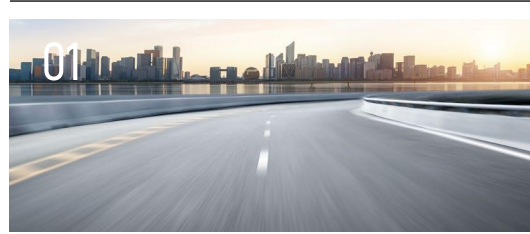


## Environmental, Social and Governance (ESG) Report



# Contents

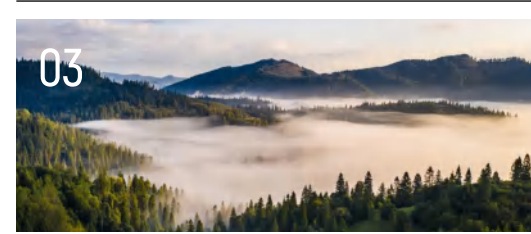
<b>About the Report</b>	<b>03</b>
<b>Chairman's Statement</b>	<b>04</b>
<b>About Highpower Technology</b>	<b>05</b>
Company Profile	05
External Recognition	07
<b>Summary of ESG Performance in 2024</b>	<b>09</b>
<b>Sustainable Development Strategy</b>	<b>10</b>
ESG Strategy	10
ESG Governance	11
Material Topics Management	12
Stakeholder Engagement	13



<b>Honest Governance</b>	<b>14</b>
Corporate Governance	15
Investor Management	16
Risk Management	18
Business Ethics and Anti-corruption	20
Information Security and Privacy Protection	22
Community Contribution	24



<b>Immaculate Quality</b>	<b>25</b>
Innovation and R&D	26
Product Quality and Safety	32
Customer Relationship Management	36
Sustainable Supply Chain	40



<b>Green Planet</b>	<b>43</b>
Environmental Management	44
Emissions and Waste Management	47
Resource Management	50
Climate Change Response	51
Low-carbon Operation	55



<b>Harmonious Life</b>	<b>59</b>
Employee Rights and Benefits	60
Employee Training and Development	66
Occupational Health and Safety	71

<b>Appendices</b>	<b>76</b>
Appendix I Key Performance Sheets	76
Appendix II Benchmarking Index	79
Future Outlook	84
Reader Feedback Form	85

# About the Report

## Overview



This report is the second environmental, social and corporate governance report issued by Shenzhen Highpower Technology Co., Ltd. (Hereinafter referred to as "Highpower Technology", the "Company"), reflecting the Company's thinking, practice, results and prospects in carrying out compliance and ethical corporate governance, improving environmental benefits and promoting harmonious social development.

## Reporting Time Range



This report is an annual report covering the work from 1 January, 2024 to 31 December, 2024 (the "reporting period"), and some related information may be retroactive beyond the reporting period.

## Basis of Compilation



This report is mainly prepared in accordance with *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*, and with reference to the *Sustainability Reporting Guidelines* (2021 edition) of Global Reporting Initiative (GRI), the topics concerned by Sustainable Development Goals (SDGs) and mainstream ESG ratings at home and abroad.

## Scope and Boundary of the Report



The scope of information disclosed in this report covers Highpower Technology and its subsidiaries, which is consistent with the scope of annual report of Highpower Technology (stock code: 001283). The names of the covered subsidiaries are as follows:

- **Highpower Technology**  
refers to Shenzhen Highpower Technology Co., Ltd.
- **Icon Energy**  
refers to Icon Energy System (Shenzhen) Co., Ltd.
- **Springpower Technology**  
refers to Springpower Technology (Shenzhen) Co., Ltd.
- **Huizhou Highpower**  
refers to Huizhou Highpower Technology Co., Ltd.
- **Guangdong Highpower**  
refers to Guangdong Highpower New Energy Technology Co., Ltd.
- **Hong Kong Highpower Technology**  
refers to Hong Kong Highpower Technology Co., Ltd.
- **Hong Kong Highpower International**  
refers to Hong Kong Highpower International Co., Ltd.
- **Highpower Supply Chain**  
refers to Shenzhen Highpower Supply Chain Management Co., Ltd.
- **Ampower New Energy**  
refers to Shenzhen Ampower New Energy Co., Ltd.
- **Highpower Singapore**  
refers to Highpower Singapore Co., Ltd.
- **Vietnam Exquisite**  
refers to Vietnam Exquisite Power Technology Co., Ltd.
- **Highpower Holland**  
refers to Highpower Holland B.V.

## Source and Reliability Assurance



The information and data disclosed in this report are derived from the Company's statistical reports and official documents, and have been reviewed by relevant departments. The Company promises that there is no false record or misleading statement in this report, and is responsible for the authenticity, accuracy and completeness of the content. All currencies in the report are RMB. If the financial data in this report is inconsistent with the financial report disclosed by the Company, the financial report shall prevail.

## Confirmation and Approval



This report was approved by the Board of Directors on 24 April, 2025 after being confirmed by the management.

## Reporting Language



The report is published in both Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail.

## Publication Form



On the official website of Highpower Technology (<https://www.highpowertech.com>) View or download the electronic version of this report.

If you have any questions or suggestions regarding this report, please feel free to contact Highpower Technology at:

- Board Office of Shenzhen Highpower Technology Co., Ltd.
- Contact Address: Building 1, No. 68, Xinxia Avenue, Pinghu Street, Longgang District, Shenzhen
- Email: [hpcapital@highpowertech.com](mailto:hpcapital@highpowertech.com)
- Contact Tel.: 0755-89686543

# Chairman's Statement

Artificial Intelligence, green low-carbon development, and advanced manufacturing have emerged as pivotal forces driving global progress, representing the frontiers of technological competition, the core of sustainable development, and the cornerstone of corporate competitiveness. As a vanguard of transformative change, AI is deeply integrated with hardware manufacturing, unlocking unprecedented value creation. As a globally renowned one-stop battery energy solution provider, Highpower Technology actively explores innovative pathways in this AI revolution, aligning its growth with the broader trajectory of global technological advancement to contribute meaningfully to sustainable development goals.

**Honest Governance: Strengthening ESG & Governance for High-Quality Development.** Highpower Technology continues to refine its ESG governance framework and operational mechanisms, embedding ESG principles across all business operations to enhance sustainable competitiveness and foster holistic ESG impact. By optimizing governance structures and regulatory compliance, the company ensures clarity of responsibilities and collaborative checks between decision-makers and executors—"leaders doing the right things, and teams doing things right"—working in synergy to propel high-quality growth.

**Immaculate Quality: Leading with High-Standard Innovation to Build a Global Supply Chain Ecosystem.** Through technological innovation, Highpower Technology advances the circular economy and green transformation. By analyzing real-world applications and addressing user pain points, the company leverages sharp market insights and R&D agility

to meet emerging challenges. Committed to customer-centric product development, it delivers premium solutions while optimizing supply chain collaboration, co-creating a sustainable ecosystem with partners.

**Green Planet: Advancing Sustainability for a Low-Carbon Future.** Highpower Technology continues to deepen its sustainable development strategy by conducting a comprehensive inventory of the company's greenhouse gas emissions, implementing energy-saving projects such as distributed photovoltaic power generation, and establishing a smart energy management system. Meanwhile, the Company actively integrates carbon reduction management into supply chain collaborations, jointly exploring circular economy models to drive the green transformation of the industrial chain and contribute to the achievement of the "carbon peak and carbon neutrality" goals. Upholding environmental commitments, the company enhances its EHS Management System (Environment, Health, and Safety), rigorously controlling resource use and emissions to enable green production. Its efficient, clean battery solutions power society's energy transition, safeguarding harmony between humanity and nature.

**Harmonious Life: Cultivating an Inclusive Workplace for a Brighter Tomorrow.** Recognizing talent as the foundation of excellence, Highpower Technology fosters a culture of meritocracy, offering competitive incentives, transparent career paths, and comprehensive training to empower employees. The company prioritizes workplace safety and well-being, ensuring holistic protection of employee rights.

## Gratitude & Future Vision

Over the past year, Highpower Technology extended sincere gratitude to clients, partners, investors, and every Highpower team member whose dedication fueled our progress. Moving forward, Highpower Technology will champion green development through innovation, with smart manufacturing at its core—augmented by AI and digital technologies—to synergize economic, social, and environmental impact, redefining sustainable leadership in the AI era.



潘党育

Chairman of Shenzhen Highpower Technology Co., Ltd

George Pan

# About Highpower Technology

## Company Profile

Shenzhen Highpower Technology Co., Ltd. (Stock Code: 001283) is dedicated to the R&D, design, manufacturing and sales of Li-ion batteries and Ni-MH batteries. As an enterprise with independent R&D capabilities and comprehensive international market competitiveness, Highpower Technology provides customers with flexible and reliable one-stop battery energy solutions. The Company actively engages in battery recycling and resource utilization, continuously creating substantial value for customers and society. Leveraging our profound technical expertise and extensive product development experience, Highpower Technology has earned the trust and recognition from numerous Fortune 500 companies and leading brands in specialized industries.



### Vision

Provide world-class clean energy solutions to power the future.

### Mission

To solve global customer challenges and pressures; Respond rapidly; Provide safe products and quality service.

### Core Values

Delight customers, open minded and shared success, dedication to details, and always improve.



Global Network

### Prismatic Lithium-ion Battery

#### Application Fields

- PC & Accessories
- Tablets
- AI Glasses
- AI-Powered Toys
- Smartphones
- Robotics
- Drones
- eVTOL
- Wearables
- Grid-Scale Energy Storage
- Residential Energy Storage Systems
- Commercial & Industrial Energy Storage

#### Product Types

- Li-polymer Batteries
- Prismatic Steel Can Batteries
- Energy Storage Cell

### Button Lithium-ion Battery

#### Application Fields

- AI Earbuds
- AI Hearing Aids
- TWS Earbuds
- OWS Earbuds

#### Product Types

- Pouch Coin Li-ion Cells
- Can Coin Li-ion Cells

### Cylindrical Lithium-ion Battery

#### Application Fields

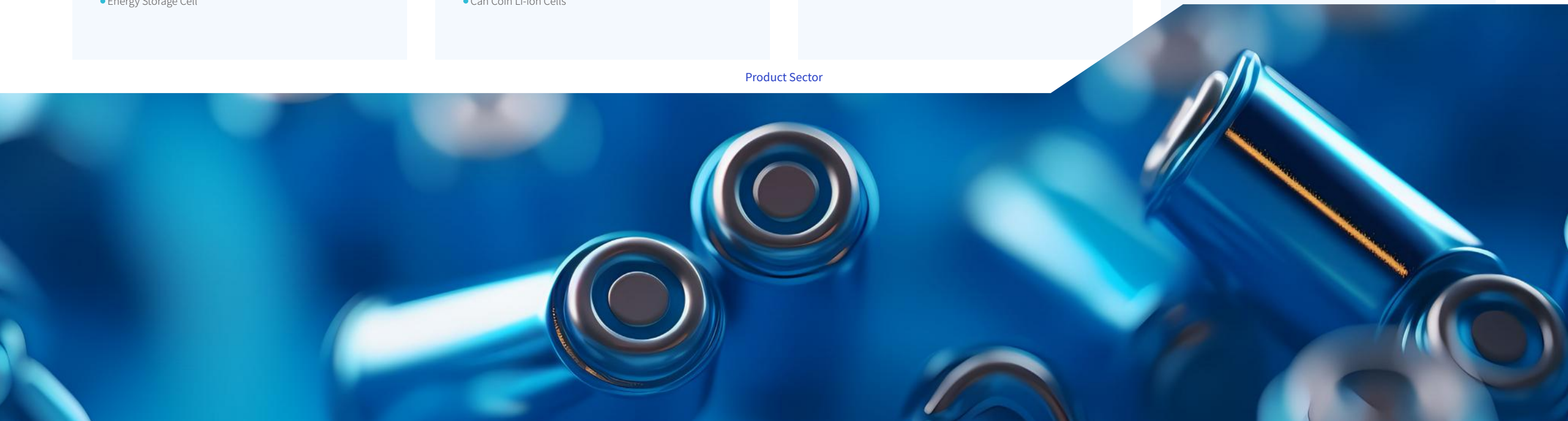
- Robotics
- Drones
- Backup Power Systems
- AI-Powered Toys
- Personal Care Devices
- Bluetooth Speakers
- Medical Devices
- Light Power Applications
- Portable Power Station

### Ni-MH Battery

#### Application Fields

- Solar Street Light
- Personal Care
- Consumer Retail
- Telematics Box

Product Sector



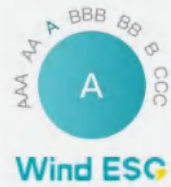
 External Recognition

Adhering to the ESG concept, Highpower Technology has obtained remarkable achievements in sustainable development. In 2024, it was awarded multiple honors including the Outstanding ESG Case Award.

Honors & Awards

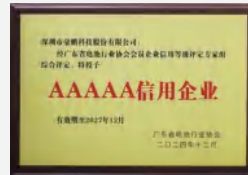
Sustainable development

2024 International Green and Zero-carbon Festival  
Outstanding ESG Case Award



Wind ESG Rating A

Immaculate Quality



Guangdong Battery Industry Association  
The 1st Batch of 5A Credit Enterprises



Guangdong Battery Industry Association  
2024 Advanced Energy Storage Enterprise

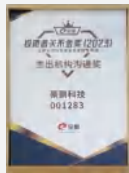
Green Planet

2024 International Green and Zero-carbon Festival  
Carbon Peak and Carbon Neutrality Model Enterprise Award



National Green Factory

Honest Governance



The 5th Gold Award for Panoramic Investor Relations

Outstanding Organization Communication Award



National Business Daily  
"Best Board of Directors Award of Listed Companies" in the 2024 Listed Companies Reputation Ranking



Economic High-quality Development Contribution Award of Pinghu Street

Harmonious Life



Liepin  
2024 Guangdong Annual Work Different Employer



UFIDA  
2024 Campus Recruitment Best Practice Award



Zhilian Recruitment  
China's Preferred Employer of the Year 2024



Advanced Unit of Huicheng District in Donating to Education



Advanced Unit Respecting Teachers and Valuing Education

Meanwhile, the Company has set up favorable partnerships with multiple enterprises, and won the recognition and trust of customers with our high-quality products and services. Besides, Highpower Technology has obtained multiple honorary titles and awards such as the title of Excellent Supplier.

### Market Recognition

2024 Logitech Quality Torch Award



2023 LG Excellent Cooperative Organization



2024 ZTE Best Quality Performance Award



Philips Sustainability Improvement Award



2023 Chunju Technological Innovation Award



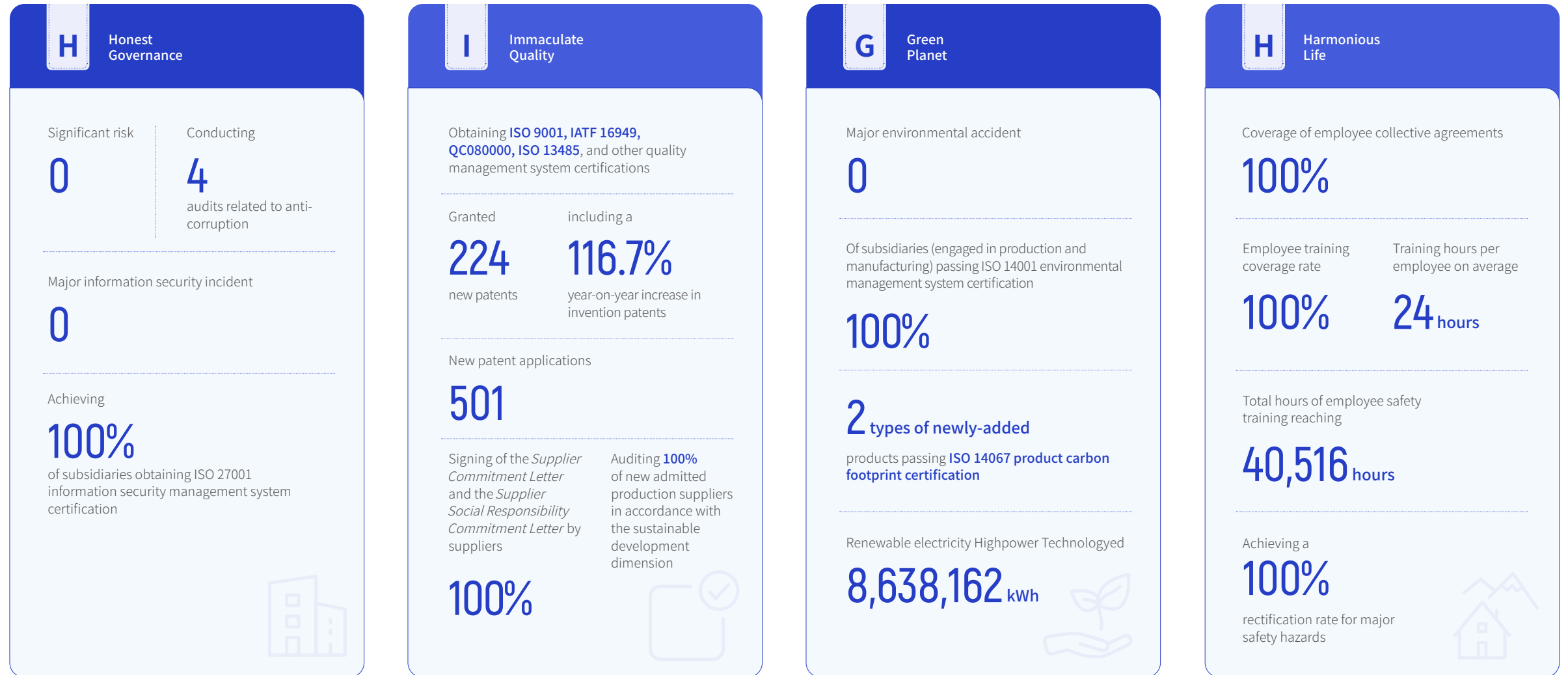
SUNMI Excellent Partner of 2024



2024 Excellent Supplier in China's Battery & New Energy Industry by itdcw.com



# Summary of ESG Performance in 2024



# Sustainable Development Strategy

Highpower Technology treats propelling and realizing sustainable development as its objective, and embeds the concept of sustainable development into each aspect of its business operations while constructing a sustainable development management system. Besides, it persistently enhances communication with stakeholders, ensuring the Company's sustainable development while sparing no effort to contribute to our customers and society.

## ESG Strategy

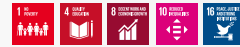
In 2023, Highpower Technology released the HIGH sustainable development strategy consisting of four core directions, namely Honest Governance, Immaculate Quality, Green Planet and Harmonious Life. On this basis, Highpower Technology combined the Company's development strategy with the UN SDGs and are committed to "provide world-class clean energy solutions to power the future".

### Sustainable Development Policies and Commitments

Highpower Technology has formulated and implemented multiple management policies with a focus on the direction of sustainable development strategy, aiming to guide sustainable development work. Highpower Technology creates sustainable long-term value for employees, customers and communities, and contributes to achieving the global sustainable development goals through our efforts to enhance environmental, social and corporate governance performance.

### Honest Governance Promote responsible business practices

#### SDGs Relationships



#### Material Issues

- Corporate governance
- Risk management
- Business ethics and anti-corruption
- Information security and privacy protection
- Community investment and participation

#### Policies

- Business ethics policy

### Immaculate Quality Pioneer excellence innovation and quality assurance

#### SDGs Relationships



#### Material Issues

- Product quality and safety
- Customer relationship management
- Innovation and R&D
- Sustainable supply chain
- Circular economy

#### Policies

- Quality policy
- HSF policy

### Harmonious Life Elevate well-being for the whole community

#### SDGs Relationships



#### Material Issues

- Employee rights and interests
- Diversity, equality and inclusion
- Employee training and development
- Occupational health and safety

#### Policies

- Social responsibility policy

### Green Planet Foster a sustainable future

#### SDGs Relationships



#### Material Issues

- Environmental management
- Biodiversity
- Energy management
- Greenhouse gases and climate change
- Clean technology opportunities
- Emissions and waste management
- Resource management

#### Policies

- Environmental policy



## ESG Governance

Highpower Technology has established a ESG governance structure that consists of three levels: the Company's decision-making level, managerial level and execution level. As the highest decision-making level in the structure, the Sustainable Development Decision-making Committee, at the Board of Directors level, implements the overall management mechanism for ESG-related work through the sustainable development management committee, integrating the core concept of sustainable development deeply into each operation and management practice.



Sustainable Development Governance Structure

### ESG Auditing

Highpower Technology accepts the third-party's regular audits on corporate social responsibility according to the entrustments of customers. Covering various aspects including labor rights and interests, environmental management, occupational health and safety, the audits are carried out in strict compliance with the international standards for social responsibilities and customers' requirements.

During the reporting period, Highpower Technology accepted many enterprise social responsibility audits in total entrusted by our customers, and achieved the pass rate up to

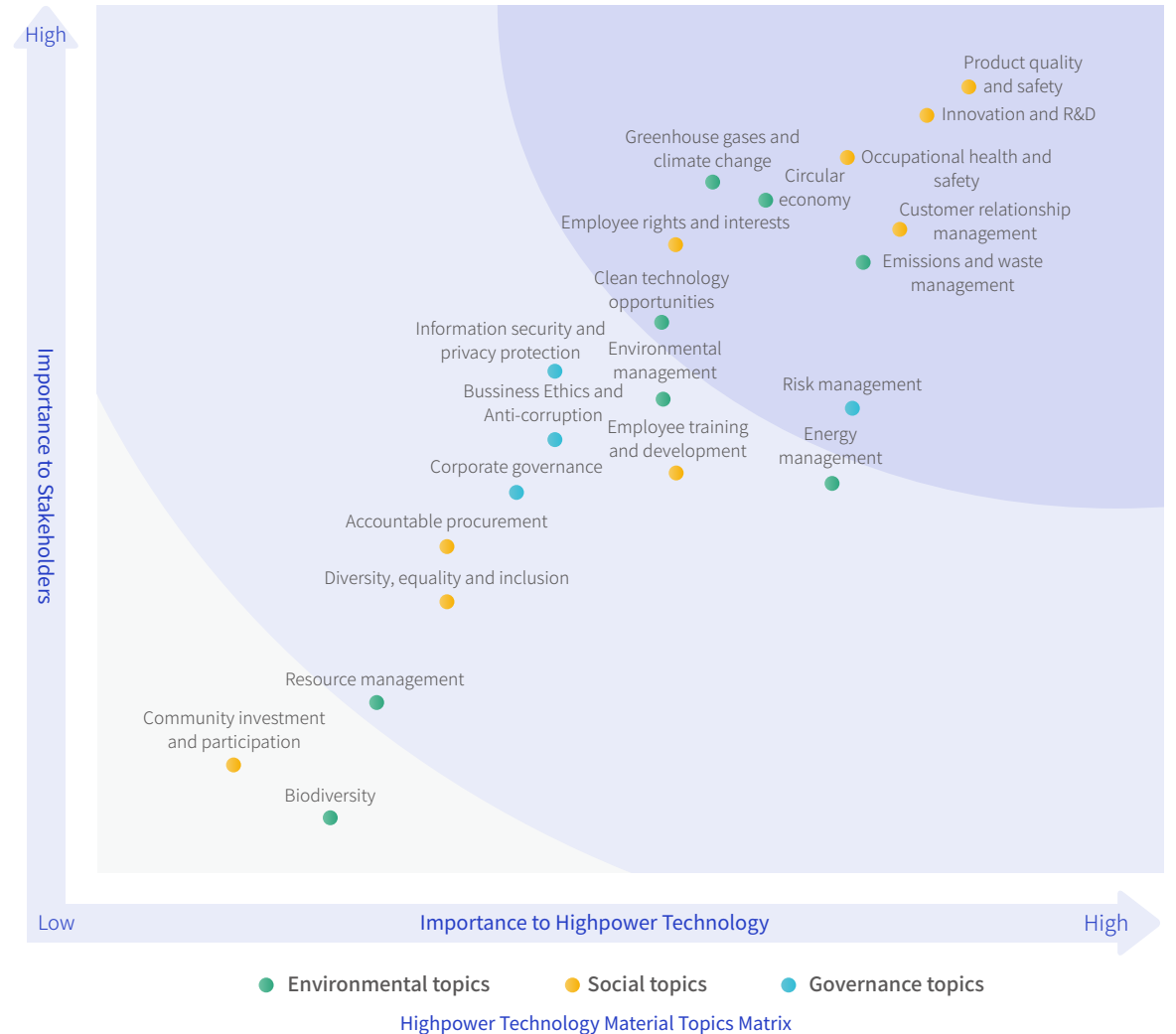
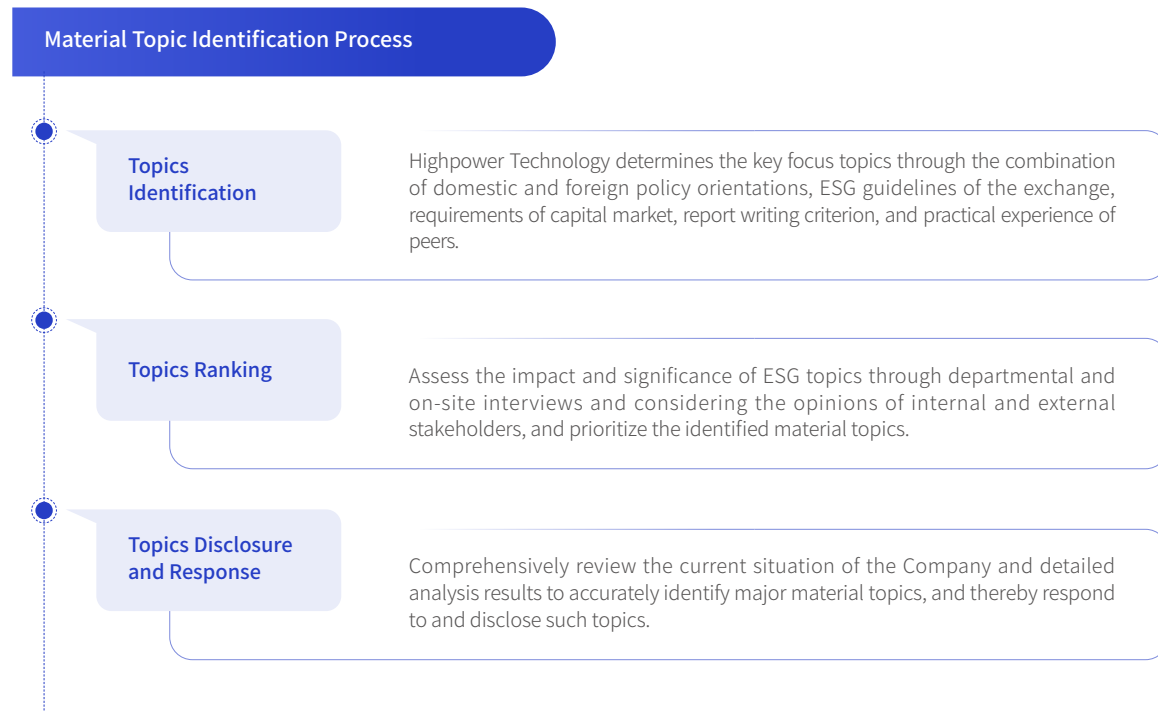
**100%**



## Material Topics Management

Highpower Technology carries out systematic judgment on material topics every year, and the Board of Directors approves the annual review results to fully tackle the challenges possibly brought by changes of internal and external factors.

During the reporting period, Highpower Technology modified and updated the list and matrix of material topics, including 10 material topics of high importance, 9 material topics of medium importance and 2 material topics of general importance to analyze and tackle the impact of above changes more accurately.



## Stakeholder Engagement

Highpower Technology is committed to building favorable relationships with stakeholders, and carrying out regular dialogues and cooperations to ensure the in-depth participation of stakeholders and the effectiveness of ESG management. Highpower Technology has set up diverse communication channels and mechanisms to collect opinions from stakeholders, and inform them of the Company's corresponding measures against such opinions in time, aiming to meet the stakeholders' reasonable needs.

Stakeholders	Focus Topics	Communication Channels and response methods
 <b>Government and regulators</b>	<ul style="list-style-type: none"> <li>◆ Business ethics and anti-corruption</li> <li>◆ Environmental management</li> <li>◆ Emissions and waste management</li> <li>◆ Energy management</li> </ul>	<ul style="list-style-type: none"> <li>◆ Resource management</li> <li>◆ Greenhouse gases and climate change</li> <li>◆ Biodiversity</li> <li>◆ Community investment and participation</li> </ul>
 <b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>◆ Innovation and R&amp;D</li> <li>◆ Product quality and safety</li> <li>◆ Clean technology opportunities</li> <li>◆ Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>◆ Regulatory supervision</li> <li>◆ Information disclosure</li> <li>◆ Official correspondence</li> <li>◆ Policy implementation</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>◆ Risk management</li> <li>◆ Business ethics and anti-corruption</li> <li>◆ Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>◆ The general meeting of shareholders</li> <li>◆ Interactive Easy and official website</li> <li>◆ Roadshow and reverse roadshow</li> <li>◆ Periodic reports and interim announcements</li> <li>◆ Results presentation</li> <li>◆ Online and offline meetings of analysts</li> </ul>
 <b>Suppliers and partners</b>	<ul style="list-style-type: none"> <li>◆ Product quality and safety</li> <li>◆ Innovation and R&amp;D</li> <li>◆ Customer relationship management</li> <li>◆ Circular economy</li> </ul>	<ul style="list-style-type: none"> <li>◆ Risk management</li> <li>◆ Information security and privacy protection</li> <li>◆ Clean technology opportunities</li> <li>◆ Technology R&amp;D and innovation</li> <li>◆ Phone call</li> <li>◆ Customer satisfaction survey</li> <li>◆ Quality management system</li> </ul>
 <b>Employees other than the board and senior management</b>	<ul style="list-style-type: none"> <li>◆ Product quality and safety</li> <li>◆ Information security and privacy protection</li> <li>◆ Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>◆ Business ethics and anti-corruption</li> <li>◆ Circular economy</li> <li>◆ Sustainable supply chain</li> <li>◆ Supply chain management and audit</li> <li>◆ Supplier communication and empowerment</li> </ul>
 <b>Board and senior management</b>	<ul style="list-style-type: none"> <li>◆ Occupational health and safety</li> <li>◆ Employee rights and interests</li> </ul>	<ul style="list-style-type: none"> <li>◆ Employee training and development</li> <li>◆ Diversity, equality and inclusion</li> <li>◆ Information security and privacy protection</li> <li>◆ Employee activity</li> <li>◆ Employee training</li> <li>◆ Employee appraisal and promotion</li> <li>◆ Labor union</li> <li>◆ Internal information communication platform</li> <li>◆ Occupational health surveillance</li> <li>◆ Safety production management</li> </ul>
 <b>NGO/social organization/media</b>	<ul style="list-style-type: none"> <li>◆ Customer relationship management</li> <li>◆ Clean technology opportunities</li> <li>◆ Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>◆ Risk management</li> <li>◆ Business ethics and anti-corruption</li> <li>◆ Internal management meetings and reports</li> <li>◆ Corporate governance training</li> <li>◆ Internal information communication platform</li> <li>◆ Internal emails</li> </ul>
	<ul style="list-style-type: none"> <li>◆ Environmental management</li> <li>◆ Emissions and waste management</li> <li>◆ Energy management</li> <li>◆ Greenhouse gases and climate change</li> </ul>	<ul style="list-style-type: none"> <li>◆ Biodiversity</li> <li>◆ Diversity, equality and inclusion</li> <li>◆ Community investment and participation</li> <li>◆ Public benefit activities</li> <li>◆ Volunteering</li> <li>◆ Media interviews</li> <li>◆ Information disclosure</li> </ul>

# 01

## Honest Governance

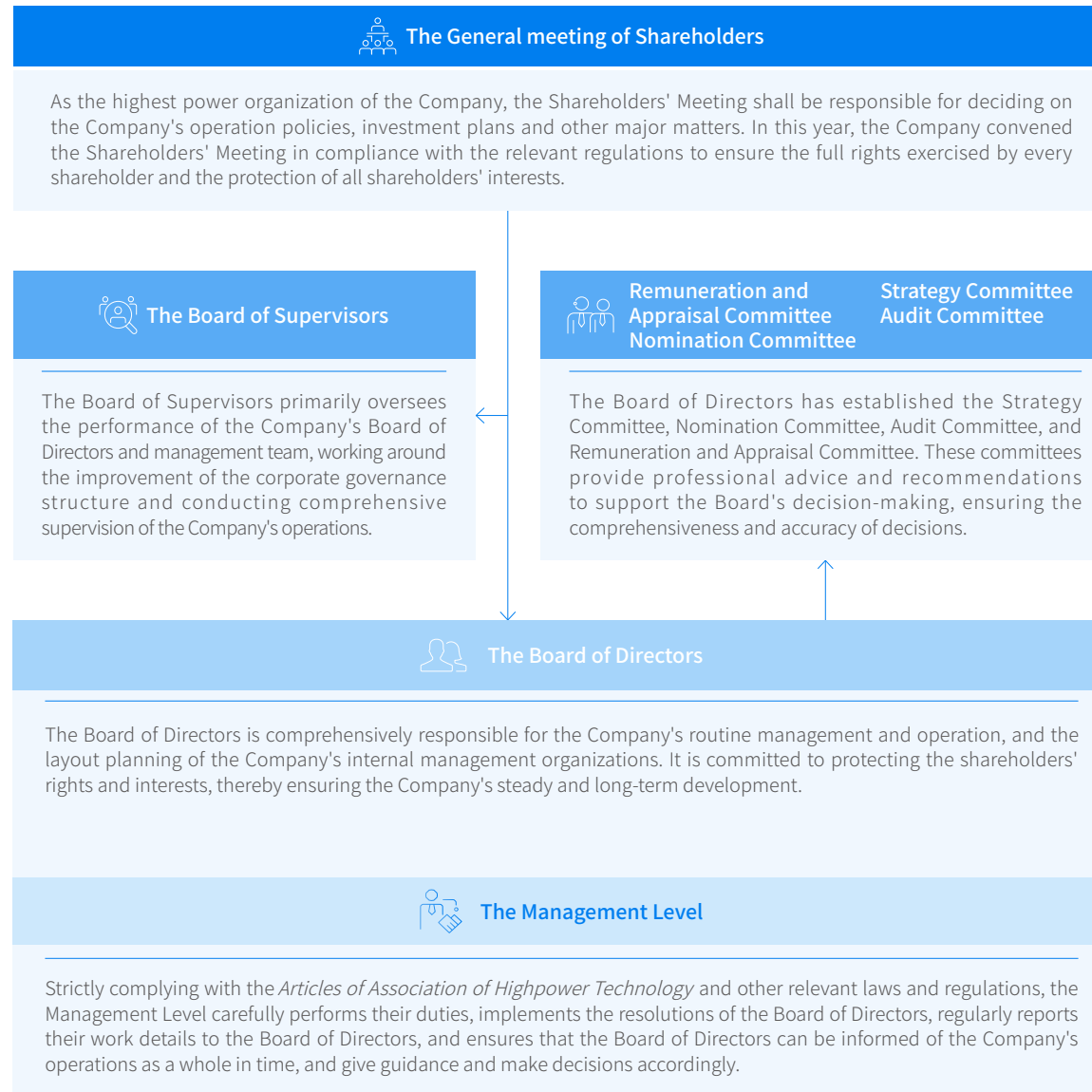
Adhering to integrity and compliance business operations, Highpower Technology strictly guards the bottom line of business ethics, continuously improves its governance level and prioritizes its risk management mechanism, firmly underpinning the Company's achievement of the high-quality and long-term development objective. Highpower Technology proactively fulfills our corporate social responsibilities, devotes ourselves to rural revitalization while realizing the high-quality development, and makes contributions to the social development through participating in various activities such as rural revitalization, public welfare and charity, and volunteer services.

The United Nations Sustainable Development Goals (SDGs) related to this section include:



# Corporate Governance

The favorable governance foundation constitutes the prime-quality soil that allows enterprises to create value. In strict accordance with the requirements of laws and regulations of the place of operation, such as the *Company Law*, the *Securities Law*, the *Governance Standards for Listed Companies*, and *Shenzhen Stock Exchange Stock Listing Rules*, Highpower Technology clearly defines the boundaries for responsibilities of organizations at all levels, which ensures the promotion of various governance measures by all units collaboratively, smoothly, efficiently, steadily and orderly.



Highpower Technology Governance Structure

It is stipulated by the Company that all directors shall be elected or replaced by the Shareholders' Meeting, with a term of 3 years. A director may be re-elected after the current term expires. The Board of Directors is responsible for the Shareholders' Meeting. Its duties mainly include convening the Shareholders' Meeting, reporting the work progress to the general meeting, implementing the resolutions of the general meeting, managing the Company's information disclosure to the public, etc. The Board of Directors has established four specialized committees to assist in decision-making: the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee, and the Audit Committee.

## During the reporting period

the Company held		
4	8	12
Shareholders' Meetings	meetings of the Board of Supervisors	meetings of the Board of Directors
5	7	
meetings of the Audit Committee	meetings of the Remuneration and Appraisal Committee	
6	2	
meetings of the Strategy Committee	meetings of the Nomination Committee	

Highpower Technology adheres to the principle of "appointing talent based on merit" and considers various factors, including industry experience, educational background, gender, age, and others, when selecting and appointing members of the Board of Directors. To ensure effective governance of the Board of Directors, the Company regularly assesses the performance of its board members. By the end of the reporting period, the Board of Directors consists of 9 members, 3 of whom are independent directors. One of the board members is female, making up 11% of the board.

# Investor Management

The Company strictly follows laws and regulations, and guidance from the CSRC, continually improving corporate governance and capital efficiency with the aim of creating long-term value for investors. Highpower Technology has built efficient communication platforms to actively listen to investors' needs and quickly address market concerns. Highpower Technology also places great importance on protecting investors' rights, gaining their trust through transparent information disclosure and scientific management of public opinion, thereby contributing to market stability and healthy growth.



## Investor Communication and Exchange

Highpower Technology actively protects investors' rights to be informed about major company matters and their right to participate, safeguarding the interests of small and medium-sized investors, and continuously creating reasonable investment returns for investors. Highpower Technology respects and upholds the legal rights of all shareholders as owners of the Company, and regularly convenes the Shareholders' Meeting in strict accordance with the *Articles of Association*, *Rules of Procedure for Shareholders' Meetings*, and other regulations, ensuring that shareholders are involved in the decision-making process of major company matters. In addition, Highpower Technology provides convenient conditions for small and medium-sized shareholders to participate in voting, ensuring the protection of their rights and interests.

To strengthen its interaction with investors, Highpower Technology actively expands communication channels. The Company has organized over 100 investor engagement events and published 8 investor relations activity records. Additionally, 17 research reports from securities firms have been released, showcasing the Company's development achievements and strategic plans. In addition, Highpower Technology responds to 100% of investor inquiries through the Shenzhen Stock Exchange's Easy Interaction Platform, further enhancing interaction efficiency with the capital market and establishing a positive image in the capital market.

During the reporting period, the investor management and information disclosure efforts of the Company were highly praised by both regulators and the capital markets.

## Rights Protection of Investors

Highpower Technology takes strict measures to manage and limit related transactions that could harm investors' interests. Highpower Technology makes sure that all related transactions are based on the Company's regular operations and business needs. Through enhanced internal controls and a tightly controlled approval process, Highpower Technology ensures the fairness and reasonableness of each transaction, fully protecting the legitimate rights and interests of all investors.

Reputation Ranking by *National Business Daily*  
**"Best Board of Directors Award of Listed Companies" in the 2024 Listed Companies**

Panorama Investor Relations Gold Award for  
**"Outstanding Institutional Communication Award"**

The Board Secretary was awarded the 20th  
**"New Fortune Golden Secretary"**

The 19th China Listed Companies Board of Directors Golden Roundtable Award for  
**"Most Innovative Board Secretary"**

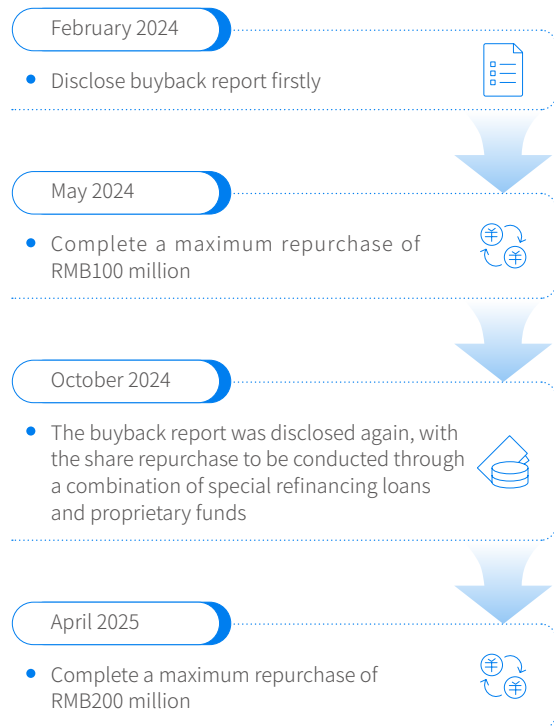
Capital Markets Awards

- Establish a sound corporate governance structure, set up an Audit Committee under the Board of Directors, and build a comprehensive internal control system
- Develop management and information disclosure systems for related transactions, with major transactions submitted to the Board of Directors or the Shareholders' Meeting for approval
- Strengthen supervision and review of related transactions, and hire third-party accounting firms for regular audits
- The Audit Department conducts special audits and confirmations of related transactions every six months to ensure all related transactions go through the necessary review process

Measures to Limit Related Transactions

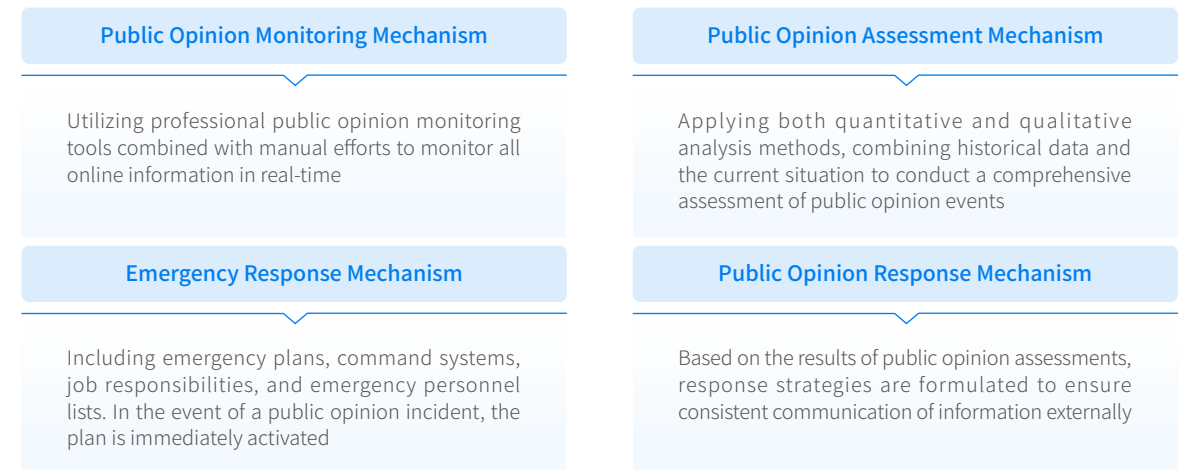
Highpower Technology is committed to maintaining the fairness of related-party transactions and safeguarding investor interests, while also placing high importance on delivering investment returns to shareholders. The Company distributes dividends annually based on actual financial performance and operational development needs, actively rewarding shareholders. Highpower Technology, subjects to compliance with legal and regulatory requirements as well as the *Articles of Association* and while ensuring sufficient resources for normal business operations, Highpower Technology will strive to distribute cash dividends of no less than 35% of the annual net profit attributable to listed company shareholders. This policy not only reflects the Company's strong profitability and sound financial health but also underscores our unwavering commitment to shareholder returns.

To further enhance investor confidence, in February 2024, Highpower Technology disclosed our buyback report first and disclosed the buyback report again in October of the same year. The repurchased shares are intended for the implementation of the equity incentive plan, the promotion of the employee stock ownership plan, and the convertible corporate bonds, with the goal of boosting internal momentum and demonstrating confidence in the future development of the business.



## Public Opinion Management

Highpower Technology has developed the *Public Opinion Management System*, which covers aspects such as organizational structure, information monitoring, analysis and assessment, and emergency response, ensuring that the Company can quickly respond to and properly handle various public opinion incidents. Highpower Technology has established a dedicated leadership team for public opinion management to ensure unified leadership and decision-making, effectively improving the efficiency and quality of public opinion handling. Since the listing, the Company has not encountered any major public opinion incidents.



Public Opinion Management Mechanism



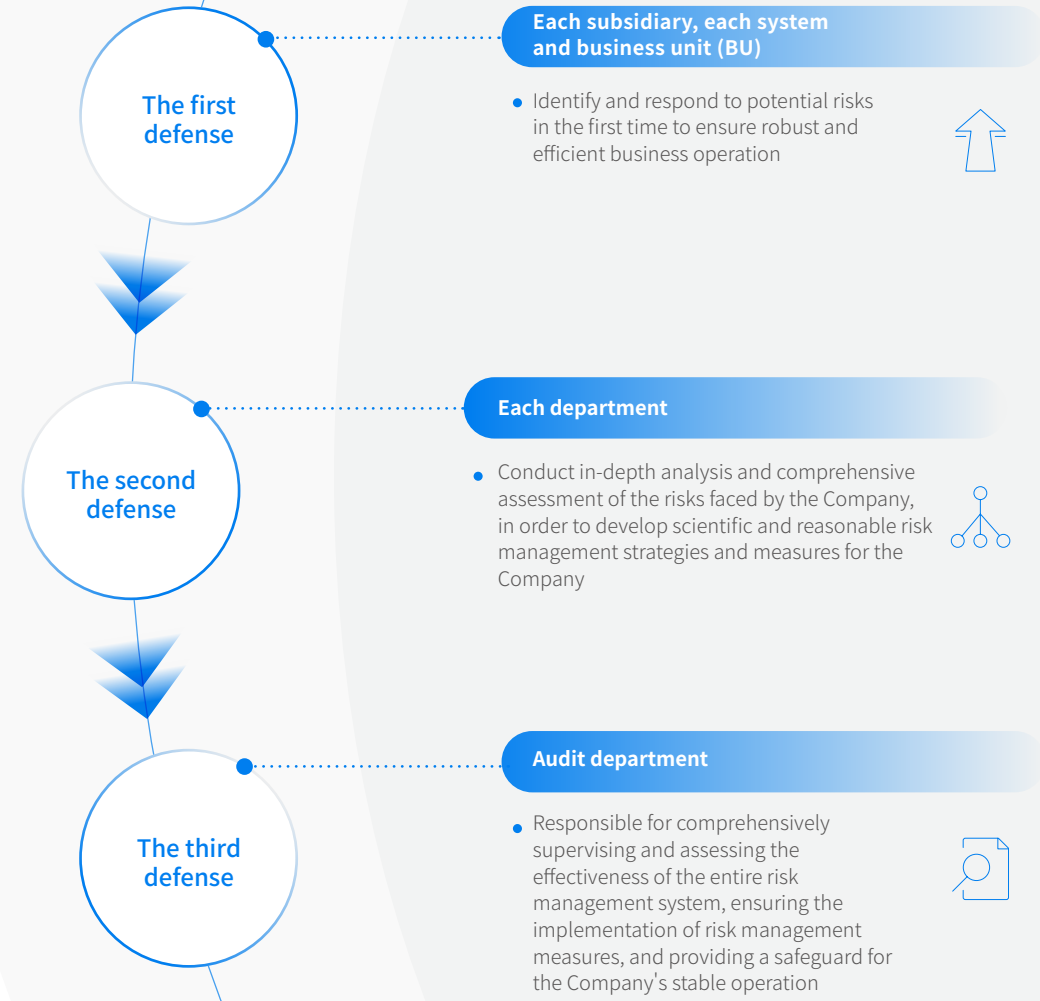
Public Opinion Management Process

# Risk Management

Highpower Technology continues to advance its risk management efforts by building a risk management system. The Company is also establishing and optimizing risk management mechanisms, strengthening internal risk control and compliance, and enhancing audit and oversight. These measures effectively improve risk control capabilities.

## Risk Management System

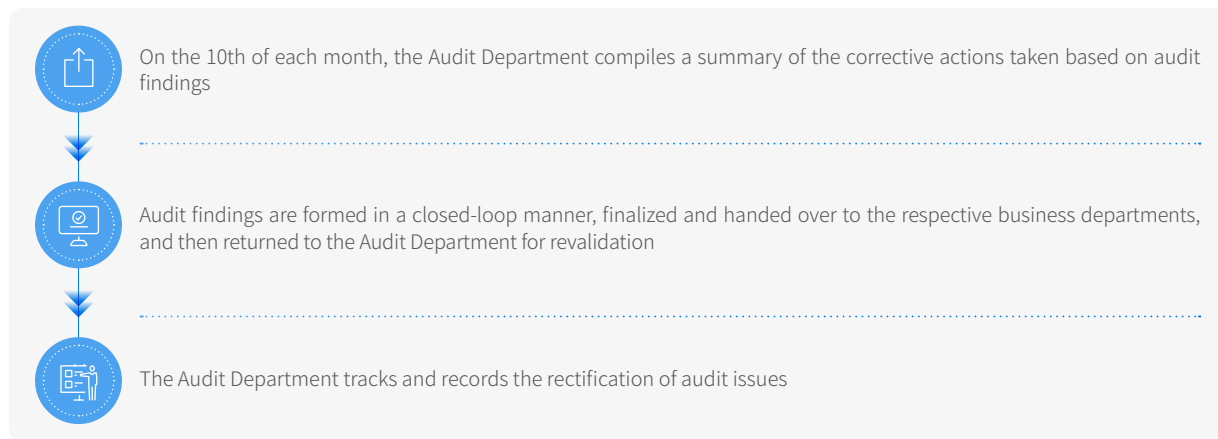
To comprehensively enhance the Company's ability to withstand risks and ensure steady progress in a complex and ever-changing market environment, Highpower Technology has established and continuously optimized an efficient risk management system centered around the "three lines of defense". Through multi-layered and integrated prevention strategies, the Company can effectively identify, prevent, and resolve potential risks in daily operations, thereby enhancing risk management and the ability to respond to unexpected events.



Three Lines of Defense Risk Management System

## Internal Auditing

To standardize internal audit practices and ensure audit quality of Highpower Technology, while strengthening internal controls and risk prevention capabilities, the Company has established a series of systems, including the *Internal Control System*, *Internal Audit System*, and *Emergency Crisis Management System for Unexpected Events*. Based on the annual business objectives, Highpower Technology formulates the annual internal audit plan and carries out internal audits across the Company's various business modules. Highpower Technology independently and impartially investigates violations of regulations and implements integrity and compliance supervision. During the reporting period, Highpower Technology did not identify significant risks in our audit.



Internal Audit Process

Highpower Technology regularly conducts both internal and external audits, continuously promoting business units and internal control departments to strengthen management. During the reporting period, the Company carried out five special audits, covering areas such as procurement management, warehouse management, expense management, economic responsibility, and offboarding audits. In the event of any violations, necessary measures will be taken in accordance with laws and regulations.

## Risk Management Training

In terms of risk culture building, the Company has established a comprehensive risk management training system for employees at all levels, continuously enhancing employees' awareness of risk control through the consolidation of internal and external training resources. Highpower Technology organizes an annual compliance campaign for all employees, continuously reinforcing risk management awareness, ensuring that all employees strictly adhere to conduct norms in their daily work, reducing operational risks, and safeguarding the Company's reputation and asset security.



# Business Ethics and Anti-corruption

Highpower Technology follows the business ethics policy of "Concept first, System base, Zero tolerance forging sunshine team". The Company promotes a culture of integrity and takes a firm stand against commercial bribery, corruption, monopolies, money laundering, and anti-competitive behaviors. Highpower Technology is committed to fostering a trustworthy, fair, and transparent business environment.



## Business Ethics and Anti-corruption Management

Highpower Technology adheres to the fundamental principles of honesty, integrity, fairness, and justice. The Company strictly complies with laws and regulations of the place of operation such as the *Anti-Money Laundering Law of the People's Republic of China*. It has established internal policies such as the *Anti-Fraud Policy*, which defines the responsibilities and authorities of each department, clarifies the definition of commercial bribery, and lists prohibited behaviors related to business ethics and anti-corruption. These include the prohibition of any form of bribery, corruption, abuse of power, and other favoritism and malpractice. Highpower Technology monitors the implementation of the anti-corruption system and framework through internal audits.

### During the reporting period



Highpower Technology conducted

**4** audits related to anti-corruption



#### Audit Committee

The leadership body for anti-fraud work, responsible for guiding and overseeing the Company's anti-bribery, anti-corruption, and anti-fraud efforts.



#### Senior Management

Responsible for establishing, improving, and implementing the internal control system to prevent fraudulent behavior, and for taking appropriate and effective corrective actions against fraud. Senior management is supervised by the Board of Directors, Audit Committee, and Audit Department.



#### Audit Department

The permanent body responsible for the Company's anti-fraud work and handling whistleblowing. It is in charge of implementing the anti-fraud initiatives, including registering and handling reports, organizing investigations and assessments of anti-fraud incidents, and providing recommendations for handling and accountability.

### Anti-fraud Work Organization System

## Construction of Anti-Corruption Culture

To fully deepen awareness of anti-corruption and integrity, Highpower Technology has built a comprehensive anti-corruption management system through multi-level integrity culture education and institutionalized management. The Company actively encourages employees and stakeholders, such as suppliers, to participate in anti-corruption efforts. This is done through actions like signing the *Integrity Commitment Letter* and conducting special training to strengthen integrity awareness and build a strong anti-corruption defense.

### Integrity Culture Construction

- Guided by the *Code of Conduct and Discipline Management Regulations of Highpower Technology*, Highpower Technology defines employee work discipline requirements and, on this basis, establishes a comprehensive regulatory system covering integrity supervision, behavioral norms, and other aspects.

### For Employees

- Each employee must read the *Code of Conduct and Discipline Management Regulations of Highpower Technology*, with a focus on business ethics and other contents
- Conduct online anti-corruption content presentation for new employees
- Promote business ethics and anti-corruption to employees through email and other forms

### For Suppliers

- Sign the *Supplier Commitment Letter* and *Supplier Social Responsibility Commitment Letter* on the supplier entry process, ensure that the suppliers provide products and services based on the standard of the Company

## Anti-Unfair Competition

Highpower Technology promotes fair competition and complies with laws and regulations of the place of operation, including the *Anti-Unfair Competition Law of the People's Republic of China*. The Company has set up internal management systems, such as the *Anti-Unfair Competition Management Procedures* and the *Fair Trade and Competition Management Procedures*. Highpower Technology is committed to maintaining market order, defending fairness and justice, and fully protecting the legitimate rights of consumers and other businesses.






Highpower Technology works together with various sectors to resist anti-competitive behaviors. Highpower Technology actively cooperates with the industrial and commercial authorities and other government regulatory bodies to comprehensively supervise and inspect the Company's business activities. Highpower Technology will resolutely crack down on any behavior that disrupts social and economic order.

During the reporting period, the Company did not face any litigation or significant administrative penalties related to anti-competitive behaviors or anti-monopoly issues.

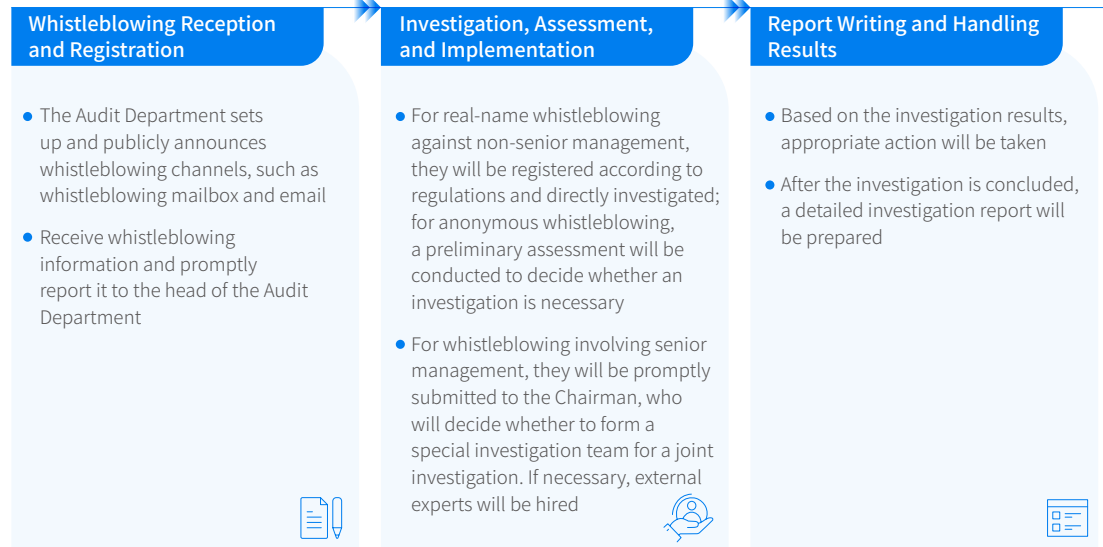
## Whistleblowing Management

Highpower Technology is committed to building an open compliance culture. Highpower Technology has established internal management systems such as the *Whistleblowing Management System* and *Fraud Case Handling Management System*, which clearly define the reporting requirements, scope, investigation procedures, and whistleblower protection measures.

Highpower Technology has set up multiple channels for whistleblowing mechanism, allowing employees and external partners to report any improper behavior that violates business ethics standards or laws and regulations through email, WeChat, and offline methods. For whistleblowing incidents, Highpower Technology will promptly investigate and gather evidence, continuously optimizing management measures through reviews to avoid the recurrence of such incidents, minimizing business ethics risks.

	<b>Whistleblowing Email</b>	HpShenji@highpowertech.com
	<b>Whistleblowing Address</b>	Audit Department, Building A7, No. 68, Xinxia Avenue, Pinghu Street, Longgang District, Shenzhen
	<b>Whistleblowing WeChat ID</b>	HpShenji
	<b>Feedback on the Cadre work issues</b>	Whistleblowers can report problems to the Highpower Technology's human resources department online or offline
	<b>Face to face report</b>	The whistleblowers can report the problem to the relevant person in charge of Highpower Technology Audit Department




Highpower Technology Reporting Channel



Whistleblowing Handling Process

To encourage employees to report corruption or fraudulent behaviors, Highpower Technology has implemented effective whistleblower protection measures and established a reward system.

**Whistleblower Protection Measures**

- The Company's Audit Department strictly keeps all whistleblowing tips and whistleblower information confidential 
- Any form of discrimination or retaliation against whistleblowers or employees involved in investigations is strictly prohibited 
- Employees who violate the confidentiality of whistleblower information or engage in retaliation against whistleblowers will be dismissed and have their employment contracts terminated. If criminal offenses are involved, the case will be referred to the judicial authorities for legal processing 

To encourage internal employees and external partners to actively report dishonest or other misconducts, the Company has established a whistleblowing reward system. If the Audit Department verifies the report and confirms that it has helped the Company recover losses, the whistleblower will be rewarded with a cash bonus

# Information Security and Privacy Protection

Highpower Technology places great importance on information security and privacy protection, continuously advancing the construction of the information security management system, and conducting diversified information security and privacy protection related training. Through a comprehensive management approach, Highpower Technology effectively safeguards corporate information security and respects and protects personal information and privacy.



## Information Security and Privacy Protection Management System

Highpower Technology strictly complies with the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*, as well as other relevant laws and regulations of the place of operation. The Company has established and continuously maintains an information security management system. During the reporting period, five subsidiaries, namely Guangdong Highpower, Huizhou Highpower, Springpower Technology, Icon Energy, and Shenzhen Highpower, which are already operational, have all achieved 100% ISO 27001 certification.

Highpower Technology uses the *Information Security Management Manual* as the core guideline, which outlines the overall structure and principles of information security management. In addition, Highpower Technology has developed a series of supporting policies, including the *Information Security Management Strategy Set*, *Personal Information Management Measures*, *IT Supplier Management Regulations*, *Information System Acceptance Management Procedures*, and *Data Leakage Prevention Management Guidelines*. Additionally, Highpower Technology requires employees to sign non-disclosure agreements upon joining the Company.

## Information Security and Privacy Protection Management Measures

Highpower Technology deeply understands that information security and privacy protection are not only fundamental requirements for corporate compliance but also key defenses to ensure business continuity and prevent the leakage of data assets and innovative results. The Company has established an Information Security Management Committee, which works alongside the information security professionals and various functional departments to jointly implement information security management efforts.

### Information Security Daily Management

Highpower Technology is committed to comprehensively strengthening information security management by developing a well-established routine information security management technical system and implementing strict anti-leakage measures, using technological capabilities to solidify the foundation for the stable operation of the business.

#### Data Encryption System

Enhance the protection of R&D data to prevent unauthorized access or retrieval

#### Web Application Firewall (WAF)

Protect the systems deployed to the internet by the Company through WAF (Web Application Firewall), enhancing system security and reducing security risks. During the reporting period, Highpower Technology successfully intercepted over 10,000 web application attacks

Hire external professional security testing companies to conduct vulnerability scanning and penetration testing on the Company's open internet applications, and address the identified security vulnerabilities to reduce application system security risks

#### Desk Management System

Monitor and control terminal behaviors such as data transmission, uploading, copying, and internet access on office terminals to protect company and customer data

#### Bastion Host System

Strictly control supplier access to the production network by requiring VPN access followed by gateway server (bastion host) access to the production network, ensuring that relevant operations are effectively controlled and recorded

### Information Security Management Technology

Highpower Technology continuously strengthens the information security defense line through innovative development of technology platforms and enhanced daily management, ensuring the integrity, confidentiality, and availability of data, thereby safeguarding the long-term stable development of the Company's business.

<p><b>Unified O&amp;M Monitoring and Early Warning Platform</b></p> <p>Deploy three subsystems: the basic monitoring system, APM (Application Performance Management) system, and NPM (Network Performance Monitoring) system. These subsystems cover various systems and devices, improving system availability and ensuring business continuity by classifying alarm events, event management, early warnings, and quick incident resolution</p>	<p><b>Emergency Drills</b></p> <p>Develop an annual emergency drill plan and conduct drills according to the plan, including scenarios such as server hardware failure, network line failure, network device failure, and power outages with the activation of diesel generators</p>	<p><b>Information Security Incident</b></p> <p>Establish an information security incident management procedure, clearly defining the disposal process for various types and levels of information security incidents, as well as emergency plans for different security events</p>
<p><b>Data Backup and Restore</b></p> <p>Prevent data loss through online data backup, tape backup, and off-site backup, and regularly perform recovery testing on backup data</p>	<p><b>Information Security External Support</b></p> <p>Establish connections with information security vendors to promptly receive external threat information, allowing for the timely identification, handling, and prevention of information security risks.</p>	
<p><b>K8S Containerized Deployment</b> Enhance the availability and continuity of business systems by deploying applications through containerization</p>		

**Business Continuity Assurance Measures**

The Company classifies and ranks marketing, finance, R&D, and integrated supply chain system customer data, creating the *Customer Data Confidentiality Directory*. At the same time, Highpower Technology has developed and issued the *Data Leakage Prevention Management Measures*, which apply to all departments and employees of the Company and its subsidiaries, as well as any third-party personnel who may have access to information assets. These measures comprehensively protect the confidentiality, integrity, and availability of company and customer information, effectively preventing data leakage risks.

In addition, Highpower Technology implements confidentiality and security management for suppliers, requiring all suppliers to sign non-disclosure agreements. During on-site and remote operations by IT suppliers, Highpower Technology clearly defines the Company's confidentiality requirements and security operation standards to enhance the suppliers' awareness of information security.

**Information Security Culture Construction**

Highpower Technology has incorporated information security courses into company-wide training to ensure that employees remain vigilant and serve as role models for compliance and information security protection. During the reporting period, the Company did not experience any major information security incidents or customer privacy breaches.

- Highpower Technology has launched an Information Security Awareness *Training* online course on the cloud classroom platform, requiring all employees to complete the course and pass the exam. This initiative is aimed at continuously improving employees' awareness and capabilities regarding information security.

**By the end of the reporting period**

The Company had completed this course and exam for a total of **3,407** in-service employees and support staff with the training coverage rate achieved **100%**
- For new employees, our information security team provides specialized in-person training to ensure they fully understand and comply with the Company's information security policies from the very beginning of their employment.

**During the reporting period**

Highpower Technology held **9** sessions of new employee information security induction training with the training coverage rate achieved **100%**
- For production staff, the production department regularly conducts specialized offline training on E-level employee information security to help them effectively prevent information security risks in their daily work.
- The information security awareness training was completed online via DingTalk, achieving **100%** coverage of all employees

**Information Security Awareness Training and Advocacy**

# Community Contribution

In the process of pursuing high-quality development, Highpower Technology always values the participation of the communities where its production and operations are located, contributing to the realization of the common prosperity goal. Through public donations, employee volunteer activities, and other initiatives, Highpower Technology continuously supports rural community development and strengthens quality education, giving back to society through tangible actions.

## Rural Revitalization

The Company actively explores long-term mechanisms to support rural revitalization, and Highpower Technology is committed to building rural areas into livable, business-friendly, harmonious, and beautiful happy homes. Based on our own resources and capabilities, Highpower Technology continuously carries out diversified rural revitalization work such as stable employment, education revitalization, and industrial revitalization.

## Community Participation

While Highpower Technology strives for excellence and achieves high-quality development, Highpower Technology always upholds a strong sense of social responsibility and mission. In 2024, Highpower Technology's total public charity investment amounted to RMB 2.89 million.

Since the establishment of the "Sunshine Scholarship Foundation" in 2011, Highpower Technology has adhered to the purpose of "dedicating love and benefiting society", jointly putting the vision of "power the future" into practice. At the foundation's inception, the Company allocated RMB 100,000 as the initial fund and has made annual fixed contributions of RMB 300,000 to the foundation's account, while also encouraging employees to make voluntary donations. By the end of the reporting period, the foundation had donated a total of over RMB 1.1 million, supporting more than 1,100 students and benefiting over 20 schools.

### Sunshine Scholarship Program



On September 20, 2024, the Highpower Sunshine Scholarship Program was successfully held at the Ma'an Town Central Primary School in Huicheng District, Huizhou City, Guangdong Province. Over RMB 70,000 worth of supplies were donated to six primary schools in Ma'an Town, benefiting 452 students and encouraging them to study hard and give back to society.



Sunshine Scholarship Program

Highpower Technology has demonstrated corporate responsibility in supporting education. Not only did it extend a helping hand to disadvantaged families in Ma'an Town by providing warm supplies and study kits, but it also extended this love to a wider range of areas by launching charitable donation projects for several universities, taking tangible actions to practice the beautiful vision of "creating a better life of people".

### 2024 Highpower Technology's University Education Development Support Initiative



From 2023 to 2024, an annual donation of RMB 600,000 to support education development in Central South University

From 2020 to 2024, an annual donation of RMB 400,000 to establish a teaching award fund and support the education development, reform, and construction of Jiangxi University of Science and Technology

From 2020 to 2024, an annual donation of RMB 120,000 to the Harbin Institute of Technology Education Development Foundation

From 2021 to 2024, an annual donation of RMB 500,000 to the South China University of Technology Education Development Foundation



Scholarship Award in Jiangxi University of Science and Technology

During the reporting period, Highpower Technology actively participated in various community public welfare activities and received widespread recognition from all sectors of society. The Company was awarded several honorary titles, including "Advanced Unit of Donating to Education in Huicheng District" and "Advanced Unit of Respecting Teachers and Valuing Education".



Honorary Award Picture

# 02

## Immaculate Quality

Highpower Technology adheres to its core values of "Delight customers; Open minded and shared success; Dedication to details; Always improve", with "Immaculate Quality" as the driving force for sustainable development. Highpower Technology takes innovation as the engine, continuously improving product quality to meet the diverse needs of our customers, and builds long-term trust and cooperative relationships through refined customer management. At the same time, Highpower Technology upholds the concept of win-win collaboration, promoting the sustainable development of the supply chain. With innovation, quality, service, and responsibility working together, Highpower Technology is committed to creating sustainable value for customers, partners, and society.



The United Nations Sustainable Development Goals (SDGs) related to this section include:



# Innovation and R&D

Highpower Technology leads with technological innovation, actively exploring circular economy models and promoting the efficient use of resources and green transformation. In the innovation process, Highpower Technology also places a high emphasis on intellectual property protection, establishing a comprehensive patent management system to ensure the legality and sustainability of technological innovation, injecting strong momentum into the high-quality development of the industry. At the same time, Highpower Technology adheres to the concept of open cooperation, working together with industry partners to create mutual benefits and promote overall industry progress.

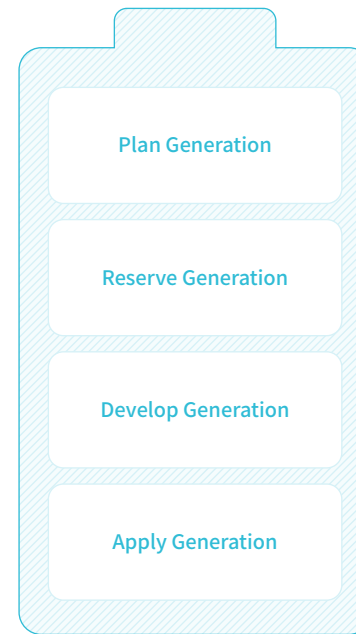


## Innovation-Driven

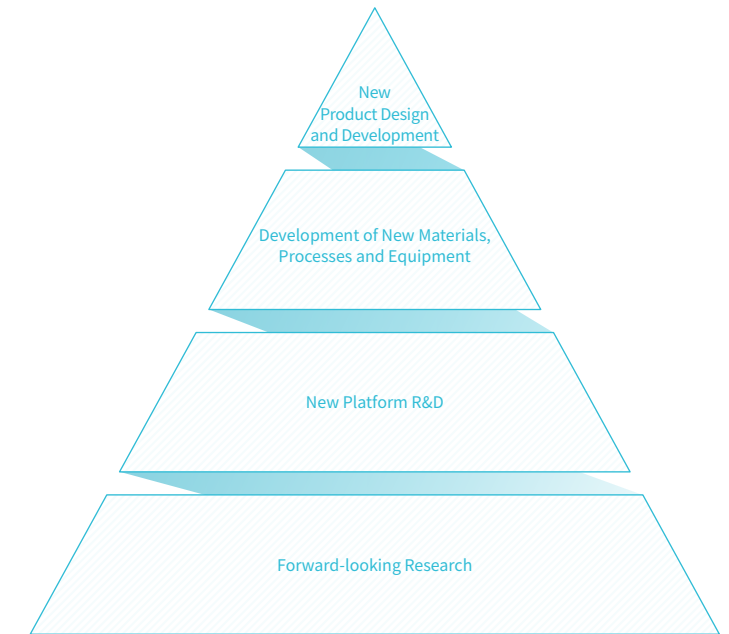
### Innovation Management System

Highpower Technology's vision is to "provide world-class clean energy solutions to power the future". The Company always considers innovation and R&D as the strategic core of its development, committed to driving the long-term development and transformation of the battery industry through the R&D and promotion of cutting-edge technologies.

The Company upholds the principle of "technology-driven, innovation-led" development, deeply integrates the concept of Integrated Product Development (IPD) to "plan generation, reserve generation, develop generation and apply generation". The Company has built a 4-level R&D System, "basic research – platform development – product iteration – industrial transformation," with forward-looking research, new materials and platform development, new product design, and advanced processes and equipment as core pillars. This framework enables end-to-end integration from theoretical exploration and technological breakthroughs to process industrialization and smart manufacturing, fostering a cross-departmental, interdisciplinary matrix innovation ecosystem.



A Tiered/multi-phased R&D Strategy



4-level Collaborative R&D System

Highpower Technology continuously optimizes its internal R&D management system. By updating internal R&D management regulations such as the *Company's Internal Innovation Reward Measures*, *Scientific Research Project Design and Development Management Regulations*, and *Incentive Management Measures for Key R&D and Technology Projects*, it promotes the orderly development of internal R&D innovation.

The company's R&D operations adopt a "strategy-driven, dual-engine" approach, where the Research Institute focuses on strategic technological innovation by conducting mid-to-long-term technology development including forward-looking basic research, new materials and platform development, and disruptive process/equipment pre-research, while product development departments across business units concentrate on market demand transformation through short-term technology implementation encompassing applied scenario research, product engineering development, and manufacturing process/equipment optimization, together forming a comprehensive R&D system.

## Highpower Technology R&D Team Building

Highpower Technology views its R&D talent team building as a core strategy for the Company's innovation and development. The Company focuses on recruiting outstanding fresh graduates from top universities, nurturing them as new forces in technological R&D through systematic training, while actively introducing external high-end talent to continuously strengthen the R&D team and enhance its capabilities.

To stimulate the potential of talent, Highpower Technology has established a comprehensive talent development plan. For the talent team, Highpower Technology has set up a management system that combines training and incentives, aiming to build an efficient and collaborative R&D team.

### Talent Training

A multi-level and multi-dimensional communication and learning system has been established for innovation and R&D training

### Talent Incentive

The R&D talent is comprehensively motivated to create value for customers through four dimensions: compensation, benefits, career development, and honor recognition

During the reporting period, Highpower Technology provided abundant growth platforms for the R&D team and further stimulated the team's innovative vitality and cohesion, laying a solid foundation for the Company's continuous technological breakthroughs and industry leadership.

Each secondary department organizes regular internal technical exchange meetings every month to promote technical sharing and experience accumulation among department members, driving team collaboration and capability enhancement.

The Company has established AB-level R&D exchange meetings, which are held every two months, and focus on sharing R&D progress and showcasing results to ensure the transparency and efficient advancement of innovation projects.

Various exchange activities have been conducted, such as the High-Performance Peacock<sup>1</sup> Exchange Meeting for the R&D System, the Engineer Culture Sharing Seminar, and the 2024 Mid-Year Technical Exchange and Sharing Conference.

<sup>1</sup> Peacock is the exclusive designation used by Highpower Technology for outstanding fresh graduates recruited through annual campus hiring.

## High-Performance "Peacock" Exchange Meeting for the R&D System



During the reporting period, Highpower Technology's CTO office and human resources department jointly organized the 2024 High-Performance Peacock Exchange Meeting for the R&D System. The event included sessions such as the High-Performance "Peacock" showcase, leadership feedback and guidance, discussions on growth and development issues, as well as a summary and outlook.

At the exchange meeting, ten "Peacocks" showcased their work achievements and engaged in in-depth technical exchanges and sharing with the leadership. This meeting not only promoted collaboration and communication among employees but also motivated R&D personnel to continuously improve their professional skills, contributing to the Company's innovative development.



## Engineer Culture Sharing Seminar for the R&D System



During the reporting period, Highpower Technology's R&D system held a themed event titled "Dare to Dream, Dare to Strive, Innovate and Develop - Engineer Culture Sharing Seminar for the R&D System". The event began with a reading and sharing of *The Soul of an Engineer* and was followed by in-depth discussions on "How to Build an Innovative and Efficient Engineer Team".

Through experience sharing and brainstorming, the event further shaped the core of the engineer culture that aligns with Highpower Technology's development, promoting consensus among R&D system leaders and experts, and forming strategies to drive technological innovation and efficient operations in the R&D system, providing strong support for the Company's continued innovation.



## Innovation Projects and Achievements

Highpower Technology consistently focuses on market demand and industry-leading technological development trends. With practical application scenarios as the guide, the Company specializes in developing battery solutions with high safety, high energy density, and long cycle life, committed to providing customers with more efficient and reliable energy products.

During the reporting period, Highpower Technology achieved remarkable results in innovation and R&D. Highpower Technology initiated a total of 475 new R&D projects, with product lines covering multiple fields and achieving several technological breakthroughs, making significant strides in both innovation and environmental protection.

### Notebook Battery Products



- Self-developed low-fluoride products, with related products shipped in bulk
- Self-developed low-propane-sultone products, with related products shipped in bulk
- Self-developed cobalt recycling platform, nickel recycling platform, lithium recycling platform, with related products shipped in bulk

### Wearable Equipment Battery Products



- Self-developed cobalt recycling platform, with related products shipped in bulk
- Replaceable batteries under development to reduce the processing of complete machines

### Mobile Phone Battery Products



- Self-developed safety platform, achieving extreme destructive testing without thermal runaway, and related products shipped in bulk

### Digital Peripheral Battery Products



- Using PCR regenerated materials to reduce white pollution and carbon emissions

### New Battery Products

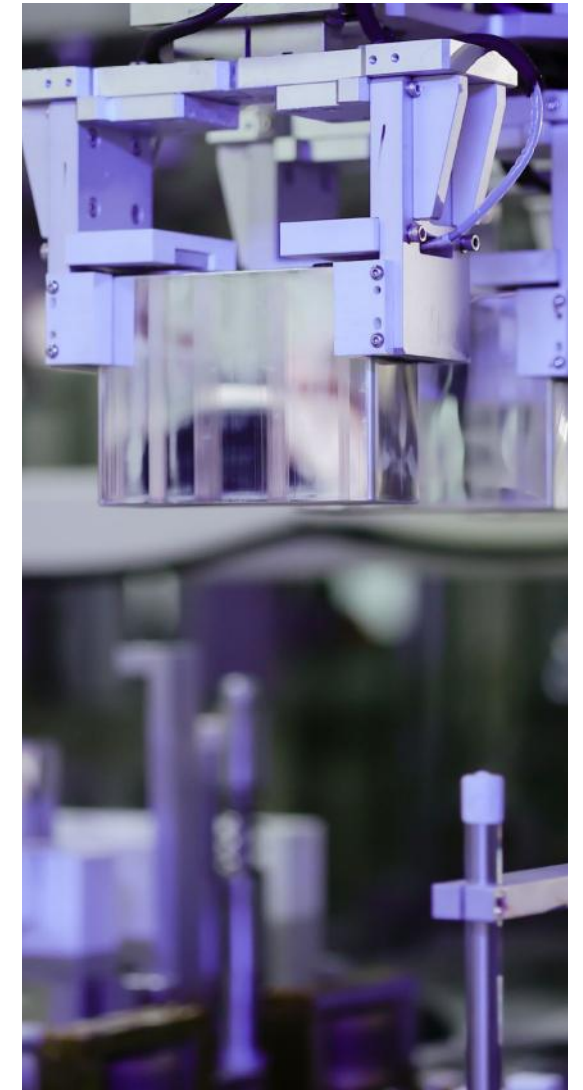


- Self-developed polyanionic sodium-ion battery, with one round of testing completed, and reaching an energy density of up to 100Wh/kg, and expected 1C cycle life of 6,000 cycles

### Ni-MH Battery Products



- Self-developed low-fluoride products, with related products shipped in bulk
- Self-developed cobalt recycling platform, nickel recycling platform, lithium recycling platform, with related products shipped in bulk



## R&D Innovation Honors

During the reporting period, Highpower Technology received multiple awards in the field of R&D, fully demonstrating its outstanding strength in technological innovation and industry leadership.

Awarded Company	Awarding Unit	Award Content
Highpower Technology	Guangdong Battery Industry Association	★ <b>AAAAA Credit Enterprise</b>
Highpower Technology	Guangdong Battery Industry Association	★ <b>2024 Advanced Scientific and Technological Innovation Unit</b>
Guangdong Highpower	Bureau of Science and Technology of Huizhou Municipality	★ <b>Huizhou Engineering Technology Research Center</b>
Guangdong Highpower	Guangdong Battery Industry Association	★ <b>2024 Advanced Energy Storage Enterprise</b>
Huizhou Highpower	Guangdong Branch of General Administration of Customs, Guangdong Provincial Department of Industry and Information Technology, Guangdong Provincial Department of Finance, General Administration of Taxation, Guangdong Provincial Tax Bureau	★ <b>Provincial Enterprise Technology Center</b>
Huizhou Highpower	Department of Science and Technology of Guangdong Province	★ <b>Guangdong Lithium Ion Power and Energy Storage Battery</b> ★ <b>Engineering Technology Research Center</b>

Awarded Company	Awarding Unit	Award Content
Key technology research and development and industrial application project of high-voltage and high-energy density lithium battery	Shenzhen Science and Technology Innovation Commission	★ <b>Second Prize for Scientific and Technological Progress</b>
Nickel hydrogen batteries for consumer electronics	Ministry of Industry and Information Technology of the People's Republic of China and China Federation of Industrial Economic	★ <b>Manufacturing Single-item Champion Products</b>
Technical development and industrialization project of wide temperature and long-life backup battery for intelligent network connected vehicle terminal T-BOX system	Shenzhen Municipal Bureau of Industry and Information Technology	★ <b>Projects to improve key links of the industrial chain</b>
High-density and large-capacity parallel expansion energy storage battery module R&D and industrialization project	Shenzhen Municipal Bureau of Industry and Information Technology	★ <b>Projects to improve key links of the industrial chain</b>
R&D and industrialization project of high-energy longlife polymer lithium batteries for high-end notebooks	Guangdong Provincial Department of Industry and Information Technology	★ <b>New generation IT and industry development project</b>

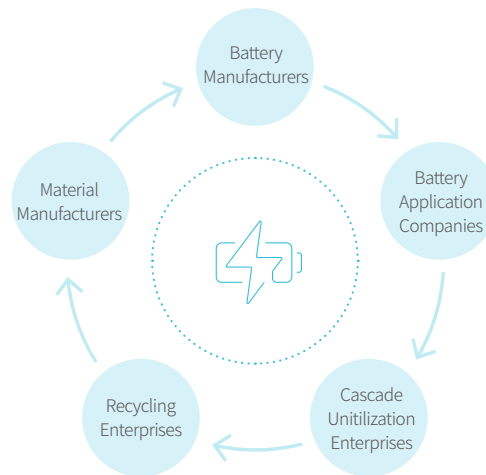
## Circular Economy

Highpower Technology follows the relevant policies and initiatives of the place of operation, such as the *14th Five-Year Plan for Industrial Green Development* and the *14th Five-Year Plan for Circular Economy Development*, adhering to the product design philosophy of minimizing environmental impact. The Company places great emphasis on energy-saving and environmentally friendly practices throughout the full lifecycle of products and promotes the development of a circular economy.

Leveraging the battery recycling qualifications held by its affiliated companies, Highpower Technology actively promotes the recycling, second-life utilization, and harmless treatment of used new energy vehicle power batteries. By the end of the reporting period, Highpower Technology successfully helped suppliers complete UL2809 certification for six types of cathode materials. Additionally, Highpower Technology assisted two major strategic customers of lithium battery in completing UL2809 certification for eleven products and achieved UL2809 certification for 42 products in the Ni-MH battery product field.

- ◆ After evaluating the power batteries of retired new energy vehicles, priority shall be given to cascade utilization to save resources to the maximum extent.
- ◆ The combination of physical method and pyrometallurgical method is used to preliminarily separate various metals from discarded batteries and discarded batteries after cascade utilization.
- ◆ The affiliated company uses the patented power battery recycling technology with its own intellectual property rights to smelt the pretreated battery powder into metal salt products.

Battery Material Recycling Process



Closed-circuit Recycling Cooperation Ecological Chain of Battery Recycling

## Industry Mutual Benefits

### University-enterprise Cooperation Projects

Highpower Technology adheres to the philosophy of open cooperation and mutual benefit, actively engaging in deep collaborations with upstream and downstream enterprises in the industrial chain as well as research institutions to jointly promote technological progress and sustainable development in the new energy industry.

Highpower Technology continues to promote industry-university-research cooperation with universities, and has established a long-term stable strategic partnership with Southern University of Science and Technology (hereinafter referred to as "SUSTech"). Both parties have carried out a series of effective collaborations in fields such as new energy materials and battery technology, achieving fruitful results.

Highpower Technology will continue to deepen cooperation with universities such as SUSTech, actively explore new models of industry-university-research collaboration, accelerate the transformation of scientific and technological achievements, and inject new vitality into the development of the new energy industry. Highpower Technology firmly believes that through industry win-win and university-enterprise cooperation, Highpower Technology can jointly create a greener and more sustainable future.

### Standard Setting

Highpower Technology actively participates in the formulation of national standards and industry standards, enhance the Company's influence and promote the development of the industry. During the reporting period, Highpower Technology participated in drafting 3 new standards.

Number	Name of Standard	Level of Standard	Way of Participation
1	Mobile Energy Storage Power Source for Household and Similar use Appliances	National	Participated in drafting
2	General Technical Specifications for Wireless Earphones	Industry	Participated in drafting
3	Specifications of Lithium Ion Cells and Batteries used in Unmanned Aerial Vehicles	Industry	Participated in drafting

2024 Highpower Technology's Involvement in Standard Setting

### New Industry-University-Research Cooperation Model



During the reporting period, Highpower Technology continued its research cooperation with SUSTech. SUSTech used VC, HFBA, PEGDA, and DOPA in-situ copolymer crosslinking to prepare flame-retardant gel polymer electrolytes, significantly improving the electrochemical performance of the LCO cells. This has provided new insights for the development of the next generation of high-performance batteries. The solid-state group of Highpower's Innovation Lab, relying on SUSTech's advanced experimental equipment, successfully prepared halide-based all-solid-state batteries and comprehensively evaluated their electrochemical performance.

Through this cooperation, Highpower Technology has gained in-depth knowledge of the preparation processes, equipment requirements, and cell testing and operation requirements for halide and sulfide-based all-solid-state batteries, laying a solid foundation for the industrialization of solid-state batteries in the future.

### Recycling Material Management Advocacy for Suppliers



During the reporting period, to enhance suppliers' understanding and participation in recycling material management, Highpower Technology conducted recycling material management advocacy for two major cathode suppliers and selected one supplier for a pilot site audit. Through the advocacy and audit, Highpower Technology helped suppliers understand the significance, process, and requirements of recycling material management, laying the foundation for the smooth implementation of future collaborative recycling material projects.



## Intellectual Property

Highpower Technology strictly adheres to the laws and regulations of the place of operation, such as the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*. The Company has established internal management systems, including the *Patent Application Process*, *Project IP Management Process*, Regulations on IP Application & Incentive Program, to provide solid institutional guarantees for the creation, use, protection, and management of intellectual property. At the same time, Highpower Technology has set up a tiered reward system for patent applications, providing varying levels of rewards to employees and teams that make outstanding contributions to intellectual property creation and utilization, effectively stimulating innovation enthusiasm among employees.

To improve the intellectual property management efficiency, Highpower Technology introduced a new intellectual property management system during the reporting period. This system enables online and intelligent management of processes such as intellectual property application, maintenance, and analysis, significantly improving management efficiency and providing strong technical support for the Company's intellectual property strategy.

Intellectual Property Management	Project Management	Intelligence Management
Support refined patent management, custom workflow configuration, internal online proposal submission, online collaborative case management, and online collaboration with agent institutions	Allow for project initiation, project management, task management, milestone management, and knowledge document repository by the system	Support the import of external data, such as patent search data, to provide intelligence for the technical personnel Highpower Technologizing the system

### Highpower Intellectual Property Management System Function

Additionally, Highpower Technology actively conducts a variety of intellectual property training sessions for employees in different departments and positions, aiming to foster a culture within the Company that respects and protects intellectual property.

Problem Guidance and Doubt Resolution	Case Sharing, Inspiring Thought	Practical Exercises, Applying What is Learned
In-depth analysis of the issues existing in the current patent handover process of each department, answering technical staff's questions regarding patent applications, protection, and other aspects, and helping employees clear knowledge blind spots	Explaining the patent mining and layout strategies Highpower Technologizing typical industry cases, and guiding employees to identify innovation points from practical work and transform them into commercially valuable patents	Conducting practical exercises in patent mining and layout strategies based on the actual products of each department to help employees apply theoretical knowledge to real-world work and enhance their patent mining and layout capabilities

### Intellectual Property Training

## Intellectual Property Achievements

In 2024, Highpower Technology filed 501 new patent applications, achieving a year-on-year growth. Furthermore, Highpower Technology joined the Shenzhen Patent Association to promote intellectual property protection and contribute to the healthy and rapid development of the business environment. In 2025, the Company will continue to focus on patent quality, deeply integrate the intellectual property team with the R&D team, and further increase the proportion of new invention applications in the total number of new patent applications.

Statistical Items	2023 (Items)	2024 (Items)
Total number of new patent applications	490+	500+
Including: Number of new invention patent applications	180+	210+



By the end of the reporting period, the authorized patents of the Company has achieved

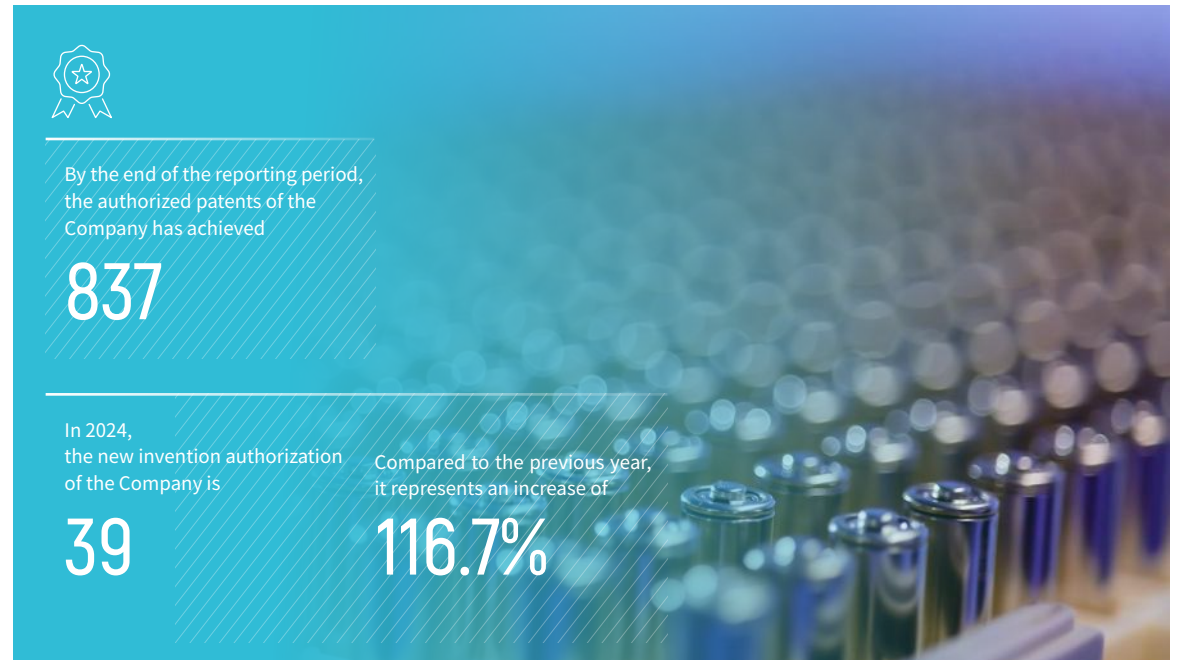
837

In 2024, the new invention authorization of the Company is

39

Compared to the previous year, it represents an increase of

116.7%



# Product Quality and Safety

Product quality and safety are the lifeline of an enterprise's survival and development. Highpower Technology leads high quality with high standards and builds a quality culture involving all employees, adhering to the principle of providing the greatest value to customers with safe and reliable products and services. By the end of the reporting period, Highpower Technology has not encountered any quality or safety incidents.



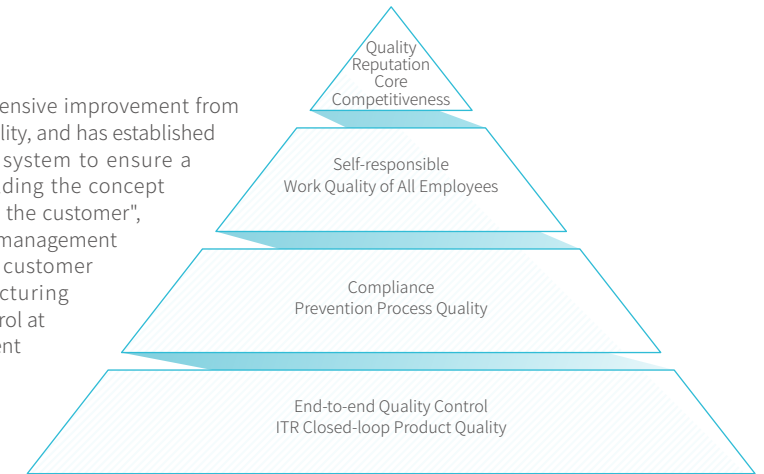
## Quality Management System

Highpower Technology views quality as the core of its high-quality development. Highpower Technology adheres to the quality management policy of "high-quality management, customer-oriented, excellence and continuous improvement", and through a comprehensive and scientific quality management system, Highpower Technology ensure the effective implementation of quality management.

By the end of the reporting period, Highpower Technology has obtained management system certifications including ISO 9001, IATF 16949, QC 080000, and ISO 13485.



Highpower Technology insists on comprehensive improvement from product quality, process quality, to work quality, and has established a systematic end-to-end quality control system to ensure a quick response to customer needs. Upholding the concept of "starting with the customer, ending with the customer", Highpower Technology implement quality management across the full lifecycle of products, from customer needs analysis, product design, manufacturing processes to delivery quality, with strict control at every stage, ensuring the provision of excellent products and service experiences for our customers.



### Design Development Management

Based on market research and customer requirements, key performance indicators (KPIs) are defined, and product requirement documents are created. Cross-departmental reviews are conducted, and potential risks are identified. Highpower Technology using Design Failure Mode and Effects Analysis (DFMEA). Experimental design is used to optimize the cell material formulation and structural design, ensuring product design reliability and manufacturability.

### Raw Material Management

A comprehensive supplier entry and evaluation system is established for the implementation of hierarchical management. High-precision equipment such as EDX-LE and GC-MS is used for incoming material inspection. A blockchain-based full-process traceability system is built to achieve traceability from procurement to production and Highpower Technology. Efforts are made to strictly comply with environmental regulations such as RoHS and REACH to ensure that raw materials meet green supply chain standards.

### Process Management

SPC is used to deploy automated inspection equipment, and optimize production workflows to ensure production consistency and product reliability, improve defect detection rates, and reduce human errors.

### Customer Management

An overseas FA team is established, bringing together top industry FA experts from various modules, with a well-established FA analysis process. This ensures a quick response to customer needs and efficient handling of customer complaints and suggestions.

Full Lifecycle Quality Management

## Quality Improvement

In the pursuit of excellence in quality, Highpower Technology has never stopped exploring and improving. Highpower Technology continuously strengthens our quality management foundation and enhance product quality through the addition of advanced testing equipment, comprehensive quality audits, and the construction of intelligent smart factories, providing customers with even better products.

Highpower Technology considers quality audits as an essential tool for continuously improving the quality management system and enhancing product quality. Highpower Technology has established a comprehensive quality audit system, regularly conducting internal audits, process audits, and product audits to ensure the effective operation of the quality management system and the stable and reliable quality of products. Highpower Technology has deeply implemented a tier-level Quality Process Audit (QPA) mechanism to ensure the effective operation of the quality management system and the stable and reliable quality of products.

Director (Quarterly)
Manager (Monthly)
Supervisor & Engineer (Weekly)
IPQC (Daily)

### Tier-level QPA Audit

Each subsidiary conducts different quality audit activities based on its own quality management situation, implementing multiple levels of checks. Through these efforts, Highpower Technology has built a solid quality management defense line, ensuring excellent quality. During the reporting period, our subsidiaries set and achieved good product rate targets.

<b>Icon Energy</b>	Invite expert teams to conduct multiple quality audits
<b>Huizhou Highpower</b>	Conduct LPA inspection activities weekly

### Quality Audit Status of Each Subsidiary

Quality testing is a key component in improving the efficiency of quality audits, and Highpower Technology is committed to building industry-leading quality testing capabilities. In recent years, Highpower Technology have continued to increase investments, equipping over 4,000 testing devices and 45,000 testing channels specifically for product reliability testing. These cover physicochemical analysis, thermal analysis, electrical performance testing, reliability testing, safety testing, and more, ensuring product quality. During the reporting period, Highpower Technology introduced advanced testing instruments to effectively manage potential quality and safety risks.

### Lean Production Leadership Training



In March 2024, Highpower Technology organized a Lean Leadership Training conducted by a professional institution. A lean improvement project was implemented for mobile power products, with the participation of departments such as production, quality, equipment, process, testing, and IE. As a result, the finished product UPPH improved by 151.8%.



New Testing Instruments	Functions
Industrial CT 	Used for regular sampling and testing during the production process, and identifying issues early and resolving them, effectively intercepting risks at the cradle stage
Reliability testing equipment, including 18 test cabinets, 13 drying ovens, 6 high-temperature and low-temperature test chambers, and 1 constant pressure source	Used to meet testing requirements and improve testing capabilities
Shimadzu Gas Chromatograph-Mass Spectrometer (GCMS-QP2020NX) 	Increase the ability to conduct qualitative and quantitative testing of battery materials for RoHS 2.0 directive elements, meeting customer requirements for environmental testing
JEOL JCM-7000 Scanning Electron Microscope	Observe the microstructure of battery materials' surfaces (up to $\times 100,000$ magnification) and perform elemental composition and content scanning analysis of the surface, allowing for more efficient and timely observation and analysis of battery materials' microstructures during the R&D and production processes
New Safety Testing Room	Improve the reliability of safety testing

New Testing Instruments	Functions
Walk-In Constant Temperature Test Chamber 	Eliminate the interference of temperature on test data, increasing the reliability of testing
Constant Temperature and Humidity Test Chamber 	Allow for more timely and comprehensive testing and evaluation of battery discharge performance in high and low-temperature environments
Battery Testing Cabinet	Used to test the battery cycle life
Battery Testing Channels 	Used for battery life performance testing, including long-term cycling, high and low-temperature discharge, rate discharge, and high and low-temperature storage tests
Battery Safety Testing System	Used to verify the safety and reliability of batteries under extreme or abnormal conditions, such as short circuits, heavy impact, puncturing, thermal shock, low pressure, vibration, overcharging, over-discharging, and other tests
CP (Ion Milling Machine) 	Used for preparing SEM cross-sectional samples

### Digital Transformation

At the same time, Highpower Technology continues to drive digital transformation, integrating automation management concepts into every aspect of quality management. Highpower Technology is continuously advancing the deployment and optimization of online quality management systems, and strategically planning the construction of smart factories to empower the entire quality management process with intelligent methods. By introducing advanced enterprise management tools such as AGV technology, SAP-ERP systems, WMS warehouse management systems, and mobile inspection systems, Highpower Technology has achieved high automation and scaling of the manufacturing process, significantly improving production efficiency and the stability of product quality.

#### Highpower Technology Factory Smart Construction



- MES system is used throughout the process control for real-time monitoring, enabling paperless management throughout the entire production cycle.
- Each process has CPK monitoring, with comprehensive abnormal alarm and error-proof mechanisms. Highpower Technology leverage big data analysis technology to mine the value of production data and provide insights for decision-making.
- The automation rate in the workshop has reached 97%, with real-time monitoring across the entire production process.



At the same time, Highpower Technology has independently developed a sustainable improvement production system, which automatically collects data on production output, defects, and other conditions. Through visual dashboards, the data is automatically analyzed, providing accurate data support for product quality management.

### Product Recall

For non-compliant products, Highpower Technology has established a comprehensive product recall management system. The Company has formulated the *Product Recall Control Procedure* and established a clear product recall process. If a product is found to be defective after delivery or use, whether internally or by customers, the quality control department's engineers will organize an analysis. If it is confirmed to be caused by the Company, relevant departments will form an evaluation confirmation team to review the non-compliant product. The results of the review will be discussed by the sales department and the customer, and the product will be handled according to the contract quality agreement requirements, including replacement, return, recall, compensation, etc.



## Quality Culture Building

Highpower Technology is committed to creating a quality culture atmosphere with full employee participation and continuous improvement. The Company actively carries out a variety of quality training and promotional activities, embedding the "Quality First" philosophy in every employee's mind. Each subsidiary designs a diverse and comprehensive training system and courses tailored to their specific business needs. With various methods, employees are encouraged to collaborate, optimize quality, and enhance quality management from the source.

Establishment of QA learning session and holding a total of 18 training sessions

Conducting a total of 25 training sessions focusing on instrument operation and skill guidance

Conducting training on topics such as ISO 13485, ISO 14971, the IPD process system, and common quality issues

Holding a total of 22 training sessions focusing on non-conforming product control, quality awareness, and QC techniques

Highpower Technology Quality Training

### Highpower Technology Provides Customized Training Based on Employee Positions



Highpower Technology has designed a tiered quality training system, offering customized training content for employees at different positions and levels. Through systematic and professional training, Highpower Technology comprehensively enhance the quality awareness, problem-solving capabilities, and professional skills of employees at all levels, driving the continuous improvement and outstanding performance of the Company's quality management.

During the reporting period, Huizhou Highpower conducted a total of 22 training sessions, with each session lasting 1-2 hours on average, and a total of 464 people participated in the training.



In addition to regular training courses, Highpower Technology conducts a variety of quality awareness activities, such as quality knowledge competitions, knowledge challenges, and quality management symposiums, to inspire employees' enthusiasm for learning quality knowledge and proactively raise quality awareness.

### Highpower Technology Quality Knowledge Competition for All Employees



During the reporting period, Highpower Technology held a quality knowledge competition to enhance overall quality awareness, enrich cultural life, and strengthen team cooperation. A variety of gifts and rewards were prepared for employees on-site, and all employees from the subsidiaries actively participated, fostering an atmosphere of full employee engagement in quality improvement.



### Highpower Technology Conducts "Procedure Key Control Point Knowledge Challenge Activity"



In October 2024, Highpower Technology launched the "Procedure Key Control Point Knowledge Challenge Activity" to strictly control process details. Each day, key quality management points of critical processes were shared, ensuring that employees could timely and comprehensively understand the key knowledge of critical processes. This activity involved detailed explanations of operational specifications, quality standards, common issues, and solutions for each process, successfully sharing a total of 190 knowledge points, providing employees with a deeper understanding of the entire production process. After the knowledge sharing session, Highpower Technology organized an online assessment competition and invited all employees to participate, embedding quality awareness deeply within the Company.

### Highpower Technology Conducts Quality Management Symposiums



During the reporting period, Highpower Technology held laptop battery quality management symposiums and quality abnormality handling symposiums, focusing on process analysis and feedback on quality events that occurred during daily work. Through case analysis, Highpower Technology reinforced the collective responsibility awareness for quality, clarified the quality responsibilities of each department and position, and improved the enforcement of quality systems.

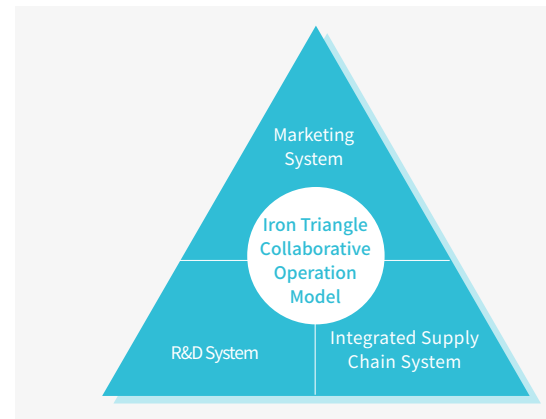
# Customer Relationship Management

Highpower Technology always insists on taking "Delight customers" as one of its core values, integrating the concept of sustainable development into customer relationship management. Through the creation of a systematic customer service management framework, Highpower Technology continuously optimize key aspects such as customer service, complaint handling, satisfaction improvement, and responsible marketing. Highpower Technology is committed to creating long-term value for customers, and while providing high-quality products and services, Highpower Technology actively fulfills our corporate social responsibility, promoting the collaborative development of customers, enterprises, and society.



## Customer Service Management

Highpower Technology is committed to providing customers with high-quality products and services. Highpower Technology has established an end-to-end management mechanism for our product lines, closely linking the marketing system, R&D system, and integrated supply chain system. By adopting the "Iron Triangle" collaborative operation model, Highpower Technology ensures the efficient delivery of products and services.



Highpower Technology adheres to the service philosophy of "products satisfy users and services satisfy customers". Highpower Technology fully listens to the voice of our customers, not only focusing on their explicit needs but also paying attention to uncovering their implicit needs. Highpower Technology maintains communication with customers through various channels, including customer interviews, surveys, after-sales services, etc., to deeply understand their user experience and potential needs, transforming them into motivation for product improvement and service enhancement.

Highpower Technology also actively conducts customer service-related training for our marketing team, embedding the customer-first concept deeply into the team's mindset. During the reporting period, Highpower Technology held 12 training sessions related to customer service, totaling 51 hours. The training content covered topics such as industry knowledge, technical knowledge, customer cultivation and management, major customer project introduction processes, business process system training, and project management training.

### "Customer Cultivation and Management" On-site Training

During the reporting period, Highpower Technology held an on-site training session focused on "Customer Cultivation and Management". A special guest lecturer introduced the training by discussing the "Role and Thinking Methods of Marketing Personnel", guiding marketing personnel to deeply explore customer management ways and approaches. The training content covered areas such as the development and execution of customer management plans, relationship cultivation, and the application of SWOT analysis in customer development. Highpower Technology using engaging teaching methods like role-playing and group competition, marketing personnel gained a deeper understanding and mastery of the learned content, reinforcing the training effectiveness.



"Customer Cultivation and Management" On-site Training

### "NUDD Risk Management" and "AI Wave Hardware Innovation" Training



During the reporting period, Highpower Technology successfully held two specialized training sessions, combining online and offline formats, focusing on "NUDD Risk Management" and "AI Wave Hardware Innovation". These training sessions not only strengthened the marketing personnel's awareness of the importance of risk management but also systematically enhanced their professional abilities in risk identification, assessment, monitoring, and response. Additionally, through an in-depth analysis of the latest trends in AI technology, hardware innovations, and market application prospects, the training broadened the marketing personnel's industry perspectives, enabling them to better grasp market dynamics. This helps ensure that they are aligned with customers and able to provide more forward-thinking and professionally valuable services.



"NUDD Risk Management" and "AI Wave Hardware Innovation" Training

In addition, Highpower Technology are committed to safeguarding the basic rights of our customers and ensuring their privacy and information security. During the reporting period, Highpower Technology's marketing center held 2 training sessions on customer information confidentiality. The marketing center and customer project teams were required to sign customer information confidentiality agreements, achieving a 100% signing rate.

Customer information confidentiality agreements, achieving a

**100%**  
signing rate



### Customer Satisfaction

Highpower Technology values customer feedback and responds promptly, actively working to improve customer satisfaction.

#### Customer Complaint Management

To enhance the customer service quality, Highpower Technology optimized the *Customer Complaint Handling Process*, and clarified the handling processes and procedures for business, quality, and order delivery customer complaints. Highpower Technology also released the *Customer Return and Replacement Processing Process*, providing standardized guidelines for upgrade handling and managing returns and exchanges for customer complaint problems. Highpower Technology take responsibility for the full lifecycle of products, establish on-site support teams overseas, shorten the feedback time of customer complaints, and strictly practice the principle of "2485".

- First response in 2h

---

- Take emergency actions and the 2nd response in 24h

---

- Analyze the reason, develop counter measurements, and the 3rd response in 48h

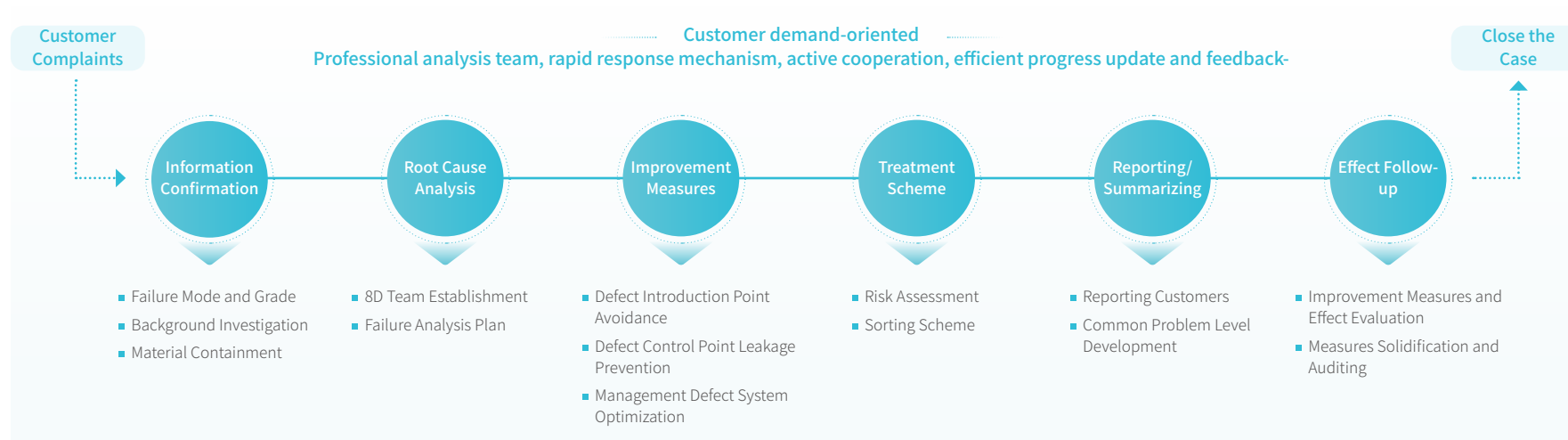
---

- Implement counter measurements in 5 days, verify the counter measurement validity and give the 4th response



"2485" principle

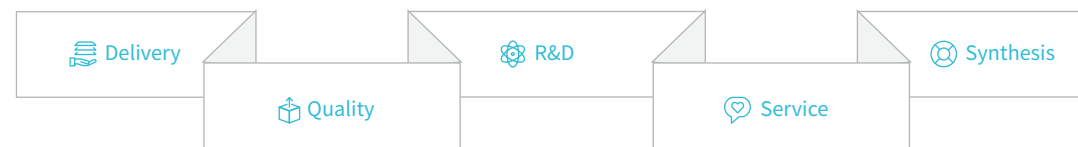
Additionally, Highpower Technology has formed an FA analysis team composed of industry experts from various modules, focusing on the study of failure modes and mechanisms of lithium-ion batteries. This team conducts in-depth analysis and improvement of defective products involved in customer complaints and provides feedback to customers after validating the improvement effects. This creates a closed-loop mechanism for complaint handling and feedback, ensuring that issues are resolved efficiently. Highpower Technology categorize customer complaint orders into three types: business complaints, quality complaints, and order delivery customer complaints. Highpower Technology actively improves the customer complaint handling process, classify complaints based on urgency, and establish corresponding handling procedures.



Customer Complaint Handling Process

### Customer Satisfaction Survey

Highpower Technology conducts an annual customer satisfaction survey, fully listening to customers' opinions and feedback. During the reporting period, the Company's customer satisfaction survey results were 90.6 points. In response to customer feedback, Highpower Technology promptly conducts in-depth follow-up and communication with customers, clarifying their needs and improvement measures to ensure that customer issues are addressed in a timely manner.



Highpower Technology Customer Satisfaction Survey Dimensions

## Responsible Marketing

Highpower Technology consistently integrates the concept of responsible marketing into brand building and market promotion, aiming to establish a transparent and honest customer communication mechanism. In order to systematically regulate marketing behavior, we have formulated the *Information Release Management Process* to strengthen the management order of the Company's information release by establishing a multi-level review mechanism and standardized operating guidelines, so as to ensure that all external communication content complies with the requirements of relevant laws and regulations.

At the same time, the Company regularly conducts responsible marketing training to strengthen the awareness of all employees on topics such as green marketing, privacy protection and anti-unfair competition, and further enhance the brand credibility.

In addition, Highpower Technology has always been committed to promoting industry innovation and development while marketing, and actively participates in various industry summits, forums and technical exchange activities at home and abroad. Through in-depth dialogue with industry experts and partners, we continue to absorb cutting-edge concepts and technological achievements, injecting new momentum into our own development. We actively share our own practical experience, explore future trends with industry colleagues, and help the prosperity and progress of the industrial ecosystem. We believe that only by open cooperation and working together can we push the industry to a new stage of higher quality development.



### Highpower Technology Deeply Participates in Industry Summits, Shares Successful Experience, and Promotes Industry Progress.



During the 11th ABEC, Advanced Batteries for xEV/ESS Conference, Guangzhou, China (Battery "Davos") held on November 14, 2024 in Nansha, Guangzhou, the Company's Chairman Pan Dangyu participated in the Brain Storm of the summit, themed "If you don't go global, you will be out?", and shared the Company's experience in going global as a pioneer in the industry's overseas expansion, enhanced the resilience of the supply chain through global layout, and continuously improved technological innovation and management capabilities to meet the diversified needs of customers.

On November 20, 2024, at the 2024 Gaogong Lithium Battery Annual Meeting and Gaogong Golden Globe Awards Ceremony, Pan Dangyu, the Chairman & General Manager of Highpower Technology, participated in the roundtable discussion and shared the Company's sustainable development strategy.

On December 15, 2024, at the 2024 Annual Members' Meeting of the Guangdong Battery Industry Association and the 6th Guangdong-Hong Kong-Macao Greater Bay Area Battery Industry Summit Forum, Pan Dangyu, the Chairman of Highpower Technology, Association President and Meeting Chairman participated in the roundtable discussion and shared insights on the high-quality productivity of the battery industry from the perspectives of "corporate values", "high-quality technological innovation" and "corporate sustainable development", as well as the experience of corporate integrity management.



### Highpower Technology Has Participated in Many International Exhibitions to Enhance Its Comprehensive Competitiveness in All Aspects



During the reporting period, Highpower Technology participated in the 16th China International Battery Fair (CIBF 2024 in Chongqing, China), Battery Japan (Tokyo, Japan), Appliance & Electronics World Expo (AWE 2024 in Shanghai, China), Asia Bike Jakarta (INABIKE 2024), and Vietnam (Ho Chi Minh City) International Electronics & Smart Appliances Expo (IEAE) and other international exhibitions. By displaying the Company's various advanced products and technological achievements at the exhibition, Highpower Technology has effectively improved its brand awareness, explored many potential cooperation opportunities, laid the foundation for achieving sustained and stable business growth in multiple fields, and enhanced the Company's comprehensive competitiveness in all aspects.

### The Leaders of Electrical Energy Storage Alliance Visited Highpower Technology



During the reporting period, the leaders of the Electrical Energy Storage Alliance (EESA) visited Highpower Technology's highly intelligent energy storage battery cell production line, visited the smart park, and had in-depth exchanges with the Company on market and business strategy development, cooperation opportunities and other topics. At the same time, EESA leaders highly affirmed and appreciated the professional strength of Highpower Technology's energy storage battery cell production line and the 5.175MW/10.3MWh energy storage power station project built by the park, and expressed that they will help the coordinated development of Highpower's energy storage business in the future and create more cooperation opportunities with peer companies.



The Leaders of Electrical Energy Storage Alliance Visited Highpower Technology

### Highpower Technology Participates in the 12th Energy Storage International Conference and Expo (ESIE 2024)



The 12th Energy Storage International Conference and Expo (ESIE 2024) was held at the Beijing Shougang Convention & Exhibition Center from April 10 to 13, 2024. At the Energy Storage CTO II Forum of the exhibition, Li Jing, the Product Development Director of Highpower Technology, delivered a keynote speech entitled *Going Toward the "New", Creating "Cores"--Opening the Era of Large-capacity Energy Storage*, discussing the layout and vision of Highpower Technology under the trend of large-capacity energy storage.

At the same time, at the exhibition site on April 11, Highpower successfully signed a strategic cooperation agreement with three well-known companies, Alpine, Hengyun Energy Storage and TÜV Rheinland, to carry out business cooperation in multiple dimensions such as energy storage battery cells, packs, products and energy storage system projects.



Strategic Cooperation Signing Ceremony

# Sustainable Supply Chain

Highpower Technology actively implements sustainable procurement, and is committed to building a green and responsible supply chain. It actively promotes suppliers to improve environmental and safety management performance, ensures that the supply chain protects labor rights and interests, and works hand in hand with suppliers to jointly create a sustainable supply chain ecosystem.

## Supplier Management

Highpower Technology always regards suppliers as important strategic partners and is committed to building a transparent, efficient and sustainable supplier management system. Highpower Technology have formulated a series of internal systems such as the *Supplier Management Regulations* and the *Fundamental Guidelines for Cooperation with Suppliers of Highpower Technology* to standardize the entire process of business links such as material and supplier classification, access, review and assessment, performance management, support and empowerment, and termination of cooperation, to ensure the standardization, process and transparency of supplier management, and clarify our requirements for suppliers in terms of compliant employment, human rights, environmental protection, and honesty and integrity.

During the supplier entry stage, Highpower Technology formulated the *Supplier Entry Management Process* and established a systematic assessment mechanism and multi-dimensional assessment standards for new suppliers to ensure that their comprehensive performance meets the Company's product and service requirements. During the reporting period, Highpower Technology further raised the supplier entry threshold, set the *Supplier Sustainability Audit Form*, and strengthened the audit requirements for suppliers in terms of social responsibility management system, labor rights and interests, business ethics, occupational health and safety, and environmental management. At the same time, Highpower Technology added a due diligence management module of mineral supply chain during the access stage, and clarified the access standards for key mineral material suppliers to better implement the concept of responsible procurement. In 2024, 100% of new admitted production suppliers were audited in accordance with the sustainable development audit dimension.

**Environment**

- Environmental Management Compliance
- Hazardous Substance Restriction Management System
- Material Product Storage Traceability
- ISO 14001 System

**Society**

- SA 8000 and ISO 45001 Systems
- Occupational Health and Safety
- Prohibit Child Labor, Forced Labor, Anti-discrimination
- Reasonable Remuneration and Working Hours
- Compliance Management of Conflict Minerals

**Governance**

- Anti-corruption and Bribery and Money Laundering
- Code of Business Ethics
- Business Integrity Standard

Sustainable Development Review  
Dimensions of Supplier Entry of Highpower Technology

For suppliers that have cooperated with Highpower Technology, Highpower Technology has formulated the *Supplier Performance Management Process* and continuously promoted the supplier assessment mechanism. Highpower Technology conduct monthly performance summary and quarterly evaluation for all production material suppliers, and evaluate their products and services based on the quality, delivery, cost, technology, and service (QDCTS) dimension. According to the scoring results, suppliers are divided into four levels: A, B, C, and D, and differentiated management is implemented based on performance. This mechanism effectively promotes the continuous improvement and capacity enhancement of suppliers, while realizing the dynamic optimization and survival of the fittest of the resource pool, ensuring the efficient operation and long-term competitiveness of the supply chain.

Highpower Technology actively conducts supply chain due diligence to ensure the transparency and compliance of the supply chain. Highpower Technology's supply chain due diligence covers upstream suppliers involving key minerals such as lithium battery main materials, Ni-MH main materials, electronic materials, and structural parts materials. Highpower Technology have established a special project team and invited third-party institutions to provide professional guidance to advance related work as planned.

By the end of the reporting period, Highpower Technology had a total of

**347** suppliers<sup>2</sup>

Sustainable risk assessments had been conducted for

**60** major suppliers involving key minerals

<sup>2</sup> The supplier data disclosed here is only material suppliers, excluding equipment and non-production suppliers.

### Online Training on Supplier Due Diligence Management



In order to improve suppliers' understanding and cooperation of due diligence management, Highpower Technology held the online training on supplier due diligence management on November 11, 2024. A total of 140 representatives from 62 suppliers and 28 procurement, quality and system personnel from the Company participated, effectively helping suppliers to deepen their understanding of Highpower's supply chain due diligence management requirements.

At the same time, in order to further verify the compliance of suppliers, Highpower Technology conducted on-site audits of two suppliers during the reporting period, and conducted horizontal audits of other suppliers based on the audit results. Highpower Technology will continue to promote supply chain due diligence work, continuously improve suppliers' compliance awareness and risk management capabilities, and ensure the sustainable development of the supply chain.

In terms of ensuring the stability of the supply chain, Highpower Technology formulates supplier procurement strategies by category based on customer annual demand forecasts, new project development plans, and market supply and demand relationships, and dynamically adjusts the material procurement cycle. Highpower Technology maintain a strategic partnership with core suppliers to ensure suppliers' price competitiveness and delivery quality. In the early stage of material development, Highpower Technology evaluate the supplier's mass production delivery capabilities. After mass production is achieved, Highpower Technology guarantee second suppliers a certain share of procurement volume, and distribute the share based on the *Supplier Quota Management System* to maintain competitiveness among suppliers and create a continuous and stable supply chain system.

## Supplier Empowerment

Highpower Technology has always adhered to the concept of growing together with suppliers, and is committed to improving the sustainable development capabilities of suppliers through various methods such as technical exchanges, carbon reduction management cooperation, and closed-loop management of waste recycling, and jointly building a green supply chain ecosystem with them.

### Communication and Collaboration

Highpower Technology regularly conducts technical exchange activities with suppliers to share cutting-edge industry technologies, production processes and quality management experience, and help suppliers improve their technical level and product quality. At the same time, Highpower Technology also actively listen to the needs and challenges of suppliers, provide technical support and solutions, and jointly promote technological progress in the industry.

During the reporting period, Highpower Technology conducted a total of

**105**  
technical exchanges with suppliers

#### Lithium Battery Technology Innovation Interaction



Based on the technological innovation and safety performance guarantee of lithium batteries, Highpower Technology and its partners have conducted in-depth technical interactions. Senior executives from both companies participated in this event to fully discuss improvements in manufacturing efficiency, electrical performance capacity, fast charging, cycle life, and safety at the application level. The partners also shared new results in solving problems such as poor cycle stability and short lifespan of new batteries. This technical exchange is conducive to both parties to jointly solve technical difficulties in the fields of materials and batteries, and promote the success of future cooperation projects.



#### Conducting Large-scale Technical Exchanges with Lithium Battery Suppliers



During the reporting period, Highpower Technology invited newly admitted lithium battery material suppliers to conduct large-scale technical exchanges. Both parties exchanged the current status of the Company, the latest development progress of materials and future planning and layout, and conducted in-depth communication on how both parties can collaborate on product technology and continuously optimize costs in the future, deeply exploring the future cooperation potential of both parties.



### Construction of Green Supply Chain

In addition to technical exchanges, Highpower Technology actively integrates carbon reduction management into supply chain cooperation, and works with suppliers to explore circular economy models and jointly promote the green transformation of the industrial chain. Highpower Technology cooperates with suppliers to carry out a closed-loop management project for recycled materials. The waste materials generated during the production process are handed over to suppliers for recycling and processing, and the positive electrode material factory is commissioned to process them into positive electrode materials and then return them to Highpower for use. This model is expected to be officially implemented in 2025, which will effectively reduce resource waste and environmental pollution and create a model of circular economy.

In addition, Highpower Technology actively promotes suppliers to carry out carbon footprint verification. Currently, 8 suppliers of positive electrodes, negative electrodes, electrolytes, diaphragms, copper foils, aluminum foils, and solvents have obtained ISO 14067 certification, and 28 suppliers have completed carbon verification. By collecting and analyzing the carbon footprint data of suppliers, Highpower Technology can identify carbon emission hotspots in the supply chain and formulate targeted emission reduction measures to promote the low-carbon transformation of the supply chain.

In the future, Highpower Technology will continue to deepen carbon reduction cooperation with suppliers, optimize packaging material recycling, explore more circular economy models, and promote the green and low-carbon development of the supply chain.

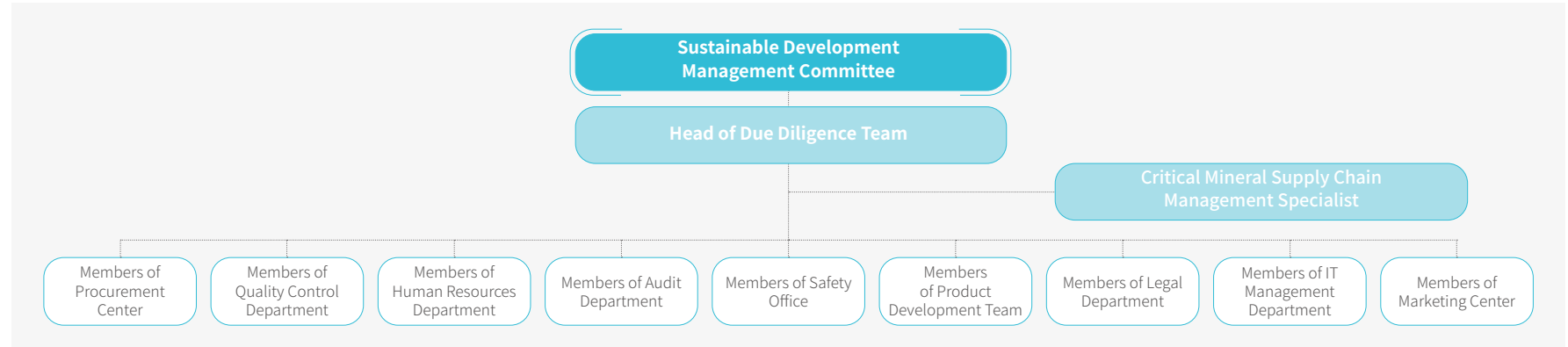


## Responsible Minerals Management

In the context of a globalized economy, conflict minerals management has become a topic of concern. Highpower Technology fully understands the multiple impacts of conflict minerals on society, economy, environment and ethics, and incorporates conflict minerals management into the key elements of the Company's promotion of sustainable development, peace and stability, human rights and environmental sustainability.

Highpower Technology strictly abides by the *China Mineral Supply Chain Due Diligence Management Guidelines*, *OECD Guidelines for Responsible Supply Chain Due Diligence Management of Minerals from Conflict Affected and High-Risk Areas*, *Dodd-Frank Wall Street Reform and Consumer Protection Law* and other domestic and foreign laws, regulations and initiatives, and formulates the Company's *Critical Minerals Due Diligence Procedures* and *Critical Minerals Responsible Management Policy* which explicitly require suppliers to comply with due diligence management policy and implement relevant measures. To ensure that suppliers perform their duties, the Company incorporates the *Critical Minerals Due Diligence Commitment Letter into the Supplier Agreement*. At the same time, Highpower Technology conducted due diligence on relevant suppliers to promote the verification process of cobalt recycling projects, ensure the legitimacy of raw material sources, and eliminate the use of conflict minerals.

Highpower Technology continues to improve the governance structure of responsible mineral management. The Company has established a key mineral due diligence management working group with the Sustainable Development Management Committee as the leadership team and the functional departments of each module participating. It is responsible for the due diligence management of the entire Company's mineral supply chain, and provides training on key mineral due diligence management to authorized management and relevant members to ensure that they are competent for these tasks.



Highpower Technology Conflict Minerals Management Structure

The due diligence investigation team and relevant departments carry out due diligence work every year in accordance with the key mineral due diligence work plan and process. Each department implements risk control measures in accordance with the risk management plan approved by the head of due diligence team, and communicates with suppliers on improvement measures when necessary. At the same time, Highpower Technology have assigned a dedicated personnel of key mineral supply chain management to manage relevant documents for the key mineral supply chain and establish storage paths. All key mineral-related document records must be kept for at least 10 years to ensure the transparency and traceability of information.

In order to rigorously mitigate the risk of Highpower Technologizing critical minerals, Highpower Technology, Highpower Technology has formulated the *Guidelines for Risk Control of Key Mineral Supply Chains* and the *Guidelines for Identifying Conflict-Affected and High-Risk Areas*, and included key mineral risk assessment in the new supplier entry assessment. New suppliers must fill out a critical mineral risk questionnaire, proactively identify and assess risks, and output critical mineral supply chain risk assessment results. At the same time, Highpower Technology include critical mineral management content in the scope of annual supplier audits and continue to monitor risks.

By the end of the reporting period, Highpower Technology has conducted critical mineral business investigations on

**60** suppliers



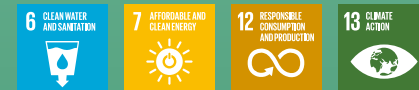
Due Diligence Project Kick-off Meeting

# 03

## Green Planet

Highpower Technology takes "provide world-class clean energy solutions to power the future." as its corporate vision and practices the concept of sustainable development with practical actions. The Company actively explores innovative actions to address climate change, continuously optimizes our environmental management system, strives to seek green development of business, and is committed to bringing wider impact on the value chain.

The United Nations Sustainable Development Goals (SDGs) related to this section include:



# Environmental Management

Highpower Technology adheres to the environmental management concept of "clean, low-carbon and sustainable development", follows the environmental management policy of "compliance with laws and regulations, pollution prevention, energy conservation and waste reduction, and continuous improvement", and continuously consolidates the environmental management system. Highpower Technology integrates environmental protection into all aspects of production and operation, actively enhance employees' environmental protection awareness, and continuously reduce the negative impact of our own operations on the environment.

## Environmental Management System

Highpower Technology strictly abides by the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations of the place of operation. Highpower Technology has formulated management policy and procedure documents such as *Environmental Management Policy of Highpower Technology*, *Environmental Factor Identification and Assessment Procedure*, *Environmental Monitoring and Measurement Control Procedure*, and *Environmental Policy, Objectives, Indicators and Plan Management Procedure*. These policies clarify environmental management responsibilities, standardize environmental management processes, and effectively improve environmental risk control and emergency response capabilities.

To effectively promote environmental management, Highpower Technology has established a sound environmental governance structure, clearly defined the responsibilities at all levels from decision-making to execution, and ensured that the Company can make scientific and agile decisions and quickly implement actions in environmental-related work.

### Environmental Management Committee Chairman

Responsible for environmental management system and strategic decision-making, policy formulation, risk management, strategic planning and overall supervision as the highest decision-making level of environmental management

### Environmental Management Committee Vice Chairman

Responsible for coordinating various departments to perform environmental management tasks, ensuring effective implementation of strategies and achievement of goals, and regularly reporting the Company's environmental management performance to the ESG Decision-making Committee

### Environmental Management Commissioners

Each department is responsible for executing and carrying out daily environmental management tasks and completing various key environmental indicators

#### Highpower Technology Environmental Management Committee Structure and Responsibilities

Highpower Technology carries out the construction and upgrading of the environmental management system based on the ISO 14001 environmental management system. By the end of the reporting period, 100% of the subsidiaries of Highpower Technology (involving production and manufacturing) have obtained ISO 14001 environmental management system certification.



Guangdong Highpower

Huizhou Highpower

Springpower Technology

Vietnam Exquisite

List of ISO 14001 Certified Subsidiaries

Highpower Technology takes "compliance with laws and regulations, pollution prevention, energy conservation and waste reduction, and continuous improvement" as its management policy. Each subsidiary sets environmental management goals every year and tracks the achievement of the goals.

Environmental Management Goals	Goal Achievement Status
Zero Pollution Complaints	Completed
100% Compliance Rate of Emissions Disposal	Completed
Zero Chemical Spill Event	Completed

Achievement of Environmental Management Goals in 2024

## Environmental Management Measures

### Environmental Auditing

Highpower Technology regularly conducts internal and external audits of the environmental management system for each subsidiary. The audit mainly focuses on the suitability, adequacy and effectiveness of management review, internal audit, non-conformity handling, risk response, target planning and compliance to ensure the effective operation of the system and improve environmental performance.

The subsidiaries of Highpower Technology organize and carry out internal environmental audits to supervise their environmental performance and ensure compliance management. The audit content includes compliance with laws and regulations, effectiveness of environmental management policy implementation and effectiveness of risk management measures. In 2024, based on our environmental management system, Huizhou Highpower, Springpower Technology, Vietnam Exquisite and Guangdong Highpower all carried out annual environmental internal audits.

In addition, during the reporting period, the four subsidiaries of Highpower Technology fully completed the internal audit and third-party certification audit of the environmental management system. At the same time, Huizhou Highpower, Springpower Technology and Guangdong Highpower simultaneously accepted special inspections from multiple local environmental protection departments. After multi-level audits and verifications, the system operation remained 100% effective. For the minor non-conformities found, the responsible units have completed rectification and formed a closed-loop management, effectively realizing the dynamic control and continuous improvement of environmental risks.

### Compliance Demolition of Environmental Protection Facilities

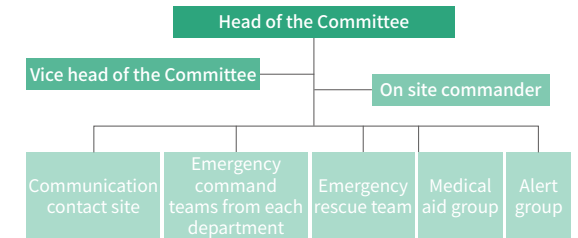


In order to achieve the Company's long-term planning, improve operational efficiency, and optimize resource allocation, the Company carried out compliance demolition of environmental protection facilities in the operating sites that had ceased operations. In order to ensure that the facility demolition activities meet environmental protection requirements, the Company commissioned a third-party unit to carry out environmental risk identification, compliance demolition and on-site cleaning to ensure comprehensive compliance of the demolition work. Before the demolition work, Highpower Technology organized the identification and analysis of risk points that may pollute the soil, water and atmosphere, as well as sensitive points in the surrounding environment, and cooperated with the third party to prepare the *Demolition Activity Pollution Prevention and Control Plan* and *Demolition Emergency Plan*.

At the same time, in order to ensure safety during the demolition process, the Company has taken a series of safety measures, including safety training for participants, setting up safety isolation areas, assigning full-time safety management personnel, real-time monitoring of dust and noise, establishing an emergency response mechanism, and conducting a comprehensive safety inspection after demolition to ensure that the demolition activities are completed safely, environmentally friendly and efficiently.

### Environmental Emergency Management

Highpower Technology continues to establish and improve environmental risk management and control mechanisms, build a complete environmental emergency structure, and carry out normalized environmental risk management and control to ensure early detection and early disposal of various environmental risks.



Highpower Technology Environmental Emergency Management Structure

Highpower Technology carries out risk source identification and assessment on a regular basis. For the risks identified, Highpower Technology develops environmental emergency response plans, covering hazardous chemical spills, hazardous waste leakage, wastewater leakage, exhaust gas leakage, fires, explosions, and more, and file them with the local Ecology and Environment Bureau. At the same time, by establishing the *Disaster Prevention and Recovery Operations Management Procedure* and setting up an Environmental Emergency Command Department, the Company ensures that environmental emergency events are handled in a timely, organized, efficient, and proper manner.



### Environmental Risk Identification

- **Identify potential risk sources:** Determine facilities, activities, or processes that may impact the environment, such as chemical storage, waste disposal.
- **Identify types of risks:** Include pollution emissions, chemical spills, fires, explosions, etc.

### Environmental Risk Assessment

- **Risk analysis:** Assess the likelihood of occurrence and potential impact of identified risks.
- **Effect assessment:** Analyze the potential impacts of risk events on air, water, soil, ecosystems, and human health.
- **Classification of risk level:** Classify the risks into different levels based on the severity and probability of the risks, and prioritize those that need immediate control.

### Emergency Plan Formulation

- **Emergency response procedures:** Develop detailed steps for emergency response, including alerting, evacuation, pollution control, and rescue operations.
- **Resource preparation:** Ensure that emergency equipment, supplies, and personnel are available and ready for use, such as protective gear, detection instruments, firefighting equipment.
- **Training and drill:** Regularly conduct emergency response training and drills to improve employees' ability to handle emergencies.
- **Communication and reporting:** Establish communication channels both internally and externally to ensure timely information flow and reporting.
- **Post-event assessment and improvement:** Conduct an assessment to summarize lessons learned and make improvements to the emergency plan after an emergency event.

### Continuous Monitoring and Updating

- **Periodic review:** Regularly review and update risk assessments and emergency plans to ensure their effectiveness and relevance.
- **Environmental monitoring:** Establish an environmental monitoring system to monitor potential risk sources in real time, and discover and address issues promptly.

#### Environmental Risk Identification, Assessment, and Emergency Response Process

Highpower Technology continuously promotes clean production by monitoring and identifying potential areas for improvement in energy consumption, material usage, and pollution during production and operations. Highpower Technology then develops and implements clean production enhancement plans and gradually carries out both internal and external clean production audits.

## Construction of Environmental Protection Culture

Highpower Technology actively promotes the development of an environmental protection culture, regularly conducts environmental protection training to enhance employees' awareness and capabilities, and drives the effective implementation of environmental protection efforts.

### Environmental Management Training



During the reporting period, Huizhou Highpower and Vietnam Exquisite provided environmental management system standard training and environmental management requirement training to all employees involved in environmental safety. The training covered core standards, compliance requirements, and practical operational processes of the environmental management system. Through training, Highpower Technology has strengthened employees' understanding of environmental management policies, identification and evaluation of environmental factors, as well as environmental monitoring and measurement control.



To improve employees' emergency response skills, Highpower Technology regularly holds environmental accident drills. The drill covers key aspects such as risk source identification, execution of emergency plans, and the use of emergency equipment. By simulating real-life scenarios, employees become familiar with emergency procedures and enhance their ability to respond to unexpected environmental incidents.

### Emergency Drill for Wastewater Leakage



To ensure that relevant employees can quickly and effectively control and handle a wastewater leakage incident, Highpower Technology conducted a wastewater leakage emergency drill during the reporting period.

All personnel at the wastewater treatment station, through practical operations and simulated scenarios, effectively enhanced their emergency response capabilities. The drill results showed that emergency supplies were able to be deployed as planned, and the contacts listed in the emergency plan were able to act swiftly and effectively to control and address the situation, minimizing the environmental impact to the greatest extent.

### Hazardous Chemical Spill Emergency Drill



To further enhance employees' safety awareness and emergency response abilities, and to test the applicability and practicality of the chemical emergency response plan, Highpower Technology organized a hazardous chemical spill emergency drill during the reporting period.

The drill simulated an emergency situation involving the leakage of hazardous liquids, covering various stages such as alarm, evacuation, leak control, and first aid. Different departments coordinated their responses, gaining practical knowledge and mastery of emergency handling methods, thus strengthening their ability to deal with unexpected events.



# Emissions and Waste Management

While protecting natural resources, Highpower Technology adopts effective waste management and pollutant control measures, actively applying innovative green technologies to contribute to a sustainable future through environmentally friendly production and operations.

In 2024, Highpower Technology strictly complied with all environmental laws and regulations of the place of operation, with no external environmental pollution incidents or environmental penalties. During the reporting period, Highpower Technology received the highest level of the 2024 Third Environmental Integrity Evaluation for Polluting Enterprises in Shenzhen.



## Air Emission Management

Highpower Technology strictly complies with the *Air Pollution Prevention Law of the People's Republic of China* and other laws and regulations of the place of operation, and have established internal systems such as the *Pollutant Management Procedures* and *Air Emission Management Procedures* to detail management requirements.

Highpower Technology follows internal air emission management procedures to ensure the compliant disposal of gases generated during the production process. Additionally, Highpower Technology has developed an environmental -monitoring plan in accordance with relevant regulatory requirements and commission third-party organizations to conduct the monitoring as required, with the monitoring results meeting all related requirements.



Air Emission Treatment Flow Chart



In 2024, Highpower Technology introduced a new air emission treatment process to improve facility efficiency and ensure compliant emissions.

### Biological Process



Guangdong Highpower uses biological process for air emission treatment. By utilizing the biochemical actions of exclusive microorganisms, pollutants are decomposed and converted into harmless inorganic substances. These specialized microorganisms utilize organic matter as the substrate required for their growth and reproduction. Through physical, chemical, and biological processes, complex organic molecules or large molecules are ultimately oxidized and decomposed into simple inorganic substances such as water and carbon dioxide.



## Wastewater Management

Highpower Technology strictly adheres to the *Water Pollution Prevention Law of the People's Republic of China* and other relevant laws and regulations of the place of operation. Highpower Technology has established internal regulations such as the *Industrial Wastewater Management System* and the *Soil and Groundwater Pollution Prevention and Management Regulations* to clarify the wastewater discharge treatment process and wastewater management objectives, and continuously reduce the discharge of pollutants from production wastewater. During the reporting period, the Company achieved a 100% compliance rate in the treatment of production wastewater and actively carried out technological upgrading projects to effectively protect the environment of surrounding communities at each of its bases.

Treatment in self-built wastewater treatment station



Internal testing and external testing



Reuse or discharge after passing the test

Production Wastewater Control Process

Initially filtered by internal oil separator and three-stage septic tank



Flow into the municipal pipe network



Treated by the wastewater treatment factory

Domestic Wastewater Control Process

### Vietnam Exquisite Wastewater Treatment Station



During the reporting period, Vietnam Exquisite completed and put into operation a wastewater treatment station with a daily purification capacity of 40m<sup>3</sup>, designed to treat domestic wastewater. The station adopts advanced processes to protect the surrounding environment.

- 1 **Regulation tank:** Balance the inflow water quality and quantity to ensure stability in the subsequent treatment process
- 2 **Anoxic tank:** Conduct denitrification to remove nitrate nitrogen from the wastewater, while partially degrading organic matter
- 3 **Aerobic tank:** Through aerobic microorganisms to degrade organic matter in the wastewater and perform nitrification to convert ammonia nitrogen to nitrate nitrogen
- 4 **Sedimentation tank:** Remove suspended solids from the wastewater by gravitational settling to reducing water turbidity
- 5 **Disinfection tank:** Disinfection is applied to eliminate pathogens in the wastewater, ensuring that the effluent quality meets the discharge standards



## Waste Management

Highpower Technology strictly follows the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Technical Specifications for the Collection, Storage, and Transportation of Hazardous Waste*, the *Regulations on the Transfer Management of Hazardous Waste* and other relevant laws and regulations of the place of operation. The Company has established a *Waste Management System* to define the responsibilities of each department and the waste handling process.

Highpower Technology strictly implements the compliant collection, classification, storage, and transfer of different types of waste. Through regular monitoring and analysis of the waste disposal process, targeted efforts are made to reduce the generation of waste.

The non-hazardous waste of Highpower Technology mainly includes household waste and general industrial solid waste. Our hazardous waste mainly comes from the production process, including waste electrolyte, waste oil, waste lamps, waste activated carbon, waste rag, waste empty container, and waste cutting liquid.

In terms of hazardous waste management, Highpower Technology has set and achieved the goals of 100% collection and disposal of hazardous waste and 100% collection and disposal of general solid waste. Highpower Technology has also formulated a hazardous waste reduction plan every year, set reduction targets, and work to reduce the generation of hazardous waste.

### Solid Waste Management Training of Guangdong Highpower

During the reporting period, Highpower Technology organized special training on solid waste management for key personnel, including supervisors and team leaders.

The training covered the classification standards for general industrial solid waste and hazardous waste in the park, as well as an explanation of relevant laws and regulations. Through systematic training, employees improved their understanding of compliance with solid waste classification and disposal, providing strong support for the park's standardized and green operations.



#### Non-hazardous waste



##### Household waste

- Collected separately and uniformly processed by the sanitation department

##### General solid waste

- Classification and collection: Classified according to the nature and composition of the waste, such as metal scrap, plastic waste
- Temporary storage and pre-treatment: Classified waste is temporarily stored in designated areas, and pre-treatment operations such as crushing, screening, and drying are carried out based on the type of waste and subsequent treatment requirements
- Recycling and disposing: Recycled by solid waste recyclers, with regular tracking of their disposal methods to ensure minimal environmental impact

#### Hazardous waste



- Classification: Hazardous wastes are categorized based on their type
- Collection and temporary storage: Hazardous wastes are collected through specialized containers and equipment to ensure the containers' sealing property and leak-proofing; The collected hazardous waste is temporarily stored in a dedicated hazardous waste storage
- Records and ledger management: Detailed records are maintained for the generation, collection, and temporary storage of hazardous waste
- Hazardous waste disposer: Disposal by professionally qualified hazardous waste disposers
- Regular qualification audits: Conduct regular qualification audits of hazardous waste disposers to ensure that they are qualified and capable of disposing of hazardous waste

#### Waste Disposal Measures

## Biodiversity Protection

Highpower Technology attaches great importance to the impact of its operations on biodiversity and actively creates a green ecological environment. The Company strictly abides by the *Opinions on Further Strengthening Biodiversity Protection*, the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*, the *Regulations on Groundwater Management* and other relevant laws and regulations and policies in place of operation, and formulates internal systems such as the *Regulations on Land use and Biodiversity Management* to guide the identification of biodiversity risk factors and the investigation of surrounding ecological hazards.

Highpower Technology regularly monitors ecological sensitive targets, such as ancient and famous trees, as well as rare and endangered plants and animals, around each of its factories. Our operating sites are not located within or near natural reserves, or in any biodiversity-rich areas outside nature reserves. All production and operation activities, products and services of Highpower Technology has not had a significant impact on biodiversity.

# Resource Management

Highpower Technology places great importance on resource conservation and fully understands the significance of resource management. Highpower Technology is committed to protecting the environment and pursuing sustainability through responsible operations. By utilizing water resources and packaging materials efficiently and in a circular manner, Highpower Technology aims to reduce our environmental impact.



## Water Resources Management

The water resources used by Highpower Technology in its production and operation processes all come from the municipal water supply system. Highpower Technology has developed internal systems and procedures, such as the *Energy and Resource Management Procedures*, to regulate water usage management and continuously enhance water resource Highpower Technology efficiency.

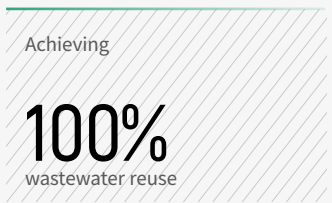
Highpower Technology continuously optimizes water resource management by implementing measures such as source control, equipment upgrades, and digitalization, to steadily promote water resource conservation efforts. Highpower Technology has introduced an intelligent water-saving control system in our office areas, which automatically controls the water tank to drain water via human body induction, effectively saving water and improving water resource utilization efficiency. During the reporting period, there were no major violations related to water resources. Total water consumption was 904,178 tons, with a water consumption intensity of 1.77 tons per 10,000 RMB of revenue.

<sup>3</sup> HDPE board, also known as high-molecular high-density polyethylene board, is a plastic board made by polymerization of polyethylene.

### Guangdong Highpower Wastewater Reuse Project

During the reporting period, Guangdong Highpower implemented a zero-discharge wastewater treatment process, achieving 100% wastewater reuse and greatly enhancing water resource utilization efficiency.

By applying physicochemical and biological pretreatment to wastewater from production areas, gas scrubber spray wastewater, and central air conditioning cooling tower wastewater, Highpower Technology effectively removed suspended solids and sludge. Furthermore, MBR membranes, ultrafiltration, reverse osmosis, and MVR evaporation condensation technologies are employed to remove dissolved pollutants, ensuring that the water quality meets the standards for reuse. The treated clear water and condensate are reused in the air conditioning cooling stage of the production process, effectively reducing the use of fresh water.



## Packaging Material Management

By using green and recyclable packaging materials, Highpower Technology can reduce the environmental impact from the source. Highpower Technology is committed to promoting the use of recyclable, biodegradable, and low-consumption packaging materials, while continuously optimizing packaging design to enhance the recyclability of packaging materials, reduce packaging material, and minimize the negative impact on the environment.

During the reporting period, Highpower Technology collaborated across the value chain to establish a full-cycle recycling mechanism for packaging materials such as cartons, plastic boxes, and blister trays. Highpower Technology has reached packaging material recycling cooperation agreements with our customers to implement a systematic recycling and reuse of product packaging cartons. In 2024, the proportion of recycled packaging materials used by Highpower Technology reached 10%.

### Packaging Material Recycling Project

During the reporting period, Highpower Technology researched, developed and launched HDPE<sup>3</sup> recyclable packaging boxes for energy storage battery modules. These boxes can be reused for more than 5 years and are recyclable and biodegradable under specific conditions. As of now, 100 HDPE recyclable packaging boxes have been put into use, initiating a new chapter in packaging material recycling.

Highpower Technology has also signed packaging material recycling agreements with downstream customers to collaborate on packaging material recycling, enabling the circular use of packaging materials. By the end of the reporting period, nearly 2 million blister packaging items have been recycled, significantly reducing the generation of packaging waste.

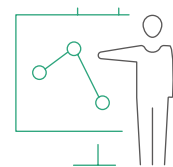
# Climate Change Response

To tackle the challenges of climate change, the international community reached the *Paris Agreement* in 2015, committing to limit the global temperature increase to within 2°C above pre-industrial levels by the end of this century. Highpower Technology actively responds to the *Paris Agreement*. While taking responsibility for reducing our own carbon footprint, Highpower Technology also strive to enhance the resilience of the Company in addressing climate change throughout our operations and across the upstream and downstream value chain.



## Governance

Highpower Technology incorporates climate-related governance into its overall ESG structure to ensure that climate change topics are integrated into the Company's overall strategic planning process.



As the highest decision-making body at the Board of Directors level, the ESG decision-making committee is responsible for

- Guiding and formulating the Company's climate-related vision, goals, strategies, and structure
- Identifying major climate risks and opportunities
- Regularly reviewing the implementation and achievement of climate-related goals



Composed of the Company's core management team, and responsible for

- Offering business insights into the Company's climate change strategy, including key fields like climate change risk and opportunity management, as well as monitoring
- Coordinating and ensuring the necessary resource support for executing climate-related strategies and managing risks



Composed of the ESG management team, and coordinated by the Environmental Management Team

- Leading the identification of climate risks and opportunities and providing professional insights and recommendations for the development of climate-related strategies
- Continuously tracking climate-related performance, actively promoting improvement measures, and ensure the achievement of climate change goals



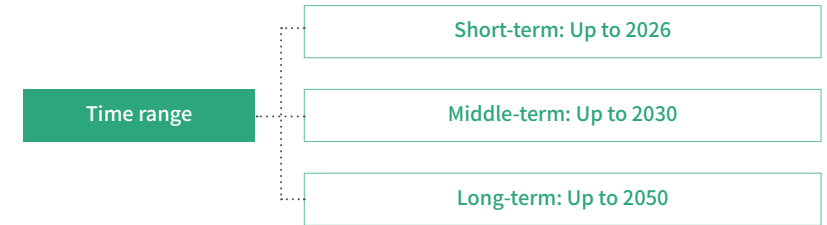
The relevant business/function responsibility departments are responsible for

- Implementing adaptation and mitigation strategies related to climate change
- Proposing and executing innovative operations and practices to address climate change topics



## Strategy

Highpower Technology refers to the International Sustainability Standards Board (ISSB) publication, *International Financial Reporting Sustainability Disclosure Standard No. 2 - Climate-related Disclosures*, and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to systematically identify and assess climate-related risks and opportunities. Considering the Company's business characteristics, Highpower Technology ranks these risks by priority level and develop effective risk response and mitigation measures to strengthen the Company's resilience to climate change.



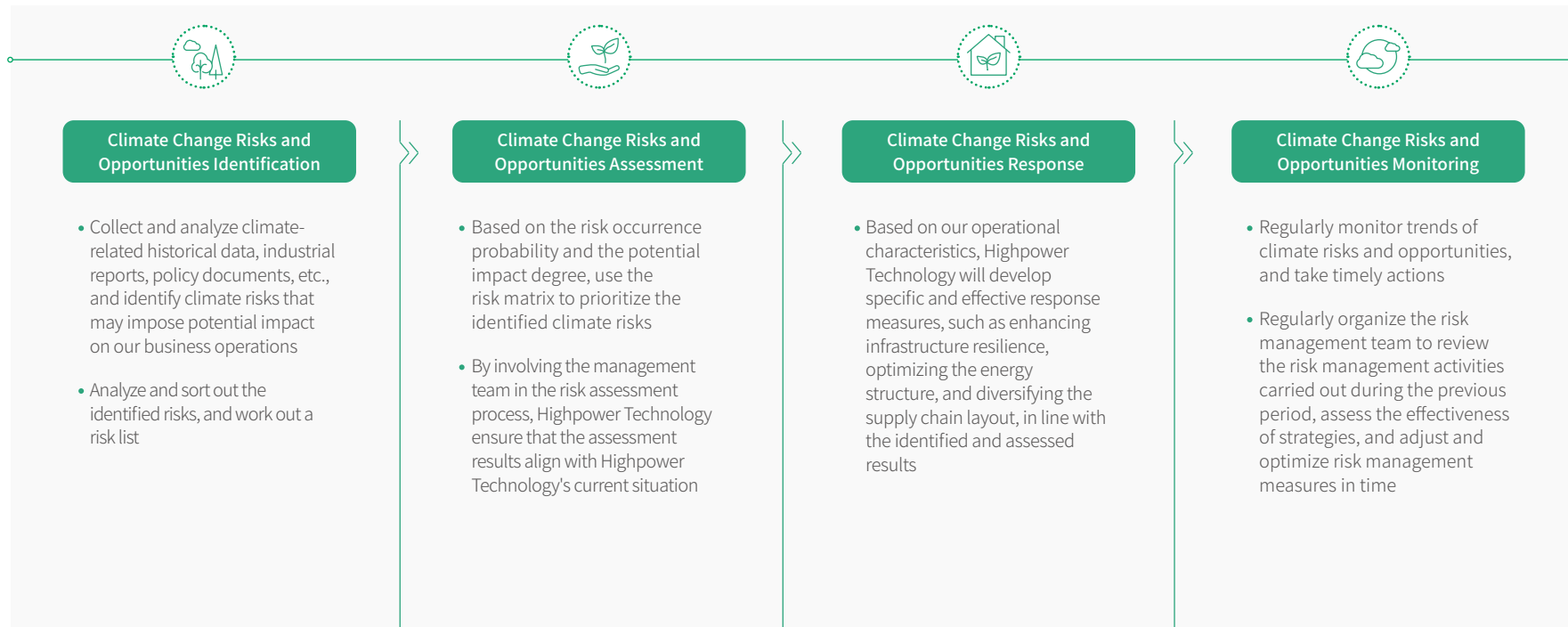
Risk Category		Risk Description	Financial Impact	Time Range	Response Strategy
Physical Risk	Acute	Extreme weather events (including typhoons, floods, heatwaves, etc.) may affect the operational stability of the Company's infrastructure, leading to interruptions in production processes and impacting business continuity	Increased operational costs due to infrastructure reinforcement, renovation, and repairs	Short-term	Establish an extreme weather warning system to provide early alerts for extreme weather events Develop emergency disaster response plans and regularly conduct emergency drills
	Chronic	The rise of temperature will increase the energy consumption of production sites for temperature control. Meanwhile, the rise of sea level at the coastal areas and floods may exert a serious impact on critical public infrastructures, thereby impairing the Company's normal operations	Increase in operating costs caused by the energy consumption increase for keeping the optimal temperature at production sites	Long-term	Use high-efficiency heating and cooling systems to replace the existing systems, and track and analyze energy consumption trends every year to continuously optimize energy efficiency management
Transition risk	Policies and laws	The government's policies, laws and regulations related to carbon emissions are increasingly stringent, bringing tremendous pressure on the Company's compliance management	Increase in operating costs caused by response to changes of policies	Long-term	Pay close attention to the latest trends of climate-related laws and regulations at national and international levels, and take necessary response measures in compliance with the latest requirements of laws and regulations
	Technology	For transition to low-carbon operations, the Company has to invest much in efficient and energy-saving equipment, clean energy and low-carbon production technology.	The R&D of and investment in low-carbon technologies, and procurement and use of clean energy may increase operating costs	Medium-term	Develop a low-carbon transformation plan, actively explore clean energy alternatives, and expand the application of clean energy Give priority to the assessment of environmental impact and energy efficiency when purchasing new equipment
	Market	The preferences of customers for sustainable, and climate-friendly products are gradually increasing. Having set targets against emission reduction of value chain, more customers require the whole value chain to make contributions for reducing carbon emissions	Increase in operating costs that may be caused by customers' low-carbon requirements, and decrease in operating revenue that may be caused by failure to meet customers' needs	Long-term	Keep close communication with customers and thereby understand their requirements for the Company's environmental performance Strengthen the development of the carbon emission management system, establish a digital carbon emission management platform, continuously monitor the progress of established environmental goals, and implement a carbon emission performance assessment mechanism
	Reputation	Stakeholders such as customers and consumers are increasingly concerned about the Company's actions in addressing climate change. If the Company fails to actively respond to climate change, it may fail to meet stakeholder expectations, thereby damaging its image and reputation	If the Company fails to meet stakeholders' expectations, the capital cost may rise and the Company value may be affected negatively	Long-term	Continuously reinforce the R&D and innovation of low-carbon products, and integrate the concept of green and low-carbon development into the entire chain through production and operation

Risk Category	Risk Description	Financial Impact	Time Range	Response Strategy
<b>Resource Efficiency</b>	An efficient resource management system helps Highpower Technology effectively avoid waste, reduce operational costs, and improve production efficiency	Reduce operational costs by improving resource efficiency	Medium-term	During the operations, Highpower Technology persistently increases investment in infrastructure related to circular economy, and carries out various projects such as intelligent water control and wastewater reuse to achieve the efficient use of resources and reduce operating costs effectively
<b>Energy Transformation</b>	With the continuous progress of R&D and innovation of green technologies as well as the promulgation of successive supporting policies, the renewable energy is expected to become increasingly available, and its price may be gradually reduced	Optimize energy efficiency, and use cost-effective renewable energy to reduce operating costs	Medium-term	During production and operation, carry out various projects such as photovoltaic power generation to increase the use ratio of renewable energy, thereby reducing energy costs and meeting the green needs of downstream customers
<b>Products and Services</b>	As the globe pays increasing attention to climate change, customers tend to select environment-friendly products and services. The Company's low-carbon achievements will improve its competitiveness, brand image and sustainable development reputation	By providing products and services that align with customer preferences, Highpower Technology can further strengthen our competitiveness, leading to an increase in revenue	Long-term	Implement green production activities such as improving operational efficiency and optimizing manufacturing processes to help customers reduce carbon footprints of their products, and enhance the Company's competitive edges



## Impact, Risk and Opportunity Management

Incorporating climate risks and opportunities into the Company's strategies and decision-making, and including identifying climate-related risks into the Company's overall risk assessment practices and management system, Highpower Technology carries out the refined risk identification, assessment and management to reduce the impact of climate-related risks on the Company, which ensures the long-term and stable operation as well as sustainable development.



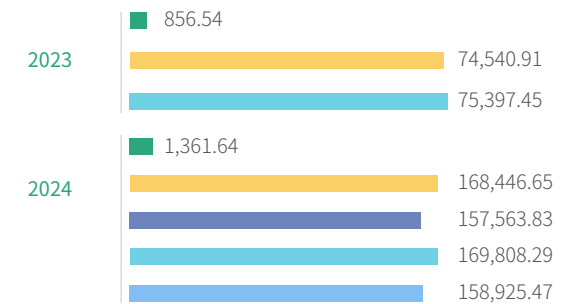
Management Process of Climate Change Risks and Opportunities

Highpower Technology continuously reduces energy consumption and greenhouse gas emissions through various energy conservation and emission reduction measures, including improving overall energy management, reducing energy consumption, enhancing energy efficiency, and transitioning to cleaner energy. These efforts aim to minimize the impact of identified significant climate-related risks. Highpower Technology also continuously collaborate with our value chain partners to reduce carbon emissions through the value chain.

## Indicators and Goals

To effectively implement the Company's climate change strategy, Highpower Technology conducts carbon accounting for greenhouse gas emissions and, based on production capacity planning, scientifically forecast long-term emission trends. This provides a scientific basis for decision-making in fields such as formulating future energy conservation and emission reduction pathways, setting greenhouse gas emission targets, and tracking progress. In 2024, the Company's total greenhouse gas emissions (Scope I + Scope II Location-based) account for 158,925.47 tCO<sub>2</sub>e, with a greenhouse gas emissions density (Scope I + Scope II Location-based) of 0.31 tCO<sub>2</sub>e per 10,000 RMB revenue.

Greenhouse Gas Emission (Unit: t CO<sub>2</sub>)



- Scope I Greenhouse gas emissions
- Scope II Greenhouse gas emissions (Market-Based)
- Scope II Greenhouse gas emissions (Location-Based)
- Total greenhouse gas emissions (Scope I + Scope II Market-based)
- Total greenhouse gas emissions (Scope I + Scope II Location-based)

# Low-carbon Operation

Adhering to the vision of "green energy, zero-carbon future", Highpower Technology takes energy management as its main means to achieve green manufacturing and zero-carbon objectives, and Highpower Technology uses various methods such as optimizing energy structure, tapping energy-saving potential, and enhancing intelligent control to efficiently promote energy conservation and emission reduction. Meanwhile, Highpower Technology actively works together with supply chain partners to drive the low-carbon transformation of the whole industry chain.



## Energy Management

Highpower Technology strictly complies with all applicable laws and regulations in the place of operation such as the *Energy Conservation Law of the People's Republic of China*, and formulates internal system and procedure documents such as *Energy and Resources Management Procedures*, *Energy-Saving Management System for Office Area*, *Energy-Saving Operation Control Procedures*, and *Energy Management and Control Procedures* to use energy efficiently. With systematic comprehensive management structure, Highpower Technology improve energy efficiency and reduce energy consumption.

Highpower Technology has built a systematic energy management structure, set up an energy management team responsible for coordinating energy conservation work, and established an energy conservation inspection team under the energy management team to assist in promoting energy conservation self-inspection and technical upgrading. During the reporting period, Highpower Technology carried out energy conservation inspections for key fields such as lighting system, compressed air, production equipment and air-conditioning equipment to ensure the implementation of various energy-saving measures, which effectively reduces energy consumption, and improves energy utilization efficiency, laying a solid foundation for the Enterprise's sustainable development.

During the reporting period, Highpower Technology's total comprehensive energy consumption was 299,008,078 kWh, comprising 5,115,642 kWh of direct energy use and 293,892,436 kWh of indirect energy use. The total amount of renewable electricity used reached 8,638,162 kWh, representing a year-on-year increase of 446% compared to last year. Specifically, the Company purchased 5,975,861 kWh of green electricity and generated 2,662,301 kWh by photovoltaic power.

### Lighting System

- Whether or not there are lights left on continuously in non-production areas or areas without staff
- Whether the lighting for the production area is turned off in time during the non-production time
- Whether or not the lighting is turned off promptly in office areas when there are no staff present

### Production Equipment

- Whether or not the production equipment is in an idle (empty running) state

### Compressed Air

- Whether or not there are gas leaks in the production line pipes in the production area
- Whether or not there are gas leaks in the internal facilities of the production equipment
- Whether or not the gas valve is in an abnormal open state when not in operation

### Air Conditioning Equipment

- Whether or not there are air conditioners left on continuously in non-production areas or areas without staff
- Whether or not the air conditioning in the production area is left on continuously during non-production hours
- Whether or not the air conditioner is turned off promptly in office areas when there are no staff present

### Energy Conservation and Emission Reduction Audit Points

Meanwhile, Highpower Technology leverages our cross-departmental audit mechanism to ensure the implementation of energy conservation and emission reduction and propel the achievement of energy conservation and emission reduction objectives.

### Highpower Technology promotes its energy conservation and emission reduction through cross-departmental energy conservation inspection



During the reporting period, Highpower Technology promoted energy conservation and emission reduction by cross-departmental energy conservation inspections. It was found during the energy conservation inspections that a set of air emission treatment equipment of Highpower Technology continuously ran without load during the non-production time, consuming 25kW electricity in an hour. It idled for about 10 hours every day, and consumed 91,250kWh electricity in a year. Through inter-departmental collaboration, after the production department reported the problem, the factory affairs personnel shut down the equipment in time, effectively avoiding energy waste.

### Green Solutions

#### Energy Efficiency Improvement

Through thoroughly systematic comprehensive energy management, Highpower Technology effectively utilizes high-efficiency and energy-saving technologies and equipment to promote energy conservation management in an all-round and refined manner, increasing the use ratio of clean energy. Highpower Technology are committed to avoiding unnecessary energy consumption during production and operation, and achieving the efficient use of energy.

##### Energy Management System Project



During the reporting period, Highpower Technology implemented the energy management system project, which was connected to 459 points of the electric power system and included 281 newly-added points out of the electric power system, and realized the data collection and monitoring in real time. The system supports multi-dimensional energy analysis and cost management. Meanwhile, it optimizes the energy consumption management of equipment such as air compressor and refrigerator through the high-efficiency model of machine room. In terms of system extension, it has been connected to photovoltaic power generation data, and reserved ports for energy storage. In the future, more system functions will be constantly added to meet actual business needs.



##### Ventilation Renovation Project of Coating Machine Oven Area



During the reporting period, Huizhou Highpower implemented a renovation project for the coating machine oven area against the problem of heat loss occurred in the oven area of the positive-negative electrode coating machine in the electrode workshop on the first floor of Phase II plant. The insulation system of oven and ambient ventilation system were optimized, which reduced unnecessary heat loss significantly and improved energy efficiency by 8%.

##### Energy Conservation Management Project of Guangdong Highpower and Huizhou Highpower



During the reporting period, Guangdong Highpower and Huizhou Highpower jointly launched an energy conservation management project that systematically optimized the operating parameters of dehumidifiers, air conditioners and refrigerators in each business unit to achieve significant energy conservation effects. A total of 13.34 million kWh electricity was saved during the project period from June to December.

The implementation of the project fully verified the effectiveness of equipment parameter optimization in controlling industrial energy consumption. Meanwhile, a set of replicable and quantifiable energy conservation management methodologies was formed, providing a practical basis for subsequent energy efficiency improvement.



### Water Intelligent Control Project



Highpower Technology actively promotes water intelligent control projects. During the reporting period, Guangdong Highpower completed the construction of water intelligent control projects for No.3, 4, 5, 6 and 8 buildings.

This project achieves automatic monitoring of water quality and accurate dosing of chemicals by installing intelligent inspection equipment in the cooling and circulating water system. It carries out automatic adjustment through online water quality testing and system operation to effectively reduce the approaching temperature of the refrigerator and mitigate the scaling phenomenon of pipelines and cooling towers. Besides, sealing shades are installed on the skirt of the cooling tower to reduce the green algae, and keep the clean water quality and stable water temperature, further improving the operating efficiency of the water system, and achieving significant energy conservation effects. The project saves more than 10% energy, and is estimated to save electricity of approximately 1.2 million kWh every year.



### Energy Transformation

With the increasingly prominent importance of renewable energy in tackling climate change, Highpower Technology actively explores opportunities of replacing traditional energy with renewable energy and low-emission fuels during the Company's operations to drive the energy transformation.

#### Guangdong Highpower Completed the Construction of a 1.7MW Photovoltaic Power Generation Project



In 2024, Guangdong Highpower completed the construction of a 1.7 MW photovoltaic power generation project, which was formally connected to the grid for power generation on October 29. The project achieves an average annual power generation of 1.45 million kWh, and has a design operating cycle not shorter than 25 years. The power generation is expected to reach 1.58 million kWh in the first year, and the total power generation in 25 years is expected to reach approximately 36.27 million kWh. By the end of the reporting period, the project had achieved total power generation above 400,000kWh.



#### Guangdong Highpower Completed the Construction of a 5.16MW/10.32MWh Energy Storage Power Station Project



In 2024, Guangdong Highpower completed the construction of a 5.16MW/10.32MWh energy storage power station project, which was put into formal operation in December.

The power station adopted the operation mode of "supply power during peak and store power during valley" to balance the load on power grid, reduce fluctuations and faults, and effectively support the stable connection of renewable energy. Through energy scheduling and capacity adjustment, the project solves the problem of fluctuation of renewable energy power generation, and propels the efficient use of clean energy, contributing to the achievement of carbon neutrality goals.



### Training

Employee participation is critical for achieving our emission reduction targets and implementing our climate change-adapting plans. Highpower Technology regularly organize training courses and lectures on energy conservation and emission reduction to enhance employees' awareness of energy conservation and emission reduction and climate change tackling.

#### "Green Transformation, Energy-saving Campaign" National Energy-saving Publicity Week

During the reporting period, in active response to the national publicity and call for energy conservation, Guangdong Highpower held an energy-saving publicity week with the theme of "Green Transformation, Energy-saving Campaign" to persistently enhance employees' awareness of energy conservation and carbon reduction, and support the Company's energy conservation practices.

### Carbon Emission Management

Always upholding the green and low-carbon concept, Highpower Technology are committed to promoting sustainable development, reducing carbon emissions of products, and contributing to the achievement of carbon neutrality goal.

Highpower Technology has formulated the *Measures for the Management of Greenhouse Gas Investigation Information* and, with reference to relevant requirements such as GHG Protocol and ISO 14064, standardized and regularly implemented the Company's greenhouse gas stocktake while inviting third-party organizations to carry out verifications. As of the report release, Highpower Technology has accepted the greenhouse gas verification annually organized by the third-party organization and completed the performance in full. Huizhou Highpower and Guangdong Highpower have completed the 2024 greenhouse gas emission verification.



ISO14064 Annual Audit of Guangdong Highpower

Highpower Technology carries out multiple professional training sessions on climate change for relevant employees, including ISO 14064 greenhouse gas inventory training, to ensure that relevant personnel master the professional knowledge and capabilities for implementing and supervising strategies and systems in response to climate-related risks and opportunities.

### Product Carbon Footprint

Highpower Technology is committed to controlling carbon emissions throughout the full lifecycle of our products, reducing energy consumption during production, replacing traditional energy with renewable energy, and optimizing product design to build green products with significant climate and environmental benefits. Besides, Highpower Technology actively takes measures to reduce the negative impact of products on the environment throughout their full lifecycle.

Meanwhile, Highpower Technology emphasizes the disclosure of carbon emission data of our products and during our own operations, and actively strives for relevant declarations and certifications. In 2024, our 2 types of newly-added cylindrical Li-ion batteries passed the ISO 14067 product carbon verification. By the end of the reporting period, our 8 products passed the ISO14067 certification and 9 products passed the carbon footprint certification of Greater Bay Area.



Carbon Footprint Certifications of Products

# 04

## Harmonious Life

Adhering to the people-oriented concept and the social responsibility policy of "Observing Law and Discipline, Ensure the Rights of Employees, Build a Harmonious Company", Highpower Technology is committed to providing employees with an equal, inclusive, safe, healthy, warm and harmonious working environment. Highpower Technology effectively protects the rights and interests of employees, builds an inclusive cultural atmosphere to promote employees' sustainable career development, and pays continuous attention to their physical and mental health.

The United Nations Sustainable Development Goals (SDGs) related to this section include:



# Employee Rights and Benefits

Highpower Technology has always upheld the principle of mutual respect, and fully respected and protected the employees' legitimate rights and interests by providing them with care and warmth, thereby marching forward together with our employees.



### During the reporting period

Highpower Technology has been awarded with

**Liepin 2024 Guangdong Annual Work Different Employer**

**UFIDA 2024 Campus Recruitment Best Practice Award**

**Zhilian Recruitment 2024 China Annual Preferred Employer**

## Employee Recruitment

The Company strictly complies with the core conventions and international human rights standards of the International Labor Organization (ILO), as well as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other applicable laws and regulations for protecting labor rights and interests of the place of operation. Besides, it formulates and implements the *Measures for the Social Recruitment Management of Highpower Technology*, the *Operation Standards for the Recruitment Implementation of Highpower Technology*, the *Recruitment Implementation Manual*, the *Recruitment Management System* and other internal systems, which standardize the operations at all nodes of the recruitment process, and define the uniform recruitment implementation standards, comprehensively improving the recruitment quality and efficiency. Meanwhile, Highpower Technology continuously optimizes our internal systems and clarifies that the Board of Directors and managerial level shall supervise and manage the protection of employees' rights and interests and diversification construction of the Company. The Company disclosed the *Highpower Technology Labor Rights and Interests Protection Policy* to the public, which is also our solemn commitment to protecting employees' rights and interests.

Adhering to the recruitment concept of "openness and impartiality", the Company ensures that no candidate will be discriminated for age, disability, ethnicity, gender, marital status, nationality, political status, race, religious belief, sexual orientation, or being a member of the labor union or not.

Highpower Technology strictly prohibits any forced labor or child labor. During the reporting period, the Company did not have any violation of laws or regulations that involve employment discrimination, child labor or forced labor.

### Prohibition of Child Labor

- **Recruitment Process Management:** Strictly check the identity certificates of candidates and conduct regular random checks of their data
- **Corrective measures for wrongful recruitment of child labor:** If any wrongful recruitment is found, immediately initiate a corrective process, including but not limited to conducting a health checkup for child workers, providing necessary medical treatment for sick child workers, bearing the cost of escorting the child laborers back to their original place of residence, and providing support and funding for the child laborers to receive education depending on the circumstances

### Prohibition of Forced Labor

- **Principle of involuntary labor prevention:** Ensure the voluntariness of labor, prohibit threatening, coercion, repression, deception, fraud, etc. and strictly prohibit the action of detaining original identity certificates, passports, travel licenses, etc. issued by the government
- **Transparency requirements of employee contracts:** Contracts must be signed in a language that employees can understand and clearly state the terms of employment

The Company is committed to adopting a diversified recruitment strategy and applying a wide range of channels including online recruitment platforms, campus presentations and job fairs, internal employee referral programs, professional headhunting services, and other online and offline activities to attract high-caliber talent from all fronts.

### New Breakthroughs in Employer Brand and Talent Recruitment in 2024



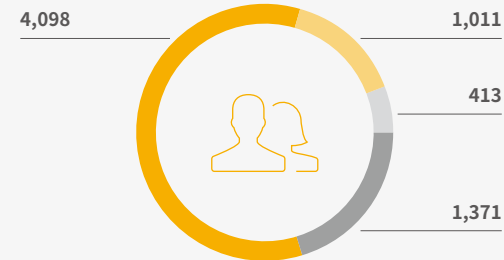
In 2024, Highpower Technology achieved multidimensional progress in talent recruitment efforts. In the aspect of employer brand building, with its unique corporate culture and sound career development environment, it stood out from many companies and won the "Liepin 2024 Guangdong Annual Work Different Employer" and "Zhilian Recruitment 2024 China Annual Preferred Employer", which greatly improved the brand popularity and reputation in the talent market.

In the area of campus recruitment, Highpower Technology continued to drive innovation. Through close cooperation with universities, a well-structured campus recruitment process, and an attractive talent development program, the Company was awarded the "UFIDA Campus Recruitment Best Practice Award". This initiative not only enabled precise engagement with outstanding graduates, but also helped new hires integrate quickly into the Company through a tailored training system. The program continues to inject fresh innovation into the organization and serves as a strong reference model for campus recruitment across the industry.



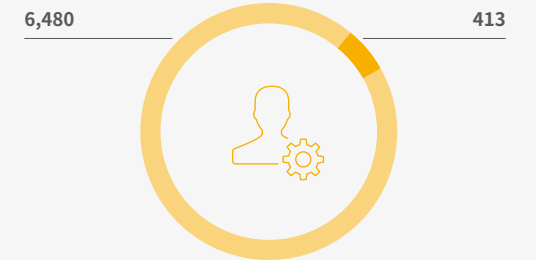
By the end of the reporting period, Highpower Technology had a total of 6,893 employees, including 405 new employees.

#### Number of Employees by Function



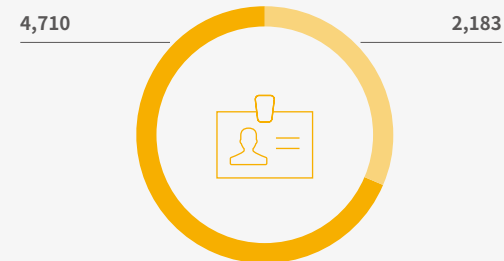
■ Manufacturing Workers ■ Engineering Technology ■ Management ■ Service

#### Number of Employees by Rank



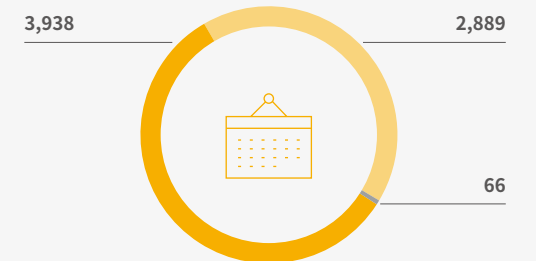
■ Management ■ General Employees

#### Number of Employees by Gender



■ Male ■ Female

#### Number of Employees by Age



■ <30 Years Old ■ 30-50 Years Old ■ >50 Years Old

## Diversity, Equality and Inclusion

Highpower Technology upholds the values of openness, inclusiveness, and equality, and is committed to fostering a diverse and inclusive workplace culture. In 2024, maintaining a zero-tolerance stance toward discriminatory behaviors, the Company enhanced its anti-discrimination and anti-harassment framework and formulated the *Prohibition of Discrimination Management Procedures* and the *Prohibition of Harassment and Abusive Management Procedures*. These measures aim to ensure that employees are not subject to harassment or abusive management practices, and that everyone is treated with due respect and equality in the workplace.

Highpower Technology runs through the principle of equality throughout all stages of recruitment and work process. In 2024, anti-discrimination and anti-harassment policies were communicated to all new employees during induction training in the Company, and the anti-discrimination and anti-harassment education was further reinforced through annual training programs to ensure full understanding and consistent practice of these important principles.



Anti-discrimination and Anti-harassment Training

The Company continues to safeguard the rights and interests of female employees and has strengthened labor protection measures specifically tailored to female. Reasonable rest periods and workload adjustments are provided to pregnant female employees, and job roles may be modified upon mutual agreement if needed. In addition, the Company actively fulfills its social responsibility by supporting local employment of persons with disabilities. Equal pay for equal work is implemented for disabled employees. Highpower Technology provides a range of supportive measures for disabled employees, including exemption from night shifts, priority access in the canteen, accesses to elevators via dedicated cards, and allocation of lower bunk beds in dormitories to ensure their comfort and convenience. During the reporting period, no incidents of discrimination were reported in the Company.

## Employee Remuneration and Benefits

Highpower Technology continues to build a fair, competitive, and efficient remuneration and benefits system that aligns employee contributions with rewards, thereby enhancing employees' sense of happiness and satisfaction.

In order to enhance the autonomy and flexibility of remuneration management of various systems and business departments, and improve the pertinence and effectiveness of remuneration management, during the reporting period, Highpower Technology optimized the *Payroll Management System for Grassroots Employees* to achieve unified management of employees of operation sequence in terms of rank, remuneration and performance.

To attract and retain blue-collar talent, the Company has established a targeted fixed salary mechanism. By conducting in-depth analysis of recruitment needs and supply dynamics for blue-collar roles, along with benchmarking against industry and regional salary levels for recent graduates and market trends, Highpower Technology has accurately positioned the campus recruitment salary standards and developed a competitive remuneration framework to maintain its strong appeal in the blue-collar labor market.

To incentivize and retain key talent, Highpower Technology also offers reasonable and substantive rewards to employees, including short-term, mid-term, and long-term incentive plans.

Short-term Incentive	Medium-term Incentive	Long-term Incentive
<ul style="list-style-type: none"> <li>Includes technical system title allowance, timeliness incentive, proposal improvement award, etc.</li> <li>The awards are granted according to the actual individual performance, completion and contribution of the employee in the project</li> </ul>	<ul style="list-style-type: none"> <li>Includes excellent project awards, R&amp;D project awards, government project awards, cost reduction and efficiency improvement awards and performance bonuses</li> <li>The performance bonus allocation is a kind of contribution incentive plan formulated by the Company for employees who have reached the performance standard</li> </ul>	<ul style="list-style-type: none"> <li>Includes equity incentives</li> <li>Highpower Technology implements an equity incentive plan targeting R&amp;D, technical, business, and key management personnel. This initiative aims to align the interests of the Company and its core team, fostering joint efforts toward long-term corporate development</li> </ul>



**Help Employees Enjoy Local Talent Incentive Policies**



Highpower Technology actively interprets various government benefit policies and applies for various welfare benefits for outstanding talents. During the reporting period, Highpower Technology assisted 32 employees in successfully applying for the Talent Living Subsidy and Housing Subsidy of Huizhou Zhongkai Hi-tech Industrial Development Zone in the second-half of 2023, offering strong support for their stable livelihood and career development.

In addition, Highpower Technology responded positively to Huicheng District's employment policy aimed at attracting migrant workers of poverty alleviation outside the province. As a result, 80 eligible employees successfully obtained special financial support, including transportation subsidies and job retention bonuses.

Highpower Technology has formulated the *Employee Benefits Management Measures* to standardize the Company's welfare practices and setting criteria. This system provides comprehensive benefit protection for employees, further enhancing their sense of belonging and team cohesion. In addition to offering all statutory benefits, the Company provides a wide array of supplemental benefits to employees.

**Statutory Benefits**

- Purchase social insurance and provident fund for all employees
- All employees are entitled to annual leave, maternity leave, paternity leave, marriage leave, sick leave, bereavement leave and other types of paid leave in Statutory Benefits accordance with the law

**Daily Benefits**

- Provide employee with starter packs, anniversary blessings and departure souvenirs
- Distribute gifts to employees during traditional festivals and birthday months
- Hold birthday celebrations for employees every month

**Incentive Benefits**

- Award employees with Starlight Award and Quarterly Special Award

**Culturally Constructive Benefits**

- Establish various interest-based employee associations and provide financial support for their activities

**Living Security Benefits**

- Formulate the *Highpower Technology Employee Home Purchase Loan Management System* to provide home purchase loans to employees who fulfill the conditions
- Offer free assistance for employees in obtaining household registration in Huizhou/Shenzhen, with Shenzhen registrants being eligible to apply for Shenzhen talent subsidies
- Catering services cover a variety of meals
- Dormitories accommodating 2 to 4 persons are available, equipped with air conditioners, water heaters, desks, wardrobes, bathrooms, and balconies
- Each factory is equipped with shuttle buses, which operate on fixed schedules, ensuring safe and convenient transportation for employee's commuting and weekend outings

**Female Employee Benefits**

- Female employees shall enjoy maternity leave of not less than 178 days for childbirth, and the maternity leave shall be adjusted and increased in accordance with the statutory requirements according to the production situation of the female worker and the number of babies she has given birth to
- From the day following the end of the maternity leave to the child's first birthday, the Company provides one hour of paid breastfeeding leave during working hours every day, and for every additional baby breastfed, the daily breastfeeding time is increased by one hour
- Mother and baby rooms are set up in each of the Company's factories

## Employee Care

Highpower Technology is deeply committed to caring for its employees and continuously enhances its employee communication mechanisms.

Highpower Technology fully respects employees' rights of freedom of association and collective bargaining. The Company has formulated policies including the *Freedom of Association and Collective Bargaining Management Procedures* and the *Employee Representative Election Management Procedures* to safeguard employee rights and interests. The Company, in accordance with democratic procedures and after reaching consensus through consultation with employee representatives, has signed a collective contract that clearly stipulates key aspects related to employees' interests, including remuneration and benefits, working conditions, and occupational safety and health. The collective contract was signed in July 2023, which will remain valid for three years. Subsidiaries under the Company have all established labor unions and employee representative assemblies, enabling employees to participate in company decision-making through these democratic platforms.

Highpower Technology promotes an open, transparent, and efficient two-way communication environment. Employees can raise concerns and suggestions through various channels such as the SSC<sup>4</sup> service window, QR code feedback system, suggestion boxes, employee symposiums, democratic life meetings, face-to-face communication, and satisfaction surveys.



In 2024  
Employee collective agreement coverage reached

100%

<sup>4</sup> SSC: Human Resource Shared Services Center.

### Employee Shared Service Center One-Stop Service



Highpower Technology has set up an Employee Shared Service Center at our Tonghu park. The center integrates basic HR services and administrative functions to provide convenient, one-stop support for all employees.

Highpower Technology encourages every employee to express themselves freely. The center is equipped with face-to-face service windows and online QR code feedback channels, enabling employees to easily voice their needs or precious suggestions for the company development anytime and anywhere.

### "Highpower Governance" Fast Resolution of Employees' Demands



Highpower Technology has launched a dedicated internal appeal platform, "Highpower Governance", to quickly and comprehensively gather employees' demands and concerns. "Highpower Governance" is maintained by dedicated personnel, who is responsible for daily maintenance and information collection and ensure timely and accurate handling and response of all employees' feedback. The platform classifies, summarizes, and analyzes the information collected on a weekly basis, compiles an internal weekly report, and submits it to the heads of relevant departments, enabling department managers to timely identify potential issues and promote continuous improvement.

### Democratic Life Meetings: Fostering Dialogue and Growth



To strengthen communication between management and employees, promote alignment of values, and grasp and address employee concerns in a timely manner, the Company regularly holds democratic life meetings at department and team levels. These sessions provide a direct platform for employees to express opinions and share ideas, significantly enhancing their sense of involvement and belonging, and are well-received throughout the organization.



## Employee Satisfaction Surveys

To comprehensively understand the internal organizational climate, collect employees' opinions and suggestions on various aspects, and provide a solid foundation for the Company to further optimize management and enhance organizational effectiveness, Highpower Technology annually launches the annual organizational climate survey across all employees of the Group. Survey topics include job responsibility clarity, workplace environment, employee-supervisor relationships, teamwork, and employee development opportunities, among others. The overall results have shown that employees have an efficiency-driven culture. Based on employees' improvement suggestions and opinions, Highpower Technology conducts in-depth analyses and develops targeted action plans, which are then followed up and promoted by designated departments.

## Employee Activities

Highpower Technology organizes a wide range of cultural and sports activities to support employee well-being and help them integrate into the team in a better state. During the reporting period, Highpower Technology organized many activities including quality-themed campaigns, a dormitory knowledge quiz, yoga classes, a Dragon Boat Festival fair, and care packages for employees on duty during the Spring Festival. These initiatives enrich employees' personal lives and enhance overall happiness.

### Quality-themed Campaigns for Management Improvement and Shared Growth



To improve quality awareness of all employees, broaden their quality knowledge, enrich amateur cultural life and encourage teamwork, various departments jointly organized engaging activities such as quality knowledge competitions and prize-based Q&A sessions. These efforts have deepened employees' understanding of quality management while reinforcing the corporate cohesion.



### Jointly Building a Civilized Dormitory



In September 2024, Highpower Technology launched a dormitory knowledge quiz, "Jointly Building a Civilized Dormitory", aiming at enhancing the employee dormitory management and building clean, orderly, and harmonious living environments. The campaign helped to increase promotion intensity of dormitory regulations, encouraged employees to form positive living atmosphere, and ultimately improved employee satisfaction with accommodation conditions and their overall experience.



### "Yoga" for a Peaceful Mind, "Practices" for Enhanced Beauty



Highpower Technology actively promotes scientific and healthy fitness methods, advocating for a rich spiritual and cultural life to enhance personal temperament and cultivation. For this purpose, the Company specially organizes the yoga program, "Yoga" for a Peaceful Mind, "Practices" for Enhanced Beauty, to effectively boost employees' happiness.



### Dragon Boat Festival Fair



During the Dragon Boat Festival, Highpower Technology organized and hosted the Dragon Boat Festival fair with diverse and entertaining activities, including games like "Fairy Blow" and "Cold Ground Pitchpot", as well as a creative and blessing-filled "Blessing Sachet DIY" session. This allows employees to experience the charm of traditional culture in a joyful atmosphere and spend an unforgettable Dragon Boat Festival.



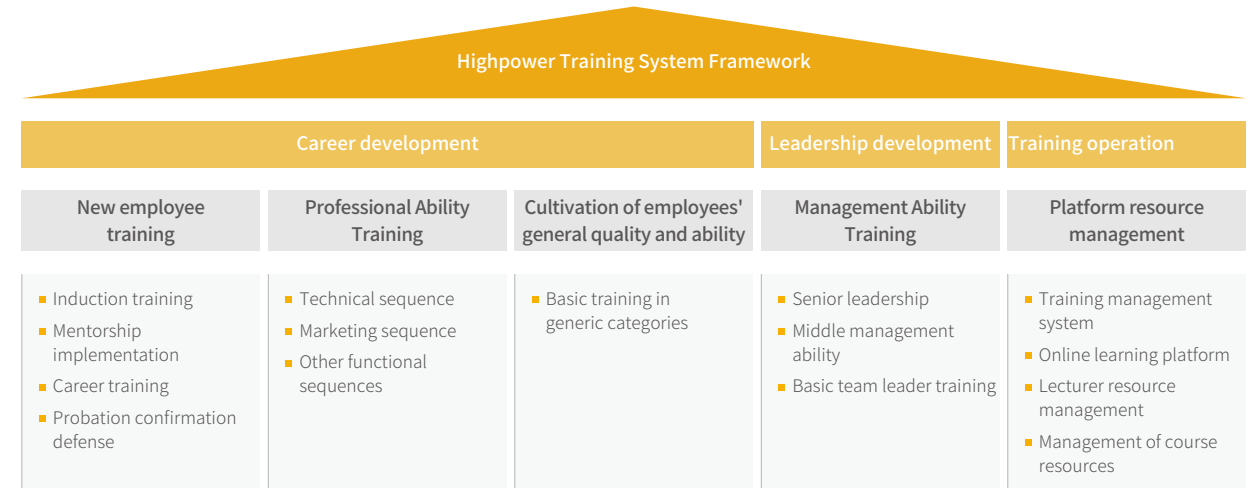
# Employee Training and Development

Highpower Technology adheres to the talent strategy of "Development is the absolute principle, and the key to development lies in talent", continually improving its training and development system. By continuously enhancing employees' professional capabilities and vocational quality, the Company provides abundant development opportunities to help them achieve personal goals.



## Talent Training

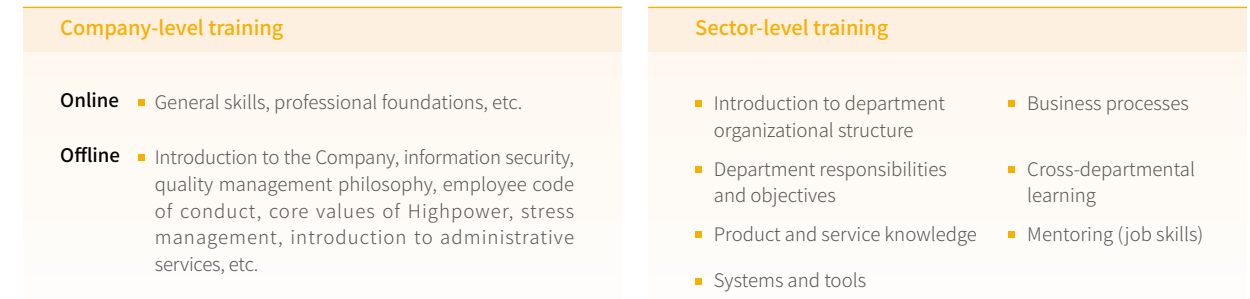
Highpower Technology always regards talent cultivation as one of its core corporate development strategies. With the mission and positioning of "disseminator of corporate culture, cradle of cadre training, and inheritor of core technology", Highpower Technology designs systematic training courses and diverse cultivation methods that span all career stages, allocating rich learning resources to ensure employees receive comprehensive and sustained growth opportunities at different professional levels.



Highpower Technology Training System Framework

## New Employee Training

The Company provides a comprehensive and structured induction training program for all newly hired employees, including both those recruited via social recruitment and fresh graduates. This program is designed to help new employees quickly integrate into the company culture and work environment, enhance their professional competencies, acquire essential knowledge, and improve overall work efficiency.



SF System & Online Learning Platform Probation Period Management Assessment

Systematic Induction Training for New Employees

The Company has designed a comprehensive training system for newly recruited fresh graduate employees. Adhering to the core concept of integrating training with practice, it covers two major sections: quality development and corporate culture courses.

### Corporate culture courses

Help new employees deeply understand the essence of the corporate culture and master necessary workplace skills and professional knowledge.

### Quality development activities

Help new employees hone their willpower and physical fitness, enhance their awareness of organizational discipline and teamwork, and boost their sense of team honor.

Career readiness  
(Pre-employment)

Ideological readiness  
(Within one week of employment)

Professional readiness  
(Within 3 months of employment)

On-the-job training  
(Within 6 months of employment)

### Fresh Graduates Training System

### "Peacock" Training Plan



Each year, Highpower Technology implements the "Peacock" Training Plan, a face-to-face learning initiative designed to support new employees in their transition from campus life to the workplace.

Through a series of courses such as Time Management, Effective Communication, Business Writing, and Goal Setting, Highpower Technology helps new employees develop the right professional mindset, cultivate positive work habits and master collaboration and communication skills, ultimately enhancing their efficiency on the job. By the end of the reporting period, this plan had successfully completed three sessions, covering a total of 147 participants.



### Skilled Technician Onboarding Program



Highpower Technology also provides a special training initiative tailored for new skilled technical employees. This plan deepens their understanding of the Company, enhances team cohesion, and promotes the craftsmanship spirit, encouraging dedication, focus, continuous improvement, and the pursuit of excellence in daily work.

The training content covers a range of topics, including Company Overview, Core Values, HR Management Policies, Basic Principles of Lithium Batteries, Product Manufacturing Processes and Fundamentals of Workplace Safety. By the end of the reporting period, this plan had conducted three sessions, training 140 new employees.

### Cultivation of general quality and ability

Highpower Technology adopts a blended learning approach, combining online and offline resources to empower employees with flexible and effective learning opportunities. This supports business departments in enhancing employees' general competencies and lay a solid foundation for employees' long-term career growth.

### Online Platform for Cultivation of General Quality and Ability - Highpower Cloud Academy



Highpower Technology launches the Highpower Cloud Academy, an online learning platform that provides employees with comprehensive learning environment from foundational course learning to advanced skill development. The platform is widely used in professional skills training, career development guidance, teamwork improvement and others to build a harmonious and efficient learning ecosystem.

By the end of the reporting period, the platform hosted 3,600 pieces of public course knowledge, including: 272 on middle and senior management, 651 on specialized management, 202 on personal development, and 2,475 in other categories. In 2024, the platform recorded total 1,320 logins, with a total learning time of 1,951 hours and completion of 1,470 courses.



## Professional Ability Training

Based on specific job requirements, Highpower Technology customizes training plans and learning paths to support employees in mastering the skills and knowledge necessary for their roles, achieve rapid development. Our training content spans more than 40 professional courses, including topics such as: the *Fading Failure Analysis*, the *Failure Characterization Methods*, the *Thermal Runaway Analysis*, the *Binder Material Knowledge*, the *Anode Formulations* and the *AI in Battery Development*. These programs deepen employee understanding of electrochemical systems, product quality, battery performance, and safety standards, significantly strengthening professional expertise.



Professional Ability Training

## Management Ability Training

Highpower Technology prioritizes the development of employees' management capabilities. Tailored leadership training programs are designed based on the needs of different management levels, helping employees at different levels continuously enhance and improve their leadership effectiveness. During the reporting period, Highpower Technology delivered leadership training for employees on topics such as: the *Team Leader Role Cognition*, the *Leadership Thematic Discussion*, the *Lean Leadership Training Class* and the *Three Excellent Leadership CEO Reading Club & Special Seminar*.

### Basic Team Leader Management Training



The Basic Team Leader Management Training supports team leaders in clearly defining their roles, deepening their understanding of job responsibilities, and aligning with the Company's expectations and standards for grassroots management. This enables them to more effectively carry out their duties.



In 2024, Phase II special training sessions were conducted for team leaders, achieving 100% coverage. The team leader training followed a "lecture + sharing + discussion" format and included 10 training modules. The course content covers Professionalism: the *Role Position & Responsibilities of Team Leaders*, the *Requirements and Conduct of Leadership*, Effective Communication: the *Efficient Communication Skills*, Information Security: the *Corporate Information Security*, Technical Skills: the *Basic IE Knowledge*, the *Line Balancing Management and Improvement* and Excellent Benchmark Case: the *Outstanding Team Leader Experience Sharing*. The course aims to continuously enhance the professional management capabilities of team leaders and promote efficiency leapfrogs in experience inheritance.



### Lean Leadership Training for Middle and Senior Management



To better align with customer needs and deepen the practice of lean improvement principles, and ensure that all systems and business departments can effectively implement the lean improvement principles, the Company conducted lean improvement training for mid-to senior-level managers. A total of 71 managers from various business lines actively participated. The training adopts a combination of training and practice, and specially invites external senior consultant lecturers to teach, so as to comprehensively improve managers' lean improvement ability and practical level.

### Three Excellent Leadership CEO Reading Club



To reinforce strategic alignment, clarify specific execution paths, and support business supervisors improve and expand their management capabilities, the Company organized the management to hold "Empower Through Reading, Achieve Through Action" Offline Reading Sharing Session. This in-person event included on-site knowledge sharing, in-depth theme discussions, and exchange of best practices in management, drawing 300 enthusiastic participation from over grassroots and middle and senior management.



### Role Cognition Training for Middle and Grassroots Mentors



In 2024, the Company designed and launched dedicated mentor training sessions for employees serving as mentors to fresh graduates. Two mentor training sessions were successfully conducted during the year, benefiting a total of 32 mentors. The sessions focused on helping mentors clarify their roles and improve the efficiency of experience inheritance.



#### During the reporting period

The coverage of trained employees of Highpower Technology had achieved

100%

with an average training duration of

24 hours



## Talent Development

Highpower Technology continues to improve its talent development system and formulates the *Highpower Technology Talent Development Management Mechanism* to achieve standardized management of the entire process of employee performance assessment and promotion, ensuring that all links comply with the principles of fairness and transparency. Highpower Technology conducts regular performance assessment on all employees who meet the appraisal criteria.

### Performance Target Setting

- ① **Two-way communication:** Through regular two-way communication mechanisms, ensure that employees fully understand performance goals and are able to put forward their own opinions and suggestions.
- ② **Goal setting conforms to SMART principles:** Ensure that all performance goals meet the principles of Specific, Measurable, Achievable, Relevant and Time-bound.
- ③ **Continuous improvement:** Regularly review and adjust performance targets to ensure they remain aligned with the Company's strategic direction and are capable of meeting the evolving business demands.

### Performance Coaching

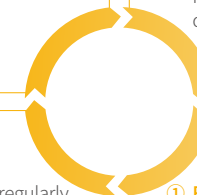
- ① **Regular one-on-one training sessions:** Schedule regular one-on-one training sessions to promptly understand employees' work progress and challenges, providing specific guidance and advice;
- ② **Develop a performance management handbook:** Divide into sections for both managers and employees, helping employees understand the logic and methodology of performance management, and better utilize performance management tools;
- ③ **Real-time feedback mechanism:** Establish a real-time feedback system that provides constructive feedback not only during formal assessment but also during daily work, helping employees continuously improve.

### Performance Communication

- ① **Establish an effective performance feedback system,** regularly assessing and providing feedback on employees' performance, helping them understand their strengths and weaknesses, and clarifying areas for improvement.
- ② **Encourage employees to actively participate in performance improvement plans,** and offer necessary training and support to foster personal growth and career development.
- ③ **Performance Appeal Mechanism:** The Company provides employees with open channels to appeal performance evaluation results. If an employee disagrees with their performance assessment, they may file an appeal. The performance management team will actively intervene to analyze the reasons for the appeal, conduct a fair review, and provide timely feedback. In 2024, the company achieved a 100% response rate to all employee performance appeals.

### Performance Assessment

- ① **Fair and transparent evaluation process:** Ensure that the performance assessment standards and processes are open and transparent to all employees, referencing the evaluation results from matrix managers and direct supervisors, and conducting collective assessments within the department. At the same time, provide an open channel for employees to appeal their performance evaluations, ensuring the comprehensiveness and objectivity of the assessments.
- ② **Regular assessment mechanism:** Conduct quarterly or semi-annual performance assessment to promptly identify and address issues, ensuring that employees are consistently working in the right direction.



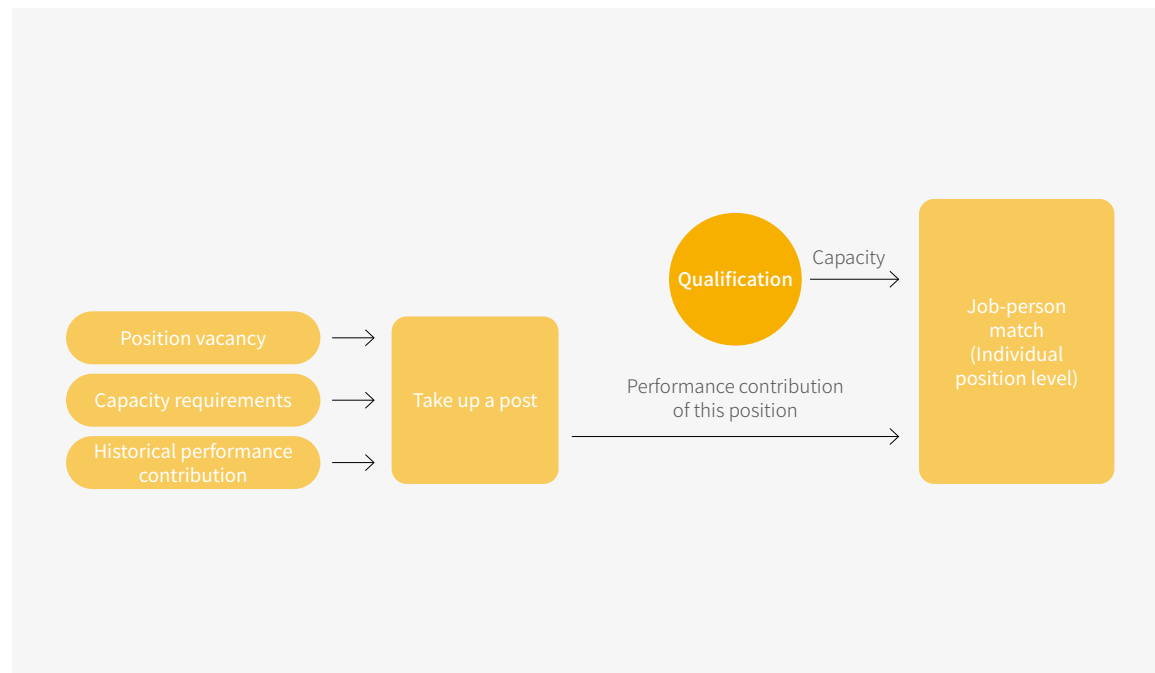
Performance Management Full Process

### Qualification System

Highpower technology continuously optimizes its qualification system by introducing a scientifically sound and fair assessment mechanism, clearly outlining career development paths for employees.

In 2024, Highpower Technology built a scientific, fair, and measurable qualification system through comprehensive assessments and certifications of employees' educational background, work experience, professional skills, and behavioral standards. This system not only helps employees clarify their personal development paths but also effectively ensures the alignment of talent development with the Company's strategic goals.

In the future, Highpower Technology will continue to improve the qualification system, promoting the mutual growth of employees and the Company.



Qualification System Path

### Talent Promotion Mechanism

Highpower Technology has established a diversified talent evaluation and promotion mechanism that is results-oriented and based on fair assessments, providing tailored development and growth paths for different categories of talent.

Highpower Technology offers multiple promotion channels across management, professional, and operational sequences, combining both vertical and horizontal development. This allows employees to flexibly choose their promotion paths based on personal abilities and interests. At the same time, the Company's talent promotion mechanism is fair and just, with employee promotions primarily based on their performance, individual capabilities, and actual contributions. The talent promotion standards are open and transparent, ensuring that every employee fully understands the promotion opportunities and requirements, and guaranteeing the fairness and transparency of the entire promotion process.

	Position level	Management sequence	Professional sequence	Operation sequence
Vertical development channel	A	Deputy Director or above position level	Scientist/Expert	/
	B	Manager	Chief engineer	Senior technician
	C	Supervisor	Senior engineer	Advanced technician
	D	Probationary supervisor	Engineer/Specialist	Technician
	E	/	/	Technician/Clerk/Team leader/Operator
Horizontal development channel				

Talent Promotion Mechanism

# Occupational Health and Safety

Highpower Technology adheres to the occupational health and safety policy of "Safety First, Prevention-oriented, Comprehensive Management, People-oriented", establishing and improving the occupational health and safety management system. The Company strives to enhance the level of occupational health and safety management, ensure the safety and health of employees, and create a safe working environment.



## Occupational Health and Safety Management System

Highpower Technology strictly adheres to and implements the relevant laws and regulations, such as the *Work Safety Law of the People's Republic of China* and other local laws in the place of operation. The Company has developed internal management regulations such as the *Employee Occupational Health and Safety Manual*, the *Work Safety Responsibility System*, the *Safety Construction Management System*, and the *Warehouse Safety Management System*. In 2024, Highpower Technology further improved the management system and introduced new management documents, including the *Hazardous Chemicals Safety Management System*, the *Maintenance and Lockout/Tagout (LOTO) System*, and the *Construction Safety Management System*, to guide the implementation of occupational health and safety-related tasks.

To ensure the efficient execution of safety measures, the Company has established an occupational health and safety governance structure, setting up the Safety Management Department, the Safety Production Management Committee, and the Safety Office to implement safety management. At the same time, by implementing the *Work Safety Reward and Penalty System*, the Company directly links key safety performance indicators to the performance assessment of department heads, in order to motivate and hold employees at all levels accountable for strictly adhering to safety production responsibilities.

<b>Safety Management Department</b>	<ul style="list-style-type: none"> <li>Organization and overall management of safety work in subsidiaries</li> </ul>
<b>Safety Production Management Committee</b>	<ul style="list-style-type: none"> <li>Set up a Safety Production Management Committee in each subsidiary, with the General Manager of the subsidiary serving as the Chairman</li> <li>The head of each department is a member of the Safety Production Management Committee and is fully responsible for the safety management of his department</li> </ul>
<b>Safety Office</b>	<ul style="list-style-type: none"> <li>The Safety Office is subordinate to the leadership of the Safety Production Management Committee, and promotes the safety work under the coordination of the chairman of each subsidiary's Safety and Health Management Committee</li> <li>The Safety office of each subsidiary is staffed by full-time safety management personnel with certificates of safety director, enterprise safety management personnel and registered safety engineers</li> <li>Each workshop is equipped with part-time safety officers to assist the Safety Office in carrying out daily safety management</li> </ul>

Highpower Technology Occupational Health and Safety Management Structure

By the end of the reporting period, Huizhou Highpower and Springpower Technology have continued to maintain ISO 45001 Occupational Health and Safety Management System certification.

To enhance the level of safety production management and drive efficiency through goals, Highpower Technology sets occupational health and safety objectives every year. In 2024, the Company achieved a 100% completion rate for its occupational health and safety management goals.

By the end of the reporting period

the Company achieved a

**100%**

completion rate for its occupational health and safety management goals

Occupational Health and Safety Target Indicators	Goal Achievement Status
0 fatality rate of industrial accidents	Achieved
0 ordinary accidents specified in the <i>Work Safety Law of the People's Republic of China</i>	Achieved
0 accidents caused by fire, explosion and natural disasters	Achieved
0 large chemical leakage incidents	Achieved

2024 Occupational Health and Safety Target Indicators and Achievement Status



## Safety Production

Highpower Technology comprehensively strengthens safety risk management and inspection work to ensure production safety without concerns. At the same time, the Company actively promotes safety culture development, effectively enhancing employees' safety awareness and emergency response capabilities, thus building a more solid and secure working environment for the Company. During the reporting period, Highpower Technology's total investment in production safety reached RMB 6.69 million. No major workplace injuries occurred, and there were zero work-related fatalities.

### Security Risk Management and Inspection

The Company strictly follows the requirements of the ISO 45001 Occupational Health and Safety Management System to carry out safety risk management and inspections. Highpower Technology continuously optimizes the safety risk assessment and management mechanisms, update and re-identify occupational health risks in each department, ensuring the completeness of the safety management system.

In addition, the Safety Production Management Committee regularly holds safety meetings to plan and deploy safety tasks, striving to improve production safety standards. Every month, Highpower Technology organizes joint safety inspections led by the Safety Production Management Committee, with participation from department heads. These inspections involve a comprehensive review of the park, allowing Highpower Technology to promptly identify and rectify safety hazards, ensuring a closed-loop management system.

- 1 Establish the Safety Management Department, the Safety Production Management Committee, and the Safety Office, with clearly defined responsibilities for each entity
- 2 Formulate a comprehensive set of safety management policies to guide all aspects of safety work
- 3 Conduct safety meetings, and plan and deploy key safety initiatives
- 4 Organize joint safety inspections to promptly identify and rectify safety hazards
- 5 Conduct emergency drills and safety education and training programs

Safety Risk Assessment and Management Mechanism



In 2024

Highpower Technology organized

597

safety inspections

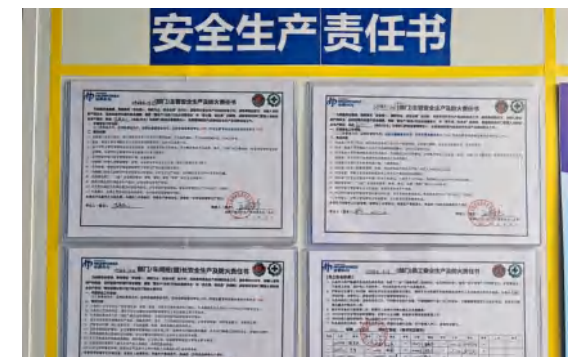
Achieving a

100%

rectification rate for major safety hazards



Safety Meetings



Liability Statement on Work Safety

### Management of Hazardous Chemicals

The Company strictly follows the *Hazardous Chemicals Management System*, and has developed detailed chemical management procedures specifically for high-risk substances such as electrolytes (which are flammable and explosive) and alcohols. During procurement, Highpower Technology only cooperates with legally certified suppliers.

Upon warehouse entry, all chemicals are safely segregated and stored in dedicated hazardous chemical warehouses or explosion-proof cabinets, and are strictly managed by professionally trained chemical safety personnel.

During the reporting period, the Company completed the filing works of all categories of hazardous chemicals, covering the procurement, storage and use of various hazardous chemicals.

To ensure the safety and compliance of the hazardous chemicals supply chain, Highpower Technology conducts regular and rigorous audits of all hazardous chemical suppliers' qualifications. This includes verification of their business licenses, work safety licenses, and hazardous chemical business licenses, among other relevant documentation. At the same time, Highpower Technology also assesses suppliers on a regular basis to ensure continuous compliance with laws and regulations, and industry standards.

Additionally, Highpower Technology continuously enhances the training of hazardous chemical management personnel to improve their safety awareness and emergency response capabilities, ensuring the safe and controllable management of hazardous chemicals throughout their full lifecycle.

### Safety Emergency Management

The Company places high importance on emergency response management. In collaboration with certified third-party professional organizations, Highpower Technology has developed a comprehensive emergency response plan system, including the *Comprehensive Emergency Plan*, the *Special Emergency Plan* and the *On-site Emergency Plan*. These plans have undergone expert review and have been filed with the local emergency management bureau in accordance with relevant regulations.

To ensure effectiveness, Highpower Technology conducts annual emergency drills based on real-life scenarios to enhance employees' response capabilities as well as self-rescue and mutual aid skills, thereby safeguarding production safety.

During the reporting period, the Company strictly fulfilled fire safety management responsibilities, legally carried out inspections and maintenance of fire safety equipment, conducted monthly equipment servicing, and implemented electrical safety checks to ensure optimal functionality of all firefighting systems. Highpower Technology also engaged professional agencies to conduct lightning protection inspections, thoroughly identifying and rectifying potential safety hazards, thus ensuring operational safety. Through a systematic approach, the Company has maintained stable operation of fire safety systems, providing strong support for production safety.

## Safety Culture Construction

The Company places a strong emphasis on the safety culture construction, formulates and strictly implements an annual occupational health and safety training plan, and organizes safety awareness campaigns and safety emergency drills, with the aim of strengthening employees' safety consciousness and skills, improving their response capabilities, and reducing safety hazards and risks at their source. In addition, Highpower Technology requires employees to work with certificates, and promises to reimburse related expenses to reduce the financial burden of employees.

### Fire-Fighting Publicity Activities



During the Fire Safety Awareness Month in November 2024, Highpower Technology successfully held a fire safety cultural campaign that garnered enthusiastic participation from employees. The event featured a combination of interactive games and engaging explanations, delivering essential fire safety knowledge for employees in a fun and accessible format. This approach not only enhanced safety awareness among employees but also improved their overall sense of identity and commitment to the Company's fire safety management efforts.



Fire-Fighting Publicity Activities

In 2024, the Safety Office successfully organized multiple training programs focused on occupational safety, including but not limited to traffic safety, special operation personnel, and pre-holiday/post-holiday safety training.

During the reporting period, the total number of participants in safety training reached 25,597

Of new employees received onboarding safety training

100%

Participated in specialized security training

10,772 person-times

Participated in hazardous chemical safety training

937 person-times

Received machinery-related injury prevention training at the team level

482 person-times

Participated in construction safety training

2,638 person-times

In alignment with industry characteristics

516 person-times completed hands-on emergency drills related to lithium battery safety

In addition, the Company has formed a volunteer safety team and a fire brigade of 47 part-time safety officers, offering monthly professional training sessions, with cumulative participation exceeding

564 person-times

During the reporting period

The total hours of safety training for employees reached

40,516 hours



New Employee Safety Training



Hazardous Chemicals Management Training



Mechanical Injury Safety Training



Construction Safety Training



Part-time Safety Officer and Fire Brigade Training

In 2024, multiple subsidiaries of Highpower Technology conducted safety emergency drills, achieving full personnel coverage and effectively improving employees' emergency response capabilities. In particular, Highpower Technology organized special drills for high-risk positions, including hazardous chemical emergency drills, lithium battery emergency response drills, confined space rescue drills, and electric shock emergency response drills. All exercises met the expected objectives. During the reporting period, the company conducted a total of 44 safety emergency drills, achieving a 100% implementation rate and 100% employee participation rate.



Fire Drill



Electric Shock Drill



Lithium Battery Emergency Drill



Confined Space Incident Drill

## Occupational Health

Highpower Technology strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other applicable laws, regulations, and standards in the place of operation. Highpower Technology has established and implemented the *Occupational Health Surveillance and Occupational Disease Prevention Management Control Procedure* and the *Occupational Health and Safety Management Policy* To ensure comprehensive management of occupational health, Highpower Technology formed an Occupational Hygiene Leadership Team, under which each production unit has its own hygiene management structure. This enables full-scale monitoring and management of occupational hygiene and safety.



Coverage of Work Injury Insurance for All Regular Employees

100%

Highpower Technology is committed to controlling hazardous substances in the workplace, ensuring sufficient investment in occupational disease prevention, and making it a priority to improve working conditions and enhance employee well-being. Highpower Technology continuously upgrades occupational disease prevention facilities and strives to create a safe and healthy working environment for all employees. During the reporting period, there were no cases of dust exceeding permissible limits and no detected cases of occupational diseases.

Provide occupational health management training for all employees exposed to occupational disease hazards

Provide occupational health examinations before employment, during employment, and upon resignation

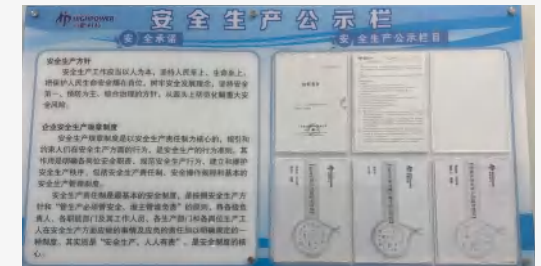
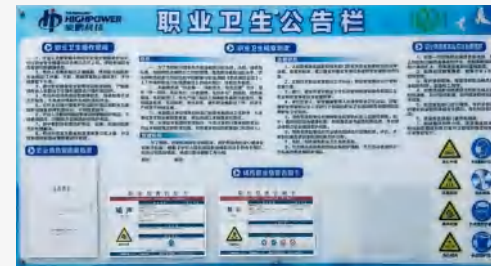
Provide occupational disease prevention facilities and personal protective equipment (PPE) that meet relevant safety standards

Regularly commission third-party institutions to conduct testing and evaluation of occupational disease hazards in workplaces (such as dust concentration, noise levels and benzene content)

### Occupational Health and Safety Management Initiatives

## Occupational Health Bulletin Board

In 2024, Highpower Technology established occupational health bulletin boards for employees, including occupational hygiene bulletin boards and safety production bulletin boards. These bulletin boards display standard operating procedures for occupational hygiene, rules and regulations, occupational hazard factor monitoring results, emergency response measures for occupational disease hazards, occupational hazard notification cards, and company safety rules and regulations and safety production policies. This initiative ensures that employees have easy and constant access to occupational health and safety information, thereby maintaining a high level of awareness and vigilance. A total of 24 bulletin boards were installed during the reporting period.



Occupational Health Bulletin Board



# Appendices

## Appendix I Key Performance Sheets

### Governance Performance

Topic	Index	Unit	2023	2024
Anti-Corruption	Number of litigation cases <sup>5</sup>	Case	0	1
	Anti-corruption audit	Time	2	4
Anti-unfair competition	Number of lawsuits or major administrative penalties	Case	/	0
Information security	Number of information security incidents	Case	0	0

### Environmental Performance<sup>6</sup>

Topic	Index	Unit	2023	2024 <sup>7</sup>
Use of Energy	Purchased power	kWh	180,641,929	287,916,575
	Photovoltaic power	kWh	1,581,960	2,662,301
	Green power	kWh	/	5,975,861
	Renewable energy consumption	kWh	1,581,960	8,638,162
	Natural gas	m <sup>3</sup>	26,918	39,593
	Liquefied petroleum gas	kg	14.5	/
	Gasoline	Ton	137	134
	Diesel oil	Ton	41	35.7
	Total direct energy consumption	kWh	2,410,879	5,115,642
	Total indirect energy consumption	kWh	182,223,889	293,892,436
Total comprehensive energy consumption	kWh	184,634,768	299,008,078	

<sup>5</sup> The one involved case has been concluded with Highpower Technology as the prevailing party.

<sup>6</sup> The environmental performance caliber in 2024 is consistent with that in 2023.

<sup>7</sup> The increase in environmental performance in 2024 compared with 2023 is mainly due to the fact that only part of Guangdong Highpower's production lines was put into operation in 2023, and full production was achieved in 2024.

<sup>8</sup> Since Guangdong Highpower is in the construction stage in 2023, investment in environmental protection facilities and other aspects is relatively high during the year.

Topic	Index	Unit	2023	2024 <sup>7</sup>
Use of Water Resources	Total water consumption	Ton	809,939	904,178
	Water reuse	Ton	10,508	18,128
Exhaust Emissions	Total exhaust emissions	Ton	6.62	7.83
Wastewater Discharge	Total wastewater discharge	m <sup>3</sup>	1,476	1,344
	Production of hazardous waste	Ton	158	207
	Recycling amount of hazardous waste	Ton	22	22
	Landfill volume of hazardous waste	Ton	1	0
	Incineration volume of hazardous waste	Ton	128	178
	Other disposal volumes of hazardous waste	Ton	7	7
	Non-hazardous waste generated	Ton	774	2,048
Waste	Non-hazardous waste recycled	Ton	667	1,877
	Proportion of waste recycled	%	86	92
	Scope I Greenhouse gas emissions	Ton CO <sub>2</sub> e	857	1,362
	Scope II Greenhouse gas emissions(Market-based)	Ton CO <sub>2</sub> e	74,541	168,447
	Scope II Greenhouse gas emissions (Location-based)	Ton CO <sub>2</sub> e	/	157,564
	Total greenhouse gas emissions (Scope I + Scope II Market-based)	Ton CO <sub>2</sub> e	75,397	169,808
	Total greenhouse gas emissions (Scope I + Scope II Location-based)	Ton CO <sub>2</sub> e	/	158,925
Greenhouse Gas Emission	Amount of investment in environmental governance <sup>8</sup>	RMB10,000	6,116	487
	Amount of duration in environmental governance	Hour	19,267	17,130

## Social Performance

Topic	Index	Unit	2023	2024
Social Public Welfare	Total public charity investments	RMB 10,000	189	289
	Number of work-related deaths	People	0	0
	Significant work-related injury events	Case	0	0
	Safety production input	RMB 10,000	779	669
	Number of occupational disease cases	Case	0	0
	Total hours of employees participating in safety training	Hour	49,172	40,516
	Percentage of employees participating in safety training	%	100	100
Occupational Health and Safety	Number of safety and emergency drills	Time	29	44
	Completion rate of safety and emergency drills	%	100	100
	Percentage of employees involved in safety and emergency drills	%	100	100
	Number of security inspections organized	Time	507	597
	Total number of safety training sessions conducted by external manufacturers <sup>9</sup>	Time	776	639
	Rectification rate of major safety hazards	%	-	100

Topic	Index	Unit	2023	2024
Employee Employment	Total employees	People	6,488	6,893
	Number of employees by employment type			
	Regular employee	People	6,488	6,869
	Number of employees by function			
	Manufacturing workers	People	3,479	4,098
	Engineering technology	People	1,328	1,371
	Management	People	443	413
	Service	People	1,238	1,011
	Number of employees by rank			
	Management employees	People	443	413
	General employees	People	6,045	6,480
	Number of employees by gender			
	Male	People	4,294	4,710
	Female	People	2,194	2,183
	Number of employees by age			
	<30 years old	People	2,502	2,889
	30-50 years old	People	3,922	3,938
>50 years old	People	64	66	






<sup>9</sup> The total number of safety training sessions for external manufacturers decreased due to the decrease in construction projects.

Topic	Index	Unit	2023	2024	
Employee Training	Total number of employees trained	People	6,488	6,893	
	Employee training coverage	%	100	100	
	Average hours of employee training	Hour	21	24	
	Average hours of employee training by employment type				
	regular employee	Hour	21	24	
	Average hours of employee training by function				
	Manufacturing workers	Hour	15	24	
	Engineering technology	Hour	32	29	
	Management	Hour	38	30	
	Service	Hour	19	16	
	Average hours of employee training by rank				
	Management employees	Hour	38	30	
	General employees	Hour	20	24	
	Average hours of employee training by gender				
	Male	Hour	21	25	
	Female	Hour	20	21	
	Average hours of employee training by age				
	<30 years old	Hour	24	28	
	30-50 years old	Hour	19	21	
	>50 years old	Hour	18	20	

Topic	Index	Unit	2023	2024
Supply Chain Management	Total number of suppliers	Unit	350	347
Supplier Evaluation	Number of suppliers performing social responsibility (sustainability risk) assessments	Unit	40	60
	Number of suppliers performing critical minerals assessments	Unit	37	60
	Number of key suppliers of main materials certified by ISO 14067	Unit	10	8
	Number of key suppliers of main materials certified by ISO 14064	Unit	16	2
R&D Innovation	Total number of patents filed during the report year	Unit	490+	500+
	Total number of patents approved during the report year	Unit	240+	220+
	Number of granted and valid patents owned by the end of the reporting period	Unit	632	837

## Appendix II Benchmarking Index

### UN SDGs Index

SDGs		Chapters
	No Poverty	Honest Governance: Giving Back to Society Harmonious Life: Employee Rights and Benefits
	Good Health and Well-being	Harmonious Life: Occupational Health and Safety
	Quality Education	Honest Governance: Giving Back to Society Harmonious Life: Employee Training and Development
	Gender Equality	Harmonious Life: Employee Rights and Benefits
	Clean Water and Sanitation	Green Planet: Emissions and Waste Management
	Affordable and Clean Energy	Green Planet: Low-carbon Operation

SDGs		Chapters
	Decent Work and Economic Growth	Honest Governance: Governance Harmonious Life: Employee Rights and Benefits
	Industry, Innovation and Infrastructure	Immaculate Quality: Product Quality and Safety, Innovative R&D
	Reduce Inequalities	Honest Governance: Giving Back to Society Harmonious Life: Employee Rights and Benefits
	Responsible Consumption and Production	Immaculate Quality: Product Quality and Safety, Customer Relationship Management Green planet: Environmental Management, Low-carbon Operation, Emissions and Waste Management, Resource Management
	Climate Action	Green Planet: Low-carbon Operation and Climate Change Response
	Peace, Justice and Strong Institutions	Honest Governance: Corporate Governance, Business Ethics and Anti-corruption, Information Security and Privacy Protection
	Partnerships For the Goals	Immaculate Quality: Innovation and R&D, Sustainable Supply Chain

## Index of Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)

Dimension	Number	Topic	Corresponding Clauses	Corresponding Sections of This Report	Dimension	Number	Topic	Corresponding Clauses	Corresponding Sections of This Report
Environment	1	Climate Change Response	Articles 21 to 28	Green Planet: Climate Change Response	Society	14	Equal Treatment of Small and Medium-sized Enterprises	Article 46	Not applicable
	2	Pollutant Emission	Article 30	Green Planet: Emissions and Waste Management		15	Product and Service Safety and Quality	Article 47	Immaculate Quality: Product Quality and Safety
	3	Waste Management	Article 31	Green Planet: Emissions and Waste Management		16	Data Security and Customer Privacy Protection	Article 48	Honest Governance: Information Security and Privacy Protection
	4	Ecosystem and Biodiversity Conservation	Article 32	Green Planet: Environmental Management		17	Employees	Article 50	Harmonious Life
	5	Environmental Compliance Management	Article 33	Green Planet: Environmental Management	Governance Related to Sustainable Development	18	Due Diligence	Article 52	Immaculate Quality: Sustainable Supply Chain
	6	Use of Energy	Article 35	Green Planet: Low-carbon Operation		19	Communicate with Stakeholders	Article 53	Sustainable Development Strategy: Communicate with Stakeholders
	7	Water Resources Utilization	Article 36	Green Planet: Resource Management		20	Anti-commercial Bribery and Struggling against Corruption	Article 55	Honest Governance: Business Ethics and Anti-corruption
	8	Circular Economy	Article 37	Green Planet: Resource Management		21	Anti-unfair Competition	Article 56	Honest Governance: Business Ethics and Anti-corruption
9	Rural Revitalization	Article 39	Honest Governance: Giving Back to Society						
Society	10	Social Contribution	Article 40	Honest Governance: Giving Back to Society					
	11	Innovation-Driven	Article 42	Immaculate Quality: Innovation and R&D					
	12	Science and Technology Ethics	Article 43	Not applicable					
	13	Supply Chain Security	Article 45	Immaculate Quality: Sustainable Supply Chain					

## GRI Content Index

<b>Usage Instructions</b>	Highpower Technology reported the information referenced in this GRI Content Index during the period from January 1, 2024 to December 31, 2024 in accordance with GRI Standards.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021

Disclosures	Disclosure topics	Location
<b>General Criteria</b>		
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
<b>The organization and its reporting practices</b>		
2-1	Organizational details	About Highpower Technology
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	About This Report
2-5	External assurance	About This Report
<b>Activities and workers</b>		
2-6	Activities, value chains and other business relationships	About Highpower Technology
2-7	Employees	Harmonious Life: Employee Rights and Benefits
2-8	Workers who are not employees	Immaculate Quality: Sustainable Supply Chain
<b>Governance</b>		
2-9	Governance structure and composition	Honest Governance: Governance
2-10	Nomination and selection of the highest governance body	Honest Governance: Governance

Disclosures	Disclosure topics	Location
2-11	Chair of the highest governance body	Honest Governance: Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Honest Governance: Governance
2-13	Delegation of responsibility for managing impacts	Honest Governance: Governance
2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Strategy: ESG Governance Honest Governance: Governance
2-16	Communication of critical concerns	Sustainable Development Strategy: Communicate with Stakeholders Honest Governance: Investor Management
2-17	Collective knowledge of the highest governance body	Honest Governance: Governance
2-18	Evaluation of the performance of the highest governance body	Honest Governance: Governance
<b>Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	Sustainable Development Strategy: ESG Strategy
2-25	Processes to remediate negative impacts	Honest Governance: Business Ethics and Anti-corruption
2-26	Mechanisms for seeking advice and raising concerns	Honest Governance: Business Ethics and Anti-corruption
2-27	Compliance with laws and regulations	Honest Governance: Business Ethics and Anti-corruption
2-28	Membership associations	Immaculate Quality: Innovation and R&D
<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	Sustainable Development Strategy: Communicate with Stakeholders
2-30	Collective bargaining agreements	Harmonious Life: Employee Rights and Benefits
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	Sustainable Development Strategy: Material Topics Management

Disclosures	Disclosure topics	Location
3-2	List of material topics	Sustainable Development Strategy: Material Topics Management
3-3	Material Topics Management	Sustainable Development Strategy: Material Topics Management
<b>Topic standards</b>		
GRI 201: Economic performance 2016		
201-2	Financial implications and other risks and opportunities due to climate change	Green Planet: Climate Change Response
201-3	Defined benefit plan obligations and other retirement plans	Harmonious Life: Employee Rights and Benefits
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Honest Governance: Business Ethics and Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	Honest Governance: Business Ethics and Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Honest Governance: Business Ethics and Anti-corruption
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Honest Governance: Business Ethics and Anti-corruption
GRI 301: Materials 2016		
301-2	Recycled input materials use	Immaculate Quality: Innovation and R&D Green Planet: Resource Management
301-3	Reclaimed products and their packaging materials	Green Planet: Resource Management
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Key Performance Sheets
302-3	Energy intensity	Green Planet: Low-carbon Operation
302-4	Reduction of energy consumption	Green Planet: Low-carbon Operation
302-5	Reductions in energy requirements of products and services	Green Planet: Low-carbon Operation

Disclosures	Disclosure topics	Location
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Green Planet: Resource Management
303-2	Management of water discharge related impacts	Green Planet: Emissions and waste management
303-3	Water withdrawal	Key Performance Sheets
303-4	Water discharge	Key Performance Sheets
303-5	Water consumption	Key Performance Sheets
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Green Planet: Emissions and Waste Management
304-2	Significant impacts of activities, products and services on biodiversity	Green Planet: Emissions and Waste Management
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Key Performance Sheets
305-2	Energy indirect (Scope 2) GHG emissions	Key Performance Sheets
305-3	Other indirect (Scope 3) GHG emissions	Key Performance Sheets
305-4	Greenhouse gas emissions intensity	Green Planet: Climate Change Response
305-5	Reduction of GHG emissions	Green Planet: Low-carbon Operation
305-6	Emissions of ozone-depleting substances (ODS)	Key Performance Sheets
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Key Performance Sheets
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Green Planet: Emissions and Waste Management
306-2	Management of significant waste related impacts	Green Planet: Emissions and Waste Management

Disclosures	Disclosure topics	Location
306-3	Wastes generated	Green Planet: Emissions and Waste Management
306-4	Wastes diverted from disposal	Green Planet: Emissions and Waste Management
306-5	Waste directed to disposal	Green Planet: Emissions and Waste Management
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened Highpower Technologying environmental criteria	Immaculate Quality: Sustainable Supply Chain
308-2	Negative environmental impacts in the supply chain and actions taken	Immaculate Quality: Sustainable Supply Chain
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Key Performance Sheets
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Harmonious Life: Employee Rights and Benefits
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Harmonious Life: Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Harmonious Life: Occupational Health and Safety
403-3	Occupational health services	Harmonious Life: Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Harmonious Life: Occupational Health and Safety
403-5	Worker training on occupational health and safety	Harmonious Life: Occupational Health and Safety
403-6	Promotion of worker health	Harmonious Life: Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Harmonious Life: Occupational Health and Safety
403-8	Workers covered by the an occupational health and safety management system	Harmonious Life: Occupational Health and Safety
403-9	Work-related injuries	Harmonious Life: Occupational Health and Safety
403-10	Work-related ill health	Harmonious Life: Occupational Health and Safety
GRI 404: Training and Education 2016		

Disclosures	Disclosure topics	Location
404-1	Average hours of training per year per employee	Key Performance Sheets
404-2	Programs for upgrading employee skills and transition assistance programs	Harmonious Life: Employee Training and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Harmonious Life: Employee Training and Development
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Honest Governance: Governance Harmonious Life: Employee Rights and Benefits
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Honest Governance: Business Ethics and Anti-corruption
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Harmonious Life: Employee Rights and Benefits Immaculate Quality: Sustainable Supply Chain
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Harmonious Life: Employee Rights and Benefits Immaculate Quality: Sustainable Supply Chain
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened Highpower Technologying social criteria	Immaculate Quality: Sustainable Supply Chain
414-2	Negative social impacts in the supply chain and actions taken	Immaculate Quality: Sustainable Supply Chain
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Immaculate Quality: Product Quality and Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Immaculate Quality: Product Quality and Safety
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Immaculate Quality: Customer Relationship Management
417-2	Incidents of non-compliance concerning product and service information and labeling	Immaculate Quality: Customer Relationship Management
417-3	Incidents of non-compliance concerning marketing communications	Immaculate Quality: Customer Relationship Management
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Immaculate Quality: Customer Relationship Management

## Future Outlook

In 2025, as a pioneer and practitioner in the new energy field, Highpower Technology will continue to uphold its core values of "Delight customers, open minded and shared success, dedication to details, and always improve". With a more open mindset and pragmatic actions, Highpower Technology aim to work hand in hand with partners across the entire value chain and society to contribute to sustainable industry development and the vision of a Beautiful China.

### | Honest Governance

Highpower Technology will further enhance a high-quality corporate governance system to ensure steady business operations. Highpower Technology will foster collaborative innovation and continue to work with stakeholders to build an ethical and transparent business environment. At the same time, Highpower Technology will actively engage in public welfare initiatives, focusing on fields such as education and rural revitalization, to realize the harmonious unity of economic and social value.

### | Immaculate Quality

Guided by our mission to "To Solve Global Customer Challenges and Pressures; Respond Rapidly; Provide Safe Products and Quality Service", Highpower Technology is committed to innovation-driven development and accelerating the digital and intelligent transformation of our products. Highpower Technology will offer customers safe, reliable, and high-quality products and services. Highpower Technology will uphold the highest standards of quality throughout the full product lifecycle to earn customer trust through excellence in service.

### | Green Planet

Adhering to the environmental management philosophy of "Clean, Low-carbon and Sustainable Development", Highpower Technology integrates green development into its corporate DNA. Highpower Technology will take a multi-dimensional approach, actively respond to climate change, promote cleaner production, optimize the energy mix and improve the efficiency of resource utilization. By reducing pollutant emissions and exploring effective ways to protect nature, Highpower Technology will advance high-quality green development and work together with value chain partners to contribute to China's carbon peak and carbon neutrality goals.

### | Harmonious Life

Highpower Technology follows the social responsibility principle of "Observing Law and Discipline, Ensure the Rights of Employees, Build a Harmonious Company", regarding talent as our most valuable asset. Highpower Technology is committed to growing together with our employees and sharing the fruits of development by creating a diverse and healthy work environment. Going hand in hand with employees, Highpower Technology encourage every employee to realize their potential and foster a warm and inclusive corporate culture.

As the new year begins, let Highpower Technology also starts anew. Highpower Technology remains steadfast in its vision to "Becoming a world-class clean energy solution provider and creating a better life for mankind". Highpower Technology will continue to promote sustainable development, focusing on Honest Governance, Immaculate Quality, Green Planet, and Harmonious Life. Together, Highpower Technology will forge a more sustainable future!

## Reader Feedback Form

Thank you for reading the *Highpower Technology 2024 ESG Report*. To better provide valuable information to you and other stakeholders, and to help Highpower Technology improve our ESG management capabilities, Highpower Technology sincerely invite you to share your feedback and suggestions on this report.

### 1 Which stakeholder group do you belong to?

- Shareholder and Investor  Government and Regulatory Authority  Customer
- Supplier and Partner  Employee (excluding Board of Directors and Senior Executive)
- Board of Directors and Senior Executive  NGO/Social Organization/Media

### 2 Your overall satisfaction with this Highpower Technology ESG Report:

- Very Satisfied  Satisfied  Neutral  Dissatisfied  Very Dissatisfied

### 3 Your evaluation of Highpower Technology's performance in environmental, social, and corporate governance responsibilities:

Environmental Responsibility:

- Very Satisfied  Satisfied  Neutral  Dissatisfied  Very Dissatisfied

Social Responsibility:

- Very Satisfied  Satisfied  Neutral  Dissatisfied  Very Dissatisfied

Corporate Governance Responsibility:

- Very Satisfied  Satisfied  Neutral  Dissatisfied  Very Dissatisfied

### 4 Your evaluation of the report's clarity, accuracy, and completeness:

Clarity:

- Very Satisfied  Satisfied  Neutral  Dissatisfied  Very Dissatisfied

Accuracy:

- Very Satisfied  Satisfied  Neutral  Dissatisfied  Very Dissatisfied

Integrity:

- Very Satisfied  Satisfied  Neutral  Dissatisfied  Very Dissatisfied

### 5 Your evaluation of this report's content structure and layout design:

- Very Satisfied  Satisfied  Neutral  Dissatisfied  Very Dissatisfied

### 6 Other comments and suggestions:

---



---



---



---

Thank you for your support to Highpower Technology ESG efforts. If you have any other comments or suggestions regarding this report, feel free to contact Highpower Technology through the following methods:

- Tel: 0755-89686543
- Address: Board Office of Shenzhen Highpower Technology Co., Ltd., No. 68, Xinxia Avenue, Pinghu Street, Longgang District, Shenzhen
- E-mail: [hpcapital@highpowertech.com](mailto:hpcapital@highpowertech.com)



## Headquarters

Building 1, 68 Xinxia Road, PinghuTown, Longgang District, shenzhen Guangdong, China 518111

Tel: +86-755-8968-6533

Fax: +86-755-8968-6916

E-mail: [Marketing@highpowertech.com](mailto:Marketing@highpowertech.com)

## Hong Kong Office

Room 2003, 20/F, Prosperity Place, NO.6 Shing Yip street, Kwun Tong, Kowloon, Hong Kong

Tel: +852-3565-0188

Fax: +852-3565-0176

## Taiwan Contact Information

3F., No.342-1, Sec 7, Chengde Rd., Beitou Dist., Taipei 112, Taiwan

Tel: +886-2-2828-5987

Fax: +886-2-2828-5590

## U.S.Contact Information

2382 Terraza Ribera Carisbad, CA92009

Tel: +1-909-214-2482