

Environmental Policy

1. Purpose

1.1 Shenzhen Highpower Technology Co., Ltd (hereinafter referred to as "Highpower Technology," "the Company," or "we") is committed to upholding an environmental policy centered on "compliance with regulations and laws, pollution prevention, energy conservation, waste reduction, and continuous improvement." Our aim is to minimize the adverse environmental effects of our business operations and enhance Highpower's environmental management capabilities and performance. We endeavor to achieve environmental, economic, and societal harmony while pursuing high-quality and high-efficiency development. This policy is established to standardize the Company's environmental management requirements and initiatives.

2. Applicable Scope

2.1 This policy applies to all operational activities of Highpower Technology and its subsidiaries. We encourage all employees of Highpower Technology, as well as external stakeholders such as suppliers and customers, to adhere to this policy.

2.2 In light of variances in applicable laws and regulations across different countries and regions, if any conflict arises between the provisions of this policy and the local laws and regulations where the Company operates, the latter shall prevail. However, in cases where there is no explicit requirement outlined

in the local laws and regulations, this policy shall take precedence.

3. Management Framework

3.1 The Highpower Technology Board of Directors is responsible for reviewing environmental strategies, objectives, and policies. They oversee and evaluate the Company's performance in environmental management, reflecting on progress toward target completion.

3.2 The Board of Directors of Highpower Technology has established an ESG Decision-making Committee to support decision-making in environmental management. This committee guides and formulates the Company's environmental strategy, policies, objectives, and deployment. It conducts environmental risk and opportunity assessments, supervises the progress of the Company's environmental management practices and improvements, and regularly reports important environmental management matters to the Board of Directors.

3.3 The ESG Executive Committee is tasked with coordinating all departments to execute the environmental management plan as directed by the Board of Directors and the ESG Decision-making Committee. Their responsibilities include ensuring the effective implementation of the environmental strategy and the successful achievement of objectives. Regular reporting on environmental management work is also conducted to the ESG Decision-making Committee.

3.4 The ESG Promotion Team and each Executive Team are overseen by the ESG Executive Committee to manage daily environmental affairs. This committee ensures continuous tracking of key indicators to reflect the Company's environmental management performance and guarantees the effective implementation of this policy.

4. General Requirements

In order to uphold the environmental policy centered on "compliance with regulations and laws, pollution prevention, energy conservation, waste reduction, and continuous improvement," and to continue implementing sustainable development while adhering to our commitment to environmental protection, Highpower Technology has formulated targeted environmental management requirements:

4.1 The Company's operational activities must adhere strictly to all relevant laws, regulations, and industry guidelines in the locations where they operate. This includes, but is not limited to, compliance with the following Chinese laws: The Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, Water Pollution Prevention and Control Law of the People's Republic of China, Law of People's Republic of China on Environmental Impact Appraisal and Emission Standard of Pollutants for Battery Industry.

4.2 Given the Company's business development and the current environmental management landscape, systematic environmental management objectives are established. These objectives encompass energy consumption targets and greenhouse gas emission reduction targets. The Company regularly monitors environmental operational performance and progress towards target completion based on environmental objectives and Indicators. Additionally, internal audits of the environmental management system are conducted to ensure the effective implementation of environmental initiatives.

4.3 The Company implements environmental management practices that span the entire lifecycle of its business operations. This includes ongoing efforts to enhance measures aimed at minimizing or mitigating pollutant generation, promoting efficient resource utilization, and progressively transitioning towards low-carbon operations. Furthermore, the Company is committed to advancing the adoption of renewable energy as part of its sustainable development strategy.

4.4 The Company actively conducts training and promotes environmental protection concepts among employees, suppliers, and other stakeholders to facilitate the transition towards a green supply chain.

4.5 The Company regularly communicates its progress and initiatives in environmental protection to stakeholders through transparent disclosures.

5. Specific Measures

5.1 System Management

5.1.1 The Company has developed and consistently refined internal management policies, including "Procedures for Energy Resource Management," "Procedures for Identifying and Evaluating Environmental Factors," "Procedures for Environmental Monitoring and Measurement Control," "Procedures for Managing Environmental Policies, Targets, Indicators, and Programs," "Procedures for Managing Impacts on Relevant Environments," and "Targets and Indicators for Environmental Management." Additionally, the Company has devised an emergency response plan to address potential environmental risks.

5.1.2 The Company's environmental management system is certified to ISO 14001 standards

5.2 Energy Saving and Emission Reduction

5.2.1 The Company is dedicated to decreasing energy consumption and enhancing energy use efficiency through various measures. These include equipment optimization, transitioning to energy-saving equipment, and implementing energy management systems and smart factory initiatives.

5.2.2 The Company actively explores and expands the utilization of renewable energy sources, such as photovoltaic energy. By promoting the transformation

of the energy structure, the Company aims to mitigate the climate impact resulting from its operational processes.

5.2.3 The Company is dedicated to advocating green and sustainable operations actively, consistently advancing initiatives related to carbon inventory. The Company has undertaken and progressively expanded the full life cycle carbon footprint accounting of its products, a process certified by a third-party organization with the issuance of a declaration certificate.

5.2.4 The Company continues to encourage all employees to conserve energy and reduce emissions. To foster a low-carbon and environmentally friendly corporate culture, the Company has devised incentive and penalty policies for energy-saving and consumption-reduction performance.

5.2.5 The Company is dedicated to reducing its carbon footprint through internal management practices and collaborative efforts with suppliers to implement improvement projects. Additionally, the Company prioritizes research and development of clean technologies, such as energy storage batteries, as part of its commitment to reducing carbon footprint and emission.

5.2.6 The Company places significant importance on addressing climate change risks and has developed targeted contingency plans for events such as typhoons, floods, and other climate-related hazards. Moreover, the Company is continuously enhancing its climate change risk management strategies to adapt to evolving environmental challenges.

5.3 Emission Management

5.3.1 The Company has established internal management policies to address various aspects of environmental impact resulting from production and operations, such as waste water, exhaust gas, noise, and solid waste. These policies include the "Pollutant Management Policy," "Industrial Wastewater Management Policy," "Waste Management Policy," "Measures for Greenhouse Gas Inventory and Information Management," and "Soil and Groundwater Pollution Prevention and Management Policies". The Company continuously optimizes internal management processes to ensure compliance in production and operations while minimizing adverse environmental impacts.

5.3.2 The Company undertakes to organize regular emergency drills for chemical and wastewater leakage to improve the Company's emergency management capability for environmental risks. The Company commits to organizing regular emergency drills for incidents such as chemical spills and wastewater leakage to enhance its emergency management capabilities for environmental risks.

5.3.3 The Company pledges to implement continuous and effective control measures for wastewater discharge across all business operations. This includes promoting wastewater reduction and reuse through initiatives such as wastewater recycling. Additionally, the Company will recruit wastewater

treatment staff and utilize online monitoring equipment to ensure strict adherence to the wastewater discharge policy. These efforts are aimed at preventing harm to the local environment.

5.3.4 The Company is committed to ongoing emission reduction efforts, including the recycling and reutilization of exhaust gases. Additionally, regular third-party monitoring of exhaust emissions is conducted.

5.3.5 The Company is committed to ongoing waste management efforts aimed at reducing or avoiding hazardous waste generated from its business operations. For recyclable waste, the Company implements categorized collection of solid waste and engages institutions with technical expertise to carry out comprehensive utilization. Hazardous waste is entrusted to qualified disposal institutions for safe and harmless disposal. Additionally, the Company collaborates with upstream and downstream partners in the industrial chain, as well as scientific research institutes, to establish a closed-loop system. This collaboration facilitates the continuous promotion of waste battery material recovery, treatment, and recycling efforts.

5.4 Resource Management

5.4.1 Highpower Technology is dedicated to continuously optimizing water resource management by enhancing the water resources system. The Company actively implements water recycling and conservation measures to increase the utilization rate of water resources.

5.4.2 Highpower Technology is committed to utilizing green packaging materials and actively adopting environmentally friendly packaging practices. The Company collaborates with stakeholders across the value chain to continually promote the recycling of packaging materials and enhance the utilization rate of packaging materials.

5.4.3 Highpower Technology is dedicated to advancing research and development efforts aimed at promoting the use of recycled materials. Recycled materials, such as nickel and cobalt, are already integrated into the production of raw materials to enhance resource utilization rates and reduce the consumption of natural materials.

5.5 Biodiversity

5.5.1 The Company is committed to adopting construction and operation methods that minimize the impact on the surrounding environment throughout its business development and operations. Additionally, the Company takes proactive measures to protect local ecosystems in areas where it operates. This includes conducting environmental impact assessments to prevent significant impacts on local biodiversity and ecosystem stability resulting from its operations.

5.6 Training

5.6.1 The Company is dedicated to providing stakeholders with ample training resources and participation opportunities. This includes actively promoting

environmental protection knowledge and supporting employees and suppliers in enhancing their understanding of the environmental impact of their activities. The Company also facilitates them to master environmental management skills and realize environmental management commitments within their respective areas of responsibility.

6. Supplementary Provision

6.1 This policy will be reviewed and updated every three years. Additionally, revisions may be made as necessary, with periodic reviews conducted to ensure relevance and effectiveness.

6.2 This policy is formulated, revised, and interpreted by Highpower Technology and becomes effective from the date of issuance.

Shenzhen Highpower Technology Co., Ltd

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