TECHNOLOGY HIGHPOWER 豪鹏科技

2025 Environmental, Social and Governance Report

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About the Report

Overview

This report is the third environmental, social and 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, 2025 to 31 December, 2025 (the "reporting period"). To enhance the completeness of the report content, certain related information may extend beyond the reporting period and will be accompanied by a time reference where relevant.

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 issues 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. Unless otherwise specified, it aligns with the scope of the consolidated financial statements of Highpower Technology (Stock Code: 001283). Should any discrepancy arise between the scope of sustainable performance data and the reporting scope within this document, the notes in the main body of the report shall prevail.

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 1 April, 2026 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

View or download the electronic version of this report on the official website of Highpower Technology: *https://www.highpowertech.com*

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

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- Email: hpcapital@highpowertech.com
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Chairman's Statement

Currently, global energy technology and artificial intelligence are undergoing profound integration, with AI applications represented by edge-side intelligent devices accelerating their deployment. This convergence is generating unprecedented new demands, standards and possibilities for the renewable energy sector. Highpower Technology actively embraces this trend, having defined its development objective as the "Pioneer in Edge AI Energy". Through continuous scenario insights and technological innovation, the Company is committed to delivering safer, more efficient and cleaner system-level energy solutions for global clients, empowering intelligent devices and a sustainable future.

Honest Governance: Advancing ESG-Integrated Governance to Forge a New Paradigm of Steady Progress. Highpower Technology embeds sustainability within its corporate DNA, incorporating ESG risks into its enterprise risk management framework. The Company drives deep integration of ESG principles with its business operations, proactively transforming ESG challenges into new opportunities to propel technological innovation and shape competitive advantages. The Company continuously refines its governance mechanisms and internal control systems, upholds business ethics, maintains stringent information security controls, and fortifies the foundations of compliant operations. Concurrently, The Company actively engages in philanthropic endeavours such as educational support and community welfare initiatives, practising business for good and striving to achieve a harmonious unity of economic benefits, environmental benefits, and social value.

Immaculate Quality: Forging a Sustainable Innovation Moat, Building a New Ecosystem of Shared Value. Research and development remains the core engine driving the Company's innovative breakthroughs and constructing competitive barriers. Highpower Technology deeply integrates AI technology into R&D process, not only manufacturing batteries for AI devices but also leveraging AI to optimize R&D processes such as materials, design, and manufacturing techniques. Addressing core pain points in edge AI devices—including energy consumption, size, and security—the Company has established a systematic technological leadership framework, forming a technology matrix that covers "AI-driven energy demands across all scenarios". Through exceptional product and service capabilities, Highpower Technology fosters deep symbiosis with global clients. It is committed to evolving from a "product demand responder" into a "joint planner of future scenarios", while continuously advancing sustainable supply chain development. Together with clients and suppliers, the Company builds a sustainable business ecosystem characterized by "technology sharing and value co-creation".

Green Planet: Implementing Clean Technologies and Circular Economy Principles to Explore New Paradigms for Low-Carbon Development. Highpower Technology adheres to a green design philosophy centered on low-carbon footprints throughout the entire product lifecycle. By deeply integrating circular economy principles into product development, the Company actively increases the proportion of recycled materials used. This includes exploring sustainable product solutions such as removable batteries, thereby driving low-carbon transformation within the industry. At the operational level, the Company systematically advances the establishment of energy and greenhouse gas management systems. As of the report's publication, Guangdong Highpower and Huizhou Highpower have obtained ISO 50001 Energy Management System Certification, conducting regular greenhouse gas inventories and verifications. Through key technical upgrades—including optimizing water intelligent control systems and implementing energy-saving modifications to air compressors—the Company continuously enhances energy efficiency. Concurrently, it vigorously deploys distributed photovoltaic systems and procures green electricity at scale, supporting the clean transition of the energy structure. In 2025, the proportion of renewable energy used reached 25.34%. The Company is striving to achieve carbon neutrality across its global operations by 2040 and carbon neutrality across its value chain by 2050, demonstrating concrete action in response to the national "Dual Carbon" strategy.

Harmonious Life: Forging agile, self-driven teams to ignite fresh vitality in organizational growth. Highpower Technology firmly believes that talent constitutes the Company's most valuable asset, prioritizing occupational wellbeing alongside employees' lawful rights and workplace democracy to cultivate a secure, equitable and respectful working environment. Through five strategic pillars – organizational development, employee motivation, managerial oversight, talent cultivation and cultural atmosphere building – the Company systematically constructs a people-centric, dynamic organizational ecosystem. Highpower Technology has established a comprehensive training and development system covering all employees throughout their entire career lifecycle. Through a competitive remuneration and benefits package, diversified incentive schemes combining short-term and long-term rewards, and a transparent promotion mechanism, the Company collaborates with all staff to share the rewards of development through collective endeavour and unlock boundless potential through innovation.

The future is already upon us, and the tide of change has arrived. Highpower Technology remains steadfastly anchored to its core "Edge AI Power Solutions and Solid-State Battery Technologies" strategy, pursuing a path of independent R&D coupled with open collaboration. The Company focuses intently on application scenarios, client requirements, and user experience, harnessing cutting-edge technologies to ignite new dimensions of creativity. With unwavering conviction, an open-minded approach, uncompromising innovation and tenacious endeavour, the Company shall navigate the competitive currents of the industry, proactively embracing and crafting a new chapter of high-quality, sustainable development.

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.

Corporate Culture

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

Product Sector

New Energy Solutions for Consumer Application Scenarios

Laptops and Peripherals	Smart Wearables	Smartphone
AI Glasses	AI Toys	AI Earphones/Hearing Aids
Embodied AI Robot	Quadrupedal Robotic Dog	TWSOWS Earphones
Unmanned Aerial Vehicle	eVTOL	High-End Security Backup Power Supply
Bluetooth Speaker	Personal Care	Medical Equipment
AI Server BBU (Battery Backup Unit)	Lightweight Power	Portable Energy Storage
Solar-Powered Energy Storage Street Lamps	Consumer Retail	Vehicle-Mounted T-BOX

Energy Storage Application Scenarios New Energy Solutions Products

Commercial and Industrial Energy Storage	Residential Energy Storage	Energy Storage for Telecommunications Base Stations

External Recognition

The Company has steadfastly implemented ESG principles, securing multiple accolades and recognitions across environmental, social and governance domains throughout 2025. Regarding third-party ratings, the Company maintained its A-grade standing in the Wind ESG Rating; its CDP Climate Change Rating advanced to B, whilst its Water Security Rating achieved a B- upon first participation. This demonstrates the Company's consistent improvement in environmental disclosure and management performance.

Honors and Accreditations

Sustainable Development

Wind ESG Rating: A

Wind

CDP (Climate) Rating: B
CDP (Water Security) Rating: B-

CDP

Guangdong Highpower Awarded EcoVadis Sustainability Bronze Medal

EcoVadis

Social Responsibility Award

Guangdong High-Tech Industrial Chamber of Commerce

2025 Listed Companies ESG Value Transmission Award

Value Online

Shanghai Stock Exchange Eagle · Gold Quality 2025 ESG Award

Shanghai Securities News
China Securities Network

Honest Governance

The 19th Annual Outstanding Management Pioneer of China's Listed Companies : Pan Dangyu

Securities Times

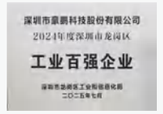
The 19th China Listed Companies "Sunshine Secretary of the Board" Award: Chen Ping

Securities Times

The 21st Gold Medal Secretary to the Board: Chen Ping

New Fortune Magazine

Immaculate Quality



2024 Top 100 Industrial Enterprises in Longgang District, Shenzhen

Shenzhen Longgang District Bureau of Industry and Information Technology

Golden Sound Award - Best Component Manufacturer

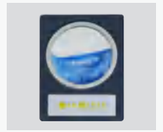
52audio

2025 AGIC Top 30 Key Enterprises in the AI Industry Chain

2025 Shenzhen (International) General Artificial Intelligence Conference
Shenzhen (International) General Artificial Intelligence Industry Expo

2025 Listed Companies Reputation Ranking – Listed Companies with Outstanding Competitiveness in Artificial Intelligence

Daily Economic News



2025 AI Frontier Innovation Award

Value Online

2025 AI Tianma Leading Enterprise

Shenzhen Artificial Intelligence Industry Association
Guangdong Future Industry Research Institute

The 15th (2025) China Battery and New Energy Industry Annual Innovation Award

HaiRong Network
Battery Network
52EV
China Energy Finance

Gaogong Golden Globe Award - Annual Innovation

Shenzhen Gaogong Consulting Co., Ltd.

2025 Advanced Pack Enterprise

Guangdong Battery Industry Association

2025 Advanced Cell Enterprise

Guangdong Battery Industry Association

Green Planet

Guangdong Highpower Awarded Provincial Green Factory Status

Department of Industry and Information Technology of Guangdong Province

Harmonious Life

ESG Sustainable Innovation Ecosystem Conference Outstanding Employer of the Year for Social Contribution

Southern Metropolis Daily

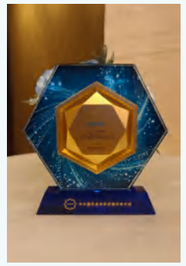
Market Recognition

Icon Energy Awarded the Excellence in Delivery Pioneer Award (2024 Supplier Evaluation)

Hello Tech

Outstanding Supplier Award

Lisheng Automotive Technology (Guangzhou) Co., Ltd.



Best Quality Performance Award

ZTE Corporation

Sustainability Improvement Award Supplier Sustainability Performance Program

PHILIPS

Best Delivery Award

GoerTek Group

Guangdong Highpower Awarded 2024 SUNML Supplier Award – Outstanding Partner

SUNMI

Strategic Partner

China CITIC Bank

2025 Outstanding Quality Award

TINNO Mobile

Sustainable Development Management

Sustainable Development Strategy

In 2023, the Company unveiled its HIGH Sustainable Development Strategy. This strategy is underpinned by four core pillars: Honest Governance, Immaculate Quality, Green Planet, and Harmonious Life. It deeply aligns the Company's development strategy with the United Nations Sustainable Development Goals, committing to becoming a world-class clean energy solutions provider and jointly creating a better life for humanity.

Honest Governance

Promote responsible business practices

SDGs Relationship

Material Issues

- Corporate Governance
- Compliance Operations and Risk Management
- Anti-Commercial Bribery
- Anti-Unfair Competition
- Information Security and Privacy Protection
- Community Investment Participation

Policies

- Business Ethics Policy

Highlights of Performance in 2025

Major risk incidents: 0

Conducted 5 anti-corruption audits

Information security incidents: 0

Female directors account for 33.33%

Immaculate Quality

Pioneer excellence innovation and quality assurance

SDGs Relationship

Material Issues

- Innovation-Driven Development
- Product Quality and Safety
- Customer Relationship Management
- Circular Economy
- Opportunities in Clean Tech
- Sustainable Supply Chain
- Equal Treatment for SMEs

Policies

- Quality Policy
- HSF Policy

Highlights of Performance in 2025

Obtained quality management system certifications including ISO 9001, IATF 16949, QC080000, and ISO 13485

Focusing on cutting-edge technologies such as flexible conductive films, solid-state batteries, smart wearables, and robotic power supplies, the Company has achieved breakthroughs and mass production of key products.

358 new patent authorizations were granted, with invention patent authorizations increased by over 150% year-on-year.

R&D Innovation Incentive Amount: RMB 2,096,900

100% signing rate for the *Supplier Social Responsibility Commitment Letter*

All newly approved production suppliers undergo 100% sustainability audits in accordance with established criteria.

Customer satisfaction rate: 94%

Green Planet

Foster a sustainable future

SDGs Relationship

Material Issues

- Addressing Climate Change
- Emissions and Waste Management
- Environmental Management
- Energy Management
- Water Resource Management
- Ecosystem and Biodiversity Conservation

Policies

- Environmental Policy

Highlights of Performance in 2025

0 major environmental incidents occurred

100% of subsidiaries involved in production and manufacturing have obtained ISO 14001 environmental management system certification

6 products have achieved ISO 14067 product carbon footprint certification

Renewable energy usage ratio: 25.34%

Harmonious Life

Elevate well-being for the whole community

SDGs Relationship

Material Issues

- Employee Rights and Benefits
- Diversity, Equality and Inclusion
- Employee Training and Development
- Occupational Health and Safety

Policies

- Social Responsibility Policy

Highlights of Performance in 2025

Employee training coverage rate: 100%

Training hours per employee on average: 26 hours

Total hours of employee safety training reached 36,495 hours

Achieving a 100% rectification rate for major safety hazards

Sustainable Development Management Framework

The Company has established a three-tier ESG governance framework encompassing the decision-making, management and operational levels. During the reporting period, the Company further clarified the allocation of responsibilities and designated personnel for relevant operational departments, ensuring accountability at every level. Regarding risk management, the Company has progressively integrated ESG-related risks into its overall risk management systems. A tiered information reporting and oversight mechanism has been established. Based on the significance and impact of sustainability matters, information is conveyed promptly and accurately across all levels through meetings, written communications, and verbal updates. This ensures the systematic and orderly advancement of the Company's sustainability initiatives.

Sustainable Development Governance Framework

Decision-Making Layer	Strategy Committee of the Board of Directors Sustainable Development Decision-Making Committee at the level of Board of Directors	• Review ESG trends, supervise ESG-related issues and identify risks and opportunities for sustainable development • Guide and formulate the Company's environmental, social, and corporate governance vision, objectives, strategies and structure • Supervise ESG-related vision, strategies, implementation structure and progress of goals • Fulfill all responsibilities as the highest responsible body for the management and public disclosure of the Group's ESG issues
Management Layer	Sustainable Development Management Committee	• Review risks and significance related to the Group's ESG issues • Review and approve the Group's sustainable development strategies and goals • Supervise and review the Group's policies, management, and performance related to ESG matters as well as progress of SDGs • Review and approve the Group's public disclosure of the ESG-related matters
Execution Layer	Sustainable Development Execution Group	• Formulate ESG-related policies and action plans consistent with the Group's sustainable development strategies and goals • Manage ESG-related risks and issues during the Group's routine operations • Coordinate and promote the implementation of ESG-related matters throughout the whole Group • Communicate with stakeholders • Prepare and publicly disclose the Group's ESG report
	Various Business Departments	• Promote the specific improvement and management of ESG issues, complete related work such as policy development, design and implementation of ESG projects, and information collection as well as other tasks assigned by the Sustainable Development Execution Group

ESG-Linked Remuneration

The Company has explicitly incorporated ESG performance into the annual performance evaluation and remuneration structure for senior management. The assessment framework focuses on key social responsibility risk indicators including safety, environmental protection, public crises, major quality incidents, and product compliance rates. Moving forward, the Company plans to progressively integrate critical ESG metrics such as energy management and carbon reduction targets into the assessment scope, thereby continuously strengthening incentives and accountability for management in the realm of sustainable development.

ESG Management Empowerment

The Company actively recruits ESG specialists and continuously refines its ESG training framework, systematically advancing multi-domain, tiered capability development across environmental, social and governance dimensions. Regarding environmental matters, the Company has organized training covering foundational environmental knowledge, ISO 14001 and 50001 internal auditor certification, RoHS and REACH compliance, energy conservation, emissions reduction and waste management for personnel responsible across all departments. For social issues, training encompasses promoting Responsible Business Conduct (RBA), product safety emergency response planning, ISO 45001 internal auditor certification, and occupational health and safety training. Regarding corporate governance, the focus is on compliance and risk prevention, including training on new overseas regulations such as the EU Battery Regulation, alongside specialized courses on procurement compliance and anti-fraud measures. Moving forward, the Company will further leverage systematic, regularized training to progressively establish a comprehensive, prioritized, pragmatic and efficient ESG capability development mechanism.

Case **Highpower Technology Conducted ESG-Focused Training Program to Systematically Enhance Sustainable Development Management Capabilities**

The Company successfully conducted an ESG-focused training program in September 2025. This session specially invited an ESG partner from ShineWing Certified Public Accountants to serve as expert lecturer. Targeting department heads and designated liaison officers across all divisions, the training systematically covered foundational ESG theory and regulatory policy trends, ESG assurance and rating practices, key considerations for ESG investment and financing, alongside case studies of green finance innovation. Practical sharing and discussions were also facilitated around these topics.

ESG Audit

The Company regularly undergoes third-party corporate social responsibility audits commissioned by clients, strictly adhering to international social responsibility standards and client compliance requirements. During the reporting period, Guangdong Highpower successfully passed EcoVadis (achieving Bronze status), RBA and Sedex (SMETA) audits; Huizhou Highpower successfully passed the RBA audit; Vietnam Exquisite Power successfully passed the Sedex (SMETA) audit. All these represent audits conducted under internationally recognized social responsibility systems and client-commissioned assessments. The Company proactively implemented corrective actions for improvement areas identified during these audits, achieving a 100% overall pass rate for social responsibility audits.

Assessment of Material Issues

Based on the Company's development strategy, industry dynamics, feedback and expectations from internal and external stakeholders and rating agencies, while also taking into account the latest requirements from regulatory bodies, the Company has conducted a systematic analysis and identification of material issues. During the reporting period, the Company updated and adjusted our materiality issues list, conducted an in-depth assessment of the sustainability impacts, risks, and opportunities associated with each issue, and performed a materiality assessment to determine the relevance of each issue to Highpower Technology's own operations and industry trends, as well as their

Double Materiality Assessment Process

Establish a List of Issues

- The Company conducted a comprehensive analysis of exchange disclosure requirements, mainstream ESG rating criteria, and stakeholder priorities. By benchmarking against industry leaders, it identified 23 potential material issues.

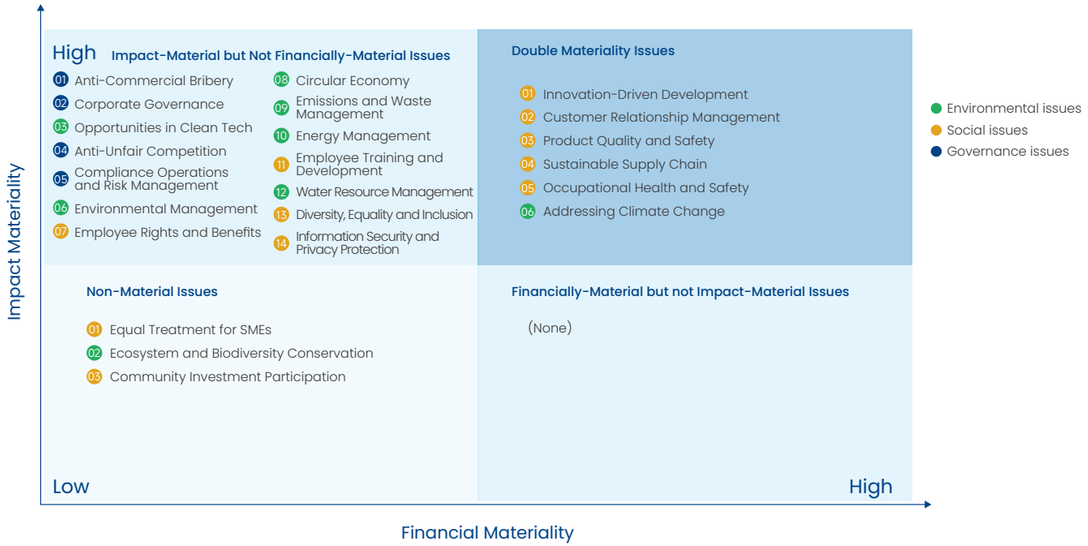
Assessment of Material Issues

- **Impact materiality assessment:** Through extensive stakeholder questionnaire distribution, positive and negative impacts of each issue were evaluated across dimensions including scale, scope, likelihood, and irreparability. This process identified 14 issues deemed materially significant.
- **Financial Materiality Assessment:** Internal management, investors, company directors, and strategic experts respectively analyzed the likelihood of occurrence and the degree of financial impact (comprehensively considering both costs and benefits, and assessing the effect on "net profit") of risks and opportunities associated with each issue, from short-term (≤1 year), medium-term (1-3 years, inclusive), and long-term (>3 years) perspectives.
- **Double Materiality Assessment and Analysis:** Conducted a quantitative analysis of the outcomes from both impact materiality and financial materiality assessments, presenting the overall priority ranking of each issue through a matrix format.

Issues Review and Confirmation

- Following a review and confirmation by the Company, the six issues of highest double materiality this year are: Innovation-Driven Development, Customer Relationship Management, Product Quality and Safety, Sustainable Supply Chain, Occupational Health and Safety, and Addressing Climate Change. These are disclosed with emphasis in this report under the framework of "Governance – Strategy – Impact, Risk and Opportunity Management – Indicators and Targets".

Double Materiality Matrix



Due Diligence, Stakeholder Engagement

Due diligence constitutes the core function through which the Company identifies, assesses, mitigates and addresses various ESG risks. The Company focuses on conducting specialized investigations in areas such as supplier management, with specific details disclosed in the relevant subsections.

The Company places high importance on two-way communication and relationship maintenance with all stakeholders. For different groups including government bodies, investors, customers, employees, suppliers, partners and communities, the Company balances regular communications with daily interactions, continuously gathering feedback and expectations while providing timely updates on relevant actions and progress.

Stakeholders	Focus Issues	Communication Channels and Response Methods
Government and Regulators	• Anti-Commercial Bribery • Anti-Unfair Competition • Environmental Management • Emissions and Waste Management • Energy Management • Water Resource Management • Addressing Climate Change • Ecosystem and Biodiversity Conservation • Community Investment Participation	• Regulatory supervision • Official correspondence • Information disclosure • Policy implementation
Shareholders and Investors	• Innovation-Driven Development • Opportunities in Clean Tech • Product Quality and Safety • Corporate Governance • Compliance Operations and Risk Management • Anti-Commercial Bribery • Anti-Unfair Competition • Occupational Health and Safety	• The general meeting of shareholders • Periodic reports and interim announcements • Interactive Easy and official website • Earnings presentation • Roadshow and reverse roadshow • Online and offline meetings of analysts
Customers	• Product Quality and Safety • Innovation-Driven Development • Opportunities in Clean Tech • Customer Relationship Management • Circular Economy • Compliance Operations and Risk Management • Information Security and Privacy Protection	• Technology R&D and innovation • Customer satisfaction survey • Phone call • Quality management system
Suppliers and Partners	• Product Quality and Safety • Anti-Commercial Bribery • Anti-Unfair Competition • Circular Economy • Sustainable Supply Chain • Occupational Health and Safety	• Supply chain management and audit • Supplier communication and empowerment
Employees Other than the Board and Senior Management	• Occupational Health and Safety • Employee Rights and Benefits • Diversity, Equality and Inclusion • Employee Training and Development • Information Security and Privacy Protection	• Employee activity • Employee training • Employee appraisal and promotion • Labor union • Internal information communication platform • Occupational health surveillance • Safety production management
Board and Senior Management	• Customer Relationship Management • Opportunities in Clean Tech • Corporate Governance • Compliance Operations and Risk Management • Anti-Commercial Bribery • Anti-Unfair Competition	• Internal management meetings and reports • Corporate governance training • Internal information communication platform • Internal email
NGO/Social Organization/ Media	• Environmental Management • Emissions and Waste Management • Energy Management • Addressing Climate Change • Ecosystem and Biodiversity Conservation • Diversity, Equality and Inclusion • Community Investment Participation	• Public benefit activities • Volunteering • Media interviews • Information disclosure

01 Honest Governance

Highpower Technology regards the establishment of a robust governance framework as the cornerstone of sustainable development. The Copmany is committed to continuously refining its governance mechanisms and enhancing the resilience of its risk management systems. This ensures the Company can maintain steady progress and create long-term value, while upholding operational responsibilities and addressing stakeholder concerns.

▶ The United Nations Sustainable Development Goals (SDGs) Corresponding to this Chapter Include:

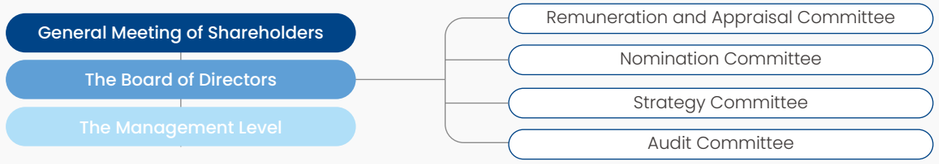
▶ Key Issues

Corporate Governance
Compliance Operations and Risk Management
Anti-Commercial Bribery
Anti-Unfair Competition
Information Security and Privacy Protection
Community Investment Participation

Corporate Governance

The Company strictly adheres to laws and regulations including the *Company Law, Securities Law, Corporate Governance Guidelines for Listed Companies*, and the *Shenzhen Stock Exchange Listing Rules*, alongside regulatory requirements. It continuously refines its modern corporate governance system, centered on the *Articles of Association* and encompassing the *Rules of Procedure for Shareholders' Meetings, Rules of Procedure for Board Meetings*, and the *Independent Directors' Working System*. It clearly delineates responsibilities and authority, ensuring the Company's sustained, compliant, and healthy development.

In 2025, the Company actively responded to relevant regulations issued by the China Securities Regulatory Commission, including the *Transitional Arrangements for Implementing Supporting Rules and Regulations under the New Company Law* and the *Guidelines for Articles of Association of Listed Companies*, prioritizing the optimization and upgrading of its corporate governance structure. As a core reform measure, the Company restructured its Three Meetings and One Layer System, abolishing the supervisory board while concurrently establishing the Board Audit Committee as the dedicated oversight body. This committee assumes the statutory supervisory functions previously held by the supervisory board, thereby securing its central position within the governance framework.

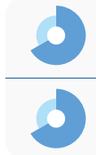


Highpower Technology's Corporate Governance Structure

Board Diversity

The current members of the Company's Board of Directors possess diverse industry backgrounds and extensive professional theoretical and practical experience, with expertise spanning materials science and technology R&D, finance and accounting, management and strategy. Among the nine directors, three are female, playing vital roles in key areas including corporate governance and disclosure, financial accounting, and representing employee interests. This significantly enhances the Board's inclusivity and the breadth of its decision-making perspectives.

Proportion of independent directors on the Audit Committee	100.00%
Proportion of independent directors on the Remuneration Committee	66.67%
Proportion of independent directors on the Nomination Committee	66.67%



Proportion of female directors
33.33%

Proportion of independent directors
33.33%

Board Effectiveness

The Company has established a closed-loop management mechanism comprising "professional screening, process oversight and periodic evaluation" to align with core strategic development requirements. During the director nomination phase, the Nomination Committee focuses on core domains such as accounting and finance, corporate strategy, and materials science and technology R&D. It rigorously screens candidates possessing profound professional expertise and practical experience. Candidates undergo a three-tiered progressive process: "Nomination Committee review → Board deliberation → Shareholders' meeting election". Each stage rigorously assesses their independence, professional competence, and alignment with the Company's requirements, while ensuring voting procedures are conducted in strict compliance with legal and regulatory requirements. The Company conducts annual effectiveness assessments of the Board as a whole, its specialized committees, and all directors (including independent directors) through a combination of self-assessment and external assessment: independent directors submit written performance reports for self-reflection, with the Board conducting collective evaluations based on their annual performance. The Board and committees review the standardization and effectiveness of their annual work through questionnaires or thematic meetings, focusing on meeting procedures, decision-making quality, and communication and coordination with management.

During the reporting period, the Company Convened the Following Meetings:

- Shareholders' Meetings: **3** sessions
- Supervisory Board Meetings: **2** sessions
- Board of Directors Meetings: **6** sessions
- Audit Committee Meetings: **6** sessions
- Remuneration and Appraisal Committee Meetings: **4** sessions
- Strategy Committee Meetings: **3** sessions
- Nomination Committee Meetings: **3** sessions

Investor Relations Management

The Company places great emphasis on investor relations management. Through multiple channels including shareholders' meetings, earnings briefings, on-site investor visits, and the Shenzhen Stock Exchange's Interactive Platform, the Company promptly understands and addresses investors' expectations and concerns. Within the scope permitted by information disclosure regulations, the Company timely communicates the latest operational developments, performance results, and strategic plans to investors.

Key Performance in 2025

- Responded to **194** inquiries via Shenzhen Stock Exchange Interactive Platform with a **100%** response rate
- Conducted **4** performance briefing sessions
- Organized **11** investor research visits
- Engaged in over a thousand telephone communications with investors

Capital Markets Awards

- Company Secretary awarded the 21st "New Fortune Gold Medal for Company Secretary"
- Company Secretary honored with the 19th "China Listed Companies Sunshine Secretary of the Board" by Securities Times

Protection of Investors' Rights

The Company imposes strict controls over connected transactions that may prejudice the interests of investors, ensuring that all such transactions are conducted in line with the Company's normal operations and actual business needs. By improving its internal control system and strictly complying with approval procedures, the Company safeguards the fairness and reasonableness of each transaction, and effectively protects the legitimate rights and interests of all investors. The Company attaches great importance to shareholder returns and shall distribute dividends by means of cash, stocks, a combination of cash and stocks, or other methods permitted by laws and regulations. Provided that the Company is profitable and its cash flow is sufficient to meet its ongoing operations and long-term development, the Company shall prioritize cash dividends for profit distribution. The Company's profit distribution shall not exceed the limit of its accumulated distributable profits and shall not impair its sustainable operational capacity.

Compliance Operations and Risk Management

Risk Management

The Company aligns its risk management framework with operational development objectives, embedding fundamental risk management processes throughout all stages and aspects of business operations. A risk management organizational structure comprising three lines of defense has been established, with functional departments systematically identifying, communicating and effectively mitigating significant risk matters. Throughout 2025, the Company experienced no major risk incidents.

Three Lines of Defense in Risk Management

The First Defense	The Second Defense	The Third Defense
Each subsidiary, each system and business unit (BU)	Each department	Audit department
Identify and respond to potential risks in the first time to ensure robust and efficient business operation	Assessment of the risks faced by the Company, in order to develop scientific and reasonable risk management strategies and measures for the Company	Responsible for comprehensively supervising and assessing the effectiveness of the entire risk management system, ensuring the implementation of risk management measures, and providing a safeguard for the Company's stable operation

Case Procurement Legal Risk Prevention and Compliance Management Training

The Company conducted a training program on Procurement Legal Risk Prevention and Compliance Management in March 2025, covering all personnel from relevant departments liaising with suppliers, including the Procurement Center and Equipment Platform Department. A total of 75 individuals participated in the training. The program comprehensively addressed key risk prevention points throughout the entire procurement contract signing and fulfilment process, as well as the dispute litigation process. This effectively enhanced participants' awareness of procurement legal risks and strengthened their compliance management capabilities.

Internal Audit

The Company has established regulations including the *Internal Control System, Internal Audit System*, and *Emergency Crisis Management System for Unexpected Events*. Based on the annual operational policy, an internal audit plan is formulated to conduct independent and impartial internal audits across all business modules, implementing integrity and compliance oversight while investigating and addressing non-compliant conduct. During the reporting period, no significant risks were identified through the audit process.

Key Performance in 2025

- **5** special internal audits were conducted, covering such areas as the operation and management of Highpower Supply Chain, quality management, seal management, sales management and equipment procurement management.
- **11** external compliance audits were carried out, including **4** audits of raised fund management, **2** audits of external guarantee, **2** audits of connected transactions, **2** audits of foreign exchange hedging and **1** audit of internal control evaluation report.

Business Ethics Management

Anti-Commercial Bribery

The Company has formulated and implemented internal regulations including the *Anti-Fraud Management System* and the *Code of Employee's Conduct and Discipline Management Regulations of Highpower Technology*, establishing and refining an anti-fraud risk prevention and control mechanism characterized by clear delineation of responsibilities, well-defined priorities, and robust measures. During the reporting period, the Company revised and optimized the *Anti-Fraud Management System*, further upgrading and enhancing its anti-fraud management framework.

Key Anti-Fraud Measures

Strengthening Integrity Culture Development

The Company routinely cultivates and promotes integrity culture through diverse initiatives. Upon joining, every employee must read the *Code of Employee's Conduct and Discipline Management Regulations of Highpower Technology*, with particular emphasis on business ethics. Regular training sessions on relevant laws, regulations, and professional ethics are provided to staff. Internal case studies are utilized for cautionary education, guiding all employees to consciously uphold integrity in their professional conduct and fostering a pervasive atmosphere of rigorous standards and reverence for integrity. For suppliers, the Company requires the signing of an *Integrity Agreement* during the supplier onboarding process, thereby guiding and enhancing their awareness of integrity and self-discipline. In 2025, the Company drived 45 key suppliers to sign the *Integrity Agreement*.

Case Training Program on Corporate Anti-Fraud Investigations and Detailed Analysis of Common Offences

The Company conducted a training program entitled Corporate Anti-Fraud Investigations and Detailed Analysis of Common Offences in December 2025. Targeted at personnel from key departments including the Procurement Center, Equipment Platform Department, and Warehouse Management Department, the training covered core topics such as fundamental concepts of fraud, the costs of fraudulent practices, common fraudulent behaviors and analysis of associated offences, alongside the Company's anti-fraud measures and integrity initiatives. This effectively strengthened participants' awareness of integrity and self-discipline, as well as their ability to identify anti-fraud risks.

Conduct Regular Anti-Corruption Risk Assessments

The Company conducts regular self-assessments of its internal controls. It identifies key control points for fraud risks, evaluates the development and effectiveness of anti-fraud systems and procedures, and promptly reviews and analyzes significant fraud incidents to formulate targeted prevention and control measures.

During the reporting period:

- Conducted anti-corruption audits: **5** times

Strictly Investigate and Deal with Corruption Issues

The Company has consistently upheld a zero-tolerance principle towards corrupt practices, drawing profound lessons from various corruption cases. Relevant units were organized to thoroughly investigate root causes and conduct in-depth reviews. By strengthening rigorous employee education, management and oversight, the Company further refined its institutional framework and strictly adhered to management procedures, thereby preventing recurrence of similar issues at source. In 2025, the Company investigated and resolved three cases of corruption and misconduct, resulting in disciplinary action against seven individuals. Additionally, cooperation with eight suppliers has been suspended due to non-compliant practices on their part.

Anti-Unfair Competition

The Company steadfastly upholds the fundamental principle of fair competition, strictly adhering to the requirements of the *Anti-Unfair Competition Law of the People's Republic of China* and the laws and regulations of each operational region. Through the establishment of internal systems such as the *Anti-Unfair Competition Management Procedures* and the *Fair Trade and Competition Management Procedures*, and by incorporating anti-unfair competition training into the business ethics education system for new employees, it continuously builds a comprehensive compliance management framework. The Company regards safeguarding a healthy market economy order and upholding fairness and justice as its duty. It earnestly protects the legitimate rights and interests of consumers and fellow operators, actively collaborating with all sectors of society to jointly resist all forms of unfair competition. Concurrently, it proactively engages with industrial and commercial authorities and other governmental regulatory bodies, fully cooperating with oversight and verification of its business activities. It maintains a zero-tolerance stance and resolutely combats any violations that disrupt market order. During the reporting period, the Company had no litigation disputes or significant administrative penalties related to unfair competition or anti-monopoly matters.

Whistleblowing Management

The Company has established internal management systems including the *Whistleblowing Management System* and the *Fraud Case Handling Management System*. These clearly define reporting criteria, scope of application, and investigation procedures, while also specifying detailed safeguards for whistleblower rights to alleviate concerns about reporting.

The Company actively establishes a multi-channel whistleblowing mechanism, providing employees and external partners with diverse feedback pathways including dedicated email addresses, online platforms, and offline contact points. This ensures that all improper conduct violating business ethics or breaching laws and regulations is promptly identified and addressed. For all reported leads, the Company adheres to rapid verification and precise evidence collection, subsequently refining management mechanisms through post-incident reviews to prevent recurrence of similar issues at source. The Company actively encourages employees and external partners to proactively disclose dishonest or non-compliant conduct. Where the Audit Department verifies the validity of a report and the disclosure demonstrably recovers losses for the Company, the whistleblower shall receive a reward.

Whistleblowing Channels:

Whistleblowing Email	HpShenji@highpowertech.com
Whistleblowing Address	Audit Department, Building A7, 68 Xinsha Avenue, Pinghu Subdistrict, Longgang District, Shenzhen
Whistleblowing WeChat ID	HpShenji
Feedback on the Cadre Work Issues	Whistleblowers may report concerns to Highpower Technology's Human Resources Department via online or offline channels
Face to Face Report	Whistleblowers may directly report issues to the relevant personnel in Highpower Technology's Audit Department

Whistleblower Protection Measures:

- The Company's Audit Department shall maintain strict confidentiality regarding all whistleblower reports and related information.
- Any form of discrimination or retaliation against whistleblowers or employees participating in investigations is strictly prohibited.
- Individuals found to have unlawfully disclosed whistleblower information or engaged in retaliatory actions against whistleblowers shall be dismissed from their posts and have their employment contracts terminated. Where criminal offences are involved, cases shall be referred to judicial authorities for legal proceedings.

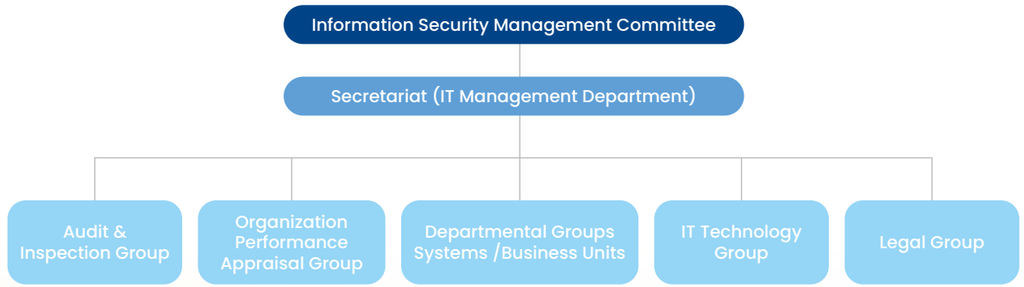
Information Security and Privacy Protection

The Company strictly adheres to relevant laws and regulations including 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*. The Company has formulated and implemented rules and regulations such as the *Information Security Management Manual* and *the Information Security Risk Management Procedures*, establishing a robust information security management system and ensuring its continuous and effective operation. As of the end of the reporting period, the Company has obtained ISO 27001 certification and maintains the system's ongoing effective operation.

ISO 27001 Certification

The Company has established a three-tier information security governance framework, spearheaded by the Information Security Management Committee, coordinated by the Secretariat (IT Management Department), and implemented by the Information Security Specialist Group and relevant functional departments. This structure comprehensively fortifies the Company's information security defense.

Information Security Organizational Structure of Highpower Technology



Daily Management of Information Security

The Company continues to deepen its comprehensive information security management, establishing a robust, routine technical management system for information security, implementing stringent measures to prevent information leakage, and formulating and executing business continuity safeguards. These efforts collectively build a solid security barrier to ensure the stable operation of the Company's business.

Information Security Management Technology

Data Encryption System

Enhance the security safeguards for research and development data to prevent unauthorized access and retrieval by unauthorized personnel.

Desk Management System

Control and monitor terminal activities such as data transmission, copying, internet access, file printing, and software installation on office terminals to ensure comprehensive protection of company and client data.

Web Application Protection System

By safeguarding the Company's internet-deployed services through the system, it enhances operational security and mitigate security risks. During the reporting period, Highpower Technology successfully intercepted over 40,000 instances of various web application attacks.

Bastion Host System

Strictly control supplier access to the production network. After entering via VPN, access to designated production terminals is permitted only through a bastion host with time-limited access, ensuring that all relevant operations are effectively controlled and recorded.

Business Continuity Assurance Measures

Enhance IT Operations Monitoring and Early Warning

Continuously utilize the IT Unified Operations Monitoring and Early Warning Platform to optimize monitoring thresholds and alert rules for all business systems, servers, networks, databases and other system equipment, thereby enabling the timely detection and rapid resolution of issues.

Conduct Multi-Scenario Emergency Drills

Conduct emergency drills centered on scenarios such as viruses, security breaches, data centered power outages, critical network hardware failures, carrier network disruptions, and severe system unavailability. These exercises validate the feasibility and completeness of contingency plans while enhancing personnel's emergency response capabilities.

Information Security Risk Prevention and Control

The Company strictly adheres to the ISO 27001:2022 management system standard, routinely conducting information asset identification and implementing specialized risk assessments for critical information assets. Technical and managerial measures are employed to continuously mitigate information security risks. The Company has formulated and implemented an *Information Security Emergency Response Plan*, categorizing and grading information security incidents while establishing corresponding emergency protocols to ensure timely and appropriate handling of security events. In 2025, the Company experienced no information security incidents.

Moreover, in response to sudden information security incidents within the industry, the Company promptly activated its emergency response mechanism. The IT Department, the Integrated Supply Chain Digitalization Department, and leading security vendors jointly conducted a comprehensive risk assessment and evaluation of the Company's existing information security framework. Concurrently, an information security capability enhancement plan was formulated, with a particular focus on strengthening targeted defenses against cyberattacks and ransomware attacks.

Information Security Culture Development

The Company actively cultivates an information security culture through diverse channels and varied formats: incorporating information security training into the mandatory induction program for new employees, organizing irregular thematic study sessions and assessments on information security, and continuously disseminating specialized awareness materials via online channels. These materials cover data protection, endpoint security, email security, phishing prevention, personal privacy safeguarding, and customer information protection, thereby comprehensively enhancing staff awareness of information security risk prevention.

During the reporting period:

- 5 information security induction training sessions were conducted for new employees, covering 293 individuals.
- The Cloud Classroom program Information Security Awareness Training 2025 achieved 100% coverage among company staff and auxiliary office personnel, including training and assessment.
- Online information security awareness campaigns achieved 100% coverage.

Community Investment Participation

Rural Revitalization

Leveraging its resource and capability advantages, the Company has continuously expanded and stabilized its workforce scale. It has advised local authorities on rectifying irregularities in labor dispatch practices, actively employed individuals who have been lifted out of poverty, and steadily advanced initiatives such as educational revitalization and industrial revitalization. During the reporting period, the Company provided employment to 277 individuals who had been lifted out of poverty and donated RMB 30,000 to the rural revitalization activities in the Tonghu Ecological Smart Zone.

Community Participation

The company has consistently regarded the fulfilment of social responsibility as an intrinsic part of the corporate DNA and a fundamental mission. Since establishing the Sunshine Education Foundation in 2011, the Company has steadfastly upheld the principle of "contributing compassion and benefiting society", translating its corporate vision of "co-creating a better life for humanity" into tangible action. The Company makes fixed annual allocations to the foundation's account while encouraging voluntary employee contributions. As of the end of the reporting period, the foundation had disbursed over RMB 1.626 million in cumulative donations, supporting more than 1,500 students across over 26 schools.

Note: Regarding the restatement of information in the 2024 ESG Report, as of the end of the reporting period in 2024, the cumulative donation amount by the Foundation actually stood at RMB 1.551 million. The discrepancy in the originally disclosed data is due to differences in the statistical criteria used by the system. The data included in this restatement is complete and fully traceable.

Case Sunshine Scholarship Empowers Rural Education

In 2025, the Company launched an educational scholarship and poverty alleviation initiative targeting six town-run primary schools in Ma'an Town, Huicheng District, Huizhou City, Guangdong Province. On the one hand, scholarships were awarded to pupils demonstrating outstanding academic achievement or recipients of district-level honors or above, encouraging students to strive for excellence. On the other hand, living supplies subsidies were provided to primary school pupils from households receiving the Five Guarantees Program, alleviating their families' burdens and conveying social warmth. This initiative involved an investment exceeding RMB 70,000, benefiting over 400 students and providing tangible support for local educational development.

The Company continues to broaden its educational support initiatives, focusing not only on advancing university education but also on enhancing primary education facilities. During the reporting period, Huizhou Highpower donated RMB 100,000 to Shangliao Primary School in Ma'an Town, specifically earmarked for establishing a library reading room. This initiative creates a superior learning environment for rural children, actively promoting educational equity through tangible action.

Highpower Technology Supports University Education Development Program

2018-2025

Annual donation of RMB 600,000 to support educational development at Central South University

2021-2025

Annual donation of RMB 500,000 to the South China University of Technology Education Development Foundation

02

Immaculate Quality

Highpower Technology, with innovation as its core engine, deeply integrates clean technology with circular economy principles. The Company continuously enhances product quality, strengthens core technological capabilities, and elevates product safety standards. Through meticulous management, the Company deepens client trust and advances sustainable supply chain development under the philosophy of pooling strengths for mutual success. This approach creates enduring value for its customers, partners, and society.

▶ The United Nations Sustainable Development Goals (SDGs) Corresponding to this Chapter Include:

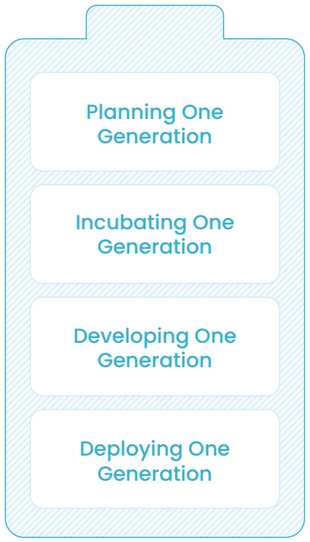
▶ Key Issues

Innovation-Driven Development
Product Quality and Safety
Customer Relationship Management
Circular Economy
Opportunities in Clean Tech
Sustainable Supply Chain
Equal Treatment for SMEs

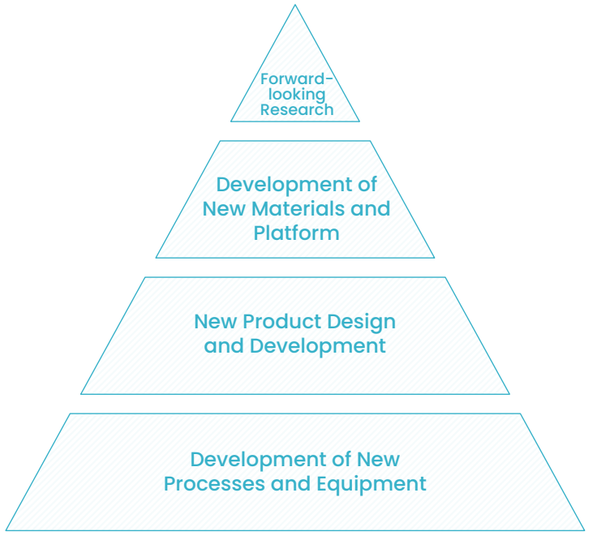
Innovation-Driven Development

Governance

The Company adheres to the development philosophy of "technology-driven, innovation-led", deeply integrating the Integrated Product Development (IPD) management system, establishing a tiered, generation-based R&D strategy of "planning one generation, incubating one generation, developing one generation, and deploying one generation". This has formed a 4-level R&D System centered on forward-looking research, new materials and platform development, new product design and development, and new process and equipment development. It achieves seamless integration across the entire chain of theoretical exploration, technological breakthroughs, process transformation, and intelligent manufacturing, fostering a cross-departmental, interdisciplinary matrix innovation ecosystem.



A Tiered R&D Strategy



4-Level Collaborative R&D System

The Company's R&D operations adopt a "strategy-driven, dual-engine" approach, forming an innovation-driven organization comprising the Research Institute and the product development departments of each business unit. The Research Institute concentrates on strategic-level technological innovation, undertaking medium-to-long-term technical reserve tasks including forward-looking fundamental research, development of new materials and platforms, and preliminary studies on disruptive process equipment. Product development departments, meanwhile, concentrate on translating market demands, undertaking short-term technical implementation work such as application scenario research, product engineering development, and optimization of manufacturing processes and equipment.

The Company has established a series of regulatory documents, including the *Integrated Product Development (IPD)*, which clearly define technical planning and project initiation procedures. These encompass specific technical activities such as new materials and processes development, new formulation development and new platform development, ensuring orderly advancement of R&D across all domains. Concurrently, supporting process specifications have been implemented for emerging and critical areas—including new equipment requirements, external collaborative project management, and AI-enhanced simulation model development—to comprehensively enhance the management standards and development efficiency of scientific research projects.

Strategy

Risk/Opportunity Item	Risk/Opportunity Description	Time Horizons	Coping Strategies
Talent and Knowledge Management Risk	The intensifying competition for talent in critical sectors may lead to a reliance on specific experts or teams. Should these key personnel leave, it could result in a suspension of R&D activities and the emergence of technological discontinuities.	Short to medium term	Implement key talent retention and incentive schemes, establishing talent pipelines and knowledge retention systems.
R&D Investment Efficiency Risk	Frontier exploratory R&D projects may face risks including extended investment cycles and outcomes failing to meet expectations.	Medium to long term	Explore diversified investment mechanisms such as joint R&D initiatives and applications for government-specific funding to effectively mitigate R&D investment risks. Concurrently, establish an R&D FBP system whereby finance personnel are deeply embedded throughout the entire R&D process. Implement dedicated project accounting and annual closed-loop reviews to promptly optimize, adjust or terminate R&D projects failing to meet expected returns, thereby enhancing the efficiency and effectiveness of R&D expenditure.
Technology Iteration Risk	The rapid evolution of industry technology roadmaps may result in the devaluation of existing R&D investments or a misalignment with future development trajectories.	Short, medium and long term	Continuously monitor disruptive technological transformations, undertake preliminary technological research, and pursue multiple pathways of exploration.
Opportunity for New Technology Integration	Cross-disciplinary technological convergence—such as the integration of artificial intelligence with industry or breakthroughs in materials science—may give rise to novel products or solutions.	Short, medium and long term	Conduct pilot explorations focusing on specific integration scenarios in the short term, and develop differentiated competitive capabilities in the medium to long term.
Opportunity for Collaborative Ecosystems	Industry-academia-research collaboration and industrial chain synergy can reduce R&D costs and accelerate innovation transformation.	Medium to long term	Implementing an open innovation model to enhance systemic competitiveness through the establishment of an industry-academia-research ecosystem.

Impact, Risk and Opportunity Management

The Company has established a routine mechanism for monitoring and responding to R&D-related risks and opportunities, covering the entire chain from talent pipeline development and open innovation collaboration to breakthroughs in key technologies and intellectual property management.

Monitoring and Identification

Regularly monitor developments in end-product applications, conduct scenario testing and product analysis, systematically collate the latest patents and literature, to continuously identify innovation-related risks and opportunities.

Assessment and Response

Conduct literature and patent reviews of preliminarily identified information alongside peer expert consultations, organizing internal expert evaluations. Upon confirmation, adjust technical approaches or R&D methodologies as appropriate and implement accordingly; for significant risks or opportunities, activate dedicated mechanisms for closed-loop management.

R&D Talent Development and Motivation

Talent Recruitment

The Company is vigorously advancing internal and external talent acquisition mechanisms to continuously optimize its talent pipeline development. Internally, it routinely publishes vacancy notices and encourages staff to compete for positions. Externally, it drives targeted recruitment and strategic talent reserves through open recruitment, campus hiring, and university-industry collaborations.

Talent Development

Centered around technical exchange seminars, the Company integrates three major initiatives—namely, the "Tech Masterclass", "Open Tech Courses", and "Learning & Development Programs"—to establish a comprehensive capability enhancement system for R&D talent. This system follows the cycle of "External Input – Efficient Collaboration – Deep Assimilation – Continuous Iteration", thereby empowering R&D teams to upgrade their competencies and achieve business breakthroughs.

Tech Masterclass

Four sessions of the tech masterclass on R&D system were conducted, featuring invited external technical experts who shared cutting-edge technological achievements, with over 300 participants in attendance.

Technical Exchange Seminar

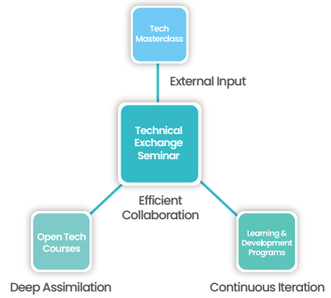
A technical experience sharing platform was established, and three technical exchange seminars were held within the R&D system, reaching an audience of over 600.

Open Tech Courses

Five sessions of open tech courses were launched within the R&D system, cumulatively reaching an audience in excess of 500.

Learning & Development Programs

Two learning and development programs, including the "Professor Pan Feng Lecture Series", were implemented, cumulatively reaching an audience of over 800.



R&D Talent Competency Enhancement System

Technical Exchange Seminar

Open Tech Courses

Talent Motivation

The Company has formulated the *Internal Innovation Reward Measures* and the *Incentive Management Measures for Key R&D and Technology Projects*. These policies are designed to anchor the strategic direction and key objectives of the R&D system, thereby establishing a "Timely + Project-Based" dual-tier incentive system to facilitate the achievement of R&D strategic targets.

Timely Incentive

The monthly Starlight Award incentive scheme has been implemented on a regular basis, with nine editions completed to date, recognizing over 560 individuals. Concurrently, the quarterly special incentive program has been rolled out across three editions, covering more than 30 recipients.

Project-Based Incentive

Centered on flagship products, key technology projects, and the achievement of R&D cost-reduction targets, incentive allocation drives R&D personnel to accomplish critical tasks. By the reporting period's end, the scheme had encompassed 42 flagship products and key technology projects, five major special projects, and seven product development cost-reduction initiatives, with coverage projected to extend to over 50% of R&D personnel.

R&D Incentive Awards Ceremony

During the reporting period:

- Research and Development Innovation Incentive Amount: RMB **2,096,900**
- Number of personnel incentivized for R&D innovation: **1,232**

Advancing Open Innovation

The Company upholds an open and mutually beneficial industry ecosystem philosophy, establishing a proactive and systematic open technology cooperation mechanism. Guided by clearly defined product and technical requirements, the Company combines targeted outreach with participation in industry exhibitions and technical forums. Following technical exchanges, the Company initiates internal evaluations; should outcomes meet expectations, it advances dedicated collaborative projects. This approach is formalized through the *External R&D Collaboration Project Management Process*, ensuring standardized implementation.

In 2025, the Company systematically advanced open innovation centered on its core "Edge AI Power Solutions and Solid-State Battery Technologies" strategy. In industry-academia-research collaboration, the Company deepened partnerships with multiple universities to develop cutting-edge technologies including solid-state batteries and high-voltage cathode materials. Concurrently, it actively expanded international cooperation, jointly developing a high-energy-density battery with pure silicon anode alongside a leading European materials R&D firm. This collaboration targets a 50%+ increase in energy density. To date, thousands of prototype batteries have been jointly produced and delivered to global top-tier clients for testing.

Attended the 12th China (Suzhou) International Summit on Battery New Energy Industry (ABEC 2025), where the Chairman participated as a roundtable guest to share insights on industry

Participated in the 2025 (15th) Gaogong (GGII) Lithium Battery Annual Conference, with the Chairman sharing the Company's strategy as a guest speaker at the "AI Roundtable Forum".

Participated in the 2025 AGIC Shenzhen Artificial Intelligence and Robot Development Forum to present the Company's edge AI energy solutions.

Participated in the 2025 Suining International Lithium Battery Industry Conference, unveil the "Soft-Armor Solid-State Battery" product, and disclose the three-step roadmap for solid-state batteries.

Participated in the 2025 China Battery Industry (Guangzhou) Summit Forum and the Fifth Power Battery Digital Intelligence Summit, showcasing the next-generation ultra-high-safety "Soft-Armour Solid-State Battery" product.

R&D Highlights and Breakthroughs

The Company achieved significant results in research and development and innovation in 2025, with a total of 482 new R&D projects launched. These projects spanned multiple product sectors and yielded several major breakthroughs in key technologies. Thanks to its outstanding capabilities, the Company was honored with prestigious awards such as the Gaogong Golden Globe Award - Annual Innovation and the 2025 AI Tianma Leading Enterprise Award.

2025 R&D Highlights and Breakthroughs

Category	Achievements	Competitiveness
Ni-MH Battery	• Achieved the bulk delivery of aviation backup batteries, primarily utilized in aircraft cabin lighting backup power systems, successfully replacing the original Ni-Cd batteries.	• Aviation backup power supplies must meet the highest standards in the industrial sector. This delivery signifies that the company's Ni-MH batteries have attained aviation-grade capability in terms of industrial safety and reliability.
Ni-Zn Battery	• The new chemical system Ni-Zn battery has completed the development of its electrical performance platform and is poised to enter the commercialization phase.	• In terms of cycle life and storage performance parameters, it possesses strong market competitiveness.
Semi-Solid-State Li-ion Battery	• The semi-solid-state battery ("Soft-Armor Solid-State Battery") has been successfully developed, achieving a volumetric energy density of 950 Wh/L and a cycle life exceeding 500 cycles. This product has gained recognition from leading industry brands and has entered mass production.	• By constructing a nanoscale solid protective layer, incorporating non-flammable safety additives, and employing a "super membrane" to establish a triple-layered active safety protection system, the battery achieves resistance to ignition and explosion even under extreme physical damage.
Solid-State Battery	• Solid-state technology R&D encompasses the three mainstream solid-state pathways of polymers, oxides, and sulfides, with a primary focus on consumer-grade AI terminal applications to establish a differentiated technological portfolio. All-Solid-State Battery development centers on resolving "solid-solid interface stability", employing innovative "adaptive covalent bonding" technology to achieve interface stability under zero-pressure conditions.	• Through core interface technological innovation and multi-path parallel validation, the Company has achieved alignment of key performance metrics with application scenarios. Relevant outcomes have progressed to the customer sample evaluation and product pre-research phase, with the technical solution demonstrating high compatibility with end-market requirements.
AI-Enabled Wearable Devices with Prismatic Steel Stacking Battery	• Established an industry-leading fully automated production line with proprietary intellectual property rights, securing multiple projects with leading domestic and international clients.	• Through synergistic innovation combining steel-shell construction, stacking technology, high-voltage high-silicon anodes and semi-solid electrolytes, coupled with a new automated production line, the Company has achieved comprehensive breakthroughs in energy density, safety, space utilization, and thermal performance. This solution is particularly well-suited for applications such as AI glasses and smart wearables.
AI Robot Power System Solution	• Developing lithium-ion power systems for end-user devices such as embodied robots, embodied robotic dogs, and industrial robots, capable of precisely meeting the power demands of joint motors under transient high-current conditions while supporting rapid battery swapping functionality.	• Significantly enhance the endurance of robotic products while ensuring compliance with IP65 waterproofing standards and high reliability requirements.
Energy Storage Products	• Develop a new generation of balcony photovoltaic storage and charging products.	• The overall system's cycle life has doubled, significantly enhancing cost competitiveness.
	• An energy storage backup power product has successfully passed the ten-year IPX4 protection rating design certification.	• Three invention patents and one utility model patent have been applied for in relation to this technology.

Seven Key Performance Features of Ultra-High Security "Soft-Armor Solid-State Battery"

R&D Honors

Awarded Company	Awarding Unit	Award Content
Guangdong Highpower	· Bureau of Science and Technology of Huizhou Municipality	· Huizhou Engineering Technology Research Center
Huizhou Highpower	· Department of Science and Technology of Guangdong Province	· Provincal Enterprise Technology Center
Huizhou Highpower	· Department of Science and Technology of Guangdong Province	· Guangdong Lithium-Ion Power and Energy Storage Battery · Engineering Technology Research Center

Intellectual Property Management

The Company has established internal management systems including the *Patent Application Process, Project IP Management Process, Regulations on IP Application & Incentive Program*, providing robust institutional safeguards for the creation, utilization, protection, management, and incentivization of intellectual property. As of the end of the reporting period, Huizhou Highpower, and Springpower Technology have all obtained GB/T29490-2023 Intellectual Property Management System certification.

During the reporting period, the Company systematically enhanced intellectual property management across multiple dimensions, including institutional development, process optimization, and system support. The Company revised and updated the *Regulations on IP Application & Incentive Program*, further emphasizing the weighting of high-value invention patents to drive continuous improvement in patent quality. For key projects, patent quality control was implemented at an earlier stage, with meetings conducted to thoroughly explore technical disclosures and establish patent content frameworks. Concurrently, it strengthened the review of patent application and examination response documents to elevate their quality. The intellectual property management system's intelligence module was formally launched, providing patent intelligence support for technological R&D. Invention patents constituted over half of the company's new patent applications for the year, with a substantial increase in newly authorized invention patents. Three key patent portfolios were established around core domains, significantly optimizing patent quality and output structure.

Case Specialized Training Facilitates Cultivation of High-Value Patents

During the reporting period, the Company conducted specialized training on "Techniques for Cultivating High-Value Patents" for all R&D personnel. This program systematically covered methods for identifying high-value patents, offensive and defensive strategies, drafting practices, and illustrative case studies. The initiative effectively enhanced the quality of technical disclosures within the R&D team and improved the efficiency of patent application processes.

During the reporting period:

- Number of individuals receiving patent awards: **580**
- Patent incentive payments exceeded RMB **1.41** million

Indicators and Targets

The Company established scientific and technological innovation targets, including R&D expenditure, the number of patent applications, and the proportion of invention patent applications. All these targets were achieved by the 2025 fiscal year.

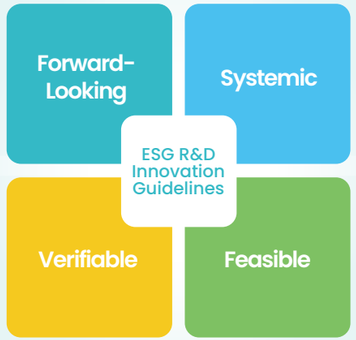
Indicator	Unit	2025
Research and Development Investment	RMB 100 million	3.42
Proportion of Research and Development Investment to Revenue	%	5.83
Number of Research and Development Personnel	person	1,059
Number of Granted and Valid Patents	patent	1,180
Number of Patents Filed	patent	545
Number of Invention Patents Filed	patent	276
Number of Patents Granted	patent	358
Number of Invention Patents Granted	patent	99
Total Number of Industry Standards Participated in the Formulation	standard	9

Opportunities in Clean Tech and Circular Economy

Highpower Technology adheres to a green design philosophy, embedding circular economy principles at the very core of its products. It actively pursues green technology research and development, driving a paradigm shift from resource consumption to value regeneration.

Aiming for the 2050 net-zero target, deploying cutting-edge breakthrough technologies.

Shifting from single-product innovation to integrated solutions, reshaping the industrial chain ecosystem



All ESG outcomes must be underpinned by a data foundation that is measurable, reportable and verifiable.

Firmly believing that green technology must deliver both environmental value and commercial competitiveness to achieve impact at scale.

Battery Recycling and Circularity

Highpower Technology, leveraging the battery recycling qualifications held by its affiliate Ganzhou Highpower, actively promotes the recovery, utilization and environmentally sound treatment of spent batteries and battery waste. Together, we are establishing a comprehensive lifecycle value chain system for spent batteries and their waste, encompassing recovery, resource utilization and remanufacturing, thereby achieving synergistic development of economic and environmental benefits.

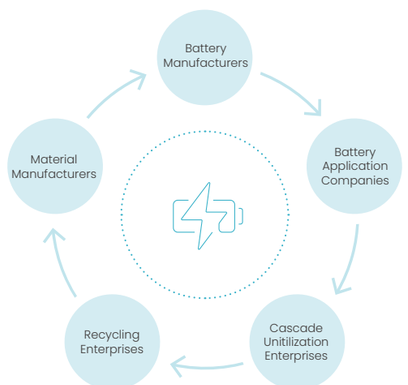
Affiliated Company Battery Recycling Process

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.

Closed-Loop Recycling Collaboration Ecosystem for Batteries



Developing green products

Based on clean technology and circular economy principles, the Company has systematically established a product lifecycle management framework encompassing the entire process from green materials to green production and green packaging. It is committed to developing low-carbon, safe, and recyclable green products.

Green Materials

At the level of green materials, the Company actively promotes the substitution of environmentally friendly materials and the development of recycled materials, steadily increasing the proportion of recycled content in products to achieve efficient resource utilization and carbon reduction at source. By the reporting period, Highpower Technology had successfully facilitated UL 2809 certification or ISO 14021 declarations for ten key materials from its suppliers. Concurrently, it assisted two major lithium battery strategic clients in achieving UL 2809 certification for thirteen products, while securing UL 2809 certification for forty-three nickel-metal hydride products.

Research and Development Philosophy/Objectives

Increase the proportion of recycled materials used in products

2025 Application Case

- The proportion of recycled materials utilized in Ni-MH Batteries has been further increased, with the recycled content in certain products now certified to UL 2809 standards.
- Some customers' new laptop models utilize 100% recycled cobalt.
- Procurement volume of recycled lithium cobalt oxide increased by 160% year-on-year.
- The plastic casing products have now adopted the LUPOY ER1008RFN plastic material, which is a composite of 50% recycled material and virgin material.

Research and Development Philosophy/Objectives

Using more environmentally friendly materials

2025 Application Case

- Material development for Bluetooth speaker products has resulted in the creation of an environmentally friendly electrolyte through optimization of electrolyte additives. Actual measurements indicate PS levels below 1,000ppm within the cells (PS being an electrolyte additive explicitly restricted under the EU's REACH regulation).
- The application of more environmentally friendly non-fluorinated binders to replace PVDF in battery cell products, whilst maintaining the electrochemical performance, process compatibility and mass production feasibility of the cathode system, has undergone material validation and review.

Case Completion of the Technical Validation for Recycled Copper

The Company successfully completed technical validation of 4μm-thick, 100% recycled copper in 2025. The developed recycled copper production process is identical to that for virgin copper, with finished products exhibiting identical purity and performance characteristics to primary copper foil. The technology has demonstrated feasibility for large-scale production and application, thereby facilitating the further integration of renewable materials into products.

Case Development of High-Nickel Ternary and Recycled Lithium Cobalt Oxide Series Li-ion Batteries

In response to the *EU's New Battery Regulation* and market demand for high-safety, low-carbon batteries, the Company initiated and completed the development and mass production preparation of high-nickel ternary and recycled lithium cobalt oxide batteries. Through R&D of key processes including high-nickel low-cobalt cathodes, recycled lithium cobalt oxide, and PVDF-free coated separators, the Company successfully launched high-energy-density, high-safety, long-life batteries. Through the development of key technologies including high-nickel, low-cobalt cathodes, recycled lithium cobalt oxide, and PVDF-free coated separators, the Company has successfully launched high-energy-density, high-safety, long-life batteries. These products meet the environmental requirements of both the Chinese and European Union markets and have obtained CB certification.

Case Development of Low-Carbon Ni-MH Batteries

The Company is committed to reducing carbon emissions throughout the product lifecycle. Verified by the internationally recognized Carbon Trust Assurance, four Ni-MH Battery models achieved carbon emission reductions of 8% to 24% by 2024 compared to the 2022 baseline, demonstrating significant carbon reduction outcomes.

Green Production

The Company rigorously implements clean production principles, driving resource efficiency through technological innovation to continuously reduce energy and material consumption in production processes. In energy management, the Company systematically advances the development of energy management systems, energy-saving technological upgrades, and clean energy utilization, while continually optimizing energy consumption structures. Regarding material consumption optimization, a dual-track approach of "horizontal expansion and vertical deepening" is adopted. Horizontally, best practices are shared across units; vertically, focus is placed on key production lines to conduct in-depth process optimization. Combined with lean management, parameter adjustments, and technological upgrades, this effectively reduces resource consumption. By 2025, the Company's comprehensive energy consumption intensity decreased by 6% year-on-year, while material loss intensity decreased by 27% year-on-year.

Green Packaging

The Company prioritized paper or biodegradable plastics in product packaging design and actively incorporates recycled materials. These approaches have been successfully implemented across multiple products and delivered to customers. Concurrently, the Company has entered into packaging material recovery agreements with downstream clients to jointly advance product packaging recycling cycles. During the reporting period, the total weight of recovered packaging materials and pallets reached 544.90 tonnes.

Case Green Packaging Applications of Efficient Recycling and Upcycling of Glulam Pallets

During the reporting period, the Company has implemented laminated engineered wood pallets across multiple projects, utilizing the "laminated directional reorganization process" alongside formaldehyde-free bio-based adhesives and anti-mold/antimicrobial coating technology. Results indicate that recycled laminated wood pallets exhibit a 35% increase in load-bearing strength and a service life 2.5 times longer than conventional recycled pallets. Each recycled pallet reduces timber consumption by 12kg, while production costs are 28% lower than newly manufactured pallets, delivering both environmental and economic benefits. The Company plans to advance pallet recycling initiatives, targeting a recycling rate of no less than 60% for laminated wood pallets.

Product Quality and Safety

Governance

The Company adheres to a quality management policy of "high-quality management, customer oriented, excellence and continuous improvement", establishing a scientific and comprehensive quality management system centered upon these principles. By the end of the reporting period, 100% of the Company's stable manufacturing bases had obtained international quality system certification. In terms of organizational structure, an Integrated Supply Chain Quality Management Department, directly overseen by senior management, has been established to oversee quality strategy and execution. Its subordinate business unit quality control teams collaborate with platform quality control departments to achieve systematic and in-depth deployment of quality management activities. During the reporting period, the Company experienced no major liability incidents related to the health, safety, or quality of its products or services.

Certification Entity	Quality-Related System Certification
Huizhou Highpower	ISO 9001、QC080000
Guangdong Highpower	ISO 9001、IATF16949、ISO 13485、QC080000
Springpower Technology	ISO 9001
Icon Energy	ISO 9001
Vietnam Exquisite Power	ISO 9001

Guangdong Highpower ISO 9001:2015 Certification

Huizhou Highpower ISO 9001:2015 Certification

Vietnam Exquisite Power ISO 9001:2015 Certification

Guangdong Highpower IATF 16949:2016 Certification

Guangdong Highpower ISO 13485 Certification

Strategy

Risk/Opportunity Item	Risk/Opportunity Description	Time Horizons	Coping Strategies
Product Reliability and Safety Risk	• The material properties of lithium battery products may result in product reliability and safety issues at the parts per million (PPM) level, potentially triggering batch returns or market recalls.	Medium term	• The Group has established a standardized testing center in accordance with CNAS standards, equipped with professional testing apparatus and personnel. A comprehensive testing system and program has been developed based on international safety standards, with regular monitoring plans implemented.
Risk of Excessive Levels of Hazardous Substances in Technology and Products	• Novel materials/technologies disrupt existing formulation systems. • Should the product fail to meet the environmental compliance requirements of the target market, it may trigger risks such as bulk returns, recalls, and legal penalties.	Medium term	• Establish a mechanism for technological monitoring and preliminary research, proactively assessing the suitability of new materials/technologies and identifying alternative solutions. • Establish a comprehensive hazardous substance management system, equipped with specialized testing apparatus and technical teams, to implement full-process sampling inspections and monitoring of raw materials, semi-finished products, and finished goods.
Opportunities in the High-End Market	• In the high-end consumer electronics sector, exceptional product quality and a proven safety record form the essential foundation for gaining recognition from premium clients, securing lucrative contracts, and gaining entry into high-barrier markets.	Medium term	• Leveraging its technological strengths, the Company is accelerating the development of high-quality products that meet emerging market demands, striving to become its customers' preferred supplier.
Policy Dividend Opportunities	• Industrial and high-tech enterprises enjoy preferential policies such as tax breaks and subsidies at the local level. • The lithium battery industry's standardization framework is currently being established and refined. By actively participating in the formulation of industry standards, one can seize technological and market opportunities.	Short to medium term	• Proactively apply for local government subsidies and tax relief, channelling funds into technological upgrades, capacity expansion and environmental protection equipment investments to further consolidate quality and cost advantages. • Actively participate in the development of industry standards for li-ion batteries organized by authoritative bodies and national standards laboratories, thereby enhancing the industry's influence.

Impact, Risk and Opportunity Management

The Company systematically conducts annual scans of both internal and external environments to comprehensively identify risks and opportunities pertinent to the quality system. These are dynamically assessed and categorized according to their likelihood and severity. For medium-to-high risk items and significant opportunities, the Company formulates and implements specialized countermeasures, and is conducting ongoing monitoring and tracking.

Quality Management Throughout the Entire Life Cycle

The Company has always adhered to the philosophy of "starting with the customer, ending with the customer", and has established an end-to-end quality management system covering the entire product lifecycle, based on the structured processes of Integrated Product Development (IPD) and a systematic documentation framework. This system encompasses key stages such as customer requirements analysis, product design, incoming materials control, the manufacturing process and delivery services, and is dedicated to providing customers with stable, safe and reliable products and experiences.

Design and Development Management

- Adhering to a customer-centric approach and drawing on market research, the Company defines the key performance indicators for the product and produces a comprehensive product requirements document.
- By introducing Design Failure Mode and Effects Analysis (DFMEA), potential risks are identified and mitigated at an early stage; utilizing Design of Experiments (DOE) methods, material formulations and structural designs are scientifically optimized, thereby embedding safety and reliability at the very outset.
- Rigorously implement the phase review mechanism, and organize cross-departmental collaborative reviews to ensure quality control and clear objectives at each R&D milestone.

Raw Materials Management

- A rigorous supplier qualification mechanism has been established, with joint development and early-stage quality risk assessment being promoted. supplier tiered management, performance monitoring, and continuous enablement are implemented.
- Assess raw material suppliers' capacity to manage hazardous substances and require them to sign environmental protection agreements to ensure that the finished products delivered comply with domestic and international environmental regulations.
- The *Incoming Materials Inspection Specification* has been formulated and implemented, with high-precision testing equipment deployed to conduct rigorous inspections of key raw materials. Building upon this foundation, the Company has also established a blockchain-based end-to-end traceability system, achieving full-chain traceability from procurement to production usage, thereby further enhancing supply chain transparency and security.

Process Management

- Statistical Process Control (SPC) is widely applied, and automated online inspection equipment is deployed, achieving 100% online monitoring of critical processes.
- Process technologies and equipment parameters are continuously optimized to enhance the first-pass yield rates, steadily advance the transformation towards intelligent manufacturing, effectively reduce human errors, and ensure product consistency and long-term reliability.

Customer Management

- A quality service mechanism spanning the entire product lifecycle—from product introduction, prototype verification, and trial production validation to mass delivery—has been established, with dedicated personnel assigned to be responsible for quality coordination and support at each stage.
- In response to customer feedback, an efficient complaint and suggestion handling process has been established, followed by in-depth root cause analysis, the promotion of corrective and preventive actions, and the realization of a closed loop in quality management for continuous improvement.

Hazardous Substances Control

The Company, guided by regulations such as the *Hazardous Substances Identification Procedure* and driven by customer requirements, proactively researches the latest demands including the EU's new battery regulations. It engages third-party specialists to deliver specialized training on hazardous substances management, systematically fortifying the green compliance baseline for its products.

Whole-Process Control of Hazardous Substances

01 Formulation and Material Selection Optimization

Prioritize the use of low-toxicity or non-toxic materials and formulation designs, with all raw materials compliant with international certifications such as RoHS and REACH, thereby preventing the intake of harmful substances at source.

02 Process Technology Upgrade

Promote full-process automation to minimize exposure to hazardous substances; implement enclosed operations for processes involving high-risk chemicals to reduce leakage risks.

03 Reinforced Finished Product Inspection

Conduct testing of finished products for hazardous substance content to ensure compliance with national and industry standards, whilst commissioning authoritative bodies to perform third-party testing and issue compliance reports.

04 Supply Chain Traceability Management

Conduct assessments of suppliers' hazardous substance control capabilities and sign environmental protection agreements; establish a traceability mechanism for raw materials to ensure the origin of hazardous substances can be traced.


IEC QUALITY ASSESSMENT SYSTEM (IECQ)

IECQ Certificate of Conformity
Hazardous Substance Process Management

IECQ Certificate No.: IECQ-H SGSCN 24.0092 Issue No.: 1 Status: Current
Supersedes: Issue Date: 2024/12/22 Org issue: 2024/12/22
CB Reference No.: CN24.00008227 Expiration: 2027/12/21

Applicable to:
- EU Directive 2011/65/EU ("RoHS – Restriction of the use Of certain Hazardous Substances") in electrical and electronic equipment. Including all published amendments
- Customer specified requirements
- EU Directive 2006/66/EC ("Batteries and Accumulators and waste batteries") and accumulators and its amendments

Guangdong Highpower New Energy Technology Co., Ltd.
No. 36, Songhaiding Avenue, Startup Area, China-Korea (Huizhou) Industrial Park,
Zhongkai Hi-tech Industrial Development Zone, Huizhou City, Guangdong Province, P.R.
China

The organization has developed and implemented restricted/hazardous substances process management procedures and related processes that have been assessed by the IECQ Certification Body in accordance with IECQ 03-1 and IECQ 03-5 for the issuance of this certificate and found to be in conformity with the applicable requirements of the IECQ Hazardous Substances Process Management Scheme and in respect of the IECQ Specification:

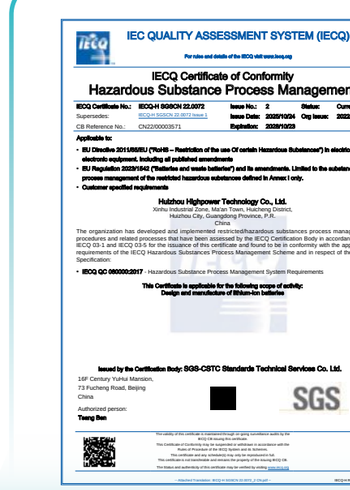
- IECQ QC 080000:2017 - Hazardous Substance Process Management System Requirements

This Certificate is applicable for the following scope of activity:
Design and manufacture of Lithium-Ion Batteries Lithium Battery Packs, Rechargeable Nickel Metal Hydride Batteries, and Power Supply Units.

Issued by the Certification Body: SGS-CSTC Standards Technical Services Co. Ltd.
16F Century Yuhui Mansion,
73 Fucheng Road, Beijing
China
Authorized person:
Tseng Ben

SGS

Guangdong Highpower
QC 08000:2017 Certification


IEC QUALITY ASSESSMENT SYSTEM (IECQ)

IECQ Certificate of Conformity
Hazardous Substance Process Management

IECQ Certificate No.: IECQ-H SGSCN 22.0072 Issue No.: 2 Status: Current
Supersedes: IECQ-HT SGSCN 22.0072 Issue 1 Issue Date: 2023/10/24 Org issue: 2022/10/24
CB Reference No.: CN22/000003571 Expiration: 2028/10/23

Applicable to:
- EU Directive 2011/65/EU ("RoHS – Restriction of the use Of certain Hazardous Substances") in electrical and electronic equipment. Including all published amendments
- EU Regulation 2023/1542 ("batteries and waste batteries") and its amendments. Limited to the substance process management of the restricted hazardous substances defined in Annex I only.
- Customer specified requirements

Huizhou Highpower Technology Co., Ltd.
Xinhu Industrial Zone, Meilan Town, Huicheng District,
Huizhou City, Guangdong Province, P.R.
China

The organization has developed and implemented restricted/hazardous substances process management procedures and related processes that have been assessed by the IECQ Certification Body in accordance with IECQ 03-1 and IECQ 03-5 for the issuance of this certificate and found to be in conformity with the applicable requirements of the IECQ Hazardous Substances Process Management Scheme and in respect of the IECQ Specification:

- IECQ QC 080000:2017 - Hazardous Substance Process Management System Requirements

This Certificate is applicable for the following scope of activity:
Design and manufacture of lithium-ion batteries

Issued by the Certification Body: SGS-CSTC Standards Technical Services Co. Ltd.
16F Century Yuhui Mansion,
73 Fucheng Road, Beijing
China
Authorized person:
Tseng Ben

SGS

Huizhou Highpower
QC 08000:2017 Certification

Enhance quality standards

In 2025, the Company further strengthened quality coordination management between the group platform and individual manufacturing units, whilst continuing to optimize quality control standards. Unannounced inspections were conducted based on customer requirements, specialized quality improvements, and compliance with documented procedures. The Company has continued to introduce advanced testing instruments, effectively managing potential quality and safety risks. Regarding personnel and cultural development, the Company systematically enhances employees' quality awareness and professional competence through multi-tiered, diverse quality training programs and cultural initiatives.

Newly Added Instruments and Equipment	Function
Keyence 3D Profilometer	Measurements are more comprehensive and refined.
Helium Leak Detector	Detecting leaks by assessing helium leak rates
Three-Chamber Thermal Shock Chamber with Humidity Capability	Conduct multi-dimensional accelerated ageing tests on battery packs and their performance in customer appliance conditions to comprehensively validate the reliability design of the product.
Large-Scale Salt Spray Test Chamber	

Quality Audit

Building on the existing tiered audit mechanism, during the reporting period the Company established a dedicated Group inspection team to conduct targeted investigations into on-site quality issues, monitoring the progress of corrective actions throughout the entire process until resolution. At the same time, leveraging the cross-manufacturing-unit information-sharing channels established through the Group's dedicated audits, the Company has promoted the efficient implementation of quality control requirements and best practices across all business units and production workshops.

Audit Form	Frequency and scope of implementation	Audit Focus
On-Site Quality Control Audit	Conducted weekly by quality control personnel in each workshop.	Focus is placed on the compliance of key production elements—Man, Machine, Material, Method, and Environment—within the production site, as well as the authenticity and validity of measurement records. In-depth investigation and analysis are conducted for significant issues to drive continuous on-site improvement.
Tripartite Joint Audit	A tripartite joint task force comprising engineers, supervisors and managers shall conduct cross-functional audits.	Identify issues from multiple perspectives including process execution, quality control, and on-site management, and conduct on-site summaries and improvement guidance.
Group Specialized Audit	Conducted independently by the Group's specialized audit team across all business units.	Focusing on systematic quality inspections, the Company is driving the rectification of on-site issues and the optimization of quality control. Furthermore, by establishing an information-sharing platform, it is streamlining coordination mechanisms across manufacturing units, thereby facilitating the rapid dissemination of best practices and the continuous refinement of the quality management system.

Quality Culture Development

The Company has established a collaborative mechanism led by the group and featuring distinctive practices across its business units, with the aim of deeply embedding the "quality first" philosophy into organizational operations and employee behavior, thereby fostering a quality culture characterized by full staff participation and continuous improvement.

Group level

Institutionalized quality meetings: Monthly company-wide quality meetings are held, featuring case studies and the promotion of quality standards. These are complemented by positive incentive schemes to recognize outstanding teams and individuals, thereby fostering a positive atmosphere where everyone strives for excellence and works together to improve quality.

Quality-themed initiatives: Diverse thematic activities were conducted throughout the year, including management seminars on "Quality and Efficiency Dual Wins", promotion of the Process VOP quality methodology, and interpretations of product certification regulations. Among these, the "September Quality Month" served as a key annual event, featuring 45 themed activities.

Business unit level

Specialized skills training: Organized quality training covering process quality, QC skills, and on-site operational standards.

Risk identification and improvement: Innovative initiatives such as the "Whole-Staff Intelligence Registration Form" encourage frontline staff to proactively submit product risk points weekly, which are then assessed and addressed by specialist departments.

Quality Initiatives: Organizing quality knowledge competitions, delivering specialized Quality Month training alongside case studies, and conducting on-site audits to continuously reinforce staff awareness of quality red lines and process execution capabilities.

Quality Knowledge Competition

Quality Month Training Session

Routine Inspections and Training Awareness

Advancing Lean Improvement

The Company commenced its exploration of lean management in 2024 and fully established and rolled out the HBS (Highpower Business System) lean operations framework by 2025. Through a four-pronged approach of "establishing systems, driving projects, developing talent, and fostering an enabling environment", the Company has cultivated an internal momentum for continuous improvement, effectively driving dual enhancements in product quality and operational efficiency.

Key Tasks for Lean Improvement Management in 2025

Systematic Development	A three-tier organizational structure comprising the HBS Committee, HBS Office, and Lean Execution Teams across business units has been preliminarily established. The *HBS Operational Management Mechanism* and *HBS Grade Certification Management Measures* have been issued, clarifying the operational management framework for lean improvement weeks while systematizing and consolidating relevant management process methodologies.
Project-Driven	Comprehensive implementation of lean improvement initiatives through project-based management was achieved, with 228 HBS lean improvement projects undertaken throughout the year. These projects spanned multiple operational areas including production, quality control and logistics, attracting a total of 1,656 active participants.
Talent Development	Throughout the year, 73 internal Lean Green Belt personnel were trained and certified, establishing a core team capable of spearheading projects and employing specialized tools to resolve quality and efficiency issues.
Cultural Atmosphere	Throughout the year, a total of 53 Lean Improvement Awards were presented to outstanding projects and teams, encouraging cross-departmental learning and the promotion of best practices.

Green Belt Certification

HBS Half-Yearly Summary Conference

Smart Manufacturing and Digital Transformation

In 2025, the Company focused on quality assurance and enhancement as its core objective, empowering the implementation of its sustainability strategy through digitalization. By replicating and promoting sustainable improvement production systems across major production bases, and supporting this with a tiered talent empowerment program, the Company guaranteed the efficient application and value transformation of digital systems, driving coordinated progress in operational efficiency, product quality, and development resilience.

System Development and Promotion

Core system deployment

With the Manufacturing Execution System (MES) and Quality Management System (QMS) at the core, the Company is continuously optimizing their functionality whilst simultaneously implementing specialized systems such as workshop environmental monitoring, Total Productive Maintenance (TPM), Warehouse Management System (WMS) and energy management. The Company is e also prioritizing the introduction of Statistical Process Control (SPC) to strengthen the foundation of end-to-end quality control through digital means.

End-to-end monitoring

Leveraging the core system, the Company implements systematic and visualized end-to-end monitoring of key metrics such as production energy consumption, workshop conditions, material utilization rates, equipment operating status and product quality, thereby ensuring stable production processes and reliable product quality.

Data-driven quality improvement

By leveraging in-depth data analysis, the Company achieves dynamic optimization and precise control of production processes, using data to underpin continuous quality improvement and enhancement.

Tiered Talent Empowerment

Comprehensive Training

Tailored for diverse roles including managers, key users and frontline operators, delivering holistic operational and management training centered on core systems such as MES.

Rigorous assessment mechanism

Ensuring the effectiveness of empowerment through evaluations, with a cumulative total of 634 training sessions completed and an assessment pass rate of 99.34%.

Defect Control and Recall Management

The Company continues to refine its systems for the control of non-conforming products and product recalls. During the reporting period, it updated and optimized policies such as the *Regulations on the Control of Non-conforming Products* and the *Product Recall Control Procedure*, further detailing the procedures for handling suspected non-conforming products. The Company conducts root cause analysis on defective products, formulates preventive measures and validates corrective actions, thereby promoting closed-loop management and continuous improvement.

Non-Conforming Product Control	Establish a comprehensive non-conforming product control system covering the entire process from raw materials through manufacturing to finished goods. Implement strict labelling, immediate segregation, and a Material Review Board (MRB) assessment mechanism to manage non-conforming items through return, rework, repair, or disposal.
Product Recall Procedure	Should any serious defects be identified internally or by the customer after product delivery or use, Quality Control Department engineers shall assess the adverse impact within one working day. If it is confirmed that the defect is attributable to the Company, an evaluation and confirmation team comprising relevant departments shall be convened to review the non-conforming product. The review outcome shall be negotiated between the Sales Department and the customer, with subsequent handling conducted in accordance with contractual quality agreements and other stipulations. This may include replacement, return, recall, or compensation.

Indicators and Targets

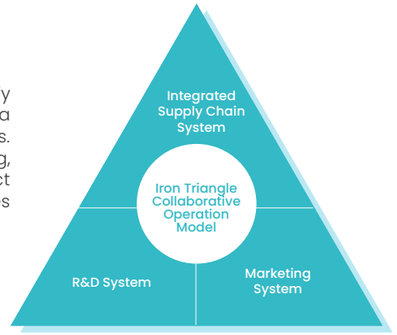
The Company has established 2025 quantitative quality objectives around five core dimensions: customer complaint frequency, CTS (critical to safety), CTR (critical to reliability), major incident occurrences, and product pass rate. Through a monthly monitoring mechanism, progress towards these targets is continuously tracked. As of the end of the reporting period, all annual quality objectives have been achieved.

Indicator	Unit	2025
Number of Product Recalls Due to Safety and Quality Concerns	case	0
Proportion of Product Recalls Due to Safety and Quality Concerns	%	0

Customer Relationship Management

Governance

The Company adheres to the service philosophy of "products satisfy users and services satisfy customers". The Company has established a *Service Control Procedure* to standardize customer service processes. Leveraging the collaborative mechanism of its "Iron Triangle" (marketing, R&D, and supply chain), the Company achieves end-to-end product management, responds swiftly to customer needs, continuously creates value, and optimizes the customer experience.



Strategy

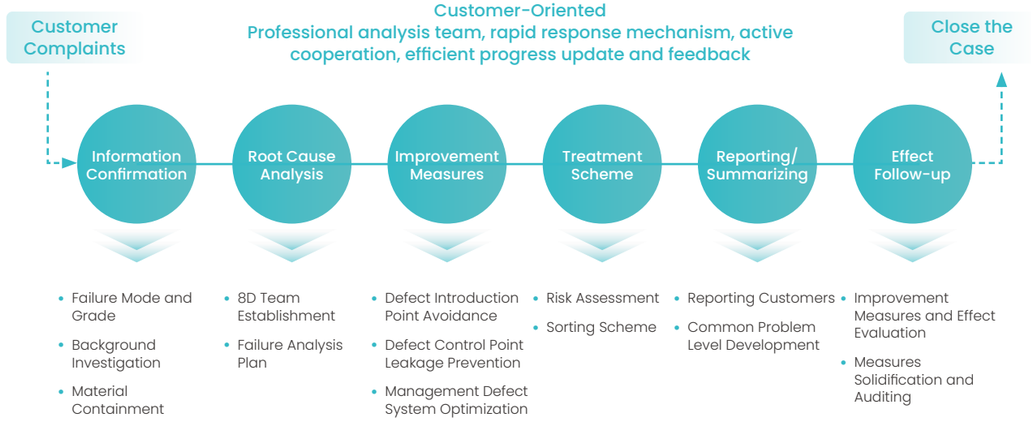
Risk/Opportunity Item	Risk/Opportunity Description	Time Horizons	Coping Strategies
International Trade Risk	• New European and American battery regulations and customer compliance requirements introduce uncertainties regarding both regulatory adherence and business operations. • US tariffs and industrial policies substantially increase export costs and market access difficulties for battery manufacturers, posing a risk of losing overseas market orders.	Long term	• Establish a dedicated project team to implement a regulatory tracking and conversion mechanism, thereby deepening compliance management throughout the product lifecycle. • By restructuring supply chains and expanding overseas operations, adjusting business models, and accelerating market diversification, the Company can reduce dependence on any single market.
Technological Leap and Market Expansion Opportunities Driven by the AI Terminal Revolution	• A wave of AI-enabled mobile phone and PC upgrades is emerging, placing heightened demands on core performance metrics such as battery capacity and power output, thereby driving an increase in the unit value of batteries. • AI-powered spectacles, robots and other new smart hardware are accelerating the market deployment, opening up incremental application markets and unlocking revenue growth potential.	Medium term	• Advancing the development strategy of "becoming the leader in edge-side energy", enhancing intrinsic value through technological innovation and collaboration with leading clients, actively positioning ourselves in frontier markets such as AI glasses and robotics, with a focus on expanding our portfolio of international flagship clients.
Differentiated Competitive Advantages in the Context of Enhanced Industry Safety Standards	• Industry safety scandals have not only reshaped downstream brands' requirements for suppliers, but also presented entirely new development opportunities for compliant, technologically advanced battery suppliers.	Medium term	• Leveraging its core strengths in compliance and high security to seize industry opportunities, the Company delivers tailored solutions to meet diverse client needs, thereby evolving into a trusted comprehensive solutions partner.

Impact, Risk and Opportunity Management

By establishing a closed-loop service system that spans from identifying customer issues to resolving them, the Company systematically identifies, evaluates and continuously monitors potential risks and opportunities throughout the entire customer service journey. This approach transforms customer interactions into a pivotal driver for the ongoing refinement of products and services.

Customer Complaints Management

The Company actively listens to customer feedback, providing convenient and diverse complaint channels including instant messaging tools, email, video conferencing systems, telephone communication, or face-to-face discussions. A categorized management system for customer complaints has been established, clearly dividing them into three types: commercial, quality, and order delivery. Each category is handled by the corresponding responsible department to ensure closed-loop resolution. Complaints are prioritized based on urgency and impact severity, with corresponding handling procedures and response timelines established for each tier to continuously refine the complaint management system. Furthermore, the Company has formed an FA analysis team composed of industry experts from various modules, focusing on the study of failure modes and mechanisms of li-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.



Customer Satisfaction Survey

The Company implements a regularized annual customer satisfaction survey mechanism, covering multiple dimensions including quality, R&D, service, and delivery. The survey targets core customers (those with active annual transactions) and assessed potential key clients, with execution carried out by respective business units. For the 2025 fiscal year, the Group's comprehensive customer satisfaction score reached 94 points. In response to client feedback, the Company conducts in-depth follow-up visits and communications to clarify client requirements and implement improvement measures, ensuring continuous enhancement of satisfaction levels. Owing to the outstanding customer service performance, the Company received honors and commendations from multiple core clients during the reporting period.

Customer Service Training

The Company has continued to conduct customer service-related training programs. During the reporting period, it delivered 13 training sessions totalling 25 hours, focusing on regulatory compliance, technical capabilities, operational practices, professional conduct and industry developments to provide specialized empowerment for relevant teams.

Case Specialized Training on the EU's New Battery and Hazardous Substances Management Regulations

The Company organized training on the EU's new battery regulations and other hazardous substance management legislation in early 2025. This initiative aimed to ensure that sales, customer service and quality teams gained a precise understanding of the core regulatory requirements, transforming complex compliance provisions into professional communication skills for the teams.

Protect customer privacy

The Company is committed to safeguarding clients' fundamental rights and interests, rigorously protecting client privacy and information security. Having obtained ISO 27001 management system certification, the Company requires that all marketing centers and client project teams sign confidentiality agreements covering client information at a 100% rate, thereby strengthening confidentiality controls in personnel management. During the 2025 financial year, the Company received no complaints regarding breaches of customer privacy.

Responsible Marketing

The Company has established the *Information Release Management Guidelines*, implementing a multi-tiered review mechanism and standardized operational guidelines to ensure all external communications are lawful and compliant. Concurrently, the Company conducts unscheduled responsible marketing training to enhance team awareness and practice regarding green marketing, privacy protection, and anti-unfair competition, thereby continuously elevating brand credibility. Furthermore, the Company actively participates in industry exchanges and shares best practices, collaborating with ecosystem partners to foster the sector's positive development.

Indicators and Targets

The Company has set an objective to achieve an annual year-on-year increase in overall customer satisfaction, with the 2025 target having been met.

Indicator	Unit	2025
Customer Satisfaction	%	94
Customer Complaint Response Rate	%	100

Sustainable Supply Chain

Governance

The Company is committed to the coordinated development of the entire value chain and has established a specialized, integrated supply chain management organization, overseen by senior management, to ensure efficient control across the entire chain—from resource sourcing and production coordination to product delivery. The Company deeply integrates the principles of sustainable development into the coordinated management of the value chain. Centered on core requirements such as quality assurance, green and low-carbon practices, social responsibility and compliant operations, it has established a long-term cooperative mechanism with upstream and downstream partners based on standardized collaboration, joint capacity building, shared risk prevention and mutual promotion of development. The Company has formulated internal management systems such as the *Supplier Management Regulations* and the *Fundamental Guidelines for Cooperation with Suppliers*, which comprehensively cover key aspects including the classification of materials and suppliers, qualification, audit and evaluation, performance management, capability enhancement and exit mechanisms. It is continuously driving the development of supply chain management towards standardization, process optimization, transparency and sustainability.

Strategy

Risk/Opportunity Item	Risk/Opportunity Description	Time Horizons	Coping Strategies
Environmental Risk	• Suppliers' non-compliance with environmental regulations regarding resource consumption, pollutant emissions, and hazardous substance usage during production processes poses product compliance risks.	Medium to long term	• Embed regulatory monitoring and compliance requirements deeply within the supplier management system, verifying the effective operation of their regulatory monitoring mechanisms through onboarding and periodic compliance audits. • Supplier onboarding and annual assessments shall incorporate sustainability evaluations and audits. • Collect supplier carbon emissions data and drive the implementation of carbon reduction measures. • Organize ESG-related empowerment training for suppliers.
Social and Human Rights Risks	• Violations in supplier labor management, including forced labor, unpaid wages, and poor occupational health and safety conditions, will have a severely detrimental impact on the Company's reputation and compliant operations.	Medium to long term	
Supply Chain Disruption Risk	• Over-reliance on key suppliers, coupled with factors such as logistical bottlenecks or infrastructure failures, may result in supply delays or disruptions, thereby impacting production continuity.	Medium to long term	• Implement a diversified supplier strategy, develop high-quality local suppliers, and establish strategic stockpiling for critical materials. • Implement domestic substitution for critical materials and formulate contingency plans. • Full traceability of critical minerals throughout the entire process.
Circular Economy Opportunities	• Establishing a closed-loop ecosystem for battery/waste recycling and reuse reduces environmental pollution while mitigating raw material price volatility and saving procurement costs.	Medium to long term	• Implementing a closed-loop circular economy model of waste "recovery and reuse" to meet customer requirements for the use of recycled materials.
Market Opportunities	• Green, compliant and sustainable supply chain capabilities enable businesses to access high-value markets with stringent environmental and social responsibility requirements, thereby driving revenue growth.	Medium to long term	• Drive suppliers to design and manufacture products that comply with international regulations and industry policies. • Promote energy conservation and emission reduction among suppliers and facilitate the acquisition of green certifications.

Impact, Risk and Opportunity Management

The Company has deeply embedded supply chain risk identification and assessment into the supplier lifecycle management processes. Through systematic due diligence, it dynamically monitors supply chain risk dynamics, leveraging sustainable management standards to thoroughly explore opportunities for green supply chain development.

Supplier Management

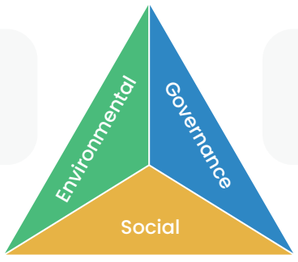
The Company has established a supplier lifecycle management mechanism that covers "admission-assessment-exit", and has deeply integrated sustainability requirements into each stage.

Supplier Access

During the supplier admission stage, the Company established the *Supplier Admission Certification Management Process*, creating a systematic evaluation mechanism and multi-dimensional assessment criteria for new suppliers. Within the reporting period, the Company further refined the new supplier admission process. Building upon the original review framework, the Company added key mineral due diligence requirements and introduced an independent *Supplier Sustainability Audit Form* to conduct comprehensive assessments across multiple dimensions, including social responsibility management systems, labor rights, business ethics, business continuity, occupational health and safety, and environmental management. 100% of newly admitted production suppliers in 2025 have been included in this sustainability audit system. Furthermore, the Company explicitly requires all suppliers to sign the *Conflict-Free Minerals Commitment / Critical Minerals Due Diligence Commitment Letter*[1] and the *Supplier Social Responsibility Commitment Letter* to strengthen risk prevention at the source.

Sustainable Development Review Dimensions of Supplier Entry of Highpower Technology

- ISO 14001 System
- Environmental Management Compliance
- Hazardous Substance Restriction Management System



- Anti-Corruption and Bribery and Money Laundering
- Business Ethics Policy
- Standards of Commercial Integrity

- SA 8000 and ISO 45001 Systems
- Occupational Health and Safety
- Prohibit Child Labor, Forced Labor, Anti-Discrimination
- Reasonable Remuneration and Working Hours
- Intellectual Property Protection
- Compliance Management of Conflict Minerals
- Business Continuity Management

Supplier Assessment and Exit

For suppliers with whom collaboration has already commenced, the Company has established the *Supplier Performance Management Process* and continuously advances the supplier assessment mechanisms. Monthly performance summaries and quarterly evaluations are implemented for all production material suppliers, comprehensively assessing their product and service performance across the QDCTS dimensions (Quality, Delivery, Cost, Technology, Service). Based on scoring outcomes, suppliers are categorized into four tiers—A, B, C, and D—with differentiated management applied according to their performance. In 2025, the company completed audits for 64 suppliers as planned. For suppliers that remained non-compliant after implementing improvements, the company will evaluate and replace them in accordance with the performance clauses outlined in the *Supplier Management Regulations*. This process facilitates the dynamic optimization of the supplier pool, ensuring the survival of the fittest, and guarantees the efficient operation and long-term competitiveness of the supply chain.

[1]From 2025, the document to be signed by new suppliers has been standardized as the *Critical Minerals Due Diligence Commitment Letter*

ESG Dynamic Assessment

The Company actively conducts ESG due diligence within the supply chain based on the *Supplier Sustainability Audit Form*. A dedicated project team has been established, with third-party institutions engaged to provide professional guidance, advancing related work according to schedule. The due diligence scope covers upstream suppliers of key minerals, including lithium battery core materials, nickel-metal hydride core materials, electronic components, and structural material components. Regarding audit management, the Company implements differentiated on-site audit frequencies based on suppliers' annual performance ratings: A and B-rated suppliers undergo audits at least biennially, while C-rated suppliers require annual audits. Automotive suppliers without IATF 16949 certification must also undergo annual audits. The assessment process encompasses supplier self-evaluation, multi-departmental joint on-site audits, results publication, rectification plan formulation, and closed-loop verification, establishing a complete management cycle from evaluation to improvement.

Ensuring the stability of the supply chain

At the management system level, during the reporting period, the Company engaged external authoritative bodies to conduct ISO 22301 Business Continuity Management training and completed the formulation and submission of the Business Continuity Plan (BCP). At the operational level, through dynamic optimization of safety stock levels, proactive advancement of secondary supplier integration, and diversification strategies such as domestic substitution of materials, the Company effectively mitigated single-source supply risks.

Case Enhancing Operational Resilience – Business Continuity Training Successfully Completed

During the reporting period, the Company organized specialized training for internal auditors of the ISO 22301 business continuity management system. Over 60 employees from key positions completed a 16-hour training program and passed the assessment (with a 100% pass rate), effectively equipping the team to identify vulnerabilities in the supply chain and enhance their ability to respond rapidly to emergencies.

Supplier Empowerment

The Company continues to strengthen ESG capability development within the supply chain. During the reporting period, it engaged third-party professional institutions to organize specialized training for key suppliers on carbon management and critical mineral due diligence, cumulatively covering 83 suppliers and 132 participants. Concurrently, the Company actively encouraged suppliers to participate in customer-initiated Sustainability Stepping Stone (SSP) programs, empowering them to enhance their social responsibility management capabilities. These outcomes received high recognition from customers, resulting in the Company being awarded the "Supplier Sustainability Performance Gold Award". Furthermore, through a series of training sessions, the Company systematically promoted its supplier sustainability audit mechanism, providing specialized guidance on carbon inventory, due diligence, and data reporting procedures. In 2025, the total duration of ESG-related training delivered to suppliers amounted to approximately 493.5 hours.

Green Supply Chain Development

In the realm of circular economy, the Company collaborates with suppliers on a "closed-loop management of recycled materials" initiative. Production waste is handed over to specialized suppliers for recovery and processing, subsequently being transformed into cathode materials at dedicated facilities before being reused in the Company's own production processes. This approach effectively minimizes resource wastage and environmental pollution.

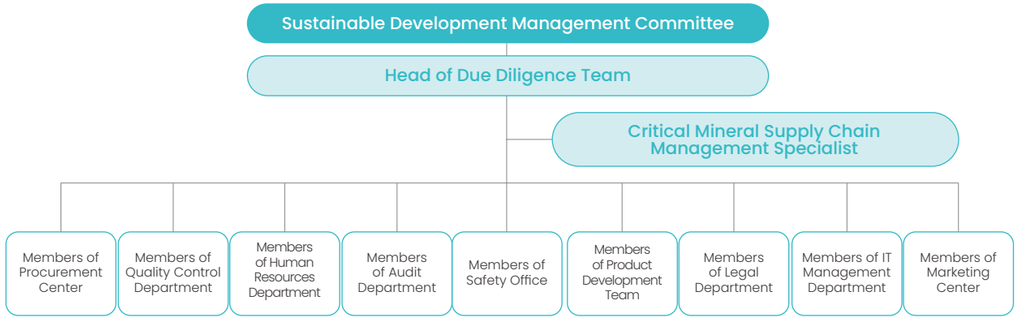
In the area of carbon emissions management, the Company conducted data surveys on 141 suppliers during the reporting period, gathering information on greenhouse gas emissions, green electricity usage, reduction measures, and product carbon footprints. Material-level carbon data traceability was implemented for key client projects.

By the end of the reporting period, 9 of the Company's key suppliers of primary materials had obtained ISO 14067 product carbon footprint certification, while 4 suppliers secured UL 2809 recycled material certification, thereby continuously enhancing the green compliance standards of the supply chain.

Responsible Mineral Management

The Company strictly adheres to the *International Bill of Human Rights*, the *United Nations Guiding Principles on Business and Human Rights*, the *European Union Regulation (EU) 2023/1542 on Batteries* and *Waste Batteries*, *the China Mineral Supply Chain Due Diligence Management Guidelines*, the *OECD Due Diligence Guidance for Responsible Business Conduct, OECD Guidelines for Responsible Supply Chain Due Diligence Management of Minerals from Conflict Affected and High-Risk Areas*, and the *Dodd-Frank Wall Street Reform and Consumer Protection Law*. Internally, the Company has formulated and implemented the *Due Diligence Policy for Responsible Supply Chains of Critical Minerals* and the *Regulations on the Management of Appeals and Remedies for Critical Minerals*, committing to identifying and managing conflict minerals-related risks within supply chain operations.

The Company has established a Critical Minerals Due Diligence Working Group, led by the Sustainable Development Management Committee and involving functional departments across all modules. This group is responsible for the responsible management of the Company's mineral supply chain. The Company provides training on critical minerals due diligence to authorized management and relevant personnel, ensuring they possess the requisite competencies for their roles.



Highpower Technology Conflict Minerals Management Structure

To systematically manage the supply chain risks associated with key minerals, the Company has established a full-process management system covering admission review, traceability investigation, and continuous monitoring. In the admission stage, all new suppliers involving conflict minerals are required to sign the *Critical Minerals Due Diligence Commitment Letter* and complete a key minerals risk questionnaire, proactively identifying and assessing risks to generate a key mineral supply chain risk assessment report. At the material level, the Company utilizes the internal GPCM system (Green Product Compliance Management system) to conduct annual supply chain mapping surveys involving 96 suppliers associated with key minerals. The Company requires these suppliers to conduct tier-by-tier traceability back to the mineral source, with joint review by the Procurement and Quality Systems departments to ensure the information is authentic and traceable. The survey results indicate that the current upstream supply chain risks are overall controllable, meeting the Company's management requirements for key minerals. In the assessment stage, the Company incorporates key mineral management into the scope of annual supplier review, conducting due diligence on relevant suppliers to ensure the legality of raw material sources and prevent the use of conflict minerals.

Equal Treatment for SMEs

The Company strictly adheres to the *State Council's Regulations on Safeguarding Payments to Small and Medium-sized Enterprises* and relevant laws and regulations. It has established a comprehensive control mechanism based on the *Accounts Payable Management System*, ensuring that all stages from order confirmation to settlement and payment are conducted in a standardized, transparent and efficient manner. This effectively supports the operational security and healthy development of SMEs within the supply chain.

Indicators and Targets

The Company establishes annual audit plans for suppliers, covering annual audits, sustainability audits, and audits for suppliers of conflict minerals. The supplier audit completion rate reached 100% in 2025.

Indicator	Unit	2025
Signature Rate for the Declaration on the Non-Use of Conflict Minerals[2]	%	100
Proportion of Raw Materials Used in the Product Meeting RoHS Requirements	%	100
Number of Suppliers Conducted Sustainability Assessments	supplier	54
Proportion of Sustainability Assessment for Newly Approved Suppliers	%	100

[2] The Declaration on the Non-Use of Conflict Minerals refers to the *Conflict-Free Minerals Commitment* or the *Critical Minerals Due Diligence Commitment Letter.*

03 Green Planet

Highpower Technology pursues its corporate vision of "Provide world-class clean energy solutions to power the future", deeply integrating sustainable development principles into its operational practices. The Company actively explores innovative pathways to address climate change, continuously optimizes its environmental management systems, and steadily advances the green transformation and upgrading of its business operations.

▶ The United Nations Sustainable Development Goals (SDGs) Corresponding to this Chapter Include:

▶ Key Issues

Environmental Management
Emissions and Waste Management
Addressing Climate Change
Energy Management
Water Resource Management
Ecosystem and Biodiversity Conservation

Environmental Management and Ecological Conservation

The Company strictly adheres to the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations in its operational locations. It has established a series of management policies and standardized procedural documents, including the *Environmental Management Regulations*, the *Environmental Factor Identification and Assessment Procedure,* the *Environmental Monitoring and Measurement Control Procedure,* and the *Environmental Policy, Objectives, Indicators and Plan Management Procedure.* In 2025, the Company updated its *Environmental Management Regulations* and *Environmental Monitoring and Measurement Control Procedures*. This refinement further detailed the environmental management responsibilities of each functional department, clarified reward and penalty mechanisms, and implemented special monitoring and management for operational activities potentially with significant environmental impacts.

The Company did not incur any penalties for violating environmental protection regulations throughout the year, nor did it receive any significant administrative penalties from relevant departments such as ecological and environmental authorities due to environmental incidents. Consequently, no related penalty amounts were incurred.

Environmental Management Organizational Structure

The Company has established a robust environmental governance framework, clearly delineating the boundaries of authority and responsibility across all levels from decision-making to execution. This ensures scientific decision-making, efficient implementation, and timely execution of all environment-related work within the Company.

Environmental Management Committee Structure and Responsibilities

Environmental Management Committee Chair

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

Environmental Management Committee Vice Chair

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 Chair of the Environmental Management Committee.

Environmental Management Committee

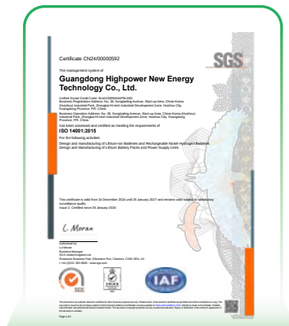
A team comprising representatives from each department is responsible for identifying, evaluating and updating environmental factors within their respective areas of responsibility. They organize environmental management training for departmental personnel, ensure the proper functioning of environmental control facilities within their departments, and oversee routine environmental management tasks such as waste management compliance. The Company has established a dedicated environmental protection project team and employed environmental protection engineers to coordinate the execution of daily environmental management activities across all departments. This facilitates the environmentally compliant operation of the industrial park and ensures the achievement of all key environmental performance indicators.

Establishment of an Environmental Management System

The Company has undertaken the development and enhancement of its environmental management system based on the ISO 14001 standard. Presently, its subsidiaries involved in manufacturing operations—Guangdong Highpower, Huizhou Highpower, and Vietnam Exquisite Power—have all attained ISO 14001 environmental management system certification, achieving comprehensive coverage of environmental management system certification across all primary production bases.

The Company's subsidiaries Guangdong Highpower, Huizhou Highpower and Vietnam Exquisite Power continue to conduct internal environmental audits, covering compliance with laws and regulations, the effectiveness of environmental management policy implementation, and the efficacy of risk management measures.

In 2025, Guangdong Highpower, Huizhou Highpower and Vietnam Exquisite Power fully completed internal audits of their environmental management systems as well as third-party external audits. During the reporting period, the systems operated with 100% effectiveness. Minor non-conformities identified during audits were fully rectified by the responsible units, achieving closed-loop management.



Guangdong Highpower ISO 14001 Certification

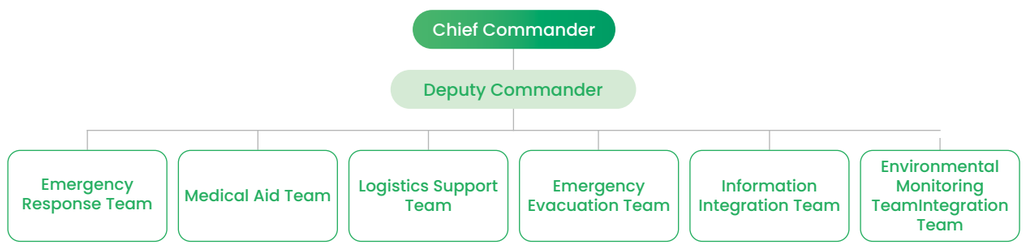
Huizhou Highpower ISO 14001 Certification

Vietnam Exquisite Power ISO 14001 Certification

Environmental Monitoring and Emergency Response

All production bases of the Company have established standardized environmental monitoring and waste disposal mechanisms. In 2025, each production site formulated and implemented its annual environmental monitoring plan, engaging third-party institutions to conduct monitoring, thereby continuously reducing the environmental impact.

The Company has established a comprehensive environmental emergency response framework, conducting regular identification and assessment of environmental risk sources. Environmental contingency plans are formulated for identified risks and are filed with the relevant ecological and environmental bureau. Our environmental contingency plans remain valid at present. Furthermore, the Company has developed the *Disaster Prevention and Recovery Operations Management Procedure* and established an Environmental Emergency Command Center to ensure the proper and efficient handling of environmental emergencies.



Environmental Emergency Framework

Environmental Risk Identification	Identify facilities, activities, or processes that may impact the environment, and specify particular risk types such as pollutant emissions, chemical spills, fires, and explosions, thereby laying the groundwork for subsequent prevention and control measures.
Environmental Risk Assessment	Analyze the likelihood and potential impacts of identified risks, categorizing them by severity and probability to determine priority control measures.
Emergency Plan Development	Establish clear emergency response procedures encompassing alerting, evacuation, pollution control, and rescue operations. Ensure adequate reserves and availability of emergency resources, conduct regular training and drills, establish internal and external communication and reporting mechanisms, and perform post-incident evaluations for continuous plan refinement.
Continuous Monitoring and Updating	Ensure the effectiveness and applicability of risk assessments and emergency plans through regular review and updating. Concurrently, establish an environmental monitoring system to conduct real-time monitoring of potential risk sources, enabling the timely detection and resolution of environmental issues.

Hazardous Chemicals Emergency Drill

The Company continues to advance its clean production initiatives by monitoring and inspecting the entire production and operational process to identify potential optimization points characterized by high energy consumption, high material usage, and significant pollution. Based on this, targeted clean production enhancement plans are formulated and implemented, while internal and external clean production audits are systematically advanced. Notably, Huizhou Highpower successfully passed its clean production audit in June 2021 following a rigorous process encompassing self-assessment, third-party evaluation, recommendation by provincial industrial and information technology authorities, and expert review. Consequently, it has been designated as a municipal-level clean production enterprise.

Environmental Protection Culture

The Company actively fosters an environmental culture system rooted in business operations, regularly organizing specialized environmental training to deepen employees' environmental awareness and equip them with professional skills.

Guangdong Highpower

Conducted chemical spill training for production department supervisors and warehouse managers, achieving a 100% participation rate.

Huizhou Highpower

Conducted training programs for departmental managers and environmental management system internal auditors on environmental protection knowledge pertaining to wastewater, waste gas and solid waste management, achieving a 100% pass rate in training assessments.

Vietnam Exquisite Power

Conducted ISO 14001 training at overseas base, enhanced EHS management mechanisms, and achieved ISO 14001 certification.

Environmental Management Objectives

The Company adopts an environmental management policy centered on "compliance with regulations, pollution prevention, energy conservation and waste reduction, and continuous improvement". Each year, it establishes specific, quantifiable environmental management objectives and ensures their implementation through dynamic tracking and regular reviews.

Production Bases

Objectives	Achievement Status In 2025
Industrial Wastewater: 100% compliant treatment	Achieved
Site boundary Noise: 100% emission compliance	Achieved
Industrial Waste Gas Emissions: 100% emission compliance	Achieved
Waste Materials: 100% collection and compliant disposal	Achieved
Zero Environmental Incidents	Achieved

During the reporting period:

- Time investd in environmental governance: **17,673** hours
- Investment in environmental governance: RMB **12.73** million

Ecosystem and Biodiversity Conservation

The Company strictly adheres to local laws, regulations, and policy requirements, including the *Opinions on Further Strengthening Biodiversity Conservation*, the *Soil Pollution Prevention and Control Law of the People's Republic of China*, and the *Groundwater Management Regulations*. Concurrently, it has formulated internal *Land Use and Biodiversity Management Regulations* to systematically identify biodiversity risk factors and investigate ecological hazards in surrounding areas.

The Company conducts environmental assessments of ecologically sensitive elements such as ancient and notable trees, rare and endangered flora and fauna in the vicinity of each production base. Furthermore, none of its operational bases are situated within, adjacent to, or in areas of high biodiversity concentration within nature reserves. This ensures that its production operations, products, and services do not exert any significant adverse impact upon regional biodiversity.

Emissions and Waste Management

Waste Gas Treatment

The Company's primary exhaust emissions comprise dust, and organic waste gases generated during production processes. The Company strictly adheres to the laws and regulations of its operational locations, including the *Law of the People's Republic of China on the Prevention and Control of Air Pollution* and has established internal procedural documents such as the *Waste Gas Emission Management Procedure, Wastewater Treatment Procedure*, and *Noise Emission Management Procedure*. During the reporting period, the Company updated its *Waste Gas Emission Management Procedure, Wastewater Treatment Procedure*, and *Noise Emission Management Procedure*, further clarifying the responsibilities and authorities of each functional department regarding waste gas management and facility operation and maintenance. Concurrently, it formulated environmental monitoring plans in accordance with relevant regulatory requirements and commissioned third-party institutions to conduct monitoring as mandated. In 2025, all waste gas monitoring results met the relevant requirements, achieving 100% compliant emissions.

Case Guangdong Highpower Waste Gas Treatment Project

In 2025, Guangdong Highpower initiated an upgrade project for its waste gas treatment equipment to address organic emissions generated during production processes, including electrolyte volatilization and vacuum pump oil dispersion. The core of the project employs an "intelligent high-efficiency composite biofilter bed combined with an alkali-washing spray tower" process. This is complemented by a cloud platform for real-time monitoring of parameters such as the pH value of the filter bed spray solution and the temperature of the filter bed packing layer, enabling early warning and intelligent control.

Wastewater Treatment

The Company's wastewater primarily originates from cleaning effluents generated during the production of nickel-metal hydride and li-ion batteries, such as water used to wash containers and tools contaminated with slurry, scrub machinery, and clean cylindrical bare cells; as well as wastewater from the waste gas treatment system's scrubber towers. The Company strictly adheres to the relevant laws and regulations of its operational location, including the *Law of the People's Republic of China on the Prevention* and *Control of Water Pollution*. It has formulated and revised the *Wastewater Treatment Procedure,* clearly defining the division of responsibilities among functional departments, as well as the specific operational procedures and compliance requirements for wastewater treatment. Wastewater from domestic production facilities undergoes treatment at the Company's on-site wastewater treatment plant through physical-chemical processes, biological treatment, MBR membrane filtration, RO membrane filtration, and MVR evaporation systems. Following this treatment, the effluent meets regulatory standards for reuse or discharge. Discharged wastewater complies with water quality requirements set by government environmental authorities, posing no adverse effects on aquatic ecosystems or human health. In 2025, the Company achieved 100% compliant discharge of industrial wastewater.

Treated at the self-built wastewater treatment station → Internal testing and external testing → Reused or discharged after passing the testing

Management Process for Industrial Wastewater (Domestic Sites)

Preliminary filtration through internal oil separators and three-stage septic tanks → Discharged into the municipal pipe network → Treated at the wastewater treatment plant

Management Process for Domestic Wastewater (Domestic Sites)

Case Guangdong Highpower Wastewater Treatment Plant Technical Upgrade Project

In 2025, Guangdong Highpower implemented a technical upgrade at its wastewater treatment plant, adding a new lithium battery wastewater pretreatment system. Prior to the upgrade, the existing equipment could only process 20-30 cubic metres of lithium battery wastewater per shift, relying solely on primary sedimentation treatment. Following the upgrade, the treatment capacity per shift increased to 40-50 cubic metres. The treatment process was enhanced to a three-stage sedimentation tank combined with electrolytic denitrification, significantly boosting wastewater treatment capability and effectively improving the treatment efficiency and operational stability of the wastewater treatment plant.

During the reporting period:

- Total industrial wastewater discharge amounted to **915** tonnes, with a discharge intensity of **0.16** t/RMB million.

Waste Management

The Company strictly adheres to the laws and regulations of its operating locations, including the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*. It has established internal procedural documents such as the *Solid Waste Management Procedure*. During the reporting period, the Company revised and updated the *Solid Waste Management Procedure*, further refining the classification of hazardous waste across subsidiaries and clarifying the management responsibilities of each department. This ensures the Company's systems are fully aligned with national solid waste laws and regulations.

The Company's non-hazardous waste primarily comprises domestic refuse and general industrial solid waste, whilst hazardous waste mainly originates from production processes, including spent electrolyte solutions, waste oils, discarded fluorescent tubes, spent activated carbon, used rags, empty containers and spent cutting fluids. Through a combined approach of source control, segregated collection, resource recovery and compliant disposal, the Company has established dedicated waste management objectives to systematically advance waste reduction and emission minimization at source.

In November 2025, Huizhou Highpower and Guangdong Highpower conducted on-site audits of hazardous waste treatment providers to verify compliance with disposal procedures.

Non-hazardous Waste

Domestic Waste

- After being sorted and collected, it is uniformly processed by the environmental sanitation department.

General Industrial Solid Waste

- Classification and collection: Sorting waste according to its nature and composition
- Temporary storage and pre-treatment: Storing sorted waste in designated areas and performing pre-treatment operations based on waste type and subsequent processing requirements
- Recycling and disposal: Handled by solid waste recyclers, with regular monitoring of their processing methods.

Hazardous Waste

- Classification: Categorize hazardous waste according to type
- Collection and Storage: Utilize dedicated containers and equipment for hazardous waste collection; temporarily store collected hazardous waste in specialized hazardous waste holding facilities
- Record-keeping and ledger management: Maintain detailed records of hazardous waste generation, collection, temporary storage, and other relevant information
- Hazardous waste disposal contractors: Engage qualified hazardous waste disposal contractors with appropriate professional credentials.
- Qualification review: Conduct periodic qualification reviews of hazardous waste disposal contractors.

Waste Disposal Process

During the reporting period:

General industrial solid waste

- Total generation of general industrial solid waste: **2,256.57** tonnes, general industrial solid waste treatment intensity: **0.38** t/RMB million
- General industrial solid waste reuse volume: **1,697.27** tonnes
- The unit product generation intensity of general industrial solid waste at domestic production bases decreased by **13.91%** year-on-year.

Hazardous Waste

- Total hazardous waste generated: **328.31** tonnes; Hazardous waste treatment intensity: **0.06** t/RMB million
- Hazardous waste reuse volume: **8.20** tonnes

Energy and Resource Management

Energy Management

The Company has established internal procedural documents including the *Energy Procurement Control Procedure, Energy Management Measures Control Procedure*, and *Energy Performance Evaluation Control Procedure* to ensure that energy management activities are conducted in a standardized and orderly manner, thereby effectively enhancing energy utilization efficiency.

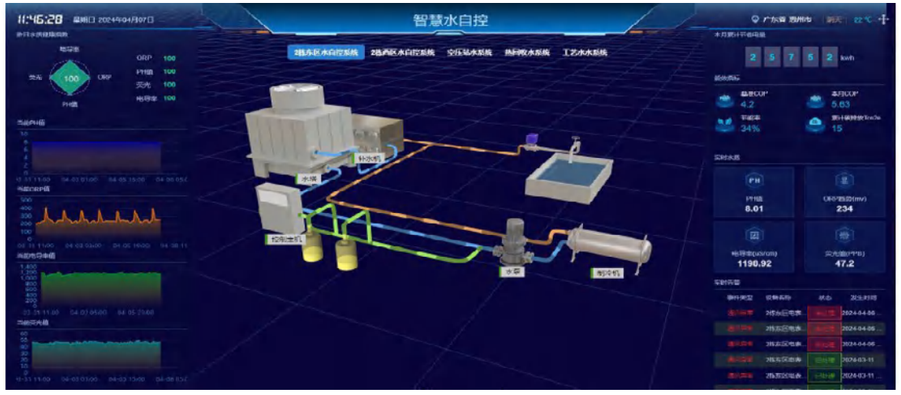
During the reporting period, the Company formally established an Energy Management Team, implementing a tiered management structure: senior management spearheaded the formulation of strategic energy management objectives, overseeing energy conservation projects and providing resource support. The Head of the Equipment Platform Department assumed the role of Executive Team Leader, with a dedicated Energy Engineer appointed as Executive Secretary. Members were assigned from all departments and business units to ensure the implementation of energy management responsibilities at every level. In 2025, the Company formally commenced the implementation of the ISO 50001 energy management system, conducting training programs to further enhance energy management capabilities. As of the date of this report, both Guangdong Highpower and Huizhou Highpower have obtained ISO 50001 energy management system certification.

Energy Technology Upgrading

The Company continues to advance energy-saving technical upgrades, introducing high-efficiency energy-saving technologies to optimize its energy consumption structure and enhance energy efficiency levels. In 2025, the Company completed a total of three major energy-saving renovation projects, achieving an annual electricity saving equivalent to approximately 9.79 million kWh.

Case Guangdong Highpower Water Intelligence Control Project

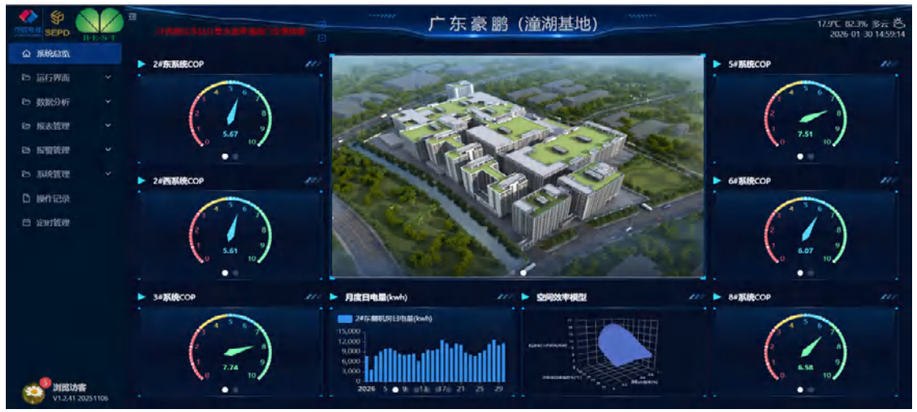
In 2025, Guangdong Highpower maintained continuous operation of the water quality management systems for Buildings 6 and 8. This project achieved real-time water quality monitoring, intelligent precision chemical dosing, and wastewater discharge through the deployment of integrated smart sensors and dosing equipment, combined with an IoT cloud platform and AI-optimized algorithms. Following the system's implementation, water quality parameters met national standards. During the acceptance period, energy savings were calculated at 11.7%. From May to December 2025, energy savings calculated at this rate amounted to 410,000 kWh.



Water Intelligence Control Platform Monitoring Interface

Case Guangdong Highpower Air Conditioning System Optimization and Energy Saving Project

In 2025, Guangdong Highpower undertook in-depth commissioning and technical upgrades of its heating and cooling source systems and terminal units. By optimizing chiller plant operating modes and introducing the UE artificial intelligence ultra-high-efficiency digital management platform, precise control was achieved. Commissioned in April 2025, the project achieved cumulative energy savings of 9,375,385 kWh between April and December 2025. This yielded energy-saving benefits of RMB 6,274,229 and an annual reduction of 1,152.23tce.



Digital Management Platform

In 2025, Huizhou Highpower Phase I Air Compressor Station phased out outdated equipment, replaced it with Class 1 energy-efficient air compressors, and establish an intelligent air compressor control system. This reduced the air-to-electricity ratio from 0.1391 kWh/m³ to 0.1020 kWh/m³, achieving an energy-saving rate of 26.67%.

Supporting the Development of Clean Energy

The Company actively promotes the application of clean energy, vigorously developing green projects such as photovoltaics and energy storage to support the transformation of the energy structure. In 2025, the Company added 0.88 MW of distributed photovoltaic capacity, bringing the cumulative installed capacity to 4.51 MW. The electricity generation for 2025 reached 4,299,945 kWh.

The Huizhou Highpower 0.88 MWp Photovoltaic Project was Successfully Completed and Commissioned in November 2025, Contributing to the Optimization of the Energy Structure

Energy Efficiency Audit

The Company's two major production bases in Huizhou conduct weekly routine energy-saving inspections, examining the operational status of key systems including production and auxiliary equipment, lighting systems, air-conditioning units, and gas systems (compressed air, nitrogen, vacuum). Throughout the year, cumulative inspections across all energy-consuming departments conducted a total of 473 instances. Through systematic investigation and oversight, energy-wasting risks are effectively identified, and the implementation of energy-saving measures is promoted.

Case Warehouse Energy Efficiency Audit Initiative

In July 2025, the Company conducted an energy efficiency review of its warehouse facilities, identifying issues such as lights left on in unmanned areas and air conditioning set to excessively low temperatures. To address these energy wastages, the Company implemented improvements including conducting energy management training to enhance employees' awareness of energy conservation, posting standards for air conditioning temperature and lighting control, optimizing the operation mode of the cooling system, and carrying out regular inspections. Following the completion of rectification measures, the monthly electricity consumption at Warehouses 4 and 7 has decreased significantly compared to the same period in 2024, with cumulative electricity savings over the six-month period amounting to approximately 916,900 kWh.

In 2025, all mature production and operational bases within the Company advanced energy-saving initiatives with comprehensive energy consumption per unit of product as the key control target. Notably, Huizhou Highpower achieved a 5.7% reduction in comprehensive energy consumption per unit of product compared to the baseline, while Guangdong Highpower recorded a 36.86% decrease. Both sites exceeded their annual energy-saving targets, fully demonstrating the effectiveness of their conservation efforts.

During the reporting period:

- Total energy consumption amounted to **39,600** tce
- **30,647,100** kWh of green electricity was procured
- Photovoltaic power generation reached **4,299.95** MWh
- Green power certificates procured amounted to **46.70** million kWh
- Total renewable energy usage reached **81,647,100** kWh, representing a renewable energy share of **25.34%**

Water Resource Management

The water resources utilized by the Company during production and operational processes are sourced exclusively from the municipal water supply system. The principal facilities are not situated within high-risk water supply zones. The Company has established internal systems and procedural documentation, including the *Energy Operations Management Procedures*, to continuously optimize water resource management and enhance water usage efficiency.

The Company maintains water usage records, prioritizes the selection and procurement of water-efficient equipment and appliances, and progressively phases out high-consumption, outdated water-using devices and products. Approved water-metering devices are installed at key water-consuming processes and critical water-using equipment. The Company conducts regular inspections and maintenance of facilities and equipment, ensuring water pumps and valves are promptly shut off during production halts to prevent leakage. Furthermore, it promotes water conservation knowledge, policies, and their significance through noticeboards and posters, implementing multiple measures to ensure the efficient and economical use of water resources.

In 2025, the Company's water resource management was compliant and efficient, with no major non-compliance incidents. The primary production bases, Guangdong Highpower and Huizhou Highpower, established unit water consumption control targets using 2024 as the base year and successfully achieved these objectives.

During the reporting period:

- Total water withdrawal (fresh water): **958,861.23** tonnes
- Total water reuse **15,173** tonnes

Addressing Climate Change

Governance

The Company has established internal systems and procedural documents, including the *Greenhouse Gas Inventory Procedure* and the *Emergency Preparedness and Response Management System*, integrating climate change-related content into its overall ESG framework to ensure climate change issues are incorporated into the Company's strategic planning process.

Sustainable Development Decision Making Committee

As the highest decision-making body at the Board of Directors level, the Sustainable Development 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

Sustainable Development Management Committee

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

Sustainable Development Execution Group

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

Various Business and Functional Departments

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

The Company incorporates climate-related risks and opportunities into its strategic planning and decision-making processes, aligning with the *International Sustainability Standards Board (ISSB)'s International Financial Reporting Sustainability Disclosure Standard 2–Climate-related Disclosures* and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Climate-related risks are integrated into the Company's overall risk assessment practices and management systems, with the impact of such risks mitigated through refined risk identification, assessment, and management.

Timeframe	
	Short term: By 2026
	Medium term: By 2030
	Long term: by 2050

Risk Category		Risk Description	Stage in the Value Chain	Location of Risk Occurrence	Financial Impact	Time Horizons	Possibility	Degree of Impact	Countermeasures
Physical Risk	Acute	Extreme weather events (including typhoons, floods, heatwaves, etc.) may impact the operational stability of the Company's infrastructure, leading to disruptions in production processes and thereby affecting the Company's business continuity.	Direct operation	China Vietnam	Facility restoration and replacement costs, loss of revenue due to production interruption, emergency disposal and temporary operational expenses	Short term	Most likely	Mid-to-high	Establish an extreme weather warning mechanism to issue alerts for extreme weather events; develop emergency disaster response plans and conduct regular emergency drills; Reinforce critical infrastructure against disasters; and take measures such as purchasing property insurance.
	Chronic	Rising temperatures will increase energy consumption for temperature control in production facilities, while coastal sea-level rise and flooding may severely impact critical public infrastructure, indirectly affecting raw material supply and product transportation.	Full Value Chain	China Vietnam	Increased operational costs arising from higher energy consumption required to maintain optimal temperatures in production facilities; rising logistics costs and supply chain transition expenses due to failures in public infrastructure.	Long term	Likely	Mid-to-high	By replacing high-efficiency heating and cooling systems and conducting annual tracking and analysis of energy consumption trends, the Company continuously optimizes energy efficiency management; The Company strengthens supply chain collaboration and implements measures to ensure supply chain stability.
Transition Risk	Policy and Legislation	Government policies and regulations concerning carbon emissions are becoming increasingly stringent, placing pressure on enterprises to manage compliance effectively.	Direct operation	China Vietnam	In response to increased operational costs resulting from policy changes	Long term	Highly likely	Mid-to-high	Keep a close watch on the latest climate-related regulatory developments at both national and international levels, and take necessary responsive actions in accordance with the latest legal requirements. This includes implementing green product design, energy-saving and carbon-reduction measures in manufacturing, and conducting operational carbon audits and verification.
	Technology	The transition towards low-emission technologies and products requires companies to make substantial investments in energy-efficient equipment, clean energy, and low-carbon production techniques.	Direct operation	China Vietnam	Research and development of low-carbon technologies and associated investments, alongside the procurement and utilization of clean energy sources, may result in increased operational costs.	Short to medium term	Highly likely	Mid	Develop low-carbon transition plans, actively explore clean energy alternatives, and expand the application scope of clean energy; When procuring new equipment, prioritize assessment of its environmental impact and energy efficiency.
	Market	Customers are increasingly favoring sustainable, climate-friendly products. A growing number of clients are setting targets for reducing emissions across their value chains, demanding that the entire value chain contributes to lowering carbon emissions.	Downstream value chain	China Global Market	Meeting customers' low-carbon requirements may lead to increased operational costs, while failing to meet customer needs may result in reduced business revenue.	Short, medium and long term	Likely	Low	Maintain close communication with clients to understand their requirements regarding the Company's environmental performance; strengthen the development of the carbon emissions management system, establish carbon footprint accounting capabilities, continuously monitor progress towards established environmental objectives, and establish a performance indicator assessment mechanism for energy conservation and emissions reduction.
	Reputation	Customers, consumers and other stakeholders are increasingly prioritizing companies' actions in addressing climate change. If the Company fails to actively address climate change, it may fall short of stakeholders' expectations, thereby damaging its image and reputation.	Upstream value chain	China Vietnam	Failure to meet stakeholder expectations may lead to increased capital costs and adversely impact company value.	Long term	Likely	Low	Establish carbon reduction targets and commitments, publishing progress reports at regular intervals; Continuously deepen research and development efforts for low-carbon products, while integrating green and low-carbon development principles throughout the entire production and operational chain.

Opportunity Category	Opportunity Description	Stage in the Value Chain	Location of Opportunity	Financial Impact	Time Horizons	Possibility	Degree of Impact	Countermeasures
Energy Transition	With the ongoing research, development and innovation in green technologies, coupled with the successive introduction of supportive policies, the availability of renewable energy is expected to steadily increase, whilst its prices are also anticipated to gradually decrease.	Direct operation	China	By investing in clean energy and reducing long-term energy costs	Medium term	More likely	Mid	During production operations, the proportion of renewable energy usage is increased through initiatives such as photovoltaic power generation to reduce energy costs and meet the green requirements of downstream customers.
Energy Transition	With the ongoing research, development and innovation in green technologies, coupled with the successive introduction of supportive policies, the availability of renewable energy is expected to steadily increase, whilst its prices are also anticipated to gradually decrease.	Direct operation	China Vietnam	Reduce operational costs by improving resource efficiency	Medium term	Likely	Mid-to-low	During operations, the Company shall continue to increase investment in infrastructure supporting the circular economy. By focusing on initiatives such as intelligent water control, HVAC energy efficiency, and air compressor energy conservation, the Company will achieve efficient resource utilization and effectively reduce operational costs.
Products and Services	As global concern over climate change deepens, customers increasingly favor environmentally friendly products and services. The Company's low-carbon achievements will enhance its competitiveness, brand image and reputation for sustainable development.	Downstream value chain	China Global Market	By offering products and services that align with customer preferences, competitiveness can be further strengthened, thereby leading to increased revenue.	Long term	Highly likely	Mid	By implementing green production practices such as enhancing operational efficiency and refining manufacturing processes, the Company assists clients in reducing the carbon footprint of their products, thereby strengthening its competitive edge.

Financial Impact Analysis

The Company is progressively establishing internal mechanisms to track and assess the current and anticipated financial impacts of climate-related factors on revenue, costs, and capital expenditures, with the current focus primarily on qualitative analysis. At present, the impact of climate-related factors on the Company's financial status is mainly reflected in areas such as low-carbon transition investments, energy-saving technical upgrades, and clean energy adoption, with no material adverse effect on current profitability and cash flow overall. Concurrently, accelerated global low-carbon transition, green and low-carbon technological innovation, growing demand for clean products, and the promotion of circular economy models are generating potential business opportunities and long-term value enhancement prospects for the Company.

During the reporting period, the Company did not incur any asset losses due to climate-related events such as extreme weather. The Company continued to advance its low-carbon transition, with cumulative annual investment exceeding 10 million yuan dedicated to climate adaptation and mitigation efforts. The proportion of renewable energy usage increased to 25.34%, effectively reducing Scope 2 greenhouse gas emissions. In the future, the Company will further increase resource allocation, continuously raise the share of renewable energy, and deepen green and low-carbon operations.

Case Addressing Equipment High-Voltage Tripping and Operational Disruptions Caused by Extreme Weather

Extreme weather conditions frequently trigger temporary voltage dips in the power grid, causing high-voltage tripping in production equipment. This results in production line interruptions and losses of work-in-progress. The Company completed relevant research in 2025. In 2026, it will deploy dynamic voltage dip protection equipment, alongside completing equipment relocation, installation, commissioning, and personnel operational training. This will enable real-time voltage fluctuation management, ensuring stable equipment operation.

Case Purchasing Property Insurance to Mitigate Extreme Weather Risks

To effectively mitigate property risks arising from extreme weather events such as typhoons and torrential rain, the Company has secured business property insurance for its core assets. This insurance not only provides compensation for direct losses caused by natural disasters like typhoons–including collapsed external walls, waterlogged equipment, and submerged goods–but also covers necessary expenses incurred through reasonable salvage operations undertaken to minimize damage.

Impact, Risk and Opportunity Management

The Company integrates climate risks and opportunities into its corporate strategy and decision-making processes, incorporating the identification of climate-related risks into its overall risk assessment practices and management systems. Through meticulous risk identification, assessment and management, it mitigates the impact of climate-related risks on the organization, thereby supporting the Company's pursuit of sustainable, high-quality development.

Identifying Climate Change Risks and Opportunities

- Collect and analyze historical climate-related data, industry reports, policy documents, etc., to identify potential climate risks that may impact business operations
- Analyze and collate the identified risks to form a risk inventory

Climate Risks and Opportunities Assessment

- Prioritize identified climate risks based on their probability of occurrence and potential impact severity, producing a prioritized list of climate-related risks and a prioritized list of climate-related opportunities.
- Ensure assessment outcomes align with the Company's current circumstances through management's collective participation in the risk assessment process.

Climate Change Risks and Opportunities Response

- Based on operational characteristics and in response to the findings of the assessment, formulate concrete and effective countermeasures to enhance infrastructure resilience, optimize the energy mix, and diversify supply chain arrangements.

Monitoring Climate Change Risks and Opportunities

- Regularly monitor trends in climate risks and opportunities to enable timely action.
- Organize periodic reviews by the risk management team of activities conducted over the preceding year, assessing the effectiveness of strategies and promptly adjusting and optimizing risk management measures.

Overview of Climate-Related Risk Prioritization

Risk Category		Priority Ranking[3]
Physical Risk	Typhoons, floods, heatwaves, etc.	Medium
	Sea level rise	Low
Transition Risk	Policy and Legislation	High
	Technology	High
	Market	High
	Reputation	Low

Overview of Climate-Related Opportunities Prioritization

Opportunity Categories	Priority Ranking
Products and Services	High
Energy Transition	Medium
Resource Efficiency	Medium

Indicators and Targets

The Company has scientifically planned a tiered emissions reduction target framework with 2024 as the baseline year, extending through to 2050. Focusing on lowering carbon emission intensity as the key driver, it will conduct annual reviews of target progress, striving to achieve carbon neutrality in its own operations by 2040 and across its entire value chain by 2050.

Medium-term Objectives	By 2030, achieve a 45% reduction in operational carbon emissions intensity (tCO_2e per ten thousand yuan of revenue).
Long-term Objectives	Strive to achieve carbon neutrality in our own operations by 2040.
	Strive to achieve carbon neutrality across our value chain by 2050.

The Company has established the *Greenhouse Gas Inventory Procedure*, which adheres to relevant requirements such as the GHG Protocol and ISO 14064. It conducts comprehensive carbon inventories covering all greenhouse gas emissions on a regular basis and systematically advances third-party carbon verification. Huizhou Highpower and Guangdong Highpower have completed their 2025 Scope 1, 2, and 3 greenhouse gas inventories. By engaging third-party verification, they ensure the accuracy, completeness, and credibility of their carbon emissions data. Concurrently, Shenzhen Highpower, Springpower Technology, Icon Energy, and Vietnam Exquisite Power have undertaken independent 2025 Scope 1 and Scope 2 carbon emissions inventories.

Indicator	Unit	2023	2024	2025
Scope 1 Greenhouse Gas Emissions	tCO_2e	857	1,362	1,065
Scope 2 Greenhouse Gas Emissions (Market-based)	tCO_2e	-	168,447	145,338
Scope 2 Greenhouse Gas Emissions (Location-based)	tCO_2e	74,541	157,564	167,670
Total Greenhouse Gas Emissions (Scope 1 + Scope 2, Market-based)	tCO_2e	-	169,808	146,403
Total Greenhouse Gas Emissions (Scope 1 + Scope 2, Location-based)	tCO_2e	75,397	158,925	168,735
Greenhouse Gas Emission Intensity (Scope 1 + Scope 2, Market-based)	tCO_2e/RMB 10,000	-	0.33	0.25
Greenhouse Gas Emission Intensity (Scope 1 + Scope 2, Location-based)	tCO_2e/RMB 10,000	0.17	0.31	0.29

[3] High priority refers to issues that may have a significant direct impact on operations, finances and strategy, and which require immediate attention and the allocation of resources; medium priority refers to issues that may have some impact on certain business areas, requiring ongoing monitoring and flexibility in planning; low priority refers to issues that currently have a minor impact or a low probability of occurrence, and which should be incorporated into routine monitoring and long-term management processes.

04 Harmonious Life

Building an equal, diverse and inclusive workplace environment is fundamental to safeguarding employee rights and promoting training and development. The Company consistently regards its employees as its most valuable asset, committing to protecting their rights and interests. It provides a platform for growth and development, unlocking individual potential, enhancing team effectiveness, and fostering harmonious social relations.

▶ The United Nations Sustainable Development Goals (SDGs) Corresponding to this Chapter Include:

▶ Key Issues

Employee Rights and Benefits
Diversity, Equality and Inclusion
Employee Training and Development
Occupational Health and Safety

Employee Rights and Benefits

Compliance Recruitment

The Company strictly adheres to the core conventions of the International Labor Organization (ILO), international human rights standards, and the laws and regulations protecting labor rights in its operational jurisdictions, including the *Labor Law of the People's Republic of China*. It has formulated and implemented internal systems such as the *Worker Recruitment Management Regulations*, , the *Staff Recruitment Implementation Manual,* and the *Recruitment Implementation Manual* to standardize recruitment operations management. The Company resolutely strictly prohibits the use of forced labor or the employment of child labor. In 2025, the Company recorded no incidents of non-compliance involving the employment of child labor or forced labor.

During the reporting period:

- Awarded Outstanding Employer for Annual Social Contribution at the Southern Metropolis Daily Sustainable Innovation Ecology Conference

Prohibition of Child Labor and Forced Labor

Preventive Due Diligence

- Establish Highpower Technology's *Labor Rights Protection Policy*, explicitly prohibiting the use of child labor and forced labor, and publishing reporting channels. This policy shall be disseminated to all employees, suppliers, and partners.
- Establish a rigorous pre-employment identity verification mechanism to ensure all new recruits meet the statutory minimum age for employment.
- Conduct due diligence on suppliers, incorporating requirements prohibiting child labor and opposing forced labor into supplier admission criteria and cooperation agreements.

Active Monitoring

- Establish multiple anonymous feedback channels to ensure employees and external parties can conveniently report suspected violations, while strictly safeguarding the confidentiality of whistleblowers' identities.
- Verify employment practices in key settings such as production workshops and outsourced projects, investigating violations including forced labor practices like compulsory overtime.

Remedial Oversight

- Establish clear rectification and accountability procedures for violations. Upon discovery of child labor or forced labor cases, take immediate remedial action and hold relevant responsible parties strictly accountable.

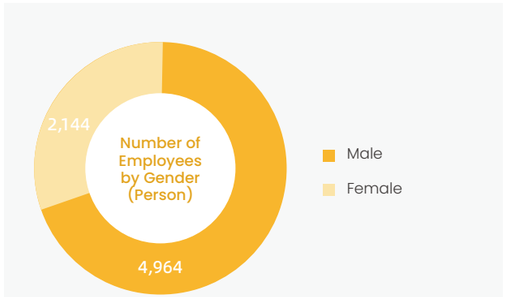
Equality and Diversity

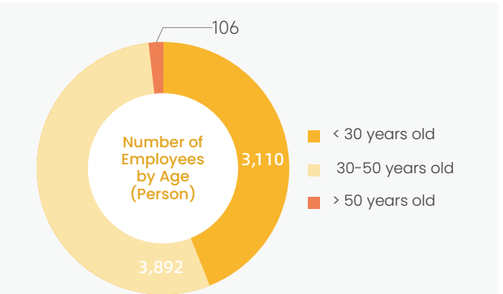
The Company respects individual differences and diversity among its employees, and prohibits discrimination or prejudice based on ethnicity, race, gender, or any other factor. The Company has established the *Prohibition of Discrimination Management Procedure* and the *Prohibition of Harassment and Abuse Management Procedure,* continuously promoting anti-discrimination and anti-harassment policies to all employees. The Company routinely undergos client audits concerning anti-discrimination and harassment matters. In 2025, no incidents of discrimination or harassment occurred within the Company.

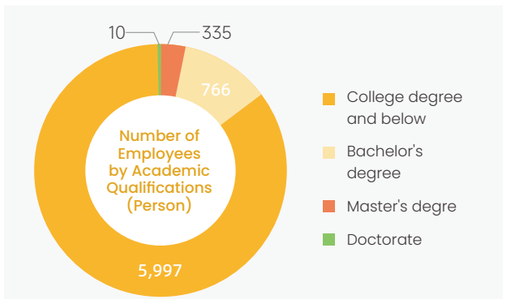
The Company places high priority on safeguarding the rights of employees in special groups. It has established a registration system for female employees during the three periods (pregnancy, maternity leave, and breastfeeding), implemented job risk identification and adjustment measures, and provided dedicated mother-and-baby rooms. For employees with disabilities, the *Company has formulated Management Regulations for Employees with Disabilities,* standardising the entire process of recruitment, promotion, remuneration, and other management practices to ensure equal pay for equal work. It conducts specialized job risk assessments and provides tailored accommodations in areas such as accommodation, travel, and dining to effectively safeguard their equal rights.

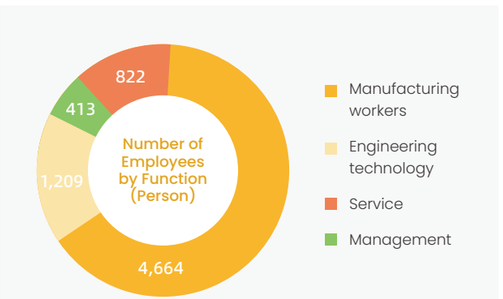
Employee Structure

In 2025, the Company Had a Total Workforce of 7,108 Employees.









During the reporting period:

- **1,184** Ethnic minority employees
- Management staff totals **413** individuals, with women accounting for **20.34%** of this figure.

Remuneration Incentives and Benefits

The Company adheres to the principles of "determining grades by position, determining remuneration by grade, matching personnel to roles, and adjusting remuneration upon role changes". During the reporting period, it issued the *Operational Staff Remuneration System* and the *Clerical Staff Remuneration Management System* to standardize remuneration and performance management for both categories of employees. The Company periodically reviews and optimizes its remuneration structure to align with development needs and maintain market competitiveness. Every two years, the Center of Excellence (COE) for Remuneration conducts market remuneration surveys and assessments, updating the remuneration structure as required.

Operational Sequence

Adopting a broad-based remuneration framework comprising basic salary, overtime pay, positional skill allowance, night shift supplement, high-temperature allowance, performance bonus and other incentives.

Compensation Structure for Each Sequence

Management Sequence
Professional Sequence

A broad-banded remuneration structure based on a job-grade system, comprising monthly salary, allowances and subsidies, annual performance bonus, special bonuses, and long-term incentives.

To enhance the effectiveness of motivating and retaining key personnel, the Company provides core talent with remuneration packages that are both reasonable and substantial, establishing and implementing a comprehensive incentive system covering short term, medium term and long term objectives.

Short term incentive

- For all current employees, establish intellectual property incentives and project-based incentives. In 2025, more than 3,000 employees received incentives.
- Including technical system professional title subsidies, timeliness bonuses, and proposal improvement awards
- Rewards shall be issued based on individual employees' actual performance, their completion of tasks within projects, and their specific contributions.

Medium term incentive

- Including Outstanding Project Awards, R&D Project Awards, Government Project Awards, Cost Reduction and Efficiency Enhancement Incentives, Performance Bonuses, etc.
- Performance bonus distribution constitutes a contribution incentive scheme established by the Company to recognize employees who meet performance targets.

Long term incentive

- Implementing equity incentive schemes for key personnel in R&D, technical, operational and managerial roles
- An employee share ownership scheme has been established for directors (excluding independent directors), senior management, and key personnel in R&D, technology, sales, smart manufacturing, and administration. The initial grant and reserved grant portions (covering 78 core employees in total) were completed in 2025, with non-transactional transfers of shares.

Facilitation of Local Talent Incentives and Recruitment from Poverty-Alleviated Regions (2025)

One individual submitted an application for high-level talent incentive achievements and received a talent subsidy of 400,000 yuan

One postdoctoral researcher is currently in residence, receiving a subsidy of 120,000 yuan

A total of 277 individuals lifted out of poverty were introduced into employment (across the entire group)

The Company standardizes welfare management and benchmarks, establishing a comprehensive welfare protection system that supplements statutory benefits with diverse additional provisions.

Statutory Benefits

- Provide social insurance and housing provident fund for all employees
- All employees are entitled to various paid statutory leave entitlements in accordance with the law

Incentive Benefits

- Presenting the Starlight Award and quarterly special awards to employees

Living Allowance

- Establish the *Employee Home Purchase Loan Management Regulations* to provide home purchase loans to eligible employees. The loan interest rate is significantly lower than the prevailing market rate for bank loans, thereby alleviating the financial burden of home purchases for employees
- Free assistance with Huizhou/Shenzhen residency registration procedures for employees, and support with talent introduction subsidy applications
- Provide resource support for employees to apply for local school places for their children
- Catering services encompass the provision of meals catering to diverse tastes
- Dormitory accommodation for 2 to 6 occupants is available, featuring air conditioning, washing machines, water heaters, desks, wardrobes, bathrooms, and balconies
- The factory premises provide a shuttle bus service, offering scheduled pick-ups and drop-offs for commuting staff and weekend outings, ensuring a safe and convenient journey

Daily Benefits

- Provide employees with welcome packs and anniversary greetings
- Presenting gifts to staff during traditional festivals and on their birthdays
- Host monthly birthday celebrations for staff
- Cash gifts for employees' weddings and births

Cultural Development Benefits

- Establish a diverse range of interest groups and provide funding support for their activities
- Organize a wide variety of cultural activities

Employee Benefits for Women

- Female employees shall be entitled to maternity leave of no less than 178 days, with adjustments and extensions made in accordance with statutory requirements based on the individual circumstances of the employee's childbirth
- From the day following the end of maternity leave until the child's first birthday, one hour of paid breastfeeding leave shall be provided daily. An additional hour shall be granted for each additional infant
- Mother and baby rooms are set up in each of the Company's factories

Democratic Communication

The Company has established regulations such as the Procedures for the *Administration of Freedom of Association and Collective Bargaining Rights*, with all subsidiaries establishing trade unions and employee representative assemblies. It convenes quarterly trade union committee meetings, inviting employee representatives to participate in work summaries and planning sessions. Trade union representatives negotiate and sign collective agreements with employee representatives, clarifying core entitlements including remuneration and benefits, working conditions, and occupational health and safety. Addressing employee feedback, the trade union liaises with management to coordinate and develop solutions, fully safeguarding employees' freedom of association and collective bargaining rights. In 2025, the Company and its subsidiaries all signed collective agreements.

The Company has established an open, transparent, and efficient two-way communication system, providing employees with diverse channels to conveniently express their concerns and offer feedback. These include a Staff Shared Services Center (SSC) counter, an online QR code feedback system, physical suggestion boxes, staff forums, democratic meetings, one-to-one discussions, and regular satisfaction surveys.

Democratic Life Meeting

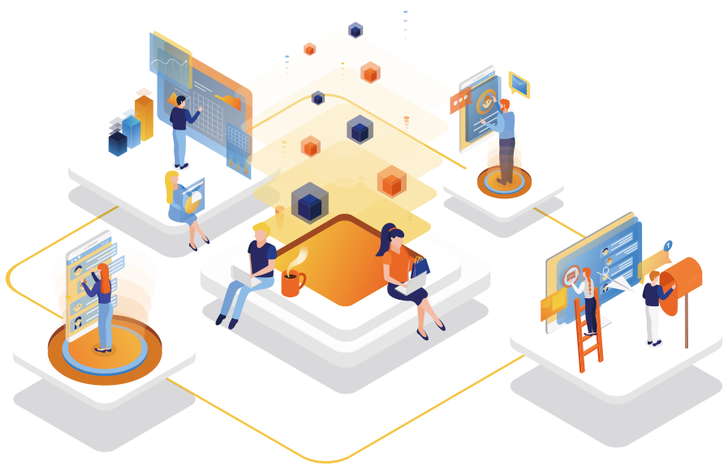
The Company has consistently advanced a democratic meeting mechanism organized at departmental and team levels, focusing on policy briefings, communication of key departmental matters, and feedback on staff work and life issues. A total of 140 democratic meetings were convened, with cumulative attendance reaching 3,813 participants.

Employee Shared Service Center

Guangdong Highpower has established a shared service center accessible to all employees, consolidating core human resources operations and administrative services to deliver convenient, one-stop solutions. The center features both in-person service counters and online feedback channels accessible via QR code scanning, encouraging staff to voice personal concerns or propose development suggestions at any time.

Highpower Governance Platform

The Company has established the "Highpower Governance" internal grievance platform, with dedicated personnel overseeing end-to-end information processing. The platform consolidates and analyzes collected data weekly, generating briefings that enable managers to promptly identify issues and swiftly formulate improvement measures, thereby fostering a virtuous cycle.



Employee Satisfaction Surveys

The Company conducts an annual employee satisfaction survey each year. During the reporting period, the Company organized a satisfaction survey for all employees via an anonymous electronic questionnaire. This survey centered on the Gallup Q12 employee engagement benchmark questionnaire, while also incorporating two additional specialized dimensions: logistical services and corporate cultural activities. The findings revealed a Gallup Q12 engagement score of 3.82 (out of 5), with 86.8% satisfaction regarding support services and 87.5% satisfaction with corporate cultural activities. These positive overall metrics provide clear direction for the Company to further optimize employee services, enrich cultural development initiatives, and enhance staff engagement.

Employee Care

In 2025, the Company collaborated with grassroots trade unions across its subsidiaries to provide employees with diverse cultural and recreational activities, comprehensively safeguarding work-life balance and continuously enhancing staff fulfilment, satisfaction and happiness. Concurrently, it recruited individuals who had been lifted out of poverty in accordance with local government recognition criteria, while promptly identifying and assisting employees facing hardship.

Organize a tug-of-war competition to enhance team cohesion

Host parent-child activities to enhance employees' sense of belonging

Festive Activities

Employee Training and Development

Talent Development

The Company positions itself as a disseminator of corporate culture, a cradle for cultivating leadership talent, and a custodian of core technological expertise. It designs systematic training programs and diverse development approaches spanning all career stages, complemented by extensive learning resources. This ensures employees receive comprehensive and continuous growth opportunities at every professional level.

The Company disseminates recruitment information internally, encouraging competitive selection for positions to broaden employees' career progression pathways. Externally, it attracts talent through diverse channels including social media, specialized recruitment platforms, internal referrals, and university-industry collaborations, thereby enhancing both the intensity and calibre of talent acquisition. This approach ensures precise alignment with the Company's talent development strategy and competency standards.

External Talent Attraction

- External Recruitment: The Company has expanded various recruitment channels and intensified efforts to attract talent.
- Campus Recruitment: Held quality campus recruitment drives at major universities, hiring a total of 101 graduates (including 4 PhD holders).

Professional Talent Reserve (University-Industry Collaborative Training)

- Collaborating with over ten universities on industry-academia partnerships, and undertaking joint master's degree programs with South China University of Technology and Southern University of Science and Technology.

Highpower Training System Framework

Career development			Leadership development	Training operation
New employee training	Professional ability training	Cultivation of employees' general quality and ability	Management ability training	Platform resource management
• Induction training • Mentorship implementation • Career training • Probation confirmation defense	• Technical sequence • Marketing sequence • Other functional sequences	• Basic training in generic categories	• Senior leadership • Middle management ability • Basic team leader training	• Training management system • Online learning platform • Lecturer resource management • Management of course resources

New Employee Training

The Company provides a comprehensive and systematic induction training program for all newly recruited employees and recent graduates, helping new staff to swiftly integrate into the Company culture and working environment.

Company-level training

- Online: General skills, professional foundations, etc.
- Offline: Introduction to the Company, information security, quality management philosophy, employee code of conduct, core values of Highpower, stress management, introduction to administrative services, etc.

Sector-level training

- Introduction to department organizational structure
- Department responsibilities and objectives
- Product and service knowledge
- Systems and tools
- Business processes
- Cross-departmental learning
- Mentoring (job skills)

SF System & Online Learning Platform Probation Period Management Assessment

For newly recruited graduates, the Company has designed a comprehensive training program adhering to the core principle of integrating training with practical application. This encompasses two key components: military-style team-building exercises 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.

Boot camp and team-building 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)

Case The Peacock Training Program

The Company runs a six-month Peacock Training Program annually, establishing a dual-engine curriculum system combining specialized and general skills. Weekly and monthly sessions cover specialized courses, R&D technical workshops, and general training modules, cultivating new recruits through a core logic of "adaptation-consolidation-application". The program comprises 41 developed courses, achieving a course satisfaction rating of 4.91 (out of 5) and a trainer satisfaction rating of 4.93 (out of 5).

Peacock Training Program

Development of General Competencies

The Company adopts a blended learning model, combining online and offline training to enhance employees' comprehensive competencies. It systematically builds a universal skills development framework covering all workplace scenarios. Centered on core professional soft skills, it has developed and rolled out a series of courses including *Business Etiquette*, *High-Performance Employee Behavioral Patterns*, *Business Writing Standards*, and *Career Development and Role Qualification Guidelines*. These programs empower staff to improve their communication and presentation skills, professional image, goal execution capabilities, and self-development planning abilities.

Offline Training in General Competency Skills

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

The Company established the Highpower Cloud Academy online learning platform, covering foundational coursework through to advanced skills development. As of the end of the reporting period, the platform hosted 1,570 public courses, comprising 160 on executive management, 695 on specialized management, 194 on personal development, and 521 in other categories. In 2025, the total number of users logging into the Cloud Academy reached 1,361, with total training hours amounting to 4,837.7 hours and a cumulative total of 2,934 course attendances.

Highpower Cloud Academy

Professional Competence Development

The Company tailors training programs and learning pathways to specific role requirements. Training content comprehensively covers electrochemical systems, product quality, battery performance, and safety standards, encompassing over 40 specialized courses in total. This effectively enhances employees' professional skill levels.

Professional Competence Development

Management Capability Development

The Company tailors differentiated leadership training resources to meet the management requirements of positions at various levels, helping employees at all levels to continuously refine and enhance their management capabilities. During the reporting period, the Company provided employees with leadership development training covering topics such as team leader management skills, the Lean Leadership workshop, role awareness for middle and junior-level supervisors, and leadership themed seminars.

In 2025, two training sessions for grassroots team leaders were conducted, covering a total of 81 participants

In 2025, senior external consultants were invited to deliver training, employing a blended approach of instruction and practical application to conduct middle and senior management training in lean improvement management, covering 76 managers

During the reporting period:

- Total number of employees trained reached **7,108**, achieving **100%** coverage
- Average hours of employee training: **26** hours

Career Development

The Company continuously refines its talent development system and has formulated the *Performance Management Measures* to achieve standardized management of the entire employee performance evaluation and promotion process, ensuring that all stages adhere to the principles of fairness and transparency. In 2025, the proportion of employees who received performance and career development assessments was 100%.

Performance Target Setting

- **Two-way communication:** Through regular two-way communication mechanisms, ensure employees fully comprehend performance objectives and are able to voice their opinions and suggestions
- **Objective setting adheres to the SMART principles:** ensuring all performance targets are Specific, Measurable, Achievable, Relevant, and Time-bound
- **Continuous improvement:** Regularly review and adjust performance targets to ensure they remain aligned with the Company's strategic direction and can adapt to evolving business requirements

Performance Coaching

- **Regular one-to-one coaching sessions:** Arrange scheduled one-to-one coaching meetings to gain timely insight into employees' work progress and any issues encountered, providing specific guidance and recommendations.
- **Developing a Performance Management Handbook:** Compiling a performance management handbook to ensure managers and staff understand the logic and methodology of performance management
- **Instant feedback mechanism:** Establish an instant feedback mechanism that provides constructive input not only during formal assessments but also throughout daily work, enabling employees to continuously improve

Performance Communication

- Establish an effective performance feedback mechanism, conducting regular assessments and providing feedback to employees. This helps staff understand their strengths and areas for improvement, clarifying the direction for development
- Encourage staff to actively participate in performance improvement programs, providing necessary training and support

Performance Evaluation

- **Fair and transparent appraisal process:** Ensuring performance evaluation criteria and procedures are openly communicated to all staff. Appraisal outcomes from matrix managers and line managers are considered during collective review within departments. Concurrently, channels for employee performance appeals are established to guarantee comprehensive and objective assessments.
- **Regular assessment mechanism:** Conduct quarterly or annual performance evaluations to promptly identify and resolve issues

Qualification Framework

The Company has established a scientific, standardized, fair, impartial and quantifiable competency framework through comprehensive assessment and certification of employees' academic qualifications, work experience, professional skills and behavioral standards. This framework not only assists employees in clarifying their personal development pathways but also effectively aligns talent development with the Company's strategic objectives. As of the end of the reporting period, the coverage rate for the establishment of qualification standards across all job categories reached 97.7%, with an overall certification pass rate of 81.9%.

Talent Promotion Mechanism

The Company establishes multiple career progression pathways encompassing management, specialist, and operational tracks, integrating vertical advancement with lateral development opportunities. This enables employees to independently choose their growth direction based on personal capabilities and professional interests. Promotions are strictly determined by core criteria including performance outcomes, comprehensive competencies, and tangible contributions. Promotion standards are maintained with full transparency throughout the process, ensuring all staff clearly understand the conditions and opportunities for advancement. This fully safeguards the fairness, impartiality, and transparency of the promotion process.

Vertical career progression pathways

Grade	Management Sequence	Professional Sequence	Operations Sequence
A	President / CXO / Director	Scientist / Expert	/
B	Manager	Principal Engineer	Senior Technician
C	Supervisor	Senior Engineer	Advanced Technician
D	Associate Supervisor	Engineer / Specialist	Technician
E	/	/	Skilled Worker / Clerk / Team Leader / Operator

Horizontal career progression pathways

Internal Trainer Scheme

The Company has formulated the *Internal Trainer Management Measures* to further accelerate the development of its internal trainer team. Internal trainers are selected and appointed through company-wide recruitment processes, undertaking relevant training programs at the center/subsidiary level across the Group. The Company opens a unified portal for trainer certification and promotion each April. Following an annual comprehensive assessment, instructors meeting the criteria are arranged for advancement. Concurrently, internal and external training programs are organized to enhance instructor capabilities. A remuneration structure directly linked to instructor grade and teaching hours is established to incentivize instructors to contribute knowledge and share expertise.

Occupational Health and Safety

Governance

The Company 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*. During 2025, the Company established 36 comprehensive group safety management system documents, finalized safety contingency plans which were duly filed with local authorities. Both major production bases—Guangdong Highpower and Huizhou Highpower—have obtained ISO 45001 certification and maintain effective system operation.

Guangdong Highpower ISO 45001 Certification

Huizhou Highpower ISO 45001 Certification

The Company has established a robust occupational health and safety governance framework, setting up a Work Safety Management Committee, a Safety Management Department, and safety offices at each production site to implement safety management. This has formed a safety management network coordinated by headquarters with subsidiary companies working in concert. The Company rigorously implements its safety production accountability system, clearly defining safety responsibilities for all positions from senior management to frontline staff. All personnel sign safety production responsibility agreements. Furthermore, the Company implementes the *Safety Production Reward and Punishment System*, which directly links key safety performance indicators with the performance evaluations of department heads, thereby incentivizing and ensuring that employees at all levels strictly adhere to their safety production responsibilities.

Highpower Technology Work Safety Management Committee Structure

Chairman of the Safety Committee

- Appointed from among the Company's senior management, this role bears overall responsibility for the Group's safety production work and shares joint liability for the safety of contracted (designated liaison) units.

Safety Director

- Supervise the implementation and execution of the primary safety responsibilities of each member of the Safety Committee

Member of the Safety Committee

- Heads of all departments shall serve as members of the Safety Committee, bearing overall responsibility for safety management within their respective departments.

Safety Management Department

- Responsible for the implementation of the safety management system, the effectiveness of safety regulations, and the efficacy of comprehensive safety oversight.

Safety Office

- The Safety Management Department oversees safety offices within each subsidiary. These offices are staffed by dedicated personnel holding qualifications such as Enterprise Safety Management Personnel Certificates and Registered Safety Engineer credentials.
- Each workshop shall appoint part-time safety officers to assist the Safety Office in carrying out routine safety management duties.

Strategy

The Company conducts regular annual safety risk identification and assessment exercises, compiling a *Safety Risk Identification and Evaluation List*. Corresponding management plans and response strategies are formulated for significant risks.

Risk Item	Risk Description	Time Horizons	Coping Strategies
Stakeholder Requirements and Compliance Risks	• Should a public safety incident occur or should operational activities fail to comply with laws and regulations, this could lead to complaints and legal action, adversely affect community relations and the Company's reputation, and even result in administrative penalties, suspension of operations for rectification, and other risks.	Short term	• Conduct regular assessments of compliance with laws and regulations, and systematically implement corrective measures.
Chemical Safety Risk	• Non-compliant storage conditions for chemicals may result in leakage, contamination or explosion; • Inadequate awareness among management personnel and unclear chemical labelling may lead to misuse, resulting in personal injury or environmental impact; • Operators failing to wear protective equipment in accordance with regulations may result in incidents affecting personnel health and safety.	Short term	• Establish standardized chemical storage facilities and leak prevention systems to regulate storage management; • Conduct professional training to clarify signage and dedicated container management; • Mandatory provision and supervision of employees' use of compliant protective equipment.
Fire Safety Risks	• Fire incidents may result in casualties, property damage, operational disruptions, and environmental contamination affecting soil, air, and solid waste; • Where the voluntary fire brigade lacks adequate emergency response capabilities and possesses an imperfect response mechanism, it is unable to conduct timely fire rescue operations.	Short term	• Ensure comprehensive fire safety equipment is in place and conduct regular inspections of electrical power sources and wiring; promptly eliminate potential fire hazards; organize annual firefighting and evacuation drills for the Company; • Strengthen external communication and emergency notification mechanisms, and conduct regular firefighting personnel skills training and drills.
Emergency Safety Risks	• Sudden natural disasters such as typhoons, torrential rain and earthquakes pose a threat to operational safety.	Short, medium and long term	• Develop emergency response plans, establish an emergency response team to oversee coordination and the relocation of supplies, set up a communication mechanism with higher-level rescue units, and organize regular drills and training sessions.
Mechanical Equipment and Electrical Safety Risks	• Mechanical hazards associated with equipment, failures of safety features, and electrical hazards such as overloads, short circuits and lack of earthing may result in personal injury, fire or damage to equipment.	Short, medium and long term	• Install safety protection devices, improve electrical protection measures against electric shock, overloads and short circuits, standardize cable routing and earthing/neutral systems, and strictly enforce the approval system for high-risk operations. • Display warning signs, provide and supervise the use of personal protective equipment; strictly enforce the requirement for staff to hold valid certificates before commencing work, and conduct regular safety training and supervision of operational procedures.
Occupational Health Risks	• Occupational accidents and health risks that may arise from inadequate occupational health and safety controls.	Short, medium and long term	• Establish occupational health management systems and records, standardize operating procedures, display hazard information cards in the workplace, and carry out regular testing for occupational health hazards to ensure the working environment complies with regulations. • Implement occupational health checks for staff, establish health surveillance records, organize regular occupational health and safety training, and raise staff awareness of self-protection.

Impact, Risk and Opportunity Management

The Company strictly adheres to the requirements of the ISO 45001 occupational health and safety management system, systematically undertaking safety risk identification, assessment, monitoring and management. It has established a comprehensive process spanning hazard identification, risk evaluation and tiered control measures.

Safety Risk Management and Inspection

The Company continuously optimizes its safety risk assessment and management mechanisms, dynamically updating occupational health risks across all departments. Through regular planning meetings convened by the Safety Committee, joint safety inspections are organized monthly to achieve comprehensive hazard identification, rectification and closed-loop management. During the reporting period, the Company organized safety inspections that identified a total of 1,810 hazards, achieving a rectification rate of 98%. All major safety hazards were rectified at a rate of 100%, while the remaining outstanding items are being addressed according to the planned schedule. These efforts effectively mitigate various safety risks, ensuring that production and operations proceed safely and in an orderly manner.

Safety Risk Assessment and Management Mechanism

01 Establish a Safety Management Department, a Work Safety Management Committee and a Safety Office, clearly defining the responsibilities of each organization.

02 Establish various safety management systems and provide guidance for all management activities.

03 Conduct safety meetings to plan and deploy safety initiatives

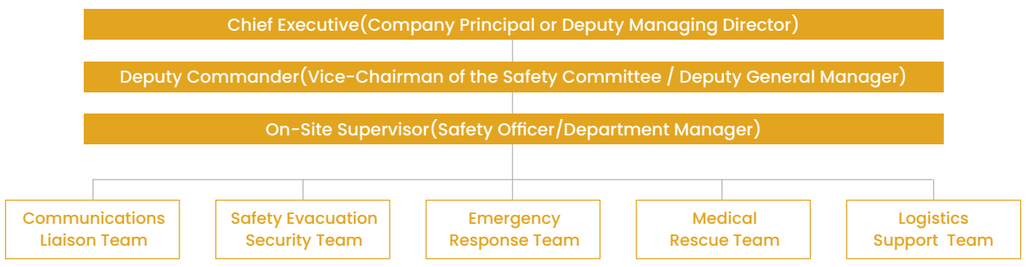
04 Organize joint safety inspections to promptly identify and rectify potential hazards.

05 Conduct emergency drills and safety education dissemination and training activities

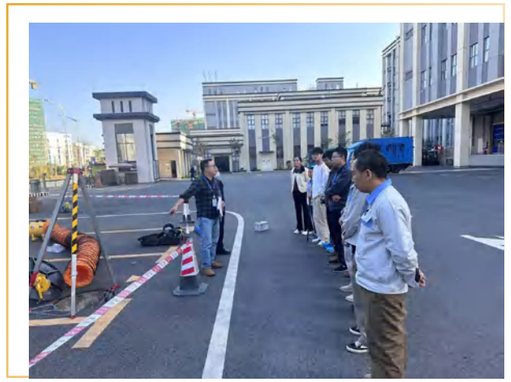
Safety and Emergency Management

The Company has established a comprehensive emergency response plan system for production safety incidents, encompassing documents such as the *Emergency Preparedness and Response Management System*, the *Comprehensive Emergency Plan*, the *Specialized Emergency Plans*, and the *On-site Emergency Plan*. Following rigorous expert review, these plans have been duly filed with the local emergency management authority in accordance with relevant regulations. The Company has established an emergency management organizational structure headed by the chief executive as commander-in-chief, with the vice-chairman of the Safety Committee serving as deputy commander-in-chief. Key executives and heads of critical departments form specialized teams responsible for communications liaison, evacuation and security, emergency rescue, medical assistance, and logistical support. This structure bears overall responsibility for plan approval, emergency response decision-making, and command coordination during incidents.

Emergency Management Organizational Structure



During the reporting period, the Company systematically organized and completed 51 practical emergency drills covering core risk scenarios including li-ion battery emergency response, hazardous chemical spill emergency response, special equipment emergencies, fire emergencies, and confined space emergencies. The completion rate was 100%, and the participation rate among employees scheduled to take part in the drills was also 100%.



Li-ion Battery Emergency Drill

Confined Space Emergency Drill

Fire Evacuation and Practical Drill

Management of Hazardous Chemicals

The Company strictly adheres to the *Hazardous Chemicals Management System*, establishing rigorous contingency management procedures for high-risk chemicals such as electrolytes (which possess flammable and explosive properties) and alcohol. From the procurement stage, the Company implements a rigorous supplier approval mechanism, explicitly requiring all chemical suppliers to possess lawful operating credentials and compliant production and transportation conditions. Concurrently, it reinforces dedicated storage facilities and designated personnel oversight during the storage phase. Through continuous staff training, the Company ensures the safety and controllability of hazardous chemicals throughout their entire lifecycle.

Safety Culture Development

In 2025, the Company further intensified its safety training efforts by implementing an annual safety training program. This was complemented by specialized awareness campaigns and diverse skills training initiatives during themed events such as the "Work Safety Month" and "Fire Prevention Month". Concurrently, the Company enforced a certification requirement for on-duty personnel, thereby comprehensively strengthening the foundations of its safety management framework.

Work Safety Month Knowledge Competition

Safety Bulletin Board Competition

Workplace Safety Training

During the reporting period:

- A total of **28,115** personnel received safety training, achieving **100%** coverage

Specialized safety training **12,612** participants	Hazardous chemicals training **84** participants	Holiday safety training sessions attended by **8,953** participants	Occupational health training **1,164** participants	Fire safety training **277** participants
Specialized operations training **2,656** participants	Mechanical hazard training **179** participants	Risk identification training for **56** participants	Construction safety training **1,111** participants	Road safety training for **1,023** participants

Enhance the System for Part-time Safety Officers

During the reporting period, the Company redefined the selection criteria and procedures for part-time safety officers across workshops and teams, clarifying staffing requirements to ensure full coverage across day and night shifts. The number of part-time safety officers was increased by 64 personnel, and a dedicated work group was established to facilitate rapid experience sharing and issue feedback. Throughout 2025, a total of 29 specialized skills training sessions were organized for part-time safety officers and volunteer fire brigades. These covered risk identification, hazard investigation, and emergency response procedures, with participation reaching 523 individuals.

Part-Time Safety Officer Training

Safeguarding Occupational Health

The Company strictly adheres to the *Occupational Disease Prevention and Control Law of the People's Republic of China* and other laws, regulations, and provisions applicable to its operational locations. It has established systems including the *Occupational Health Surveillance and Occupational Disease Prevention and Control Management Procedures* and the *Occupational Health and Safety Management System*. An Occupational Health Leadership Group has been formed, with subordinate health management bodies established for each production team, enabling comprehensive monitoring of occupational health. The Company continuously implements hazardous substance controls, ensures funding for occupational disease prevention, organizes annual occupational health examinations, prioritizes workplace environment optimization, and enhances protective facilities to foster a healthy and safe working environment for employees. During the reporting period, the Company conducted first-aid training and certified 100 personnel, further strengthening on-site emergency response capabilities. In 2025, the Company recorded no incidents of dust concentration exceeding permissible limits and no cases of occupational disease.

Key Measures for Occupational Health and Safety Management

- Engage qualified third-party agencies to conduct regular testing and assessment of occupational hazard factors in the workplace. The results shall be made public to all employees to ensure compliance with national occupational exposure limits.
- Ensure that pre-employment, in-service and post-employment medical examinations are carried out for staff working in roles involving exposure to occupational health hazards.
- At workstations where occupational disease hazards exist, conspicuous warning signs and Chinese explanatory notices must be displayed. Furthermore, employees must be truthfully informed in their employment contracts of the hazards associated with their positions, the potential consequences, and the protective measures required, thereby fulfilling the statutory duty of disclosure.
- Establish occupational health noticeboards in prominent locations throughout the workshop, regularly updating protective measures and precautions to enhance employees' awareness of self-protection.
- Implement 100% coverage of personal dosimetry cards for all radiation-exposed personnel, with cumulative coverage reaching 240 individuals by 2025, to ensure effective implementation of radiation protection measures.

Indicators and Targets

Occupational Health and Safety Targets for 2025	Achievement of Objectives
Work-Related Accident Fatality Rate: 0	Achieved
Zero Occurrences of General Accidents as Stipulated by the *Work Safety Law*	Achieved
Zero Incidents Caused by Fire, Explosion, or Natural Disasters	Achieved
Zero Incidents of Significant Chemical Spills	Achieved
Zero Occupational Health Incidents	Achieved

Indicators	Unit	2025
Number of Work-Related Fatalities	person	0
Number of Significant Safety Incidents	case	0
Injury Rate per Million Working -Hours	%	0.7
Safety Production Input	RMB 10,000	443
Completion Rate of Safety and Emergency Drills	%	100
Number of Occupational Disease Cases	case	0
Total Hours of Occupational Health and Safety Training	hour	36,495

Appendix

Appendix I Key Performance Indicators

Governance Performance

Issue	Indicator	Unit	2023	2024	2025
Business Ethics Management	Number of litigation cases related to corruption [4]	case	0	1	3
	Anti-corruption audit	time	2	4	5
	Number of litigation cases or significant administrative penalties incurred by the Company due to unfair competition	case	/	0	0
	The amount involved in litigation or significant administrative penalties arising from unfair competition by the Company	RMB 10,000	0	0	0
	Number of partnerships suspended due to partner non-compliance	unit	0	15	8
Governance	Proportion of female directors	%	11.11	11.11	33.33
	Proportion of independent directors	%	33.33	33.33	33.33
	Board meeting attendance rate	%	100	100	100
	Proportion of independent directors on the Audit Committee	%	66.67	100	100
	Proportion of independent directors on the Remuneration Committee	%	66.67	66.67	66.67
	Proportion of independent directors on the Nomination Committee	%	66.67	66.67	66.67

[4] The single case involving 2024 has been concluded, with Highpower Technology emerging as the prevailing party. Regarding the three cases related to corruption involving the Company in 2025, the relevant judicial procedures are currently progressing as normal. The Company will continue to strengthen its compliance management system, rigorously prevent various integrity-related risks, and ensure the Company's standardized operations.

Environmental Performance [5]

Issue	Index	Unit	2023	2024	2025
Energy Management	Purchased power	kWh	180,641,929	293,892,436	315,641,328
	Photovoltaic power	kWh	1,581,960	2,662,301	4,299,945
	Market-based procurement of green electricity	kWh	/	5,975,861	30,647,122
	Green power certificate procurement volume	kWh	0	0	46,700,000
	Renewable energy consumption	kWh	1,581,960	8,638,162	81,647,067
	Natural gas	Nm³	26,918	39,593	44,639.6
	Liquefied petroleum gas	kg	14.5	/	5
	Petrol	tonne	137	134	122.49
	Diesel	tonne	41	35.7	23.33
	Total direct energy consumption	tce	296.73	301.84	273.60
	Total indirect energy consumption	tce	22,395.32	36,446.58	39,320.78
	Total comprehensive energy consumption	tce	22,692.04	36,748.42	39,594.39
Water Resource Management	Total water withdrawal (municipal water supply)	tonne	809,939	904,178	958,861.23
	Water reuse	tonne	10,508	18,128	15,173
Watse Gas Emissions [7]	Total watse gas emissions	Nm³	/	2,190,247,790	2,155,087,118
	Watse gas emissions intensity (emissions / revenue)	Nm³/RMB 10,000	/	4,287.50	3,673.53
	VOCs emissions	tonne	/	/	1.23
	Total non-methane hydrocarbon emissions	tonne	/	/	10.85
	Incidents of excessive emissions of atmospheric pollutants	case	0	0	0
Wastewater Discharge	Total industrial wastewater discharge	tonne	1,476	1,344	915
	Industrial wastewater discharge intensity (emissions / revenue)	tonne/RMB million	0.33	0.26	0.16
	Total COD emissions	tonne	/	/	0.016
	Total TN emissions	tonne	/	/	0.0003
	Incidents of excessive discharge of water pollutants	case	0	0	0
Waste	Total hazardous waste generated	tonne	158	207	328.31
	Hazardous waste treatment intensity (treated volume / revenue)	tonne/RMB million	0.03	0.04	0.06
	Amount of hazardous waste recycled	tonne	22	22	8.20
	Amount of hazardous waste landfilled	tonne	1	0	0
	Amount of hazardous waste incinerated	tonne	128	178	319.14
	Amount of hazardous waste disposed by other means	tonne	7	7	0.96
	Non-hazardous waste generated [8]	tonne	774	2,048	2,256.57

[5] The scope of data collection for energy management and water resources management includes Shenzhen Highpower, Springpower Technology, Icon Energy, Huizhou Highpower, Vietnam Exquisite Power and Guangdong Highpower. The scope of data collection for exhaust emissions, wastewater discharge, waste and environmental management includes Guangdong Highpower, Huizhou Highpower, Springpower Technology and Vietnam Exquisite Power.

[6] The increase in environmental performance indicators in 2024 compared to 2023 is primarily attributable to Guangdong Highpower, where only some production lines commenced operations in 2023, whereas full-scale production was achieved in 2024.

[7] The statistics for watse gas emissions cover only organized emissions.

[8] The scope of the performance data on non-hazardous waste primarily covers general industrial solid waste.

Issue	Indicator	Unit	2023	2024	2025
Waste	Non-hazardous waste treatment intensity (treatment volume/ revenue)	tonne/RMB million	0.17	0.40	0.38
	Amount of non-hazardous waste landfilled	tonne	/	/	0
	Amount of non-hazardous waste incinerated	tonne	/	/	0
	Amount of non-hazardous waste disposed by other means	tonne	/	/	559.29
	Amount of non-hazardous waste recycled	tonne	667	1,877	1,697.27
	Proportion of non-hazardous waste recycled and reused	%	86	92	75.21
Addressing Climate Change	Scope 1 Greenhouse gas emissions	tCO_2e	857	1,362	1,065
	Scope 2 Greenhouse gas emissions (Market-based)	tCO_2e	/	168,447	145,338
	Scope 2 Greenhouse gas emissions (Location-based) [9]	tCO_2e	74,541	157,564	167,670
	Total greenhouse gas emissions (Scope 1 + Scope 2, Market based)	tCO_2e	/	169,808	146,403
	Total greenhouse gas emissions (Scope 1 + Scope 2, Location-based)	tCO_2e	75,397	158,925	168,735
	Greenhouse gas emission intensity (Scope 1 + Scope 2, Market-based)	tCO_2e/RMB 10,000	/	0.33	0.25
	Greenhouse gas emission intensity (Scope 1 + Scope 2, Location-based)	tCO_2e/RMB 10,000	0.17	0.31	0.29
	Number of product carbon footprint declarations	item	/	17	6
Environmental Management	Amount of investment in environmental governance	RMB 10,000	6,116	487	1,273.16
	Amount of duration in environmental governance	hour	19,267	17,130	17,673
	Proportion of environmental protection investment to revenue	%	1.35	0.10	0.22
	Number of incidents penalized for violating environmental protection laws and regulations	case	0	0	0
	Amount of penalties imposed by ecological environment and other relevant departments for significant administrative penalties due to environmental incidents	RMB 10,000	0	0	0

[9] Regarding the restatement of information in the 2024 ESG Report, the Scope 2 greenhouse gas emissions for 2023 were calculated using the location-based accounting method.

Social Performance

Issue	Indicator	Unit	2023	2024	2025
Community Investment Participation	Total public charity investment	RMB 10,000	189	289	70.55
	Total funds invested in rural revitalization	RMB 10,000	/	/	13
	Total number of people benefiting from rural revitalization	person	/	/	277
Occupational Health and Safety	Number of work-related fatalities	person	0	0	0
	Number of significant safety incidents	case	0	0	0
	Injury rate per million working hours	%	0.96	0.885	0.70
	Safety production input	RMB 10,000	779	669	443
	Number of occupational disease cases	case	0	0	0
	Proportion of employees covered by occupational health and safety training	%	100	100	100
	Total hours of occupational health and safety training	hour	49,172	40,516	36,495
	Total number of safety training sessions conducted for suppliers [10]	time	776	639	280
	Total hours of safety training conducted for suppliers	hour	1,741	/	555
	Number of safety and emergency drills	time	29	44	51
	Completion rate of safety and emergency drills	%	100	100	100
	Proportion of employees participating in safety and emergency drills	%	100	100	100
	Number of safety inspections organized	time	507	597	385
	Rectification rate of major safety hazards	%	-	100	100
Diversity, Equality and Inclusion	Total number of employees	person	6,488	6,893	7,108
	Number of employees by employment type				
	Full-time contract employees	person	6,488	6,869	7,108

[10] The overall reduction in supplier safety training sessions was influenced by the decrease in construction projects.

Issue	Indicator	Unit	2023	2024	2025
	Number of employees by function				
	Manufacturing workers	person	3,479	4,098	4,664
	Engineering and technology	person	1,328	1,371	1,209
	Management	person	443	413	413
	Service	person	1,238	1,011	822
	Number of employees by academic qualifications				
	College degree and below	person	5,337	5,826	5,997
	Bachelor's degree	person	843	775	766
	Master's degree	person	298	284	335
	Doctoral degree	person	10	8	10
Diversity, Equality and Inclusion	**Number of employees by gender**				
	Male	person	4,294	4,710	4,964
	Female	person	2,194	2,183	2,144
	Number of employees by age				
	<30 years old	person	2,502	2,889	3,110
	30-50 years old	person	3,922	3,938	3,892
	>50 years old	person	64	66	106
	Number of management employees	person	443	413	413
	Proportion of females in management	%	/	/	20.34
	Number of ethnic minority employees	person	/	/	1,184
Employee Training and Development	Total number of employees trained	person	6,488	6,893	7,108
	Employee training coverage rate	%	100	100	100
	Total number of training sessions	time	/	/	436
	Number of trainees by function				
	Manufacturing workers	person	3,479	4,098	4,664
	Engineering and technology	person	1,328	1,371	1,209
	Management	person	443	413	413
	Service	person	1,238	1,011	822

Issue	Indicator	Unit	2023	2024	2025
	Number of trainees by gender				
	Male	person	4,294	4,710	4,964
	Female	person	2,194	2,183	2,144
	Average hours of employee training	hour	21	24	26
	Average hours of employee training by function				
	Manufacturing workers	hour	15	24	26
Employee Training and Development	Engineering and technology	hour	32	29	32
	Management	hour	38	30	29
	Service	hour	19	16	19
	Average hours of employee training by gender				
	Male	hour	21	25	27
	Female	hour	20	21	25
	Proportion of employees subject to performance and career development evaluation	%	100	100	100
Sustainable Supply Chain	Total number of suppliers	unit	350	347	498
	Number of suppliers by region: Chinese Mainland	unit	334	337	488
	Number of suppliers by region: Hong Kong, Macao, Taiwan and overseas regions	unit	16	10	10
	Total number of new suppliers	unit	119	64	45
	Proportion of local suppliers	%	/	/	40
	Proportion of local procurement	%	/	/	30
	Number of suppliers assessed for sustainable development	unit	40	60	54

Issue	Indicator	Unit	2023	2024	2025
Sustainable Supply Chain	Proportion of procurement personnel participating in sustainable procurement training	%	/	10	20
	Total hours of ESG-related training conducted for suppliers	hour	36	490	493.5
Innovation-Driven Development	Total number of patents filed during the reporting year	patent	490+	500+	545
	Total number of patents granted during the reporting year	patent	240+	220+	358
	Number of granted and valid patents as of the end of the reporting period	patent	632	837	1,180
	Number of software copyrights	item	33	42	52
	Number of research and development projects	item	400	475	482
	Total number of industry standards participated in the formulation	standard	6	3	9
	Research and development investment	RMB billion	0.333	0.318	0.342
	Proportion of research and development investment to revenue	%	7.34	6.22	5.83
	Proportion of research and development personnel	%	16.43	14.26	14.90
	Amount of research and development innovation incentives	RMB 10,000	/	90.28	209.69
	Intellectual property infringement incidents	case	0	0	0
Product Quality and Safety	Number of product recalls due to safety and quality reasons	case	0	0	0
	Product recall rate	%	0	0	0
	Amount of damages involved in major liability accidents related to health, safety and quality of products and services	RMB 10,000	0	0	0
Customer Relationship Management	Customer satisfaction	%	90.2	90.6	94
	Customer privacy leakage incidents	case	0	0	0
Information Security and Privacy Protection	Number of information security incidents	case	0	0	0

Appendix II Benchmarking Indicators

UN SDGs Indicators

SDGs		Chapters
	No Poverty	Honest Governance: Community Investment Participation Harmonious Life: Employee Rights and Benefits
	Good Health and Well-being	Harmonious Life: Occupational Health and Safety
	Quality Education	Honest Governance: Community Investment Participation 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: Energy and Resource Management
	Decent Work and Economic Growth	Honest Governance: Corporate Governance Harmonious Life: Employee Rights and Benefits

SDGs		Chapters
	Industry, Innovation and Infrastructure	Immaculate Quality: Opportunities in Clean Tech and Circular Economy
	Reduced Inequalities	Honest Governance: Community Investment Participation Harmonious Life: Employee Rights and Benefits
	Responsible Consumption and Production	Immaculate Quality: Opportunities in Clean Tech and Circular Economy, Product Quality and Safety, Customer Relationship Management Green Planet: Environmental Management and Ecological Conservation, Emissions and Waste Management, Energy and Resource Management
	Climate Action	Green Planet: Addressing Climate Change
	Peace, Justice and Strong Institutions	Sustainable Development Management Honest Governance: Corporate Governance, Business Ethics Management, Information Security and Privacy Protection
	Partnerships for Goals	Immaculate Quality: Innovation-Driven Development, Sustainable Supply Chain

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

Dimension	Number	Issue	Corresponding Clauses	Corresponding Sections of This Report
Environmental	1	Addressing Climate Change	Articles 21 to 28	Green Planet: Addressing Climate Change
	2	Pollutant Emissions	Article 30	Green Planet: Emissions and Waste Management
	3	Waste Treatment	Article 31	Green Planet: Emissions and Waste Management
	4	Ecosystem and Biodiversity Conservation	Article 32	Green Planet: Environmental Management and Ecological Conservation
	5	Environmental Compliance Management	Article 33	Green Planet: Environmental Management and Ecological Conservation
	6	Energy Utilization	Article 35	Green Planet: Energy and Resource Management
	7	Water Resource Utilization	Article 36	Green Planet: Energy and Resource Management
	8	Circular Economy	Article 37	Immaculate Quality: Opportunities in Clean Tech and Circular Economy
Social	9	Rural Revitalization	Article 39	Honest Governance: Community Investment Participation
	10	Social Contribution	Article 40	Honest Governance: Community Investment Participation
	11	Innovation-Driven Development	Article 42	Immaculate Quality: Innovation-Driven Development
	12	Technology Ethics	Article 43	Not applicable
	13	Supply Chain Security	Article 45	Immaculate Quality: Sustainable Supply Chain
	14	Equal treatment for SMEs	Article 46	Immaculate Quality: Sustainable Supply Chain
	15	Product and Service Safety and Quality	Article 47	Immaculate Quality: Product Quality and Safety
	16	Data Security and Customer Privacy Protection	Article 48	Honest Governance: Information Security and Privacy Protection
	17	Employees	Article 50	Harmonious Life
Governance related to sustainability	18	Due Diligence	Article 52	Immaculate Quality: Sustainable Supply Chain
	19	Stakeholder Communication	Article 53	Sustainable Development Management: Due Diligence, Stakeholder Engagement
	20	Anti-Commercial Bribery and Anti-Corruption	Article 55	Honest Governance: Business Ethics Management
	21	Anti-Unfair Competition	Article 56	Honest Governance: Business Ethics Management

GRI Content Index

Instructions for Use	Highpower Technology reported the information referenced in this GRI Content Index in accordance with GRI Standards from 1 January 2025 to 31 December 2025.
GRI 1 Standard used	GRI 1: Foundation 2021

GRI Standard		Disclosure	Location
GRI 2: General Disclosures 2021	2-1	Organizational details	About Highpower Technology
	2-2	Entities included in the organization's sustainability reporting	About the Report
	2-3	Reporting period, frequency and contact point	About the Report
	2-4	Restatements of information	Community Investment Participation Appendix I Key Performance Indicators
	2-5	External assurance	Appendix V Independent Assurance Statement
	2-6	Activities, value chain and other business relationships	About Highpower Technology Sustainable Supply Chain
	2-7	Employees	Appendix I Key Performance Indicators
	2-9	Governance structure and composition	Sustainable Development Strategy
	2-10	Nomination and selection of the highest governance body	Corporate Governance
	2-11	Chair of the highest governance body	Refer to the 2025 Annual Report
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Development Management
	2-13	Delegation of responsibility for managing impacts	Sustainable Development Management
	2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Management
	2-15	Conflicts of interest	Corporate Governance
	2-16	Communication of critical concerns	Sustainable Development Management
	2-17	Collective knowledge of the highest governance body	Sustainable Development Management
	2-18	Evaluation of the performance of the highest governance body	Sustainable Development Management
	2-19	Remuneration policies	Refer to the *2025 Annual Report*
	2-20	Process to determine remuneration	Refer to the *2025 Annual Report*
	2-22	Statement on sustainable development strategy	Sustainable Development Management
	2-23	Policy commitments	Sustainable Supply Chain
	2-24	Embedding policy commitments	Sustainable Supply Chain
	2-25	Processes to remediate negative impacts	Employee Rights and Benefits Sustainable Supply Chain
	2-26	Mechanisms for seeking advice and raising concerns	Sustainable Development Management
	2-27	Compliance with laws and regulations	Appendix I Key Performance Indicators
	2-28	Membership associations	Innovation-Driven Development
	2-29	Approach to stakeholder engagement	Sustainable Development Management
	2-30	Collective bargaining agreements	Employee Rights and Benefits
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Sustainable Development Management
	3-2	List of material topics	Sustainable Development Management
	3-3	Management of material topics	Sustainable Development Management
GRI 101: Biodiversity	101-1	Policies to halt and reverse biodiversity loss	Environmental Management and Ecological Conservation
	101-2	Management of biodiversity impacts	Environmental Management and Ecological Conservation
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Refer to the *2025 Annual Report*
	201-2	Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Refer to the *2025 Annual Report*
	201-4	Financial assistance received from government	Refer to the *2025 Annual Report*
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Community Investment Participation
	203-2	Significant indirect economic impacts	Innovation-Driven Development
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Appendix I Key Performance Indicators
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Business Ethics Management
	205-2	Communication and training about anti-corruption policies and procedures	Business Ethics Management
	205-3	Confirmed incidents of corruption and actions taken	Appendix I Key Performance Indicators Business Ethics Management
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Appendix I Key Performance Indicators

GRI Standard		Disclosure	Location
GRI 207: Tax 2019	207-1	Approach to tax	Refer to the *2025 Annual Report*
	207-2	Tax governance, control, and risk management	Refer to the *2025 Annual Report*
	207-3	Stakeholder engagement and management of concerns related to tax	Refer to the *2025 Annual Report*
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Opportunities in Clean Tech and Circular Economy
	301-2	Recycled input materials used	Opportunities in Clean Tech and Circular Economy
	301-3	Reclaimed products and their packaging materials	Opportunities in Clean Tech and Circular Economy
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Appendix I Key Performance Indicators
	302-3	Energy intensity	Appendix I Key Performance Indicators
	302-4	Reduction of energy consumption	Energy and Resource Management
	302-5	Reductions in energy requirements of products and services	Opportunities in Clean Tech and Circular Economy
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Energy and Resource Management
	303-2	Management of water discharge-related impacts	Emissions and Waste Management
	303-3	Water withdrawal	Appendix I Key Performance Indicators
	303-4	Water discharge	Appendix I Key Performance Indicators
	303-5	Water consumption	Energy and Resource Management
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Appendix I Key Performance Indicators
	305-2	Energy indirect (Scope 2) GHG emissions	Appendix I Key Performance Indicators
	305-4	GHG emissions intensity	Appendix I Key Performance Indicators
	305-5	Reduction of GHG emissions	Energy and Resource Management
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix I Key Performance Indicators
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Emissions and Waste Management
	306-2	Management of significant waste-related impacts	Emissions and Waste Management
	306-3	Waste generated	Appendix I Key Performance Indicators
	306-4	Waste diverted from disposal	Appendix I Key Performance Indicators
	306-5	Waste directed to disposal	Appendix I Key Performance Indicators
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Appendix I Key Performance Indicators
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Benefits

GRI Standard		Disclosure	Location
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3	Occupational health services	Occupational Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5	Worker training on occupational health and safety	Occupational Health and Safety
	403-6	Promotion of worker health	Occupational Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Appendix I Key Performance Indicators
	403-9	Work-related injuries	Appendix I Key Performance Indicators
	403-10	Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Appendix I Key Performance Indicators
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Appendix I Key Performance Indicators
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Appendix I Key Performance Indicators
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Employee Rights and Benefits
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain
	414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Product Quality and Safety
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Appendix I Key Performance Indicators
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Customer Relationship Management
	417-2	Incidents of non-compliance concerning product and service information and labeling	Customer Relationship Management
	417-3	Incidents of non-compliance concerning marketing communications	Customer Relationship Management
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Appendix I Key Performance Indicators

Appendix III Glossary

Classification	Terminology	Full Name / Background Information
Core Environmental, Social and Governance Disclosures and Framework	ESG	Environmental, Social and Governance
	GRI	Global Reporting Initiative
	SDGs	Sustainable Development Goals
	TCFD	Task Force on Climate-related Financial Disclosures
	ISSB	International Sustainability Standards Board
	CDP	Carbon Disclosure Project
Supply Chain and Labor	EcoVadis	EcoVadis
	RBA	Responsible Business Alliance
	Sedex	Supplier Ethical Data Exchange
	SMETA	Sedex Members Ethical Trade Audit
	SSP	Supplier Sustainability Performance
	ILO	International Labour Organization
Operation and Management	HBS	Highpower Business System
	IPD	Integrated Product Development
	FBP	Finance Business Partner
	BCP	Business Continuity Plan
	GPCM	Green Product Compliance Management system
	MES	Manufacturing Execution System
	WMS	Warehouse Management System
	TPM	Total Productive Maintenance
	SPC	Statistical Process Control
	QC	Quality Control
	QMS	Quality Management System
	MRB	Material Review Board
Professional System Certification	ISO 9001	ISO 9001 Quality management systems
	IATF 16949	IATF 16949 Quality management system for automotive production
	ISO 13485	ISO 13485 Medical devices quality management systems
	ISO 27001	ISO 27001 Information security management systems
	ISO 45001	ISO 45001 Occupational health and safety management systems
	ISO 50001	ISO 50001 Energy management systems
	ISO 14067	ISO 14067 Carbon footprint of products
	CNAS	China National Accreditation Service for Conformity Assessment
Technology and Products	UL	Underwriters Laboratories
	RoHS	Restriction of Hazardous Substances
	REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
	HSF	Hazardous Substance Free
	CB	Certification Bodies' Scheme
	ISO	International Organization for Standardization
	FA	Failure Analysis
	DFMEA	Design Failure Mode and Effects Analysis
	CTR	Critical to Reliability
	CTS	Critical to Safety
	DOE	Design of Experiments
	AI	Artificial Intelligence
	PCR	Post-Consumer Recycled
	SOH	State of Health
	eVTOL	Electric Vertical Take-Off and Landing
	TWS	True Wireless Stereo

Appendix IV Correspondence of Company Names and Abbreviations

Company Abbreviation	Company Name
Highpower Technology	Shenzhen Highpower Technology Co., Ltd.
Icon Energy	Icon Energy Systems (Shenzhen) Co., Ltd.
Springpower Technology	Springpower Technology (Shenzhen) Co., Ltd.
Huizhou Highpower	Huizhou Highpower Technology Co., Ltd.
Guangdong Highpower	Guangdong Highpower New Energy Technology Co., Ltd.
Hong Kong Highpower International	Hong Kong Highpower International Co., Ltd.
Highpower Supply Chain	Shenzhen Highpower Supply Chain Management Co., Ltd.
Highpower Singapore	Highpower Technology Singapore Co., Ltd.
Vietnam Exquisite Power	Vietnam Exquisite Power Technology Co., Ltd.
Vietnam Innocell Technology	Vietnam Innocell Technology Co., Ltd.
Highpower Holland	Highpower Holland B.V.
Ganzhou Highpower	Ganzhou Highpower Technology Co., Ltd. (an affiliated company)

Appendix V Independent Assurance Statement

SGS

ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE SHENZHEN HIGHPOWER TECHNOLOGY CO., LTD.'S ESG REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION
SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by Shenzhen Highpower Technology Co.,Ltd. (hereinafter referred to as Highpower Technology) to conduct an independent assurance of the *ESG Report for 2025* (Chinese version) for the period of January 1, 2025 to December 31, 2025.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all Highpower Technology's Stakeholders.

RESPONSIBILITIES
The sustainability information in the ESG Report for 2025 and its presentation are the responsibility of Highpower Technology's ESG governing body and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the ESG Report for 2025.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

SGS-CSTC hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP, 2018).

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
AA1000AS v3 Type 2	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA
The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria
AA1000 AccountAbility Principles (2018)
GRI Standards 2021 (With Reference to)
Continuous Supervisory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at No. 38, Songboling Avenue, Starting Area of China-Korea (Huizhou) Industrial Park, Zhongkai High-tech District, Huizhou City, Guangdong Province, P.R. China, and remote at Building 1, 68 Xinxia Road, Pinghu Town, Longgang District, Shenzhen City, Guangdong Province, P.R. China, including documentation and record review and validation where relevant.

LIMITATIONS
Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.

The Huizhou Highpower and Guangdong Highpower's greenhouse gas emission related data in the ESG Report for 2025 has been directly adopted from the independent third party verification data and has not been double verified in this audit.The Shenzhen Highpower, Spring Power Technology, Icon Energy and Vietnam Exquisite's greenhouse gas emissions related data in the ESG Report for 2025 was calculated by Highpower Technology. In the context of the present assurance engagement, our procedures were limited to sample-based validation.

This assurance engagement covered the group level of Highpower Technology.

INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. As an affiliate of SGS Group, SGS-CSTC affirm our independence from Highpower Technology, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION
On the basis of the methodology described and the assurance work performed, we believe that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated. The Highpower Technology's ESG Report for 2025 has been prepared in accordance with the Four Principles of AA1000.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY
The Highpower Technology's ESG Report for 2025 has demonstrated that the organization identified its stakeholders, collected their expectations and concerns, established methods for stakeholder communication and engagement, and undertaken various forms of dialogue and interaction with them.

MATERIALITY
The Highpower Technology's ESG Report for 2025 has reasonably disclosed significant issues and indicators that materially affect stakeholder evaluations and decisions, reflecting the organization's most significant impacts on economic, environmental, and social matters based on the concerns raised by relevant stakeholders.

RESPONSIVENESS
The Highpower Technology's ESG Report for 2025 has demonstrated the established channels for stakeholder interaction and has fully addressed stakeholder concerns and expectations. Additionally, it has provided transparent responses on material issues to an appropriate extent.

IMPACT
The Highpower Technology's ESG Report for 2025 has provided an account of the monitoring and measurement of the principal activities' impacts concerning environmental, social, and governance (ESG) issues.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION
On the basis of the methodology described and the verification work performed, we checked management documents, HR system data, receipts, minutes of meetings, ISO certifications, etc. We have confidence that the specified performance information included in the scope of assurance is reliable at a moderate level of scrutiny for Highpower Technology.

ADHERENCE TO GRI STANDARDS 2021
The assurance team concludes that the Highpower Technology's ESG Report for 2025 has been prepared with reference to the requirements of GRI Standards 2021.

ADHERENCE TO CONTINUOUS SUPERVISORY GUIDELINES NO. 17 FOR COMPANIES LISTED ON SHENZHEN STOCK EXCHANGE—SUSTAINABILITY REPORT (FOR TRIAL IMPLEMENTATION)
The assurance team concludes that the Highpower Technology's ESG Report for 2025 has been prepared in accordance with the requirements of Continuous Supervisory Guidelines No. 17 For Companies Listed On Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation).

RECOMMENDATIONS
All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly communicated with relevant management divisions of Highpower Technology to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Haidian District, Beijing, P.R. China

Mar. 11th, 2026
WWW.SGS.COM

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Reader Feedback Form

Thank you for reading the Highpower Technology 2025 ESG Report. To better provide valuable information to you and other stakeholders, and to enhance Highpower Technology's ESG management capabilities and standards, the Company sincerely invites you to offer your valuable comments and suggestions on this report.

01 Which category of stakeholder do you belong to?

☐ Shareholders and investors ☐ Government and regulatory bodies ☐ Customers
☐ Suppliers and partners ☐ Employees other than the Board and senior management
☐ Board and senior management ☐ NGOs/social organizations/media ☐ Other, please specify

02 Your overall assessment of Highpower Technology's ESG report:

☐ Very satisfied ☐ Fairly satisfied ☐ Moderately satisfied ☐ Fairly dissatisfied ☐ Dissatisfied

03 Your assessment of Highpower Technology's fulfilment of its environmental, social and corporate governance responsibilities:

Environmental Responsibility:

☐ Very satisfied ☐ Fairly satisfied ☐ Moderately satisfied ☐ Fairly dissatisfied ☐ Dissatisfied

Social Responsibility:

☐ Very satisfied ☐ Fairly satisfied ☐ Moderately satisfied ☐ Fairly dissatisfied ☐ Dissatisfied

Corporate Governance Responsibilities:

☐ Very satisfied ☐ Fairly satisfied ☐ Moderately satisfied ☐ Fairly dissatisfied ☐ Dissatisfied

04 Your assessment of the clarity, accuracy and completeness of the ESG disclosures in this report:

Clarity:

☐ Very satisfied ☐ Fairly satisfied ☐ Moderately satisfied ☐ Fairly dissatisfied ☐ Dissatisfied

Accuracy:

☐ Very satisfied ☐ Fairly satisfied ☐ Moderately satisfied ☐ Fairly dissatisfied ☐ Dissatisfied

Integrity:

☐ Very satisfied ☐ Fairly satisfied ☐ Moderately satisfied ☐ Fairly dissatisfied ☐ Dissatisfied

05 Your assessment of the content arrangement and layout design of this report:

☐ Very satisfied ☐ Fairly satisfied ☐ Moderately satisfied ☐ Fairly dissatisfied ☐ Dissatisfied

06 Other comments and suggestions:

Thank you for your support of Highpower Technology's ESG initiatives. Should you have any further comments or suggestions regarding this report, please feel free to contact the Company via the following channels.

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