can operate stably under extreme high-temperature and storm conditions. In addition, it is equipped with multiple safety protection measures, including temperature, smoke, and gas monitoring, explosion-proof ventilation, and reinforced storm-resistant structures, and has passed UL9540A safety performance testing and NFPA855 installation and operation standards certification. It supports high power output and rapid response, reducing approximately 34,000 tonnes of carbon dioxide emissions annually.

Hithium Colorado Energy Storage Project

Hithium Texas Energy Storage Project

The Company adheres to the "Local for Local" philosophy, leveraging a strong regional service network to extend professional support to every household and every scenario, and continuously providing reliable functions tailored to different electricity demands. While ensuring the accessibility and stability of energy services, the Company effectively integrates clean energy into communities, leading society towards a green and low-carbon future.

Providing Localised Energy Storage Solutions

In Europe, the energy revolution is advancing rapidly. Renewable energy sources such as wind and solar power are expanding quickly, providing strong support for green and low-carbon development. However, the intermittency of clean energy remains a prominent challenge. In response, Hithium has deployed a service system covering multiple countries, including Germany, Italy, and Hungary, providing customised energy storage systems. Through high capacity and rapid response capabilities, these systems enhance regional grid stability and provide reliable electricity supply for residents and enterprises.

During project implementation, Hithium relies on a full-process management system to systematically advance project evaluation, solution development, and international logistics delivery. In the evaluation stage, the Company coordinates relevant departments to conduct feasibility assessments focussing on transport conditions, construction environments, and potential risks, ensuring smooth connection across all stages. In the development stage, the Company takes into account customer energy storage strategies and the practicalities of equipment installation, operation, and maintenance, while strictly complying with global technical standards and regulations. In the international logistics stage, customised logistics solutions are developed for each project through route optimisation, handling of transport permits, and coordination of delivery plans. After goods arrive, local teams promptly initiate "last-mile" delivery, achieving seamless connection from import customs clearance to on-site delivery, ensuring safe and efficient deployment of equipment and supporting stable grid operation.

In Trier, Germany, Hithium, in cooperation with local suppliers, has developed Europe's first large-scale grid-forming energy storage project. The system has a capacity of 21MW / 55MWh, supports the operation of a 17MW photovoltaic power plant, and actively maintains voltage and frequency through millisecond-level response capability, enabling rapid power restoration in the event of local outages or grid abnormalities. To meet high reliability and high-power output requirements, the Company has carried out customised design and rigorous validation of the BMS (Battery Management System), ensuring safe and stable operation under complex conditions.

Building Europe's First Large-scale Grid-forming Energy Storage Project

In advancing the low-carbon energy transition, the Company fully considers the protection of local historical and cultural environments. In Europe, particularly in areas with dense historic districts and natural landscapes, heavy equipment transportation and on-site construction often face multiple constraints, such as limited road carrying capacity and strict heritage protection requirements. Based on this reality, Hithium incorporates "modular, easy-to-transport, and easy-to-assemble" as core design principles at the product design stage. Through upfront optimisation of structure and system integration, it reduces disturbances to the environment and local communities during project implementation.

∞Power Flexsso 3.125MWh 4h

The ∞Power Flexsso energy storage system, customised by Hithium for the Italian market, represents the Company's capability in providing localised solutions. During transportation, in response to the strict requirements of Italy's *Codice della Strada* regarding total vehicle weight and dimensions, the Company adopts a modular disassembly design for the energy storage system, ensuring that the overall volume and transport weight after loading comply with road safety standards. This avoids potential damage caused by overweight transport to road infrastructure and historic urban areas at the source, while ensuring transport safety and compliance and achieving efficient equipment delivery.

Easy-to-assemble Product Design

During installation and assembly, Hithium further enhances deployment friendliness through product structure optimisation. The energy storage system adopts an independent cooling design and is pre-assembled at the factory, eliminating the need for on-site liquid filling operations, making installation more convenient and layout more flexible. The design of bottom air intake and top heat exhaust further optimises airflow, alleviates the heat island effect, and makes full use of internal space, facilitating subsequent maintenance and operation.

The Company also emphasises environmental friendliness, striving to reduce the environmental impact of equipment operation. By optimising the layout and internal structure of the PCS (Power Conversion System), airflow is improved, reducing fan speed and operational noise; compressors are equipped with vibration-damping support devices to reduce vibration and noise; the system integrates leakage monitoring functions, eliminating the need for additional collection devices and enhancing operational safety; in addition, structural components are 100% recyclable, supporting green product management.

By embedding compliant transportation, low-disturbance installation, and efficient operation into product lifecycle design, Hithium enables the orderly deployment of energy storage systems across diverse European environments — protecting local road infrastructure, historic buildings, and natural landscapes while advancing the green energy transition respectfully.

Hithium takes a community-centred approach, translating its technological strengths into tangible social value — enabling residents and enterprises to reliably access clean energy and driving green, low-carbon transformation while contributing lasting momentum to the sustainable development of the global energy system.

Public Welfare and Charity

Hithium continuously attuned to practical social needs. Focussing on areas such as children's education, healthcare, disability care, and ecological protection, the Company carries out public welfare and charitable activities, translating its commitments into concrete action and fostering coordinated development between the enterprise and society. During the year, the total amount of charitable donations made by the Company reached CNY 1.62 million.

Care for Vulnerable Groups

The Company attends closely to the needs of vulnerable groups, delivering targeted public welfare activities focussing on disability assistance and welfare visits to disadvantaged groups. Through sustained actions, it conveys warmth and promotes social inclusion and harmonious development.

Caring for Vulnerable Groups and Carrying out Public Welfare Activities for Assisting Persons with Disabilities

Taking into account local conditions and the living needs of persons with disabilities, in March 2025, the Company organised a public welfare activity for assisting persons with disabilities in Tongliang District, Chongqing. The activity involved conducting home-based care and support visits to households holding nationally issued Grade I and Grade II disability certificates across various towns. A total of 10 impoverished households with disabled members were visited.

The Company coordinated with local disabled persons' federations to confirm the list of beneficiaries and to understand the actual needs of relevant households in terms of basic living safeguards and health management. Based on prior communication, the Company centrally procured daily necessities such as rice, flour, and cooking oil, as well as basic health supplies including blood pressure monitors and shoulder and neck massagers, and organised the base management team and departmental heads to mobilise volunteers to participate. Volunteers conducted home visits to the households, distributed relief supplies on site, and communicated with the families regarding their daily living conditions and practical difficulties, conveying the Company's care and support.

Carrying out Public Welfare Activities to Visit and Support the Elderly

The Company continues to practise a culture of "care and compassion", carrying forward the public welfare spirit of "care without distance, warmth for seniors". In November 2025, the Company carried out home-based care and support visits to elderly individuals under the Five Guarantees scheme[32] in Pulu Town, Chongqing, providing assistance to 10 rural beneficiaries. This marks the second consecutive year that the Company has conducted such activities in the locality, further providing support tailored to the living and winter protection needs of the elderly during the autumn and winter seasons.

Based on prior visits, Company volunteers prepared daily necessities such as rice and cooking oil, and provided cold-weather items including down jackets, in order to improve their daily living conditions. During the visits, volunteers entered the homes of the elderly, communicated with them regarding their recent conditions, and provided corresponding support based on the discussions.

[32] According to the *Regulations for Rural Five-Guarantee Work* issued by the State Council of the People's Republic of China, elderly individuals, disabled persons, or minors under 16 years old who are unable to work, lack a source of livelihood, and have no legal guardianship or support—or whose guardians are unable to provide support—are entitled to receive Five Guarantees assistance. This includes support for food, clothing, housing, medical care, and burial.

Children's Development and Education Support

With a focus on children's growth and education, the Company fosters connections between enterprises, families, and communities through initiatives such as factory open days and community co-development, supporting healthy development for children.

Implementing the "Vast Ocean and Starry Sky · Caring Together" Community Co-development Initiative to Promote Student Growth through Multi-party Collaboration

In order to actively fulfil corporate social responsibility and deepen community co-development, since 2024 the Company has continuously implemented the "Vast Ocean and Starry Sky · Caring Together" community public welfare project. In 2025, the second year of implementation, the Company, in collaboration with the Chongqing Tongliang Sub-branch of Bank of China, and together with local schools and relevant government departments, established a long-term mechanism through multi-party cooperation to support the growth of students, assisting the personal development and academic progress of primary and secondary school students in the locality.

Based on the actual needs of students at different stages of growth, the project has established a dedicated care fund to provide targeted educational support for different learning stages such as primary and junior secondary education, focussing on students' academic performance, psychological well-being, and overall development. At the same time, the Company organises care visits, conducting periodic home visits to students' families to gain an in-depth understanding of their learning and living conditions, and providing necessary material assistance and emotional care to the families.

On this basis, the Company actively mobilises employees to participate in voluntary services, organising diversified activities such as donations of care packages, book donations, professional practice, and internship opportunities, helping students broaden their horizons and enhance learning capabilities and social adaptability.

During the year, the Company invested a total of CNY 610,000 in the "Vast Ocean and Starry Sky · Caring Together" project. Through collaboration among enterprises, financial institutions, schools, and government, the project has gradually formed a comprehensive support system covering financial support, emotional care, and capability enhancement, promoting educational equity and sustainable community development.

Launch of the "Children Toward the Light · Building a Brighter Future" Rural Children Enterprise Open Day

Ahead of International Children's Day on 1 June 2025, the Company, together with Lanfeng Primary School in Pulu Town, Tongliang District, Chongqing, carried out the "A Spark from Every Cell — Children Toward the Light · Building a Brighter Future" public welfare open day initiative. Centred on "rural children entering enterprises", the activity organised left-behind children and children from disadvantaged backgrounds to visit the enterprise for exchanges, integrating immersive experiences with festive care visits, and delivering warmth and encouragement for growth to rural children.

On the day of the event, 49 teachers and students from Lanfeng Primary School visited the Hithium Chongqing base. Accompanied by employee volunteers, the children toured the enterprise environment in an orderly manner, gained close-up understanding of modern manufacturing work scenarios and technological achievements, broadened their cognitive horizons, and stimulated interest in future learning and career development. At the same time, based on the actual needs of left-behind and disadvantaged children, the Company prepared schoolbags, stationery sets, water bottles, and other learning and daily supplies, and extended festive greetings, conveying social care and warm companionship, supporting the healthy growth of rural children and lighting the way for their future.

Public Health Actions

The Company actively participates in public health initiatives, organising "Hithium Blood Donation Day" every 20 September — a voluntary blood donation drive now in its third consecutive year. Through this activity, the Company contributes to alleviating local shortages in medical blood supply, while also mobilising employees to participate in public welfare, enhancing team cohesion, and conveying positive energy of mutual support and optimism to society.

Public welfare blood donation activities were carried out at various bases

Supporting Grassroots Ecological Conservation Forces

Carrying out Care and Support Activities for Forest Rangers to Support Ecological Protection

In August 2025, the Company organised care and support activities for forest rangers in Lanfeng Village, Pulu Town, Tongliang District. All members of the Party branch at the Chongqing base participated, providing care and support to 10 frontline forest rangers. The activity focused on the characteristics of high-temperature operations in summer, delivering heat-relief supplies to ecological conservation personnel who have long been working on forest patrols, and gaining an understanding of their daily patrol and fire prevention work through on-site communication.

By caring for forest rangers and other grassroots ecological conservation personnel, the Company translates its ecological protection philosophy into practical support for frontline conservation forces. In the future, the Company will continue to deepen its focus on ecological protection issues and gradually expand its responsibility practices in the field of environmental protection.

Responding to Earthquake Relief

Supporting Earthquake Relief Efforts in Shigatse, Tibet

In January 2025, a magnitude 6.8 earthquake occurred in Shigatse, Tibet Autonomous Region, causing varying degrees of impact on local infrastructure and residents' lives. Due to the earthquake, some areas experienced power outages and communication restrictions, posing challenges to the basic living safeguards of affected populations and to emergency rescue efforts.

Following the earthquake, the Company closely monitored rescue progress in the disaster area and actively fulfilled its corporate social responsibility by donating emergency relief supplies to the affected area through the Red Cross Society of Shigatse, Tibet. The emergency equipment provided by the Company, including outdoor portable power supplies, can provide basic electricity support for resettlement sites, rescue operations, and affected populations, helping to safeguard emergency communication, lighting, and basic electricity needs.

07

Steady Operations

Hithium adheres to prudent and standardised governance principles, continuously improves its corporate governance structure, enhances the standardisation and effectiveness of governance operations, and safeguards the orderly conduct of business activities through sound risk management and compliance and integrity mechanisms. The Company emphasises innovation-driven development, strengthens investment in research and development and intellectual property protection, and reinforces information and privacy protection management, effectively safeguarding the rights and interests of all stakeholders.

Key Data

Total board size 7 persons	Proportion of female members on the Board 14.29%	Proportion of independent directors 42.86%	Proportion of employees participating in anti-corruption training 100%	Proportion of operational sites that have undergone corruption risk assessment 100%	Proportion of high-risk business partners covered by anti-corruption and information security due diligence procedures 100%	Total cumulative valid applications for clean technology patents 4,797
Total cumulative granted clean technology patents 2,609	Number of new patent applications 801	Number of newly granted patents 611	ISO 27001 Information Security Management System certification coverage of operational production sites 100%			Employee information security training coverage rate 100%

Chapter Case

Obtaining ISO 37301 and ISO 37001 Certifications, Demonstrating Corporate Governance Strength

Against the backdrop of an increasingly complex global business environment and the continuous improvement of laws, regulations, and market supervision, corporate governance has become the core foundation for ensuring the Company's prudent operation. Long-term development depends not only on market competitiveness and technological innovation, but also on a sound and transparent governance system, which is key to ensuring scientific decision-making and standardised operations. Through efficient governance practices, the Company consolidates its foundation, enhances operational efficiency and transparency, creates long-term value for stakeholders, and safeguards sustainable and enduring development.

In December 2025, Hithium successfully obtained two internationally authoritative certifications—ISO 37301 Compliance Management System and ISO 37001 Anti-bribery Management System—by virtue of its outstanding governance performance. This achievement signifies that Hithium has fully met internationally recognised high-standard requirements in corporate governance, compliant operations, and integrity risk prevention and control.

ISO 37001 International Standard

- Issued by the International Organization for Standardization in 2016 and derived from the BSI anti-bribery standard BS 10500, this standard aims to assist organisations in systematically establishing, implementing, and continuously improving anti-bribery management systems, effectively identifying, preventing, and controlling bribery risks.

ISO 37301 International Standard

- Issued by the International Organization for Standardization in April 2021, this is a globally applicable core standard in the field of compliance management. Based on the PDCA cycle framework, it systematically covers the entire process of compliance management system establishment, operation, and continuous improvement, providing clear guidance for organisations to build governance systems and cultivate a culture of compliance.

ISO 37001 Anti-bribery Management Systems Certification

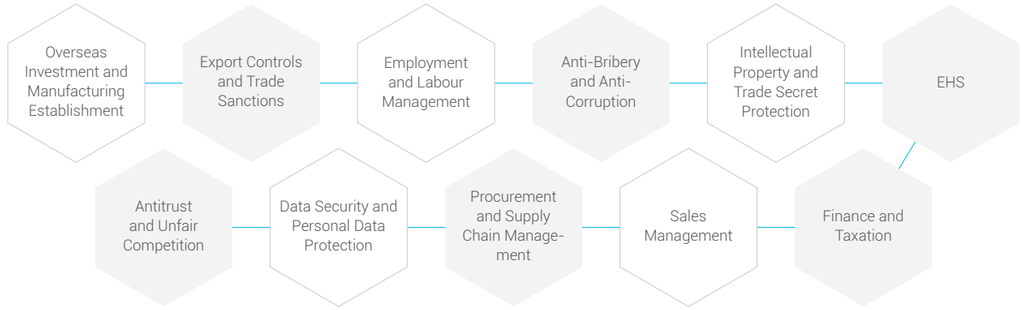
ISO 37301 Compliance Management Systems Certification

Key Compliance Management Initiatives Based on Industry Characteristics

The Company adheres to the compliance principle of "law-abiding and integrity-driven operation, standardised management, full participation, and continuous improvement", and strengthens and improves the construction of its compliance management system. At the organisational level, the Company has established a dedicated person in charge of the compliance system, served by the Head of the Legal and Compliance Centre, who is responsible for overall coordination and management of compliance work, and promotes collaborative implementation of the compliance management system across departments.

The successful attainment of these two certifications fully demonstrates the Company's high level of attention to and continuous investment in compliance and anti-bribery practices. This achievement reflects Hithium's systematic deployment and solid results in compliance governance, highlighting its sense of responsibility and professional capability as a leading enterprise in the energy storage industry.

Taking into account the characteristics of the energy storage battery industry, the Company has established 11 key compliance initiatives, strengthening the identification and prevention and control of compliance risks in areas such as anti-corruption, anti-monopoly, data security, export control, and trade sanctions. Compliance requirements are systematically embedded into institutional development, business decision-making, and production and operation processes. Through strengthening compliance reviews of policies, improving compliance demonstration in decision-making, and enhancing supervision and inspection of key processes, the Company ensures that all business activities are conducted in accordance with laws and regulations. Each department continuously monitors changes in compliance risks, improves relevant management systems, focuses on key areas and critical positions, formulates targeted compliance management policies for high-risk matters, and promptly updates and implements compliance requirements in response to changes in laws, regulations, and regulatory dynamics.



Key Compliance Projects

In the future, Hithium will continue to be guided by international high standards, further improve its governance system, strengthen risk prevention and control capabilities, and deeply integrate compliance and integrity into all aspects of business management and global business expansion. The Company will promote high-quality development through more transparent, prudent, and trustworthy operational practices, and work together with the industry to build a healthy and sustainable industrial ecosystem.

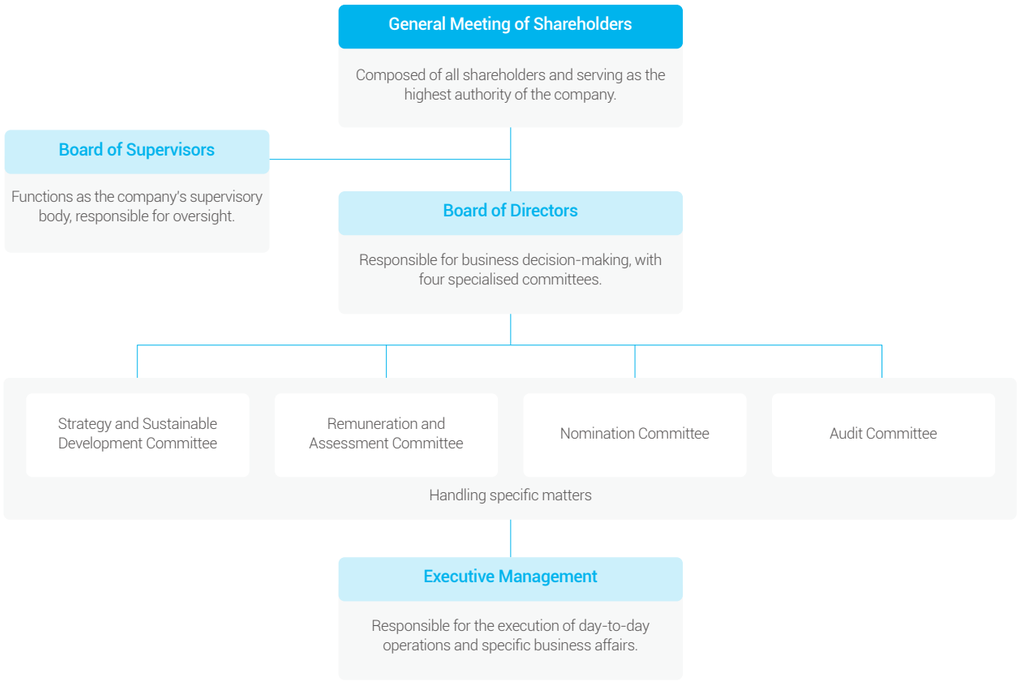
7.1 Corporate Governance

Hithium strictly complies with the requirements of relevant laws and regulations, including the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, and continuously improves its corporate governance structure. It clearly defines the responsibilities of decision-making, execution, and supervision to ensure efficient governance operations. In addition, the Company has established sound risk management and internal control mechanisms to effectively identify and mitigate various risks, while strengthening communication with shareholders and stakeholders, thereby promoting prudent operation and long-term sustainable development.

Corporate Governance Structure

The Company has established a scientific, standardised, and efficiently operating corporate governance system with clear governance hierarchy and division of responsibilities. The Board of Directors, the Supervisory Board, their respective specialised committees, and the management perform their duties in accordance with delegated authority, ensuring that governance activities are transparent, orderly, and effective.

The Company's governance structure consists of the Shareholders' Meeting, the Board of Directors, the Supervisory Board, and four specialised committees under the Board. We improve governance mechanisms and operational processes to ensure the stable operation of the governance system, and its alignment with the Company's long-term development strategy.



Board Governance

Relying on internal governance systems such as the *Articles of Association* and the *Board of Directors' Rules of Procedure*, the Company continuously improves the standardisation of Board operations, strengthens its independence and professionalism, and ensures that directors can fully perform their duties and effectively participate in decision-making on major matters.

Name	Position	Gender	Professional Background	Committee Memberships
Wu Zuyu	Chairman of the Board and Executive Director	Male	Battery Materials; Battery Manufacturing	Nomination Committee Strategy and Sustainable Development Committee
Wang Pengcheng	Executive Director	Male	Investment Management; Media Operations	Strategy and Sustainable Development Committee Remuneration and Evaluation Committee
Yi Ziqi	Executive Director	Male	Battery Materials; Battery Manufacturing	Strategy and Sustainable Development Committee
Pang Wenjie	Executive Director	Male	Industrial Machinery; Battery Materials	/
Huang Yunhui	Independent Non-executive Director	Male	Battery Materials; Industrial Manufacturing	Strategy and Sustainable Development Committee Audit Committee Nomination Committee
Lin Weijie	Independent Non-executive Director	Male	Financial Management	Audit Committee Strategy and Sustainable Development Committee Remuneration and Evaluation Committee
Wu Wei	Independent Non-executive Director	Female	Financial Accounting	Audit Committee Nomination Committee Remuneration and Evaluation Committee

The Board consists of seven directors, including four executive directors and three independent non-executive directors. The Company has issued a *Statement on Board Independence*, established and improved the independent director system, and, in accordance with the *Corporate Governance Code* of the Hong Kong Exchanges and Clearing Limited, set a target that independent non-executive directors account for at least one-third of the Board. This ensures that independent directors can perform their duties independently in accordance with the law and safeguard the common interests of all shareholders and investors. At the same time, the Company provides necessary safeguards for independent directors to perform supervision and professional judgement, and none of the independent directors holds shares in the Company in any form.

Independence Assessment Criteria of the Board of Directors of Hithium:

Employment relationship: Independent directors and their close relatives have not held any management positions in the Company or its subsidiaries in the past three years.

Core affiliations: Independent directors and their close relatives shall not hold positions in the controlling shareholders, ultimate controllers, or their affiliated entities, nor have direct or indirect economic interests with such parties.

Material transactions: Independent directors shall not serve as directors or senior management in enterprises that have significant business dealings with the Company, its controlling shareholders, or ultimate controllers.

Advisory/intermediary services: Independent directors and their close relatives have not provided financial, legal, audit, or consulting services to the Company in the past year.

External audit relationship: Independent directors and their close relatives shall not be current or former partners or employees of the Company's external audit institutions.

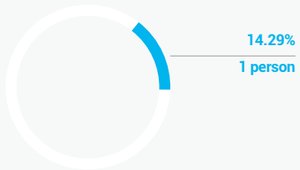
Non-profit organisations: Independent directors shall not be affiliated with non-profit entities that receive significant donations from the Company.

Personal service contracts: Independent directors shall not enter into any form of personal service contract with the Company or its senior management.

Financial dependence: Independent directors shall not be financially dependent on the Company or its core related parties.

The Board strictly performs its governance duties to ensure that decision-making procedures are lawful, compliant, transparent, and effective. All matters involving amendments to the Articles of Association must be reviewed and approved by the Shareholders' Meeting to safeguard shareholders' rights to information and voting. During the year, Board members attached great importance to meeting participation and duty performance, with an average attendance rate of 100%, reflecting the Board's full engagement and accountability in strategic decision-making, operational supervision, and risk management. Among the independent directors, one concurrently holds directorships in other companies[33], while two focus solely on the Company's affairs, ensuring a balance between external experience and governance focus, thereby enabling more effective fulfilment of supervisory responsibilities.

The Company attaches importance to Board diversity and has issued the *Board Diversity Policy*, explicitly incorporating diversity considerations in the selection of Board members and senior management. Diversity in gender and professional background brings more balanced and multi-dimensional perspectives to governance, enhances inclusiveness and forward-looking discussions, and helps to identify risks and opportunities more objectively and comprehensively, thereby improving overall governance effectiveness. Current Board members possess expertise in industry, finance, and business management, and have extensive industry experience, providing cross-disciplinary insights and robust support for decision-making.



Number of female directors

Number of directors aged 30–50

Number of directors aged over 50

The Board adheres to a sustainable development philosophy and fully incorporates ESG risks and opportunities into business decision-making, ensuring alignment between decisions and the Company's sustainability commitments, thereby laying a solid foundation for long-term value creation.

The Company attaches importance to strengthening the professional capabilities of the Board at the governance level. Through a combination of online and offline training, it continuously enhances directors', supervisors', and senior management's understanding of legal obligations and responsibilities. During the reporting period, the Company organised multiple training sessions to further improve compliance awareness and management capabilities, promoting standardised operations and continuous enhancement of sustainable development performance.

Investor Communication

The Company continuously strengthens communication and interaction with investors, actively responds to investor concerns regarding sustainable development and ESG, and ensures that investors can comprehensively understand the Company's latest management practices and progress. During the year, the Company responded to ESG questionnaires from three investment institutions and received visits from 70 investors, engaging in in-depth exchanges and providing responses on topics such as environmental management, social responsibility, and governance systems. Through proactive and transparent communication, the Company continuously enhances investors' understanding of and confidence in its strategic direction, overall operations, and sustainable development practices.

[33] Dr Huang Yunhui was appointed as an independent non-executive director in March 2025 and has served as an independent non-executive director of Camel Group Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601311, engaged in the manufacture of electrical machinery and equipment) since May 2021.

Risk Management

Risk management is a critical component of corporate governance and sustainable development, and serves as a core mechanism supporting the Company's stable operations. Hithium has established a comprehensive risk management framework in accordance with its *Risk Management Policy*. The Board of Directors, as the highest oversight body, is responsible for ensuring the effective implementation of risk management mechanisms. The Company adopts a three lines of defence model, clarifying roles and responsibilities, strengthening internal controls and enterprise management, and enhancing overall risk management capability and execution effectiveness.

First Line of Defence

Operational Risk Ownership

Business units directly involved in operations (including, but not limited to, the Procurement Centre, Business Divisions, Manufacturing Centre, etc.) bear primary responsibility. They are accountable for the processes under their scope, integrate risk management standards into product and service development as well as business execution, design and implement specific risk management activities, enforce process accountability, and take responsibility for outcomes.

Second Line of Defence

Risk Management and Compliance Oversight

Functional units that support and oversee the first line (including, but not limited to, Risk & Internal Control, Legal, Finance, HR, Quality & Safety) primarily play a supporting and supervisory role. They develop corporate risk management policies, procedures, and internal control standards, and are responsible for monitoring their implementation.

Third Line of Defence

Independent Audit Function

The Internal Audit Department provides independent and objective assurance on the adequacy and effectiveness of risk management. It promotes accountability, drives continuous improvement in business operations, and safeguards the company's sustainable development.

The Company continuously refines its risk management processes. Risk exposure is assessed at least twice annually. In addition, regular reviews are conducted to ensure the effectiveness of the risk management framework, and identified internal control deficiencies are promptly remediated to support ongoing control optimisation.

Departments apply both qualitative and quantitative methodologies to evaluate the likelihood and impact of risks, including potential financial and operational implications, and determine risk ratings to support targeted mitigation strategies.

Response strategies are developed based on assessment outcomes, with responsibilities assigned to specific roles. Responses primarily include risk avoidance, mitigation, transfer, or acceptance.

Departments establish Key Risk Indicators (KRIs) and emergency response mechanisms to dynamically monitor high-risk areas and identify emerging trends. Clear accountability, response procedures, and reporting lines are defined to ensure timely and effective handling of risk events, supported by data-driven decision-making.

Risk management functions within each department take the lead in identifying potential events that may impact business goals. Risks are categorised and incorporated into an updated risk control matrix, with material issues triggering dedicated risk identification processes.

Risks are dynamically managed and prioritised, with reporting submitted to the Audit Department or Risk Management Committee. Root causes of realised risks are analysed and reported to management.

The Company places strong emphasis on ESG-related factors that may impact operations, financial performance, and long-term development. In light of its business characteristics, Hithium conducts systematic identification and assessment of forward-looking and uncertain emerging risks. In 2025, the Company assessed risks arising from external factors such as social, policy, technological, and climate-related changes, with key findings summarised below:

Name	Type	Description	Potential Impact	Mitigation Measure
AI Ethics Risk	Technological Risk	As digitalisation and intelligent technologies continue to advance, reliance on artificial intelligence (AI) is increasing across data analytics, decision-making, and process optimisation. However, AI adoption introduces potential risks, including data security vulnerabilities, limited algorithm transparency, product quality controllability, and unclear accountability, as well as broader ethical and social responsibility challenges.	■ Production & Processes: Algorithmic or data anomalies may reduce efficiency or lead to process deviations and inconsistency ■ Product Quality & Safety: Optimisation errors may affect battery performance, lifespan, and safety, increasing recall or liability risks ■ Compliance & Reputation: Data breaches or AI-related incidents may trigger regulatory penalties and reputational damage ■ Sustainable Technology Development: Inadequate risk control may hinder safe adoption and long-term innovation	■ Data Security & Compliance: Strengthen data security through encryption and access controls, with regular reviews ■ Algorithm Transparency & Quality Assurance: Enhance algorithm transparency and quality assurance through continuous monitoring ■ Governance Integration: Integrate AI governance into overall risk management and ESG governance frameworks
Geopolitical Risk	Economic Risk	Rising global economic and policy uncertainties, along with geopolitical developments, are reshaping supply chain stability and structure. Trade restrictions, tariffs, and policy changes may disrupt logistics and increase the risk of critical raw material shortages, while constraints on international technology exchange may limit innovation.	■ Operational Stability: Supply volatility may disrupt production schedules ■ Cost Structure: Reduced logistics efficiency may increase transportation and inventory costs ■ Market Expansion: Trade barriers may constrain overseas market access ■ Technology Development: Limited access to advanced technologies may affect R&D ■ Partnership & Reputation: Supply disruptions may weaken stakeholder confidence	■ Strengthening supply chain collaboration and diversification: establishing stable supplier relationships, expanding diversified sourcing channels, and enhancing supply chain resilience ■ Securing technology and raw materials: promoting multi-source supply for critical raw materials, optimising inventory management, and reducing production risks arising from trade restrictions or logistical disruptions ■ Dynamic Risk Monitoring & Policy Response: tracking global policy and market developments and adjusting strategies in a timely manner to mitigate potential risks ■ Safeguarding technology and innovation: increasing investment in core technology research and development, and strengthening independent innovation capability to reduce the impact of external technological constraints on long-term development
Insufficient ESG Integration in Supply Chain Risk	Operational Risk	With increasing ESG requirements in supply chain management, the Company has identified that some suppliers lack sufficient motivation to implement corrective actions, and closed-loop management requires further strengthening. ESG performance has not yet been fully linked to commercial mechanisms such as order allocation, payment terms, or supplier qualification, which may affect the effectiveness of risk mitigation.	■ Reduced effectiveness of ESG risk identification and mitigation ■ Increased exposure to compliance and reputational risks in external audits and assessments ■ Constraints on sustainable supply chain development	■ Continuously improving supply chain ESG governance mechanisms, and progressively strengthening the linkage between supplier corrective actions and commercial decisions such as order allocation, payment terms, and supplier onboarding requirements ■ Optimising supplier segmentation and classification management approaches, with clear management priorities and corrective requirements defined according to different risk levels ■ Integrating supplier ESG performance into the overall assessment framework, thereby enhancing suppliers' awareness of ESG requirements and their implementation commitment

Risk management is deeply embedded in the Company's culture. Through diversified communication channels and training programmes, including case-based learning, the Company promotes ethical standards and risk awareness across all levels. Tailored training programmes are designed for different roles to enhance employees' capabilities in identifying, reporting, and responding to risks, thereby supporting the achievement of strategic goals.

7.2 Compliance and Business Ethics

Hithium regards compliance management as a cornerstone of stable operations and sustainable development. The Company has established a comprehensive compliance governance framework, integrating legal and ethical requirements into all aspects of business operations to ensure that activities are conducted in a lawful, honest, and fair manner.

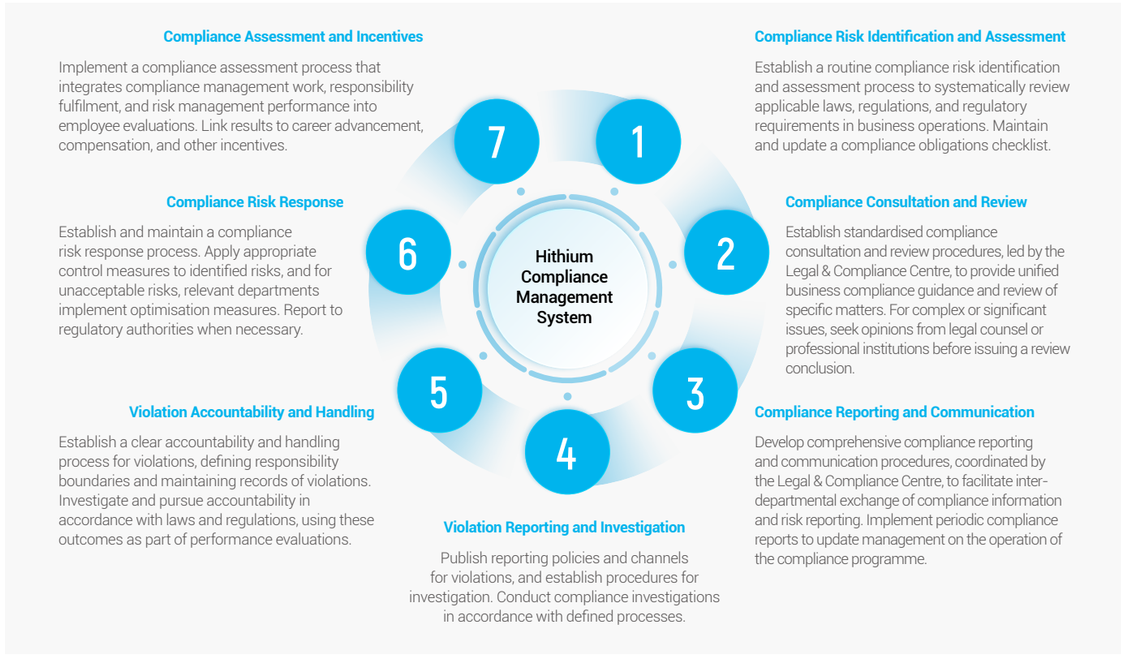
Compliance Governance and Business Standards

The Company strictly complies with applicable laws and regulations, including the *Company Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. It has established over 30 compliance-related policies, including the *Compliance Management Manual and Compliance Risk Assessment Procedures*, forming a comprehensive and systematic compliance framework. To ensure compliance in both domestic and international operations and effectively mitigate legal and business risks, the Company has developed targeted policies for key areas such as overseas investment and plant construction, export controls, and trade sanctions, including the *Sanctions Risk Management Measures for Business Partners* and *(Import and Export) Business Compliance Management Policy.*

In addition, we have formulated and issued the *Hithium Code of Conduct* to consistently guide all employees in practicing the compliance development philosophy of 'Integrity, Uprightness, and Unity of Knowledge and Action' in business operations. The *Hithium Code of Conduct* applies to all employees and related entities within the Group, clarifying behavioural boundaries and compliance requirements on key issues such as anti-corruption and bribery, anti-discrimination, conflict of interest prevention, anti-unfair competition, and environment, health, and safety. It ensures that the company's business activities and employee behaviours comply with applicable laws and regulations, industry standards, and universally recognised business ethics.

Compliance Management Mechanism

The Company continuously enhances its compliance management system in alignment with ISO 37301. The Chairman is responsible for overall oversight and decision-making, including approving major compliance matters, policies, and annual reports, and conducting regular management reviews. The Legal and Compliance Centre serves as the dedicated compliance function, responsible for system development and day-to-day operations, including risk identification and assessment, compliance review and advisory, training, cultural development, and monitoring and remediation tracking. All business and functional departments are responsible for implementing compliance requirements in daily operations, maintaining compliance obligation registers, identifying key risks, and driving corrective actions to ensure effective implementation across the organisation.



Compliance Management System

The Audit Department under the Company's Audit and Supervision Centre conducts independent audits to evaluate the implementation of compliance management, as well as the suitability and effectiveness of the compliance management system. It identifies issues, recommends corrective actions, and monitors the execution of remediation plans to ensure continuous improvement and sustained effectiveness of the compliance framework.

Furthermore, the Company has implemented a third-party compliance management mechanism, extending oversight to clients, suppliers, outsourcing entities, partners, and agencies. Business units assess compliance risks when engaging third parties and apply appropriate controls, including due diligence, compliance agreements, dissemination of the Company's compliance culture, training programmes, and ad hoc or routine audits. These measures ensure third-party activities align with the Company's compliance principles and applicable legal standards.

The Company emphasises organisation-wide compliance awareness and competency development. Structured training programs focus on critical areas such as contract risk management, rigorous sales contract review protocols, and legal risks in contracting and bidding processes. Dedicated training is also provided for overseas new hires to ensure global operations adhere to legal requirements and internal policies. In 2025, the Company delivered compliance training to 226 participants, totalling 202 hours, significantly enhancing employee compliance awareness and reinforcing operational stability and risk control.

Anti-corruption and Anti-Bribery

The Company maintains a zero-tolerance stance against corruption, bribery, and any form of improper conduct. In compliance with the ISO 37001 standard, we have established an Anti-Bribery Management System and implemented the *Anti-Bribery Management Manual*, which clearly defines and strictly regulates bribery and fraudulent activities, including embezzlement, bribery, and misconduct in professional duties. The Company has formulated and publicly disclosed the *Gifts and Hospitality Policy, Donations and Sponsorship Policy*, and *Political Contributions Policy* to all employees and business partners. These policies prohibit soliciting or accepting gifts, monetary benefits, or any improper advantages from business affiliates or potential business affiliates under any pretext. In cases where it is objectively impossible to decline such offerings, the relevant unit or individual must register the item truthfully and report it to the Audit and Supervision Centre via phone or email within three days of receipt, ensuring full transparency and traceability of the process.

To ensure integrity and compliance in corporate donation activities and prevent potential misuse or disguised improper benefits, the Company has established and implemented the *Donation Management Policy*. This policy stipulates that all external donations must strictly adhere to the principles of legality, compliance, clear accountability, financial prudence, and procedural standardisation. It explicitly prohibits individuals from donating company assets in their personal capacity and ensures transparent, compliant decision-making through a rigorous internal approval process. The Company has also implemented a comprehensive monitoring and documentation mechanism for donations, where the initiating department oversees recipient compliance, while the Audit and Supervision Centre conducts periodic inspections and audits, with special audits for key projects. All donation approval documents, agreements, and financial records are centrally archived and maintained for audit purposes. Violations of donation regulations will result in disciplinary actions in accordance with company policies and applicable laws.

To further strengthen anti-bribery risk management, the Audit and Supervision Centre regularly coordinates with all departments to identify and assess potential bribery risks across the Company's operations and business activities in accordance with the *Compliance Risk Assessment Procedure*. This process helps strategically identify high-risk areas and provides a basis for developing targeted control measures.

2025

Proportion of operating sites where corruption risk assessments were conducted

100%

The Company has established the *Due Diligence Management Procedures* to conduct appropriate due diligence when entering new markets or engaging with new clients/suppliers, assessing potential bribery risks and their nature and severity. Based on risk evaluations and due diligence findings, corresponding control measures are implemented to ensure all business activities comply with anti-bribery requirements and effectively mitigate risks. To maintain the anti-bribery management system's efficacy, the Company conducts regular internal audits and continuously optimises controls in line with operational needs, ensuring sustained effectiveness.

The Company reinforces employee awareness and risk prevention capabilities through systematic training on the *Anti-Bribery Management Manual*, which details corporate anti-bribery policies, definitions, behavioural standards, and functional responsibilities across departments. These training initiatives deepen employees' understanding and implementation of anti-bribery requirements, embedding compliance into daily operations.

Anti-Bribery Management Manual Awareness Campaign

During the reporting period, our employees consistently upheld professional ethics, adhering to principles of integrity, self-discipline, and standardised conduct while strictly complying with relevant laws and regulations as well as internal company policies.

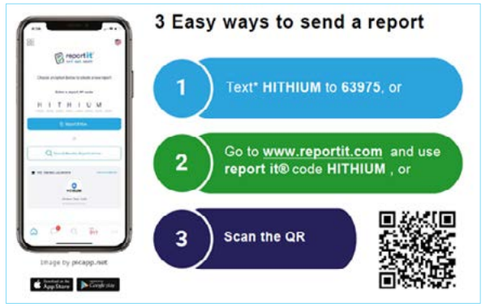
Prevention of Conflicts of Interest

To effectively identify, prevent, and manage conflicts of interest, the company has implemented the *Conflict-of-Interest Declaration Management Procedures*, which clearly define identification criteria, declaration processes, and resolution mechanisms. Through annual employee declarations and updates to the *Conflict-of-Interest Declaration Form*, the company strengthens dynamic monitoring and management of such incidents. This institutionalised and standardised approach effectively mitigates the impact of conflicts of interest on decision-making fairness and operational compliance. During the reporting period, no significant identified conflict of interest incidents occurred.

Anti-corruption and IntegrityBuilding

Hithium adheres to governance principles of integrity and compliance, as well as openness and transparency. The Company has formulated the *Reporting and Handling Management Procedure for Violations*, establishing and maintaining diversified reporting and complaint channels for any behaviour or related matters that violate the *Code of Conduct*, encouraging employees and business partners to truthfully report improper conduct.

Reporting and complaint channel display boards set up in meeting rooms



Third-party Reporting Channel at the Dallas, U.S. Base

At the same time, the Company extends integrity requirements to the supply chain, requiring suppliers to sign the *Integrity Commitment*, and through conducting integrity cooperation questionnaires, comprehensively understanding suppliers' implementation in terms of business ethics and integrity cooperation, thereby strengthening the identification and management of integrity risks in the supply chain.

All complaints and reports may be submitted on a confidential and anonymous basis. The Company treats received reporting leads with due caution and conducts investigations. Matters involving major risks or potential significant impacts will be prioritised for the initiation of investigation procedures. Relevant investigations are carried out by independent functional departments, and the investigation process strictly follows confidentiality principles. For real-name reports, subject to compliance with laws, regulations, and confidentiality requirements, the Company will provide timely feedback to the whistleblower on the progress of handling and will notify the investigation conclusions upon completion of the investigation. Where necessary, the Company will take corresponding rectification measures and hold relevant responsible persons accountable in accordance with laws and regulations.

In terms of specific handling procedures, after receiving reporting leads, the Company's supervision department is responsible for organising investigations and conducting necessary communication and coordination with judicial authorities according to the nature of the case. Upon completion of the supervision investigation, an investigation report is formed: if criminal responsibility is involved, the Company's Professional Ethics Committee will decide whether to transfer the case to judicial authorities; if it does not involve judicial procedures but involves internal control deficiencies, the Operations Management Department will be responsible for approving the rectification plan of the responsible department and organising rectification acceptance; if personnel handling is involved, the Human Resources Centre will issue a handling decision, and matters involving cadre management will be submitted to the Cadre Management Committee for deliberation. After the rectification closure of the case is completed, the audit department will review the internal control rectification of fraud cases.

The Company maintains a "zero-tolerance" stance towards any form of retaliation and strictly prohibits retaliation against employees and business partners who raise questions in good faith, seek compliance advice, report improper conduct, or provide information during investigations. Through conducting annual *Code of Conduct* training and integrity compliance training, the Company ensures that relevant requirements are fully communicated and understood. At the same time, the Company implements routine supervision of employee misconduct and issues quarterly supervision notices to serve as a warning and provide educational value.

Integrity Compliance Training for All Newly Hired Employees

Reporting Channels

Email: hcjb@hithium.cn

Mailing Address: Audit Supervision Centre – Supervision Department (Attention), Hithium Energy Storage Technology Co., Ltd. Hithium Industrial Park, Tongxiang High-tech City, Torch High-tech Zone, Xiamen

Postal Code: 361199

7.3 R&D Innovation and Intellectual Property Protection

R&D innovation is the core driving force and source of vitality for the Company's sustainable development. Hithium stimulates innovation capabilities and promotes technological progress and product optimisation through improving R&D management systems. At the same time, the Company attaches importance to intellectual property protection and has established a systematic management and protection mechanism to ensure that innovative achievements are effectively safeguarded, providing solid support for the Company to realise long-term value.

Intellectual property is a vital reflection of a company's innovation capability and core competitiveness. Hithium adheres to rigorous intellectual property management, establishing a comprehensive process management system covering the application, maintenance, and protection of patents, copyrights, trademarks, and trade secrets. The company has formulated and implemented a series of regulations, including the *Intellectual Property Compliance Management Manual, Patent Management Regulations, Copyright Management Standards, Trademark Management Regulations, Trade Secret Management Regulations, High-Value Patent Proposal Review Guidelines, Intellectual Property Incentive Measures*, and *Domestic Intellectual Property Agency Management Standards*. These policies aim to standardise the creation, utilisation, and protection of intellectual property, strengthen the systematic management and value conversion of intangible assets, mitigate compliance and infringement risks, and ensure strict safeguarding of intellectual property throughout its entire lifecycle.

Through systematic management and standardised implementation, the Company has passed the GB/T 29490-2023 and ISO 56005 intellectual property management system certifications, demonstrating that its management level has reached internationally advanced standards and providing strong support for the Company's innovation capability and sustainable development.

The intellectual property management system complies with the ISO 56005:2020 standard

GB/T 29490-2023 intellectual property compliance management system certification

The Company attaches great importance to the construction of the R&D team, and commits to strengthening talent support for technological innovation and the continuous output of patent achievements. On this basis, the Company continues to strengthen patent cultivation capabilities and enhance its overall innovation level and market competitiveness. As of 2025, the cumulative number of published patent applications reached 3,902, covering key technology fields and core product directions. The Company continues to deepen its innovation layout around green technologies and manufacturing efficiency. As of the end of the Reporting Period, a cumulative total of 140 authorised patents related to recycling technologies and 125 technical patents related to process improvement, energy saving, or reduction of material consumption had been granted, further supporting the Company's technological advantages in improving resource utilisation efficiency.

2025

New patent applications	New patents granted	New registered software copyrights	Total registered software copyrights
801	611	16	64
Total patent applications	**Total patents granted**	**Total published patent applications**	
4,797	2,609	3,902	

Gold Award, Final of the 2nd Energy Electronics Industry Innovation Competition

Industry Development Promotion Center, Ministry of Industry and Information Technology

2025 China Energy Storage Industry Best Long-Duration Energy Storage Technology Innovation Award

Organising Committee of China International Energy Storage Conference
Energy Storage China Network

Top 5 Model Cases of Energy Storage Patent Innovation, 9th ESIC 2025

International Energy Storage Alliance
China Energy Storage Alliance

Top 10 Model Cases of Energy Storage Patent Innovation, 9th ESIC 2025

International Energy Storage Alliance
China Energy Storage Alliance

Xiamen Science and Technology Progress Award

Xiamen Municipal People's Government

7.4 Information Security and Privacy Protection

Effective information security and privacy protection management enhances trust between the Company and its employees, customers, and partners, and supports stable, long-term cooperation. Hithium strictly complies with applicable laws and regulations, establishes a comprehensive information protection and defence system, and improves data management capabilities to effectively safeguard corporate information security and customer privacy.

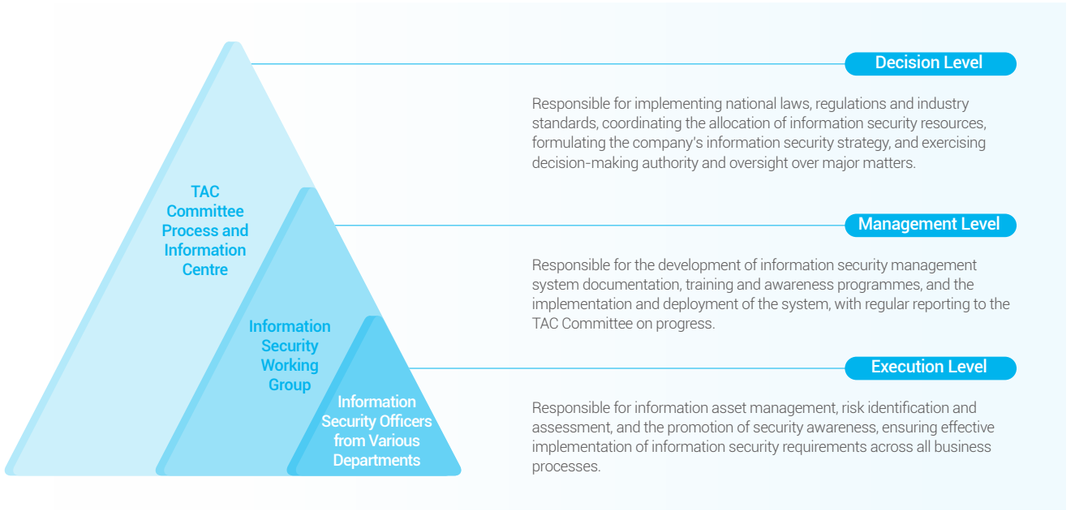
Information Security

Information security serves as a fundamental component of corporate governance and operational management, forming the cornerstone for business continuity assurance. Hithium rigorously complies with national and regional regulations including the *Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China*, and *Regulations on the Security Protection of Computer Information Systems*, while continuously enhancing its information security management framework.

The company has established and enforces internal policies such as the *Information Security Management Manual, Information Security Risk Assessment Procedures, Information System Security Management Procedures, Information Security Incident Management Procedures*, and *Information Asset Security Management Procedures* to ensure effective security measures. Furthermore, Hithium mandates that suppliers, contractors, and third parties adhere to equivalent security standards through contractual agreements and accountability mechanisms, ensuring alignment with the company's information processing requirements.

Information Security Governance Structure

Hithium has established a systematic information security governance structure, with the President bearing ultimate responsibility for overseeing information security strategy planning and execution. The Company has built a three-tier management system covering the decision-making level, management level, and execution level, forming a vertically integrated and clearly defined governance structure to ensure that information security policies and measures are rigorously implemented across the Company.



Information Security Management Measures

Hithium places paramount importance on information and data security, establishing a robust data protection management system. The company has implemented stringent data security protocols incorporating encryption, vulnerability scanning, and emergency response mechanisms to proactively monitor and mitigate potential threats, effectively preventing unauthorised access, alteration, or destruction of data. For third-party data protection, Hithium enforces the *Media Security Management Regulations and Account Permission Management Regulations*, rigorously controlling data access and permissions to prevent illegal retrieval or disclosure of third-party data.

With respect to network and infrastructure security, the Company has built a comprehensive protection system across both hardware and software dimensions. On the infrastructure side, the Company has deployed intelligent physical security management platforms, enabling round-the-clock monitoring and traceability of activities within critical areas through multiple layers of protection. On the digital security side, the Company has implemented a multi-layered network defence mechanism, including next-generation firewalls, network segmentation, strict access control, and data encryption, enabling real-time monitoring of network traffic and threat prevention. In addition, the Company enforces strict access control mechanisms for wireless connections, requiring devices to pass SSID identification, MAC address verification, and comprehensive security assessments before gaining network access, ensuring that only authorised devices can connect and effectively eliminating potential security risks.

Information Security Audit

To ensure that the information security management system remains efficient, compliant, and continuously optimised, Hithium has established a dual internal and external audit mechanism. The Company conducts an annual internal information security audit to assess the implementation of management measures and the effectiveness of system operation. In addition, the Company regularly engages independent third-party audit institutions to carry out external assessments, systematically identifying potential vulnerabilities and risks and promoting targeted improvement measures to continuously enhance management effectiveness.

Through long-term capability building and continuous process optimisation, as of the end of the Reporting Period, the Company's information security management system has obtained ISO/IEC 27001 certification and remains in effective operation. A total of 30 employees have obtained ISO 27001 internal auditor certification, providing strong support for the stable operation and continuous improvement of the Company's information security system.

ISO/IEC 27001 Information Security Management System Certification

Information Security Reporting Process

Information security safeguards permeate all aspects of company operations, requiring commitment from every employee. The company establishes clear information security responsibilities for all staff, mandating the integration of data security and personal information protection into daily work. Employees must uphold confidentiality obligations for sensitive information, maintain security accountability for information assets and equipment, and demonstrate the ability to identify potential threats and risks. Any suspected data breaches or uncertain security issues must be promptly reported. To support effective fulfilment of these responsibilities, the company implements the *Information Security Incident Reward and Penalty Policy*, defines reporting channels, and enforces the *Information Security Incident Management Procedure, External Cyber Attack Emergency Plan*, and *Data Center Power Failure Emergency Plan*. A comprehensive Incident Response Process (IRP) is established, with the *Information Security Incident Investigation Work Instruction* specifying response timelines and escalation paths for all incident severity levels. This closed-loop management system ensures timely detection, reporting, response, and resolution of security risks and emergencies, effectively safeguarding information assets.

Information Security Culture Development

Hithium places great importance on the development of an information security culture and continuously promotes the enhancement of organisation-wide security awareness. The Company strengthens employees' understanding of information security threats and their practical response capabilities through diversified approaches such as internal communications, online courses, training sessions, and learning platforms. During the year, the Company conducted training covering information security and compliance awareness, confidentiality requirements, and operational practices, covering all full-time, temporary, and non-guaranteed working hour employees, achieving a 100% participation rate, and comprehensively enhancing the Company's overall information security protection capability and risk identification capacity.

Conducting information security training sessions

Privacy Protection

Hithium strictly adheres to laws and regulations including the *Civil Code of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, Data Security Law of the People's Republic of China*, and *Cybersecurity Law of the People's Republic of China*. Regional teams are required to implement local regulatory standards to ensure lawful and compliant management of customer and stakeholder information.

The company has established and continuously optimises the *Information Security Management Requirements* and *Network Security Management Regulations* to control data security throughout collection, transmission, and storage processes. For confidential information handling, sharing, or retention, Hithium legally fulfils notification obligations and obtains authorisation/consent from relevant stakeholders to minimise privacy risks. Strict access controls are enforced for sensitive customer data, requiring departmental approval for any usage limited to legitimate, compliant, and secure business purposes, ensuring an efficient and standardised information management system.

Appendix I: ESG Performance Data Table

Environmental Performance Table[34]

Indicator	Unit	2025
Climate Change Response		
Scope 1 Greenhouse Gas Emissions	tCO_2e	102,431.57
Scope 2 Greenhouse Gas Emissions (Location-based)	tCO_2e	338,888.94
Scope 2 Greenhouse Gas Emissions (Market-based)	tCO_2e	81,972.76
Scope 3 Greenhouse Gas Emissions	tCO_2e	4,052,093.47
Scope 1 Greenhouse Gas Emission Intensity	tCO_2e/GWh	1,535.71
Scope 2 Greenhouse Gas Emission Intensity	tCO_2e/GWh	5,080.79
Scope 3 Greenhouse Gas Emission Intensity	tCO_2e/GWh	60,751.03
Upstream Scope 3 Emissions	tCO_2e	4,009,117.65
Downstream Scope 3 Emissions	tCO_2e	42,975.82
Asset amount vulnerable to climate-related transition risks	CNY10,000	932,004.63
Percentage of asset amount vulnerable to climate-related transition risks	%	23.91
Asset amount vulnerable to climate-related physical risks	CNY10,000	4,364,315.49
Percentage of asset amount vulnerable to climate-related physical risks	%	111.96
Asset amount related to climate opportunities	CNY10,000	3,889,047.09
Percentage of asset amount related to climate opportunities	%	100
Investment and financing amount related to climate-related risks and opportunities	CNY10,000	6,503

[34] Given the scope of statistical data and constraints in data collection, environmental performance indicators in this report do not currently include the U.S. manufacturing base.

Indicator		Unit	2025
Environmental Management and Resource Optimisation			
Employees receiving environmental issue training		%	100
Operating sites with ISO 14001 certification		%	100
Sites with HAZWOPER certification or ISO 14001 compliance for hazardous waste management		%	100
Environmental management system coverage		%	100
Operating sites undergoing environmental risk assessment		%	100
Total Energy Consumption		GWh	1,725.43
Total Non-renewable Energy Consumption		GWh	1,212.85
Total Renewable Energy Consumption		GWh	507.58
Proportion of Renewable Energy in Total Energy Consumption		%	29.42
Direct GHG emissions reduction attributable to emission reduction measures		tCO_2e	29,828.93
Direct reduction in electricity consumption attributable to energy efficiency measures		GWh	25,913.53
Direct reduction in energy consumption attributable to energy efficiency measures		million m³	5,508.33
Direct reduction in water consumption attributable to water-saving measures		tonnes	2,992,121.46
Total Natural Gas Consumption		million m³	53.52
Natural Gas Consumption Intensity		million m³/GWh	0.80
Purchased Steam Consumption		tonnes	66.20
Total Purchased Electricity Consumption		GWh	638.69
Purchased electricity consumption by operating location	Xiamen Manufacturing Base	GWh	369.10
	Chongqing Manufacturing Base	GWh	266.65
	Shenzhen R&D Centre	GWh	2.93
Electricity Consumption Intensity		GWh/GWh	9.63
Proportion of Renewable Electricity Consumption		%	79.04

Indicator	Unit	2025
Proportion of Electricity Sourced from the Grid	%	99.46
Total Waste Generated	million m³	1.83
Total Waste Disposed	million m³	0.06
Total Water Consumption	million m³	1.78
Water Consumption Intensity	million m³/GWh	0.03
Total Air Pollutant Emissions	tonnes	61.61
NO_x Emissions	tonnes	23.41
NO_x Emission Intensity	tonnes/GWh	0.35
SO_x Emissions	tonnes	3.09
SO_x Emission Intensity	tonnes/GWh	0.05
Particulate Matter(PM) Emissions	tonnes	1.90
Particulate Matter(PM) Emission Intensity	tonnes/GWh	0.03
VOC Emissions	tonnes	33.21
VOC Emission Intensity	tonnes/GWh	0.50
Total Wastewater Discharge	tonnes	55,927.00
Wastewater Discharge Intensity	tonnes/GWh	838.49
Total Non-Hazardous Waste	tonnes	119,481.08
Non-Hazardous Waste Intensity	tonnes/GWh	1,791.32
Total Disposed Non-Hazardous Waste	tonnes	914.36
Non-Hazardous Waste Disposal: Landfill	tonnes	0
Non-Hazardous Waste Disposal: Incineration with energy recovery	tonnes	0
Non-Hazardous Waste Disposal: Incineration without energy recovery	tonnes	914.36
Non-Hazardous Waste Disposal: Other	tonnes	0

Indicator	Unit	2025
Total Hazardous Waste	tonnes	4,264.06
Hazardous Waste Intensity	tonnes/GWh	63.93
Total Disposed Hazardous Waste	tonnes	1,973.25
Hazardous Waste Disposal Ratio	%	46.28
Total Waste Generated	tonnes	123,745.14
Total Waste Disposed	tonnes	2,887.61
Circular Economy		
Total Waste Recycled	tonnes	122,206.54
Overall Recycling Rate	%	97.69
Non-Hazardous Waste Recycled	tonnes	119,917.20
Hazardous Waste Recycled	tonnes	2,289.34
Hazardous Waste Recycling Ratio	%	53.71

Social Performance Table

Indicator	Unit	2025
Sustainable Supply Chain		
Total Number of Suppliers	unit	2,550
Total Number of Suppliers in Mainland China	unit	2,250
Total Number of Suppliers in Overseas and Hong Kong, Macao and Taiwan regions	unit	300
Total Number of Tier-1 Suppliers [35]	unit	1,139
Total Number of Significant Suppliers in Tier-1	unit	876
Percentage of Total Spend on Significant Suppliers in Tier-1	%	80.00
Total Number of Significant Suppliers in Non Tier-1	unit	0
Total Number of Significant Suppliers (Tier-1 and Non Tier-1) [36]	unit	876
Total Number of Suppliers Assessed via Desk Assessments/Onsite Assessments	unit	876
Proportion of Significant Suppliers Assessed	%	100
Proportion of Suppliers with Substantial Actual/Potential Negative Impacts with Agreed Corrective Action/Improvement Plan	%	100
Total Number of Suppliers Supported in Corrective Action Plan Implementation	%	100
Total Number of Suppliers in Capacity Building Programmes	unit	60
Number of Suppliers Covered by ESG Assessments	unit	112
Percentage of Prior-Year Procurement Spend Covered by Supplier ESG Assessments	%	68.00
Percentage of new suppliers screened using environmental criteria	%	100
Number of suppliers assessed for environmental impacts	unit	112
Number of suppliers identified as having significant actual and potential negative environmental impacts	unit	1
Percentage of suppliers identified as having significant actual and potential negative environmental impacts that agreed to improvement actions following assessment	%	100

[35] Tier 1 suppliers refer to the total number of direct material suppliers and equipment suppliers of the Company.

[36] Key suppliers (including both Tier 1 and non-Tier 1 suppliers), also referred to as direct material suppliers.

Indicator		Unit	2025
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated following assessment		%	0
Percentage of new suppliers screened using social criteria		%	100
Number of suppliers assessed for social impacts		unit	112
Number of suppliers identified as having significant actual and potential negative social impacts		unit	0
Percentage of suppliers identified as having significant actual and potential negative social impacts that agreed to improvement actions following assessment		%	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated following assessment		%	0
Rights and Benefits of Employees			
Male-to-female remuneration ratio by employee category	Senior Management	%	66.40
	Middle Management	%	84.11
	Junior Management	%	86.39
	General Employees	%	93.88
Minimum wage by operating location	Xiamen Manufacturing Base	CNY/hour	23.50
	Chongqing Manufacturing Base	CNY/hour	22.00
	Shenzhen R&D Centre	CNY/hour	23.70
Total Number of Female Employees Entitled to Parental Leave		persons	2,032
Total Number of Male Employees Entitled to Parental Leave		persons	6,565
Total Number of Female Employees Who Took Parental Leave		persons	316
Total Number of Male Employees Who Took Parental Leave		persons	640
Female Employees Expected to Return to Work During the Reporting Period		persons	287
Male Employees Expected to Return to Work During the Reporting Period		persons	636
Female Employees Who Returned to Work During the Reporting Period		persons	285
Male Employees Who Returned to Work During the Reporting Period		persons	635

Indicator		Unit	2025
Return-to-Work Rate of Female Employees After Parental Leave		%	99.30
Return-to-Work Rate of Male Employees After Parental Leave		%	99.84
Equality and Diversity			
Total Number of Full-Time Employees[37]		persons	8,722
Total Number of Temporary Employees		persons	307
Total Number of Non-guaranteed Hours Employees		persons	3
By Gender	Total Number of Male Employees	persons	6,565
	Percentage of Male Employees	%	76.36
	Total Number of Female Employees	persons	2,032
	Percentage of Female Employees	%	23.64
By Employee Category	Senior Management	persons	38
	Female Senior Management	persons	5
	Male Senior Management	persons	33
	Percentage of Female Senior Management	%	13.16
	Percentage of Male Senior Management	%	86.84
	Middle Management	persons	117
	Female Middle Management	persons	16
	Male Middle Management	persons	101
	Percentage of Female Middle Management	%	13.68
	Percentage of Male Middle Management	%	86.32
	Junior Management	persons	283
	Female Junior Management	persons	43
	Male Junior Management	persons	240

[37] Except for the total number of full-time employees, which includes employees at the U.S. manufacturing base, employee data disclosed by gender, employee category, age and region exclude employees at the U.S. manufacturing base, taking into account applicable local data privacy requirements.

Indicator		Unit	2025
By Employee Category	Percentage of Female Junior Management	%	15.19
	Percentage of Male Junior Management	%	84.81
	General Employees	persons	8,159
	Female General Employees	persons	1,968
	Male General Employees	persons	6,191
	Percentage of Female General Employees	%	24.12
	Percentage of Male General Employees	%	75.88
By Age Group	Number of Senior Management Below 30	persons	0
	Number of Senior Management Between 30 and 50	persons	38
	Number of Senior Management Above 50	persons	0
	Percentage of Senior Management Below 30	%	0
	Percentage of Senior Management Between 30 and 50	%	100
	Percentage of Senior Management Above 50	%	0
	Number of Middle Management Below 30	persons	0
	Number of Middle Management Between 30 and 50	persons	117
	Number of Middle Management Above 50	persons	0
	Percentage of Middle Management Below 30	%	0
	Percentage of Middle Management Between 30 and 50	%	100
	Percentage of Middle Management Above 50	%	0
	Number of Junior Management Below 30	persons	19
	Number of Junior Management Between 30 and 50	persons	262
	Number of Junior Management Above 50	persons	2
	Percentage of Junior Management Below 30	%	6.71
	Percentage of Junior Management Between 30 and 50	%	92.58
	Percentage of Junior Management Above 50	%	0.71
	Number of General Employees Below 30	persons	4,281
	Number of General Employees Between 30 and 50	persons	3,849
	Number of General Employees Above 50	persons	29
	Percentage of General Employees Below 30	%	52.47
	Percentage of General Employees Between 30 and 50	%	47.17
	Percentage of General Employees Above 50	%	0.36
By Region	Number of Employees in Mainland China, Hong Kong and Taiwan	persons	8,546
	Number of Employees in Other Countries/Regions	persons	51
	Percentage of Employees in Mainland China, Hong Kong and Taiwan	%	97.98
	Percentage of Employees in Other Countries/Regions	%	2.02
	Number of Senior Management in Mainland China, Hong Kong and Taiwan	persons	37
	Number of Senior Management in Other Countries/Regions	persons	1
	Percentage of Senior Management in Mainland China, Hong Kong and Taiwan	%	97.37
	Percentage of Senior Management in Other Countries/Regions	%	2.63
	Number of Middle Management in Mainland China, Hong Kong and Taiwan	persons	112
	Number of Middle Management in Other Countries/Regions	persons	5
	Percentage of Middle Management in Mainland China, Hong Kong and Taiwan	%	95.73
	Percentage of Middle Management in Other Countries/Regions	%	4.27
	Number of Junior Management in Mainland China, Hong Kong and Taiwan	persons	281
	Number of Junior Management in Other Countries/Regions	persons	2
	Percentage of Junior Management in Mainland China, Hong Kong and Taiwan	%	99.29

Indicator		Unit	2025
By Region	Percentage of Junior Management in Other Countries/ Regions	%	0.71
	Number of General Employees in Mainland China, Hong Kong and Taiwan	persons	8,116
	Number of General Employees in Other Countries/Regions	persons	43
	Percentage of General Employees in Mainland China, Hong Kong and Taiwan	%	99.47
	Percentage of General Employees in Other Countries/Regions	%	0.53
Employee Training and Development			
Total Training Hours		hours	124,904.30
Average Training Hours per Employee		hours	14.32
Training Coverage Rate		%	100
By Gender	Total Training Hours of female Employees	hours	26,406.4
	Total Training Hours of Male Employees	hours	98,497.90
	Average Training Hours of Female Employees	hours	0.21
	Average Training Hours of Male Employees	hours	0.79
By Employee Category	Total Training Hours of Senior Management	hours	247.60
	Total Training Hours of Middle Management	hours	5,044.20
	Total Training Hours of Junior Management	hours	9,149.90
	Total Training Hours of General Employees	hours	110,462.70
	Average Training Hours of Senior Management	hours	0.002
	Average Training Hours of Middle Management	hours	0.04
	Average Training Hours of Junior Management	hours	0.07
	Average Training Hours of General Employees	hours	0.88
By Function	Total Training Hours of R&D Employees	hours	25,762.50
	Average Training Hours of R&D Employees	hours	0.21
By Function	Total Training Hours of Production Employees	hours	84,172.60
	Average Training Hours of Production Employees	hours	0.67
By Age Group	Total Training Hours of Employees Below 30	hours	55,735.60
	Total Training Hours of Employees Between 30 and 50	hours	69,132.50
	Total Training Hours of Employees Above 50	hours	36.20
	Average Training Hours of Employees Below 30	hours	0.45
	Average Training Hours of Employees Between 30 and 50	hours	0.55
	Average Training Hours of Employees Above 50	hours	0.0003
Total Number of Employees Receiving Regular Performance and Career Development Reviews		persons	8,722
Percentage of Employees Receiving Regular Performance and Career Development Reviews		%	100
By Gender	Number of Female Employees Receiving Regular Performance and Career Development Reviews	persons	2,032
	Number of Male Employees Receiving Regular Performance and Career Development Reviews	persons	6,565
	Percentage of Female Employees Receiving Regular Performance and Career Development Reviews	%	100
	Percentage of Male Employees Receiving Regular Performance and Career Development Reviews	%	100
By Employee Category	Number of Senior Management Receiving Regular Performance and Career Development Reviews	persons	38
	Number of Middle Management Receiving Regular Performance and Career Development Reviews	persons	117
	Number of Junior Management Receiving Regular Performance and Career Development Reviews	persons	283
	Number of General Employees Receiving Regular Performance and Career Development Reviews	persons	8,159
Occupational Health and Safety			
Percentage of all employees and non-employees whose work and/or workplace is under the control of the organisation covered by the occupational health and safety management system		%	100
Percentage of all employees and non-employees whose work and/or workplace is under the control of the organisation covered by internally audited management system		%	100
Percentage of all employees and non-employees whose work and/or workplace is under the control of the organisation covered by externally audited or certified management system		%	100

Indicator	Unit	2025
Employee Fatalities	persons	0
Contractor Fatalities	persons	0
Recordable Work-Related Injuries	cases	17
Lost Time Injury Frequency Rate (LTIFR) per Million Work Hours	cases/million work hours	0.77
Work-Related Fatalities Due to Health Issues	persons	0
Recordable Work-Related Health Issues	cases	0
Employee Safety Training Coverage	%	100
Percentage of operational production sites certified with ISO 45001 occupational health and safety management system	%	100
Product Quality and Safety		
Percentage of sold or delivered products recalled for safety and health reasons	%	0
Number of significant products and services assessed for health and safety improvements	cases	0
Customer Service		
Customer Satisfaction	%	97
Number of Customer Complaints	cases	304
Customer Complaint Handling Rate	%	97.89
Total Confirmed Incidents of Customer Data Leakage, Theft or Loss	cases	0
Number of Service Provider After-Sales Training Participants	units	24
Number of Customer After-Sales Training Participants	persons	51
Public Welfare and Charity		
Total Investment in Social Projects	CNY10,000	162.38
Number of Participants in Volunteer Service	persons	72
Total Volunteer Service Hours	hours	191

Governance Performance Table

Indicator		Unit	2025
Corporate Governance			
Total Board Size		persons	7
Number of Executive Directors		persons	4
Number of Independent Non-executive Directors		persons	3
Number of Other Non-executive Directors		persons	0
Number of Female Directors		persons	1
By Gender	Percentage of Male Governance Body Members	%	85.71
	Percentage of Female Governance Body Members	%	14.29
By Age Group	Percentage of Governance Body Members Below 30	%	0
	Percentage of Governance Body Members Between 30 and 50	%	71.43
	Percentage of Governance Body Members Above 50	%	28.57
By Region	Percentage of Governance Body Members in Mainland China, Hong Kong and Taiwan	%	100
	Percentage of Governance Body Members in Other Countries/Regions	%	0
Average Tenure of Board Members		years	3
Number of Investor Questionnaire Responses		cases	3
Number of Investor Visits		units	70
Compliance and Business Ethics			
Number of Confirmed Conflicts of Interest		cases	0
Number of Confirmed Money Laundering or Insider Trading Cases		cases	0
Percentage of Operational Sites Assessed for Corruption Risk		%	100
Employee Coverage of Anti-Corruption Training		%	100
Management Coverage of Anti-Corruption Training		%	100

Indicator	Unit	2025
Percentage of High-Risk Business Partners Covered by Anti-Bribery and Information Security Due Diligence	%	100
Percentage of Employees Covered by Collective Bargaining Agreements	%	100
R&D Innovation and Intellectual Property Protection		
Number of New Patent Applications	cases	801
Number of New Patents Granted	cases	611
Number of New Registered Software Copyrights	cases	16
Cumulative Registered Software Copyrights	cases	64
Cumulative Patent Applications	cases	4,797
Cumulative Patents Granted	cases	2,609
Cumulative Published Patent Applications	cases	3,902
Information Security and Privacy Protection		
Percentage of operational production sites certified with ISO 27001 information security management system	%	100
Employee Information Security Training Coverage	%	100

Historical Data Comparison

Issue	Indicator	Unit	2022	2023	2024	2025
Governance						
Basic Information	Total Employees	persons	4,772	7,756	7,650	8,722
Policy Influence	Government subsidies received	CNY	11,242,329.14	152,661,057.48	424,320,661.89	468,808,895.24
	Donations to Trade associations or tax-exempt groups (e.g. think tanks)	CNY	73,500	136,380.50	826,574.63	1,266,700
Supply Chain Management	Percentage of total revenues from products containing minerals from conflict affected and high-risk areas	%	0	0	0	0
	Percentage of total revenues from products containing minerals from conflict affected and high-risk areas coming from suppliers that have been verified conflict free	%	0	0	0	0
Product Quality & Recall Management	Number of Product Recalls Initiated	cases	0	0	0	0
	Number of Products Recalled	cases	0	0	0	0
Environmental						
Environmental Policy & Management	Total Environmental Expenses	CNY	19,563,038.60	47,198,933.47	11,556,984.22	17,547,500.00
	Environmental Capital Investments	CNY	17,470,679.10	44,449,379.38	9,258,650.36	1,164,800.00
	Environmental Operating Expenses	CNY	2,092,359.50	2,749,554.09	2,298,333.86	16,382,700.00
	Environmental Savings, cost avoidance, income, tax incentives,	CNY	11,242,329.14	152,661,057.48	424,320,661.89	45,216,500.00
	Number of violations of legal obligations/ regulations	cases	0	0	0	0

Issue	Indicator	Unit	2022	2023	2024	2025
Energy	Total non-renewable energy consumption	MWh	98,148.35	239,130.32	509,360.00	1,217,850.24
	Total renewable energy consumption	MWh	90,760	254,200	459,400.00	507,582.00
Waste & Pollutants	Total Non-hazardous Waste Recycled/Reused	tonnes	11,931	39,970	71,532.60	119,917.20
	Total Non-Hazardous Waste Disposed	tonnes	811	1,970	794.18	914.36
	Non-Hazardous Waste Disposal: Landfill	tonnes	0	0	0	0
	Non-Hazardous Waste Disposal: Incineration with energy recovery	tonnes	0	97	268.18	0
	Non-Hazardous Waste Disposal: Incineration without energy recovery	tonnes	0	0	0	914.36
	Non-Hazardous Waste Disposal: Other	tonnes	811	1,873	526	0
	Total Disposed Non-Hazardous Waste	tonnes	93.40	1,437.55	2,435.75	2,289.34
	Total Hazardous Waste Disposed	tonnes	411.53	1,021.33	1,406.97	1,973.25
Water	Water Withdrawal (excluding saltwater)	million m³	/	0.94	1.83	1.83
	Water Discharge (excluding saltwater)	million m³	/	0.024	0.33	0.06
	Total Net Fresh Water Consumption	million m³	/	0.91	1.50	1.78

Issue	Indicator	Unit	2022	2023	2024	2025
Climate Strategy	Total Direct GHG Emissions (Scope 1)	tCO_2e	18,374.08	47,959.26	80,010.73	102,431.57
	Indirect GHG Emissions (Scope 2) (Location-Based)	tCO_2e	55,940.74	144,967.99	246,480.26	338,888.94
	Indirect GHG Emissions (Scope 2) (Market-Based)	tCO_2e	/	/	/	81,972.76
	Indirect GHG Emissions (Scope 3)	tCO_2e	/	966,836.13	1,771,413.44	4,052,093.47
Social						
Human Capital Management	Total Employee-Related Expenses	CNY	471,692,741.14	1,220,536,202.49	1,403,055,206.84	1,616,969,000.00
Occupational Health & Safety	Employees Fatalities	cases	0	0	0	0
	Employees Lost-Time Injury Frequency Rate (LTIFR)	%	0.021	0.026	0.014	0.77
Customer Relations	Customer Satisfaction	%	96.00	96.22	94.80	97.00

Appendix II: Sustainable Reporting Standards Index

GRI Content Index

Statement of use	Hithium Energy Storage Technology Co., Ltd. has reported in accordance with the GRI Standards from 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable industry standards

Based on the GRI principle, and in combination with the identification results of the important issues of Hithium and the disclosed content of the *Hithium 2025 ESG Report*, this benchmarking index table is formed. Among them, after comprehensive judgment, the Company identified the following issues as non-substantive issues (not presented in the benchmarking index table):

GRI 202 Market Performance, GRI 207 Taxation, GRI 301 Materials, GRI 410 Security Practices, GRI411 Rights of Indigenous Peoples, GRI 415 Public Policy, GRI 417 Marketing and Labelling.

GRI Standard		Location	Page	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 2 General Disclosures 2021	2-1 Organisational details	0.1 Company Overview	6	Not Applicable		
	2-2 Entities included in the organisation's sustainability reporting	About This Report	3			
	2-3 Reporting period, frequency and contact point	About This Report	3			
	2-4 Restatements of information	About This Report	3			
	2-5 External assurance	About This Report	3			
	2-6 Activities, value chain and other business relationships	0.1 Company Overview 1.4 Analysis and Management of Material Issues 3.1 Sustainable Supply Chain	6 20-27 55-58			
	2-7 Employees	Social Performance Table	101-105			
	2-8 Workers who are not employees	Social Performance Table	101-105			
	2-9 Governance structure and composition	1.2 Sustainable Development Governance 7.1 Corporate Governance	17-18 92-94			
	2-10 Nomination and selection of the highest governance body	7.1 Corporate Governance	92-94			
	2-11 Chair of the highest governance body	7.1 Corporate Governance	92-94			
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Sustainable Development Governance	17-18			
	2-13 Delegation of responsibility for managing impacts	1.2 Sustainable Development Governance	17-18			
	2-14 Role of the highest governance body in sustainability reporting	1.2 Sustainable Development Governance	17-18			
	2-15 Conflicts of interest	7.1 Corporate Governance	92-94			
	2-16 Communication of critical concerns	1.3 Stakeholder Communication	19			
	2-17 Collective knowledge of the highest governance body	1.2 Sustainable Development Governance 2.1 Climate Change Response	17-18 31-37			
	2-18 Evaluation of the performance of the highest governance body	Omitted	/	2-18-a 2-18-b 2-18-c	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
	2-19 Remuneration policies	Omitted	/	2-19-a 2-19-b	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
	2-20 Process to determine remuneration	Omitted	/	2-20-a	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.

GRI Standard		Location	Page	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 2 General Disclosures 2021	2-21 Annual total compensation ratio	Omitted	/	2-21-a	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
	2-22 Statement on sustainable development strategy	1.1 Sustainable Development Concept and Strategy	14-16			
	2-23 Policy commitments	1.1 Sustainable Development Concept and Strategy	14-16			
	2-24 Embedding policy commitments	1.1 Sustainable Development Concept and Strategy	14-16			
	2-25 Processes to remediate negative impacts	3.1 Sustainable Supply Chain 4.1 Rights and Benefits of Employees 7.2 Compliance and Business Ethics	55-58 66-70 94-96			
	2-26 Mechanisms for seeking advice and raising concerns	1.2 Sustainable Development Governance 1.3 Stakeholder Communication	17-18 19			
	2-27 Compliance with laws and regulations	Governance Performance Table	105-106			
	2-28 Membership associations	0.1 Company Overview	6			
	2-29 Approach to stakeholder engagement	1.3 Stakeholder Communication	19			
	2-30 Collective bargaining agreements	Governance Performance Table	105-106			
GRI 3 Material Topics 2021	3-1 Process to determine material topics	1.3 Stakeholder Communication	19	Not Applicable		
	3-2 List of material topics	1.3 Stakeholder Communication	19			
GRI 101 Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	2.6 Biodiversity	47-52			
	101-2 Management of biodiversity impacts	2.6 Biodiversity	47-52			
	101-3 Access and benefit-sharing	Omitted	/	101-3-a 101-3-b	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
	101-4 Identification of biodiversity impacts	2.6 Biodiversity	47-52			
	101-5 Locations with biodiversity impacts	2.6 Biodiversity	47-52			
	101-6 Direct drivers of biodiversity loss	Omitted	/	101-6-a 101-6-b 101-6-c 101-6-d 101-6-e 101-6-f	Lack of Information	No relevant work has been undertaken to date, and therefore, this information will not be disclosed externally at this time.
	101-7 Changes to the state of biodiversity	Omitted	/	101-5-a 101-5-b	Lack of Information	No relevant work has been undertaken to date, and therefore, this information will not be disclosed externally at this time.
	101-8 Ecosystem services	2.6 Biodiversity	47-52			
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	*Hithium 2025 Annual Report*	/			
	201-2 Financial implications and other risks and opportunities due to climate change	2.1 Climate Change Response	31-37			
	201-3 Defined benefit plan obligations and otherretirement plans	4.1 Rights and Benefits of Employees	66-70			
	201-4 Financial assistance received from government	Omitted	/	201-4-a 201-4-b 201-4-c	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
GRI 203 Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	6.1 Local Communities 6.2 Social Value	85-86 86-89			
	203-2 Significant indirect economic impacts	6.1 Local Communities 6.2 Social Value	85-86 86-89			
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Omitted	/	204-1-a 204-1-b 204-1-c	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.

GRI Standard		Location	Page	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 205 Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	7.2 Compliance and Business Ethics	94-96			
	205-2 Communication and training about anti-corruption policies and procedures	7.2 Compliance and Business Ethics	94-96			
	205-3 Confirmed incidents of corruption and actions taken	Omitted	/	205-3-a 205-3-b 205-3-c 205-3-d	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
GRI 206 Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, antitrust,and monopoly practices	7.2 Compliance and Business Ethics	94-96			
GRI 302 Energy 2016	302-1 Energy consumption within the organisation	Environmental Performance Table	99-101			
	302-2 Energy consumption outside the organisation	Omitted	/	302-2-a 302-2-b 302-2-c	Lack of Information	The company has not yet established a relevant information collection and statistics mechanism, and therefore, this information will not be disclosed externally at this time.
	302-3 Energy intensity	Environmental Performance Table	99-101			
	302-4 Reduction of energy consumption	2.2 Environmental Management and Resource Optimisation	37-41			
	302-5 Reductions in energy requirements of products and services	Omitted	/	302-5-a 302-5-b 302-5-c	Lack of Information	The company has not yet established a relevant information collection and statistics mechanism, and therefore, this information will not be disclosed externally at this time.
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	2.2 Environmental Management and Resource Optimisation	37-41			
	303-2 Management of water discharge-related impacts	Omitted	/	303-2-a	Lack of Information	The company has not yet established a relevant information collection and statistics mechanism, and therefore, this information will not be disclosed externally at this time.
	303-3 Water withdrawal	Omitted	/	303-3-a 303-3-b 303-3-c 303-3-d	Lack of Information	The company has not yet established a relevant information collection and statistics mechanism, and therefore, this information will not be disclosed externally at this time.
GRI 303 Water and Effluents 2018	303-4 Water discharge	Omitted	/	303-4-a 303-4-b 303-4-c 303-4-d 303-4-e	Lack of Information	The company has not yet established a relevant information collection and statistics mechanism, and therefore, this information will not be disclosed externally at this time.
	303-5 Water consumption	Environmental Performance Table	99-101			
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2.1 Climate Change Response Environmental Performance Table	31-37 99-101			
	305-2 Energy indirect (Scope 2) GHG emissions	2.1 Climate Change Response Environmental Performance Table	31-37 99-101			
	305-3 Other indirect (Scope 3) GHG emissions	2.1 Climate Change Response Environmental Performance Table	31-37 99-101			
	305-4 GHG emissions intensity	2.1 Climate Change Response Environmental Performance Table	31-37 99-101			
	305-5 Reduction of GHG emissions	2.1 Climate Change Response Environmental Performance Table	31-37 99-101			
	305-6 Emissions of ozone-depleting substances (ODS)	Omitted	/	305-6-a 305-6-b 305-6-c 302-5-d	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	2.1 Climate Change Response 2.2 Environmental Management and Resource Optimisation Environmental Performance Table	31-37 37-41 99-101			
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	2.2 Environmental Management and Resource Optimisation	37-41			
	306-2 Management of significant waste-related impacts	2.2 Environmental Management and Resource Optimisation	37-41			

GRI Standard		Location	Page	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 306 Waste 2020	306-3 Waste generated	Omitted	/	306-3-a 306-3-b	Lack of Information	The company has not yet established a relevant information collection and statistics mechanism, and therefore, this information will not be disclosed externally at this time.
	306-4 Waste diverted from disposal	Environmental Performance Table	99-101			
	306-5 Waste directed to disposal	Environmental Performance Table	99-101			
		Omitted	/	306-5-b	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social Performance Table	101-105			
	308-2 Negative environmental impacts in the supply chain and actions taken	3.1 Sustainable Supply Chain	55-58			
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Omitted	/	401-1-a 401-1-b	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1 Rights and Benefits of Employees	66-70			
	401-3 Parental leave	Social Performance Table	101-105			
GRI 402 Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Omitted	/	402-1-a 402-1-b	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.3 Occupational Health and Safety	73-75			
	403-2 Hazard identification, risk assessment, and incident investigation	4.3 Occupational Health and Safety	73-75			
	403-3 Occupational health services	4.3 Occupational Health and Safety	73-75			
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.3 Occupational Health and Safety	73-75			
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	4.3 Occupational Health and Safety	73-75			
	403-6 Promotion of worker health	4.3 Occupational Health and Safety	73-75			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Occupational Health and Safety	73-75			
	403-8 Workers covered by an occupational health and safety management system	4.3 Occupational Health and Safety	73-75			
	403-9 Work-related injuries	4.3 Occupational Health and Safety Social Performance Table	73-75 101-105			
	403-10 Work-related ill health	4.3 Occupational Health and Safety	73-75			
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	4.1 Rights and Benefits of Employees Social Performance Table	66-70 101-105			
	404-2 Programs for upgrading employee skills and transition assistance programs	Omitted	/	402-2-a 402-2-b	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
	404-3 Percentage of employees receiving regular performance and career development reviews	4.1 Rights and Benefits of Employees Social Performance Table	66-70 101-105			
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.1 Rights and Benefits of Employees Social Performance Table	66-70 101-105			
	405-2 Ratio of basic salary and remuneration of women to men	Social Performance Table	101-105			
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Omitted	/	406-1-a 406-1-b	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.

GRI Standard		Location	Page	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Omitted	/	407-1-a 407-1-b	Confidentiality Restriction	Due to confidentiality requirements, this information will not be disclosed externally at this time.
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	4.1 Rights and Benefits of Employees	66-70			
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1 Rights and Benefits of Employees	66-70			
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	6.1 Local Communities 6.2 Social Value	85-86 86-89			
	413-2 Operations with significant actual and potential negative impacts on local communities	6.1 Local Communities 6.2 Social Value	85-86 86-89			
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social Performance Table	101-105			
	414-2 Negative social impacts in the supply chain and actions taken	3.1 Sustainable Supply Chain	55-58			
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	5.1 Product Quality and Safety Social Performance Table	78-79 101-105			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	5.1 Product Quality and Safety Social Performance Table	78-79 101-105			
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social Performance Table	101-105			

ESRS Content Index

ESRS Standard	Requirements	Location	Page
General Disclosure			
BP-1	General basis for preparation of the sustainability statement	About This Report	3
BP-2	Disclosures in relation to specific circumstances	About This Report Sustainable Reporting Standards Index	3 108-116
GOV-1	The role of the administrative, management and supervisory bodies	1.2 Sustainable Development Governance	94-96
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.2 Sustainable Development Governance	94-96
GOV-3	Integration of sustainability-related performance in incentive schemes	1.2 Sustainable Development Governance	94-96
GOV-4	Statement on due diligence	1.2 Sustainable Development Governance	94-96
GOV-5	Risk management and internal controls over sustainability reporting	7.1 Corporate Governance	92-94
SBM-1	Strategy, business model and value chain	0.2Company Overview 1.4 Analysis and Management of Material Issues ESG Performance Table	6 20-27 99-107
SBM-2	Interests and views of stakeholders	1.3 Stakeholder Communication	19
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4 Analysis and Management of Material Issues	20-27
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	1.4 Analysis and Management of Material Issues	20-27
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Sustainable Reporting Standards Index	108-116
Environmental Material Issues			
Climate Change			
E1.GOV-3	Integration of sustainability-related performance in incentive schemes	1.2 Sustainable Development Governance	94-96
E1-1	Transition plan for climate change mitigation	2.1 Climate Change Response	31-37
E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.1 Climate Change Response	31-37

ESRS Standard	Requirements	Location	Page
E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	2.1 Climate Change Response	31-37
E1-2	Policies related to climate change mitigation and adaptation	2.1 Climate Change Response	31-37
E1-3	Actions and resources in relation to climate change policies	2.1 Climate Change Response	31-37
E1-4	Targets related to climate change mitigation and adaptation	2.1 Climate Change Response	31-37
E1-5	Energy consumption and mix	Environmental Performance Table	99-101
E1-6	Gross scopes 1, 2, 3 and total GHG emissions	Environmental Performance Table	99-101
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	*No relevant work has been undertaken to date, and therefore, this information will not be disclosed externally at this time.*	/
E1-8	GHG removals and GHG mitigation projects financed through carbon credits	*No relevant work has been undertaken to date, and therefore, this information will not be disclosed externally at this time.*	/
Resource use and circular economy			
E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	2.5 Circular Economy	45-47
E5-1	Policies related to resource use and circular economy	2.5 Circular Economy	45-47
E5-2	Actions and resources related to resource use and circular economy	2.5 Circular Economy	45-47
E5-3	Targets related to resource use and circular economy	2.5 Circular Economy	45-47
E5-4	Resource inflows	Environmental Performance Table	99-101
E5-5	Resource outflows	Environmental Performance Table	99-101
Social Material Issues			
Workers in the value chain			
S2.SBM-2	Interests and views of stakeholders	1.3 Stakeholder Communication	19
S2.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4 Analysis and Management of Material Issues	20-27
S2-1	Policies related to value chain workers	3.1 Sustainable Supply Chain	55-58
S2-2	Processes for engaging with value chain workers about impacts	3.1 Sustainable Supply Chain	55-58
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	No relevant work has been undertaken to date, and therefore, this information will not be disclosed externally at this time.	/
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	No relevant work has been undertaken to date, and therefore, this information will not be disclosed externally at this time.	/
S2-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	No relevant work has been undertaken to date, and therefore, this information will not be disclosed externally at this time.	/
Governance Material Issues			
Business Conduct			
G1.GOV-1	The role of the administrative, supervisory and management bodies	7.2 Compliance and Business Ethics	94-96
G1.IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.4 Analysis and Management of Material Issues	20-27
G1-1	Business conduct policies and corporate culture	7.2 Compliance and Business Ethics	94-96
G1-2	Management of relationships with suppliers	3.1 Sustainable Supply Chain	55-58
G1-3	Prevention and detection of corruption and bribery	7.2 Compliance and Business Ethics	94-96
G1-4	Incidents of corruption or bribery	Governance Performance Table	105-106
G1-5	Political influence and lobbying activities	Historical Data Comparison	106-107
G1-6	Payment practices	The company has not yet established a relevant information collection and statistics mechanism, and therefore, this information will not be disclosed externally at this time.	/

Content Index of HKEX Environmental Social and Governance Reporting Guide

Part C: "Comply or explain" Provisions

Disclosure Requirements			Location	Page
A.Environmental				
Aspect A1: Emissions	General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.2 Environmental Management and Resource Optimisation	37-41
	A1.1	The types of emissions and respective emissions data.	Environmental Performance Table	99-101
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Table	99-101
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Table	99-101
	A1.5	Description of emission target(s) set and steps taken to achieve them.	2.2 Environmental Management and Resource Optimisation	37-41
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.2 Environmental Management and Resource Optimisation	37-41
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	2.2 Environmental Management and Resource Optimisation	37-41
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Table	99-101
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Table	99-101
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.2 Environmental Management and Resource Optimisation	37-41
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.2 Environmental Management and Resource Optimisation	37-41
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	2.3 Product Carbon Footprint	42-43
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.2 Environmental Management and Resource Optimisation 2.6 Biodiversity	37-41 47-52
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.2 Environmental Management and Resource Optimisation 2.6 Biodiversity	37-41 47-52
B.Social				
Aspect B1: Employment	General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4.1 Rights and Benefits of Employees4.2 Equality and Diversity	66-70 71-72
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social Performance Table	101-105
	B1.2	Employee turnover rate by gender, age group and geographical region.	*Due to confidentiality requirements, this information will not be disclosed externally at this time.*	/
Aspect B2: Health and Safety	General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.3 Occupational Health and Safety	73-75
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social Performance Table	101-105
	B2.2	Lost days due to work injury.	*Due to confidentiality requirements, this information will not be disclosed externally at this time.*	/
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.3 Occupational Health and Safety	73-75

Disclosure Requirements			Location	Page
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.1 Rights and Benefits of Employees	66-70
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Performance Table	101-105
	B3.2	The average training hours completed per employee by gender and employee category.	Social Performance Table	101-105
Aspect B4: Labour Standards	General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1 Rights and Benefits of Employees	66-70
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Rights and Benefits of Employees	66-70
	B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Rights and Benefits of Employees	66-70
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.1 Sustainable Supply Chain	55-58
	B5.1	Number of suppliers by geographical region.	Social Performance Table	101-105
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.1 Sustainable Supply Chain	55-58
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.1 Sustainable Supply Chain	55-58
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.1 Sustainable Supply Chain	55-58

Disclosure Requirements			Location	Page
Aspect B6: Product Responsibility	General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5.1 Product Quality and Safety	78-79
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social Performance Table	101-105
	B6.2	Number of products and service related complaints received and how they are dealt with.	Social Performance Table	101-105
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	7.3 R&D Innovation and Intellectual Property Protection	97
	B6.4	Description of quality assurance process and recall procedures.	5.1 Product Quality and Safety	78-79
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	7.4 Information Security and Privacy Protection	98
Aspect B7: Anti-corruption	General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	7.2 Compliance and Business Ethics	94-96
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Governance Performance Table	105-106
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	7.2 Compliance and Business Ethics	94-96
	B7.3	Description of anti-corruption training provided to directors and staff.	7.2 Compliance and Business Ethics	94-96
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.1 Local Communities 6.2 Social Value	85-86 86-89
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.1 Local Communities 6.2 Social Value	85-86 86-89
	B8.2	Resources contributed (e.g. money or time) to the focus area.	6.1 Local Communities 6.2 Social Value	85-86 86-89

TCFD Content Index

Core Elements		Recommended Disclosures	Location	Page
Governance	Disclose the organisation's governance around climate-related risks and opportunities	a) the role of the board of the organisation in overseeing climate-related issues.	2.1.1 Climate and Nature Governance	31
		b) Describe e the role of management in assessing and managing climate-related issues.		
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where material	a) Disclose the climate-related risks and opportunities the organisation has identified over the short, medium, and long terms.	2.1.2 Climate and Nature Strategy	31
		b) Disclose the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.		
		c) Disclose the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2˚C or lower scenario.		
Risk Management	Disclose how the organisation identifies, assesses, and manages climate-related risks	a) Describe the organisation's processes for identifying climate-related risks.	2.1.3 Climate and Nature Risk Management	32-35
		b) Describe the organisation's processes for managing climate-related risks.		
		c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.		
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	2.1.4 Climate Metrics and Targets	35-37
		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		
		c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.		

TNFD Content Index

Core Elements		Recommended Disclosures	Location	Page
Governance	Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.	A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	2.1.1 Climate and Nature Governance	31
		B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.		
		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.		
Strategy	Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.	A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	2.1.2 Climate and Nature Strategy	31
		B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.		
		C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.		
		D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s)that meet the criteria for priority locations.		
Risk and Impact Management	Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.	A(i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	2.6.2 Assessment of Nature Dependencies, Impacts, Risks, and Opportunities	47-52
		A(ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s) .		
		B. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities		
		C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.		
Metrics and Targets	Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities	A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	2.6.2 Assessment of Nature Dependencies, Impacts, Risks, and Opportunities	47-52
		B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.		
		C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.		

Appendix III: Technical Glossary

Glossary	Definition
Ah	Ampere-hour, a unit of battery capacity
AIDC	Artificial Intelligence Data Centre
AIoT	Artificial Intelligence of Things
CMRT	Conflict Minerals Reporting Template
CSR	Corporate Social Responsibility
EAP	Employee Assistance Programme
EHS	Environment, Health and Safety Management
ENCORE	Natural Capital Risk Assessment Tool
EPD	Environmental Product Declaration certification
ERC	Emergency Response Centre
ESG	Environmental, Social and Governance
GB/T 29490	National standard for Enterprise Intellectual Property Management Systems
GWh	Gigawatt-hour, a unit of energy
IROs	Impacts, Risks and Opportunities
IRP	Information Security Incident Response Plan
ISO 14001	Environmental Management Systems standard
ISO 14040	Life Cycle Assessment – Principles and Framework
ISO 14044	Life Cycle Assessment – Requirements and Guidelines
ISO 14067	Carbon Footprint of Products quantification standard
ISO 27001	Information Security Management Systems standard
ISO 37001	Anti-bribery Management Systems standard
ISO 37301	Compliance Management Systems standard

Glossary	Definition
ISO 45001	Occupational Health and Safety Management Systems standard
ISO 50001	Energy Management Systems standard
ISO 9001	Quality Management Systems standard
KPI	Key Performance Indicator
KRI	Key Risk Indicator
kWh	Kilowatt-hour, a unit of electrical energy
LCA	Life Cycle Assessment
LEAP	Nature-related Risk Assessment Approach
LFP	Lithium Iron Phosphate
ME/FE	Manufacturing Engineering / Factory Engineering departments
MWh	Megawatt-hour, a unit of electrical energy
NFPA 855	Standard for the Installation of Stationary Energy Storage Systems issued by the National Fire Protection Association (USA)
NOx	Nitrogen Oxides
PDCA Cycle	Plan–Do–Check–Act management cycle
ppm	Parts per million
PRD	Production Safety Department
RTO	Regenerative Thermal Oxidiser
SA 8000	Social Accountability Management System standard
SaaS+PaaS	Software as a Service and Platform as a Service
SDGs	Sustainable Development Goals

Glossary	Definition
SOC	State of Charge
SO_x	Sulphur Oxides
SPC	Statistical Process Control
UL 9540A	Test Method for Evaluating Thermal Runaway Fire Propagation in Battery Energy Storage Systems
VOC	Volatile Organic Compounds
Energy Storage System	A system designed to store energy in various forms (such as chemical, thermal, or mechanical) for later use
Photovoltaics	Technology that converts sunlight directly into electricity using semiconductor materials
Rechargeable Cell	A battery cell capable of repeated charging and discharging
Cycle Life	The number of charge–discharge cycles a battery can undergo before reaching end-of-life
Machine Learning	A technology that enables systems to learn automatically based on data training
EU CE Marking	A conformity marking indicating compliance with European Union product regulations
Generative Artificial Intelligence	Artificial intelligence capable of generating content such as text and images
Battery Passport	A digital record that documents the full life cycle information of a battery
UL Certification (USA)	A safety certification system in the United States
Energy Density	The amount of energy stored per unit volume or mass
Installed Capacity	The total capacity of installed equipment or systems
Sodium-ion Battery	A battery that uses sodium ions as charge carriers, moving between the anode and cathode to enable charge and discharge through conversion between chemical and electrical energy
Lithium Battery	A rechargeable battery composed of cells in which lithium ions move from the anode to the cathode during discharge and reverse during charging
Separator	A permeable membrane placed between the anode and cathode to prevent electrical short circuits while allowing ionic charge carriers to pass through, thereby completing the circuit in an electrochemical cell

Appendix IV: Independent Assurance Report

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Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by Xiamen Hithium Energy Storage Technology Co., Ltd. (hereinafter "Hithium" or "the Company") to conduct an independent third-party assurance of the 2025 Environmental, Social and Governance (ESG) Report (hereinafter, "Report"). The Report disclosed Hithium's ESG information for the fiscal year 2025 (from 1 January 2025 to 31 December 2025).

Responsibilities

Hithium is not only responsible for the preparation of ESG report and the collection and reporting of sustainability information in accordance with applicable reporting standards but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland implements sustainability information assurance activities under a quality management system that complies with the requirements of the ISO/IEC 17029:2019 Standard and adheres to the TÜV Rheinland Global Code of Ethics and Compliance Program. Our assurance service follows the principles of independence and impartiality and does not participate in the preparation of the Report of Hithium. The assurance project was implemented by a team with expertise and assurance experience in the corresponding sustainability issues. The role of TÜV Rheinland is to carry out independent assurance work in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial professional judgments on sustainability reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for quantitative performance indicators (but financial-related performance data and key performance indictor data for greenhouse gas emissions accounting have not been included in this assurance as agreed and confirmed by Hithium) and non-financial qualitative sustainability information (including materiality assessment, stakeholder engagement, topics management related to material impacts, risks and opportunities (IRO), etc.) disclosed in the Report in accordance with the AccountAbility AA1000 Assurance Standard 3rd edition (AA1000AS v3) on a Type-2 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of Hithium and stakeholders concerned with the Company's sustainability information and performance with an independent view of the assurance, including that we review and assess the content of the report adherence to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and review and evaluate the reliability and quality of specified performance information.

Assurance Criteria

The following assessment criteria (including reporting frameworks or standards) were used in undertaking the work:

- The Stock Exchange of Hong Kong Limited ("the Exchange") Appendix C2 Environmental, Social and Governance Reporting Code to the Rules Governing the Listing of Securities (the "Listing Rules")
- Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021 Edition) ("GRI Standards")
- IFRS Sustainability Disclosure Standard 2 – Climate-related Disclosures
- Framework for Nature-related Financial Disclosures (TNFD)
- The European Union's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standard (ESRS)
- Adherence to the AA1000AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

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Methodology

Our assurance activities and procedures include:

- Assessing the appropriateness of applicable criteria (GRI Standards), including reporting principles such as accuracy, clarity, comparability, completeness, and timeliness, etc.
- Interviewing with management to understand and assess key processes, systems and internal controls for operations and sustainability management.
- Interviewing with key personnel responsible for sustainability execution to understand the non-financial information reporting system, including the collection, integration and reporting of quantitative performance data and non-financial qualitative information, and to evaluate the data integration process at the group level.
- Applying analytical procedures to review the reasonableness of the data.
- Testing the source of information based on the sampling principle to check the accuracy of the data.
- Reviewing the consistency and reliability of specified performance indicators and quantitative and qualitative information within assurance scope.
- Collecting and inspecting supporting evidence to assess the extent to which relevant disclosures within the scope of the assurance engagement and sustainability reporting support and adherence to AA1000AP assurance principles.
- Reporting assurance observations or recommendations to give the Company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon and obtained evidence information and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3. The nature and extent (scope) of the procedures involved in moderate level assurance engagement are lower than those required to obtain high level assurance.

Forward-looking information relates to events and actions that have not yet occurred and may never occur. Actual results are likely to be different because expected events often do not occur as expected. We did not guarantee the availability of forward-looking information.

The information and performance relating to the assurance is limited to the disclosure of the contents of this Report. Our assurance did neither cover annual financial reports and financial data and nor cover other topics or matters that are not related to sustainability topics beyond the scope of this assurance.

Conclusions

Based on the above assurance procedures implemented and the evidence obtained, we believe that:

- 2025 ESG Report of Hithium adhered to the AA1000AP AccountAbility Principles.
- Sustainability information was prepared in accordance with Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange and GRI Standards.
- Quantitative performance indicators and non-financial qualitative information (including the assessment of material issues) within the scope of the assurance were evaluated and there were no material misstatements.

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

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

Hithium has established a stakeholder identification and dialogue mechanism. The nine categories of stakeholders identified by the Company included investors, employees, customers, suppliers, governments, communities, etc. Through diversified communication and feedback with different groups and research and analysis by relevant parties, the Company provided a reference for strategic adjustment or decision-making improvement and the assessment of the materiality of issues.

Materiality

Hithium adopted the double materiality assessment method, systematically identified 20 ESG issues, and combined the analysis of sustainable development trends (including international mainstream standards, policy research, etc.) to evaluate the issues based on the two dimensions of "impact materiality" and "financial materiality". The material matrix showed the core issues of double materiality for the year (e.g., clean technology opportunities, climate change, product carbon footprint, sustainable supply chains, etc.). The issue analysis covered impacts, risks and opportunities (IROs) and is deeply linked to the company's "HIMPACT 2037" strategy. The ESG Committee reviewed and confirmed the results of the topic evaluation.

Responsiveness

Evidence showed that Hithium has formulated a clear management system for key issues, set management goals (such as the science-based carbon target SBTi), and established an ESG performance appraisal mechanism. This Report adopted a four-element framework for disclosure of double material issues, and at the same time, disclosed the current year's goals and progress related to strategic issues, as well as a large number of ESG key performance indicators (such as greenhouse gas emissions, water consumption, waste management, employee management, occupational health and safety, etc.) to actively respond to the major concerns of stakeholders.

Impact

Hithium conducted an environmental and social impact analysis and disclosed relevant analysis methods and how to manage the impact. The Company has always attached great importance to ESG risk management and combined operation management and compliance management to manage potential material risks through the implementation of an internal control system. Evidence indicated that the Company also conducted biodiversity assessments and supply chain water risk assessments.

Disclosure of Specified Performance Information

TÜV Rheinland reached conclusions on the verification of reliability and quality of quantitative performance indicators (but financial-related performance data and key performance indictor data for greenhouse gas emissions accounting have not been included in this assurance) based on Type-2 and Moderate level assurance engagement:

- TÜV Rheinland observed that Hithium has established and implemented relevant internal control systems and processes, as well as collected and aggregated reliable source data related to specified performance indicators through management systems or platforms.
- During the verification process, all minor errors identified have been corrected. We believe that the data finally presented within the scope of the assurance is accurate. We recommend that Hithium continue to improve the level of data governance at the group and operational levels.

A full management report was submitted to management of Hithium for consideration, detailing the findings and recommendations for continuous improvement of the sustainability report.

Daniel Pan
Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, 15 April 2026

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