



2025

Environmental, Social and Governance Report
Guangdong Kaijin New Energy Technology Corp., Ltd.

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Message from the Sustainability Committee



In 2025, the new energy battery industry chain continued to undergo structural reshaping amid cyclical adjustments and technological iteration. After a period of rapid expansion, the anode materials industry has been accelerating its transition toward a new stage of high-quality development, where quality and efficiency, green and low-carbon development, and responsibility and resilience are the core pillars. Against the background of intensifying market competition, deepening global climate governance, and increasingly stringent supply chain compliance requirements, Kaijin New Energy has remained firmly committed to its vision of "Become the world's leading supplier of new energy materials". The Company continues to position sustainable development as a critical pathway linking corporate strategy, customer value, and social responsibility, and strengthens its long-term competitiveness through sound and resilient operations while exploring new pathways for high-quality development in the ongoing industry transformation.

Over the past year, the Sustainability Committee continued to advance the integration of ESG principles into the Company's governance, strategic decision-making throughout business operations and management. Focusing on key issues such as climate change response, circular economy, innovation-driven growth, and supply chain management, the Company continuously enhanced its governance mechanisms while strengthening both goal-driven management and process control. These efforts have helped translate sustainable development from a guiding principle into organizational, management, and value creation capabilities.

We embed green and low-carbon principles into our manufacturing and production processes, positioning carbon reduction as a long-term capability that enhances operational efficiency, creates added value, and strengthens our ability to serve customers.

In 2025, the Company was recognized as a "National Green Factory", reflecting the continuous deepening and practical advancement of its green manufacturing practices. In terms of process innovation, the Company engaged in joint R&D with customers, leveraging technological advancements to drive the coordinated advancement of energy conservation, carbon reduction, and efficiency improvement. At the same time, the Company continued to strengthen product carbon footprint management, providing more robust support for customers in reducing supply chain emissions and meeting the increasingly stringent international low-carbon compliance requirements.

We place innovation at the core of our development strategy, positioning technological breakthroughs as a key enabler for withstanding economic cycles and building future-oriented resilience.

In 2025, the Company maintained its R&D investment at over 4% of the total operating revenue. During the year, it filed 76 invention patent applications, bringing the total number of valid patents reached 304. The Company was awarded the title of National Intellectual Property Advantage Enterprise and was also included in the national pilot program for cultivating model intellectual property enterprises, reflecting its continuous enhancement in the creation, utilization, and protection of intellectual property rights. The Company further strengthened its R&D and quality capabilities and obtained CNAS laboratory accreditation, which has significantly improved its analytical testing capabilities and the credibility of test results. These advancements have provided strong support for product research & development, quality control, and collaborative development with customers. In line with the development direction of next-generation battery materials, the Company entered into a strategic partnership with Leagtech Group in the field of solid-state batteries, accelerating the technical R&D and industrialization of related materials. At the same time, the Company has undertaken key projects under China's National Key R&D Program for the 14th Five-Year Plan period, and is conducting targeted technological research in cutting-edge areas, including carbon-negative conversion of forestry biomass. In terms of industry standard development, the Company has taken the lead in formulating and issuing two enterprise standards for silicon oxide anode materials, leveraging its technological expertise to advance product standardization and promote coordinated industrial development.

We extend our responsibilities to the supply chain, employees, and local communities, embedding corporate growth in more resilient collaborative partnerships.

Kaijin New Energy strives to build a shared value ecosystem for mutual growth with customers, suppliers, employees, and local communities, with a responsible supply chain as the link, employee empowerment as the foundation, and community co-development as an extension. In supply chain management, the Company continuously improves its responsible procurement and supplier ESG management mechanism, and conducts responsible mineral due diligence on its core graphite raw material suppliers, achieving 100% coverage. On-site audits of suppliers have covered more than 60% of the supplier base, with all identified corrective actions fully closed out at a 100% completion rate. In terms of employee development, the Company is committed to putting people first and continuously improves its personnel training and career development system, with an employee training coverage rate reaching 100%, creating a safer, more stable, and more sustainable working environment for its workforce. In terms of community co-development, the output value of Dalong Industrial Park in Tongren, Guizhou Province increased from RMB 1.3 billion in 2023 to nearly RMB 4.0 billion in 2025, creating over 900 local employment opportunities and continuously contributing the Company's strength to industrial collaboration, job creation, and rural revitalization.

We embed transparency and standardization throughout our governance and operations, positioning ESG management as an inherent requirement for sound and stable business operations.

In 2025, the Company's Sustainability Committee operated on a regular basis, with ESG performance formally incorporated into the annual performance appraisal system for senior management. The Company has obtained ISO 27001 Information Security Management System certification, and reported no information security incidents or customer data privacy breaches throughout the year. The Company was awarded the 2025 Outstanding Sustainability Report Award for Excellent Corporate Sustainability Reporting in the Greater Bay Area, and its ESG information disclosure practices have been recognized by the industry.

United in collective effort and driven by shared wisdom, in the future, Kaijin New Energy will continually improve its ESG governance framework, and deepen the coordination of technological innovation and green manufacturing with the Sustainability Committee as an overarching coordination platform. The Company will improve its full life-cycle carbon management capabilities and strengthen the development of a responsible supply chain, working together with customers, partners, employees, and all relevant stakeholders. We will harness the power of materials to support the energy transition, drive industrial upgrading through innovation, and respond to the expectations of the era with a strong sense of responsibility. In doing so, Kaijin is committed to contributing its strength to the high-quality development of the global new energy industry.

Sustainability Committee of Kaijin New Energy

About Kaijin New Energy

Company Profile

Guangdong Kaijin New Energy Technology Corp., Ltd. was established in March 2012 and is headquartered in Songshan Lake Park, Dongguan City, Guangdong Province. The Company is dedicated to the research & development, production, and sales of battery anode materials, including artificial graphite anodes, silicon-based anodes, and hard carbon anodes for energy storage applications. Its products are widely used in power batteries, consumer batteries, and energy storage batteries. As of the end of 2025, the Company has established multiple subsidiaries and manufacturing bases in Huzhou (Zhejiang Province), Ulanqab (Inner Mongolia), Tongren (Guizhou Province), and Yancheng (Jiangsu Province). Its key customers include Contemporary Amperex Technology Co., Limited (CATL), Sunwoda, Hithium, BYD, LG Energy Solution (South Korea), SK Innovation (South Korea), and GS Yuasa, as well as other leading domestic and international battery manufacturers. Looking ahead, the Company will continue to expand its overseas markets and build a globally distributed manufacturing network with broad international coverage.

Number of employees

2,715 employees

Production capacity

360,000 tons per year

Ranking in the artificial graphite industry

Among the global top 5

National manufacturing base layout



Corporate Culture

Corporate vision

Become the world's leading supplier of new energy materials

Corporate mission

Achieving customer success developing employees rewarding shareholders giving back to society

Core values

Innovation efficiency responsibility

Quality policy

Standardized management continuous improvement meticulousness customer satisfaction

Five talent philosophy

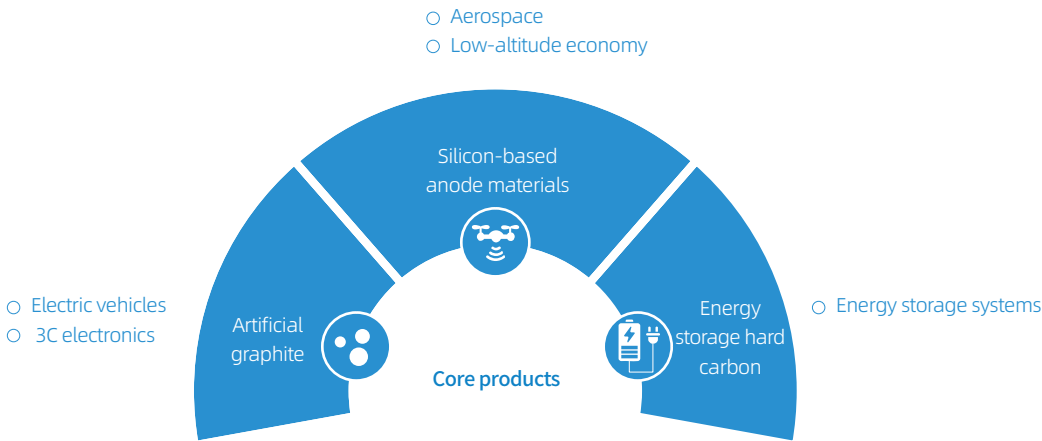
Initiative, professional, modesty, work hard, and strong learning ability

Environmental and occupational health and safety policy

Putting people first, caring for life, protecting the environment, cherishing resources, and promoting harmonious development

Product Overview

Kaijin New Energy closely follows the development trends of artificial graphite applications and continuously focuses on technological R&D and product innovation. The Company centers its business on artificial graphite, silicon-based anode materials, and hard carbon for energy storage, with products widely used in electric vehicles, 3C electronics, low-altitude economy, aerospace, and energy storage systems.



Corporate Honors



Demonstration Base of National Key R&D Program during the 14th Five-year Plan Period

Institute of Chemical Industry of Forest Products, CAF



2025 Guangdong High-Tech Product

Guangdong High-Tech Enterprise Association



Guangdong Advanced High-Quality Energy Storage Product - User-Side Energy Storage Demonstration Project

National Advanced Energy Storage Innovation Center



Second Prize of Guangdong Nan Yue Forestry Science and Technology Award

Forestry Society of Guangdong Province



Dongguan Intelligent Workshop

Dongguan Bureau of Industry and Information Technology

2025年广东省绿色工厂名单			
序号	地市	企业名称	类型
1	广州市	广州白云山医药集团股份有限公司	医药工厂
2	广州市	广州白云山医药集团股份有限公司	医药工厂
3	广州市	广州白云山医药集团股份有限公司	医药工厂
4	广州市	广州白云山医药集团股份有限公司	医药工厂
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19	广州市	广州白云山医药集团股份有限公司	医药工厂
20	广州市	广州白云山医药集团股份有限公司	医药工厂

Guangdong Green Factory

Department of Industry and Information Technology of Guangdong Province



2025 Guangdong Top 500 Enterprises

Guangdong Provincial Enterprises Confederation, Guangdong Provincial Association of Entrepreneurs



Intelligent Workshop for Anode New Materials Based on Integrated Operations and Management Control

Dongguan Bureau of Industry



Joint Training Base for Professional Degree Postgraduates

Dongguan University of Technology



Co-construction Unit of Dongguan New Energy Storage Innovation Consortium

Dongguan Science and Technology Bureau



2025 Guangdong Top 500 Manufacturing Enterprises

Guangdong Manufacturers Association, Guangdong Development and Reform Research Institute, Institute of Industrial Economics, Jinan University



2025 Dongguan Top 100 Private Industrial Enterprises

Dongguan Bureau of Industry and Information Technology, Dongguan Federation of Industry and Commerce (Dongguan General Chamber of Commerce), Organizing Committee of Dongguan Private Entrepreneurs' Day



2025 Most Valuable Brand of Anode Materials Award

Shanghai Iccsino Data Technology Co., Ltd.



Outstanding Practice Award for Blended Learning Project of the 17th Boao Awards

Online Education Information Network



2025 Outstanding Sustainability Report Award for Excellent Corporate Sustainability Reporting in the Greater Bay Area

GoldenBee Think Tank

2025 Milestones

MARCH

- Kaijin New Energy celebrated its 13th anniversary, marking a new chapter in anode material development driven by innovation
- CATL 2024 Outstanding Empowerment Supplier Award
- Received the 2025 Most Valuable Brand of Anode Materials Award

APRIL

- Recognized as a Songshan Lake Specialized, Refined, Distinctive and Innovative (SRDI) Enterprise for 2024

MAY

- Received CATL 2025 Q1 Supplier Quality Excellence Award

JULY

- The “Kairui Program” campus recruits officially joined the Company, strengthening the Company’s talent pipeline
- Achieved phased progress in the construction of an Intelligent Workshop for Anode New Materials Based on Integrated Operations and Management Control, continually promoting smart manufacturing capabilities

AUGUST

- Kaijin New Energy established a strategic partnership with Leagtech Group in solid-state batteries to jointly advance the development of next-generation battery materials

OCTOBER

- Kaijin New Energy and CATL entered into a strategic partnership to advance the digital and intelligent upgrading of supply chain operations and the industry’s green and low-carbon transition

NOVEMBER

- Awarded the title of National Intellectual Property Demonstration Enterprise
- Independently developed high-power silicon-carbon anode materials for lithium-ion batteries were selected as Guangdong Excellent High-Tech Product
- Released the latest achievements in ARDR point-defect repair technology
- Awarded 2025 Guangdong Green Factory, leading the development of low-carbon battery materials with ESG practices
- Listed among Guangdong Top 500 Enterprises
- Listed among Guangdong Top 500 Manufacturing Enterprises

DECEMBER

- Awarded CATL 2025 Excellent Supplier
- Awarded the Golden Bee 2025 Greater Bay Area Outstanding Reporting Award



ESG Management System

Kaijin New Energy has elevated ESG management to a strategic level, and is committed to building a systematic, standardized, and transparent sustainability governance framework. While maintaining stable and resilient operations, the Company actively promotes the coordinated advancement of corporate development, environmental protection, and social responsibility.

ESG Strategy

The Company is committed to driving high-quality growth through sustainable development. Aligned with leading international ESG disclosure frameworks and domestic regulatory guidelines, it has formulated and implemented a Sustainability Policy. The Company continues to embed ESG principles into its corporate culture and long-term strategy, and has established a robust governance structure and operational mechanism to strengthen its ESG management system and execution capabilities. Through responsible business practices, the Company strives to create long-term and sustainable shared value for all stakeholders.

Corporate ESG Action Guidelines and External Commitments

Shared Prosperity and Win-Win Development

Align with the *Universal Declaration of Human Rights* and the core conventions of the International Labour Organization (ILO); safeguard the labor rights and human rights throughout both the Company’s operations and the supply chain; provide a safe and healthy working environment, link safety responsibilities with performance-based compensation; uphold equal employment and promotion opportunities, and establish collective bargaining and grievance mechanisms.

Sustainable Development

Coordinate the sustainable development of the economy, society and environment, and monitor the implementation of diversity policies; integrate sustainability principles into the full value chain, including investment, design, development, operations, and supply chain management, and collaborate with relevant stakeholders to ensure effective implementation.

Compliant Operations

Ensure safe and compliant operations in all stages of production and business activities, and continuously strengthen integrity governance and supply chain risk management; safeguard the security of raw materials, products, information, financial resources, and operations; strictly prohibit bribery, embezzlement, fraud, and other misconducts, and provide robust protection for whistleblowers; prohibit unfair competition and monopolistic practices, and conduct information disclosure in strict accordance with applicable laws and regulations.

Green Circular Economy

Commit to environmental protection in both the Company’s operations and the supply chain, and actively promote the development of a green circular economy; integrate climate-related risks into the management system; establish energy and environmental management targets, prioritize the use of renewable energy, optimize production equipment, and standardize waste disposal; prioritize the procurement of green and healthy materials, and fully consider factors like energy conservation and emission reduction, non-toxicity, and recyclability.

Sustainability Policy

For the CPC Central Committee

Thoroughly implement the national "dual carbon" strategy of carbon peaking and carbon neutrality, integrate these goals into the corporate development blueprint, and support the timely achievement of carbon peaking and carbon neutrality targets.

For the International Community

Actively contribute to global climate governance, make collective efforts in carbon reduction, and work with the international community to advance the shared vision of a carbon-neutral future.

For Customers

Gain a deep understanding of customer needs and provide green and low-carbon products and services; support customers in achieving their own sustainability objectives and jointly accelerate the green transformation.

Key Stakeholders

ESG Objectives

The Company ensures that its ESG objectives are specific and implementable, quantifiable and performance-measurable, realistic and achievable, closely aligned with business operations, and time-bound with clear tracking mechanisms.

ESG Objective Action Roadmap



Governance Dimension

Strengthen Board-level ESG oversight, internal control, and data governance; ensure 100% internal verification of key ESG data, and deeply integrate ESG objectives into corporate strategy and production operations to enable closed-loop implementation.



Environmental Dimension

Focus on low-carbon energy, water recycling, solid waste resource recovery, and carbon emission reduction; leverage intelligent platforms such as energy management systems, and establish a phased implementation roadmap centered on reducing the carbon intensity per unit of output, increasing the share of clean energy consumption, and improving water use efficiency.

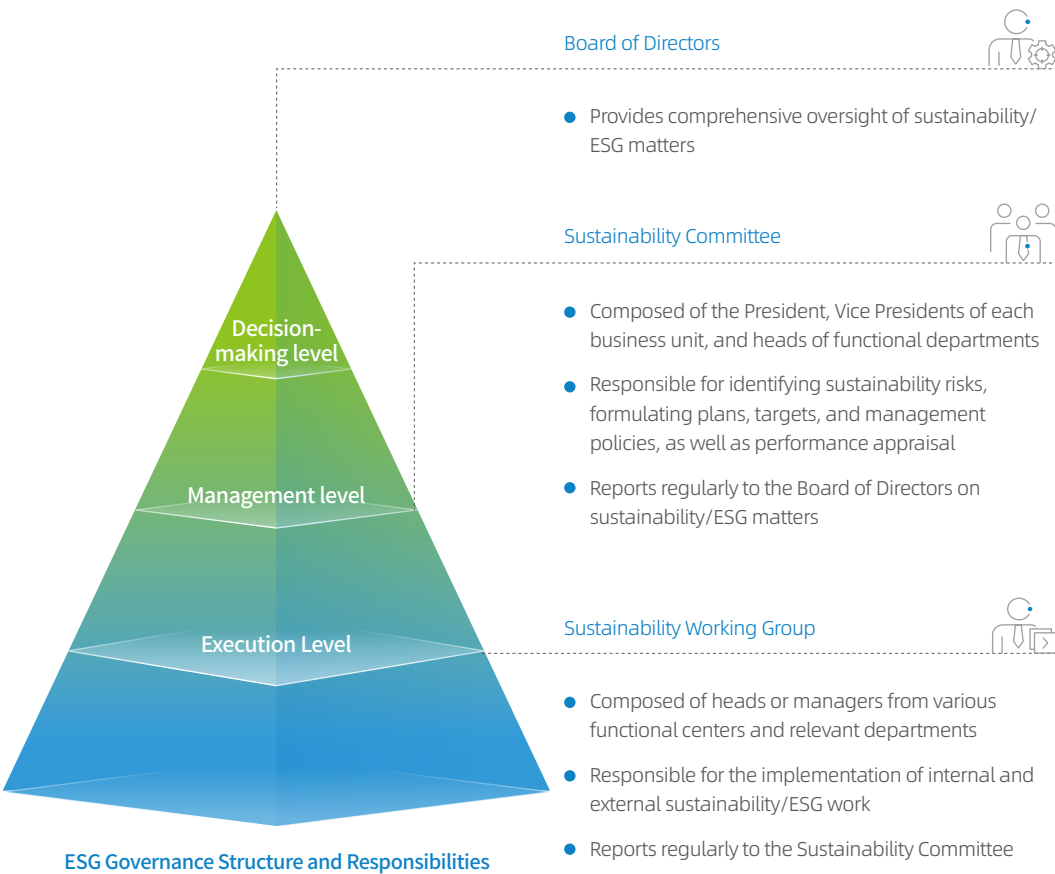


Social Dimension

Prioritize work safety, employee development, and resilient supply chain management; maintain a firm commitment to zero major safety incidents, full coverage of employee training, and the normalization of ESG assessments for key suppliers; and continue to deepen efficient collaboration with leading customers such as CATL.

ESG Management

The Company has established a three-tier ESG governance structure comprising the decision-making level, management level, and execution level. The Board of Directors serves as the highest decision-making body for ESG management and provides comprehensive oversight of ESG-related work. In addition, the Company has established a Sustainability Committee and a Sustainability Working Group, which regularly report relevant progress and outcomes to the decision-making level.



Materiality Assessment

Based on the issues set forth in the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies-Sustainability Report (Trial)*, the Company fully considers the regulatory requirements for the A-share market, analyzes and studies domestic and international standards such as the *GRI Standards*, and benchmarks against high-quality ESG reports within the industry. It also seeks external expert opinions and engages in communication with stakeholders to identify material issues that are of significant importance to both the Company and its stakeholders. On this basis, it conducts a comprehensive analysis and assessment from two dimensions, namely, financial materiality and impact materiality.

Background Analysis

The Company analyzes the environmental and social impacts in the full value chain and identifies external opportunities, challenges, and their intrinsic linkages with core business activities in sustainable development based on the trends and regulatory requirements in the anode materials industry, and in combination with the Company's technological capabilities and business characteristics.

Materiality Assessment of Issues

By referencing the issue setting approaches and prioritization outcomes disclosed in ESG reports of peer companies and leading enterprises in the upstream and downstream of the value chain (based on both impact materiality and financial materiality assessments), and in combination with the Company's own business model and value chain characteristics, the Company has assessed and determined varying levels of attention among 24 issues.

- **High-priority issues:** Issues that encompass both impact materiality and financial materiality
- **Medium-priority issues:** Issues that encompass either financial materiality or impact materiality
- **Low-priority issues:** Issues that encompass neither financial materiality nor impact materiality

The material issue assessment results, as confirmed through the double materiality assessment, are submitted to the Sustainability Committee for review and approval to ensure that issues with higher materiality are given priority disclosure during the reporting period.

Disclosure Review

Material Issue Assessment Process

Materiality Assessment Results

In 2025, the Company completed the identification and assessment of material issues based on the double materiality principle. A total of six issues were identified as having both financial materiality and impact materiality. Three issues were identified as financial materiality only, while eleven issues were identified as impact materiality only. Four issues were identified as neither financial materiality nor impact materiality. The relevant sections of this Report provide systematic disclosure of financial materiality issues in accordance with the four-pillar framework of "Governance, Strategy, Impact, Risk and Opportunities Management, and Indicators and Targets".



Environmental	Social	Corporate governance
01.Climate change response	07.Product quality and safety	19.Corporate governance
02.Environmental compliance management	08.Supply chain management	20.Compliance and risk management
03.Energy utilization	09.Occupational health and safety	21.Information security and privacy protection
04.Circular economy	10.Innovation-driven development	22.Stakeholder engagement
05.Emissions and waste management	11.Chemical substances management	23.Business ethics
06.Biodiversity and ecosystems	12.Customer relationship management	24.Due diligence
	13.Intellectual property protection	
	14.Employee rights and benefits	
	15.Employee training and development	
	16.Industry collaboration and development	
	17.Social contribution	
	18.Rural revitalization	

Changes in the Company's Material Issues in 2025

2025 issues	2024 issues	Changes	Adjustment explanation
Energy utilization	Energy management	Revised issue names	In accordance with the requirements of the sustainability reporting guidelines of Shanghai Stock Exchange
Circular economy	Resource management and circular economy		
Innovation-driven development	R&D and innovation		
Ecosystems and biodiversity conservation	/	Newly added issue	In accordance with the requirements of the sustainability reporting guidelines of Shanghai Stock Exchange
Stakeholder engagement			In compliance with requirements such as the EU Battery Regulation and other supply chain due diligence regulations
Due diligence			Focused on upstream and downstream collaborative carbon reduction, technology sharing, and enhancement of industrial cluster competitiveness
Industry collaboration and development	Social contribution and rural revitalization	Issue split	Strengthened dedicated support for the national rural revitalization strategy
Social contribution			
Rural revitalization			
Information security and privacy protection	Information security and privacy protection	Reclassification of issue dimension (from social to governance)	Risk management of this issue is now directly overseen at the governance level (by the Information Security Committee)



Analysis of Impacts, Risks, and Opportunities of the Company's 2025 Material Issues

Issue	Impact scope			Impact type	Risks and opportunities	Time horizon
	Upstream value chain	Own operations	Downstream value chain			
Climate change response	✓	✓	✓	Negative - actual Positive - potential	Physical risks, transition risks, market opportunities	Short-, medium-, and long-term
Environmental compliance management		✓		Negative - potential	Compliance risks, operational risks	Short-, medium-, and long-term
Energy utilization		✓		Positive - actual Negative - actual	Energy cost risks and resource efficiency opportunities	Short- and medium-term
Circular economy	✓	✓	✓	Positive - actual	Resource efficiency opportunities, market opportunities	Medium- and long-term
Emissions and waste management		✓		Negative - actual	Compliance risks, operational cost risks, reputational risks	Short- and medium-term
Ecosystems and biodiversity conservation	✓	✓		Negative - potential	Compliance risks, policy risks, reputational risks	Medium- and long-term
Product quality and safety		✓	✓	Positive - actual Negative - potential	Product quality stability risks, customer access risks, market opportunities	Short- and medium-term
Supply chain management	✓	✓	✓	Positive - potential Negative - potential	Raw material supply risks, quality fluctuation risks, customer access opportunities	Short-, medium-, and long-term
Occupational health and safety	✓	✓		Negative - potential	Work safety risks, operational disruption risks	Short- and medium-term
Innovation-driven development		✓	✓	Positive - actual	Technology innovation opportunities, market opportunities	Medium- and long-term
Chemical substances management	✓	✓	✓	Negative - potential	Compliance risks, safety risks, customer access risks	Short- and medium-term
Customer relationship management			✓	Positive - actual	Product and service opportunities	Short- and medium-term
Intellectual property protection		✓		Positive - actual Negative - potential	Market opportunities, intellectual property dispute risks	Short- and medium-term
Employee rights and benefits		✓		Positive - actual Negative - potential	Workforce stability opportunities, labor compliance risks, reputational risks	Short- and medium-term
Employee training and development		✓		Positive - potential	Talent development opportunities, operational efficiency opportunities, innovation capability opportunities	Medium- and long-term
Industry collaboration and development	✓	✓	✓	Positive - actual	Market opportunities, policy opportunities	Medium- and long-term
Social contribution		✓		Positive - actual	Reputational opportunities	Short- and medium-term
Rural revitalization		✓		Positive - actual	Policy opportunities, reputational opportunities	Medium- and long-term
Corporate governance		✓		Positive - actual Negative - potential	Governance effectiveness opportunities, compliance risks	Short-, medium-, and long-term
Compliance and risk management		✓		Negative - potential	Compliance risks, operational risks	Short-, medium-, and long-term
Information security and privacy protection	✓	✓	✓	Negative - potential	Information security risks, privacy compliance risks, reputational risks, market risks	Short- and medium-term
Stakeholder engagement	✓	✓	✓	Negative - potential	Responsibility-related risks	Short- and medium-term
Business ethics	✓	✓	✓	Negative - potential	Business ethics risks, compliance risks, reputational risks	Short- and medium-term
Due diligence	✓	✓		Negative - potential	Supply chain compliance risks, customer access risks	Short-, medium-, and long-term

Note: Time horizons are defined as follows: short-term (1 - 2 years), medium-term (3 - 5 years), and long-term (6 - 10 years).

Message from the Sustainability Committee

About Kaijin New Energy

ESG Management System

Compliance Governance for Steady and Sustainable Development

Delivering Excellence Through Quality and Trust

Environmental Management and Green Manufacturing

Talent Empowerment for Shared Value Creation

Stakeholder Engagement

The Company attaches great importance to the needs and key concerns of stakeholders. Based on its own business and operational conditions, the Company explores diversified communication channels, actively responds to stakeholder concerns, and uses these inputs as an important basis for continuously improving its ESG performance.

Key stakeholders	Issues of concern	Communication and response
Investors (equity investors of the Company) 	- Corporate governance - Compliance and risk management - Intellectual property protection - Due diligence	- Shareholders' Meeting - Financial report, performance report - Onsite survey - Online communication - Compliance training - Risk management system - Intellectual property layout
Government and Regulatory authorities (e.g., Ministry of Industry and Information Technology and relevant departments and institutions) 	- Climate change response - Environmental compliance management - Corporate governance - Compliance and risk management - Business ethics - Social contribution - Rural revitalization	- Policy implementation - Whistleblowing channels - Disclosure of "dual carbon" goals - Participation in rural revitalization
Customers (battery manufacturers) 	- Product quality and safety - Innovation-driven development - Customer relationship management - Information security and privacy protection - Chemical substances management	- New product research and development - Product quality inspection - After-sales service and complaint handling - Customer satisfaction surveys - Information security training - EHS Management System

Key stakeholders	Issues of concern	Communication and response
Partners (research institutions, industry associations, suppliers) 	- Supply chain management - Industry collaboration and development - Compliance and risk management - Business ethics - Due diligence	- Supplier audits and assessments - Strategic cooperation negotiations - Supplier meetings - Communication and engagement
Employees 	- Employee rights and benefits - Occupational health and safety - Employee training and development	- Daily operation of labor unions - EHS management system - Employee training system
Communities and the public (local communities where operations are located, public welfare organizations, etc.) 	- Climate change response - Energy utilization - Circular economy - Emissions and waste management - Ecosystem and Biodiversity Conservation - Social contribution - Rural revitalization	- Energy conservation and emission reduction actions - EHS management system - Community activities - Public welfare activities

Compliance Governance for Steady and Sustainable Development

Kaijin New Energy has always regarded sound corporate governance as the cornerstone of stable operations and value creation. Anchoring its development vision of "Become the world's leading supplier of new energy materials", the Company continuously optimizes its corporate governance structure, strengthens risk management mechanisms, reinforces information security safeguards, and adheres to high standards of business ethics to comprehensively enhance its core competitiveness and create sustainable shared value for shareholders, employees, and society.

Our Actions

- Improving corporate governance
- Protecting information security
- Strengthening risk management
- Upholding business ethics

Key Performance

- Held **2** shareholders' meetings
- Conducted **50** investor communication activities
- Held **4** board meetings
- Delivered **6** anti-corruption training sessions
- Female directors as a percentage of the Board: **44.4%**
- **100%** of employees completed business ethics training

Alignment with the United Nations Sustainable Development Goals (SDGs)

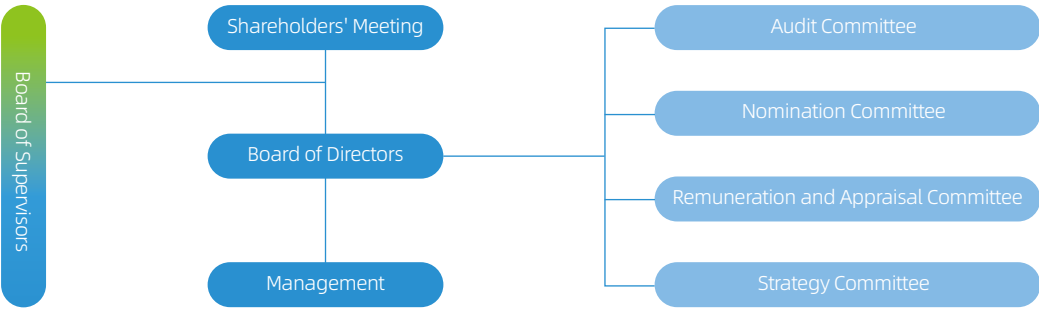


Improving Corporate Governance

Kaijin New Energy consistently adheres to the principle of compliant operations, and continuously improves its corporate governance system. The Company optimizes the operational mechanism of the Board of Directors, strengthens the protection of investors' rights and interests, and improves the level of standardized operations and scientific management. By leveraging efficient governance to solidify its development foundation, the Company reinforces stable and sustainable growth and is committed to achieving high-quality, sustainable development.

Governance

The Company strictly complies with laws and regulations such as the *Company Law of the People's Republic of China*. In alignment with its own development realities, the Company has formulated core governance policies, including the *Articles of Association*, *Rules of Procedure of the Board of Directors*, and *Remuneration Management System for Directors, Supervisors, and Senior Management*, and established a governance structure with clear allocation of rights and responsibilities and coordinated operational mechanisms. The Board of Directors, as the highest governing body, is accountable to the shareholders' meeting, and reports on its work. Under the Board of Directors, the Company has established four specialized committees, including the Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Strategy Committee. Each committee performs its respective duties and fulfills its designated responsibilities, collectively ensuring that the Board's decision-making process is well-informed, compliant, and efficient.



Corporate Governance Structure

Audit Committee	Nomination Committee	Remuneration and Appraisal Committee	Strategy Committee
Responsible for overseeing the Company's financial accounting activities and the compliance of all business operations, and conducting internal audits and reviews to ensure that financial information is true, accurate, and complete.	Responsible for studying and formulating the selection standards and procedures for directors and senior management, conducting qualification reviews of candidates for the Board Secretary nominated by the Chairman of the Board and other senior management personnel nominated by the General Manager, and providing professional recommendations.	Responsible for studying, formulating, and reviewing the compensation policies and incentive schemes for directors and senior management, developing performance appraisal standards and organizing the implementation of performance appraisal.	Responsible for conducting research and analysis on the Company's long-term strategic development plan and major investment matters, and providing professional advisory opinions and recommendations to support Board decision-making.

Responsibilities of Specialized Committees under the Board of Directors

Strategy

The anode materials industry in which the Company operates is characterized by rapid technological iteration, stringent customer qualification requirements, and large-scale capacity investment, all of which impose higher expectations for standardized, transparent, and efficient governance mechanisms. The Company continuously improves the operating mechanisms of the Board of Directors and its specialized committees, and integrates governance requirements into key links such as strategic decision-making, major investments, R&D investments, customer collaboration, supply chain management, and overseas business expansion to improve the transparency of decision-making and the standardization of operations, reduce the risks related to internal control, compliance, and business ethics, strengthen stakeholder trust, and support the Company's long-term, stable, and sustainable development.

Impact, Risk, and Opportunity Management

The Company incorporates Board diversity development and investor relations management into its governance risk and opportunity management framework, continuously improves relevant policies and communication mechanisms, and improves its governance transparency, rationality of decision-making, and risk prevention and control capabilities. While mitigating governance risks, the Company also captures the development opportunities arising from governance enhancement.

Board Diversity

The Company places high importance on the development of Board diversity and has formulated the Board Diversity Policy. In the selection and appointment of directors, the Company fully considers multiple factors, including gender, age, educational background, professional experience, skills and expertise, and management capabilities. It optimizes the Board structure and leverages diverse perspectives to support strategic decision-making, risk identification, and responses to market changes, thereby enhancing the rationality of Board decisions and overall governance effectiveness.

Investor Relations

The Company places strong emphasis on the protection of shareholders' lawful rights and interests and the effective communication of information. It continuously improves its systems for information disclosure, related-party transaction management, and insider information management, and standardizes the processes for communication, approval, and information transmission regarding material matters. The Company maintains communication with shareholders and relevant stakeholders through shareholders' meetings, Board meetings, regular communications, special meetings, email and telephone exchanges, and periodic reports, thereby protecting shareholders' rights to information, participation, and supervision. During the reporting period, the Company did not enter into any material related-party transactions. All other related-party transactions of a minor nature were approved in accordance with the Company's established decision-making procedures and were conducted on fair and reasonable terms. Such transactions did not prejudice the interests of the Company or its shareholders.

Indicators and targets

Based on its actual production and operations, the Company focuses on key areas of governance practice and establishes corresponding quantitative indicators to objectively reflect its governance performance, thus providing stakeholders with clear and comparable reference information.

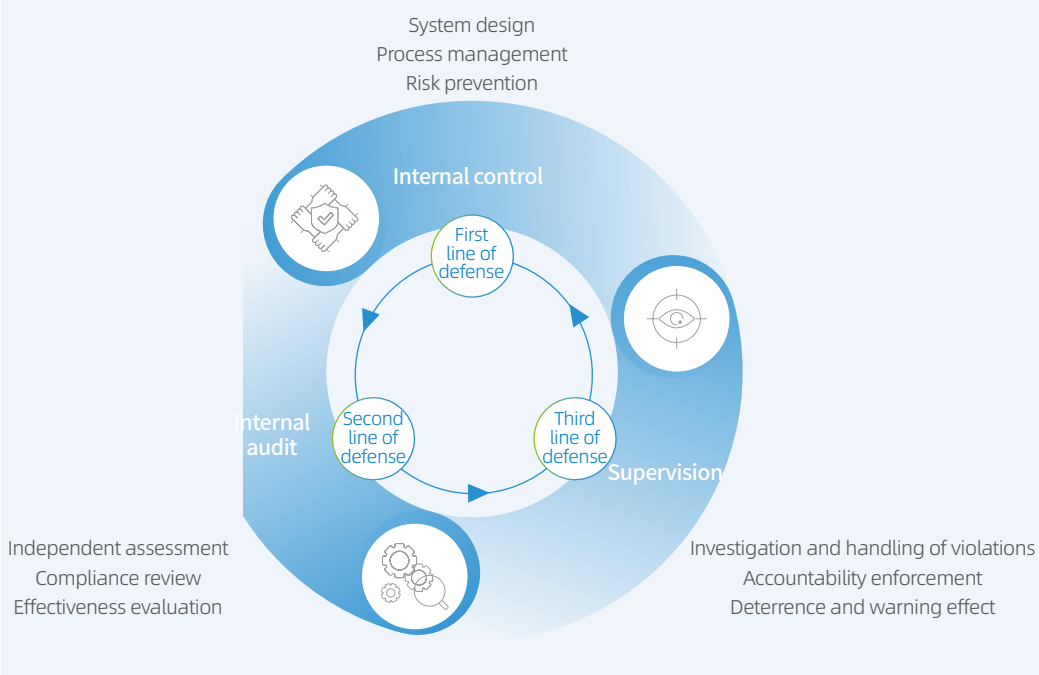
Metrics	Unit	2025	2024
Number of shareholders' meetings held	Times	2	3
Number of Board meetings held	Times	4	8
Total number of Board members	Persons	9	9
Number of independent directors	Persons	3	3
Number of female directors	Persons	4	3
Proportion of female directors	%	44.4	33.3
Number of investor communication activities	Times	50	24

Strengthening Risk Management

Kaijin New Energy regards risk management as a critical safeguard for stable business operations. By continuously improving its risk identification, assessment, and response mechanisms, and strengthening the implementation and oversight of internal controls, the Company continuously enhances its risk early warning and mitigation capabilities to reinforce its internal control and compliance framework for high-quality and sustainable development.

Improving the internal control system

The Company strictly complies with national laws, regulations, and regulatory requirements, and has formulated systems including the *Compliance Evaluation Control Procedure*, *Management Procedure for Laws, Regulations and Other Requirements*, *Gifts and Cash Acceptance Management Policy*, and *Management Measures for Bribery and Corruption Risk Identification and Assessment*. Led by the Audit and Supervision Center, the Company has established a management mechanism integrating "error detection and correction + accountability and deterrence + system improvement", and has developed an internal control framework composed of three lines of defense featuring the coordination of internal control, internal audit, and supervision functions. The Company focuses on key areas such as procurement, relocation manufacturing, and engineering, and conducts audit projects and special investigations to effectively prevent and mitigate compliance risks and enhance the management of operations in accordance with laws and regulations. At the same time, the Company places strong emphasis on cultivating a compliance culture. Through compliance training and awareness programs combined with specific risk cases, the Company continuously strengthens employees' compliance awareness and fosters a strong culture of "everyone learns compliance, everyone practices compliance, and everyone understands compliance".



Enhancing risk control capabilities

The Company has formulated the Comprehensive Risk Management Measures, Internal Control System, and Internal Audit Procedures, and established a risk management framework covering the entire business process with clearly defined rights and responsibilities. The Board of Directors is responsible for the overall planning and oversight of the Company's risk control system. The President's Office takes the lead in developing risk management plans and implementation guidelines. The Audit and Supervision Center is responsible for monitoring, evaluation, and continuous optimization, while each functional department is responsible for implementing the risk control measures within its respective scope of responsibilities, thereby forming a coordinated risk management mechanism with effective checks and balances across all levels, and continuously enhancing the Company's risk prevention and control capabilities.

The Company continuously improves its risk identification, assessment, monitoring, and reporting mechanisms. Except for special audits and investigations, the Company has gradually carried out risk assessments by business module, and has established a normalized risk identification and evaluation process for classified and tiered risk management, thus ensuring the early identification, early warning, and early response to risks for the dynamic risk management and continuous improvement, and providing effective support for business decision-making.

Risk identification	Risk category	Risk assessment	Risk management
Each department systematically carries out risk information collection and identification based on its own operational and management realities. The Audit and Supervision Center conducts additional assessments based on the risk identification carried out by each department.	Based on the causes of risks and business characteristics, identified risks are further categorized in detail to form a consolidated risk classification catalogue.	By integrating quantitative data and qualitative analysis, risks are classified into four levels: critical/significant, major, general, and low risk.	Specific risks are described, defined, and categorized in accordance with risk assessment criteria. For significant and major risks, a risk management list is developed, clearly defining the control priorities and order of execution.

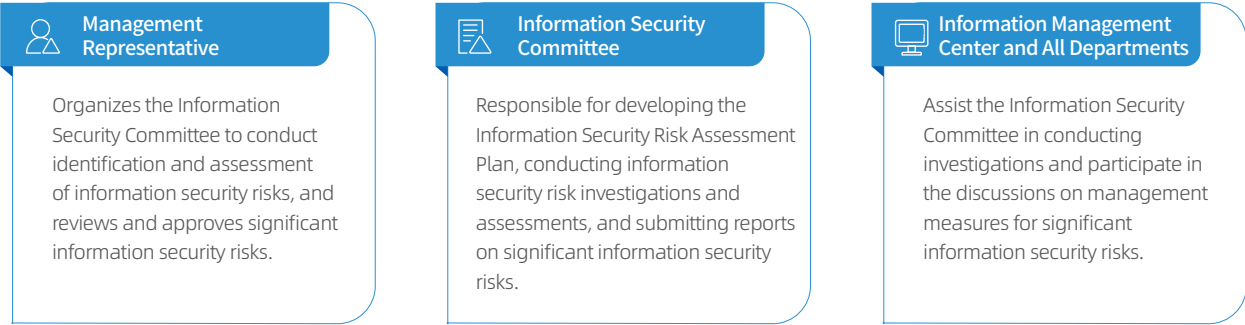
Risk Identification and Assessment Process

Protecting Information Security

Kaijin New Energy strictly complies with applicable laws and regulations, including the Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, and Personal Information Protection Law of the People's Republic of China. The Company has established a systematic, institutionalized, and company-wide information security protection framework to safeguard its core data assets and customer privacy, thereby supporting the Company's sustainable development and digital transformation.

Information security management structure

The Company has formulated a series of policies and procedures, including the Information Security Disciplinary Management Procedure, Information Security Management Procedure for Related Parties, Information Security Communication Management Procedure, Information Security Change Management Procedure, Information Security Incident Management Procedure, Management Measures for Classified Protection of Information Security, Management Procedure for Information Security Risk Identification and Assessment, Information Security Compliance Management Procedure, and Data Security Management Procedure. Kaijin has established an Information Security Committee and works in coordination with the Management Representative and various functional departments to ensure the effective top-down implementation of information security management in the whole organization.



Information Security Management Structure

Information security risk management

The Company integrates information security risk management into the entire process of system development, compliance identification, technical safeguards, and employee capability building, and continuously enhances its information security and privacy protection management capabilities. In accordance with national standards such as Information Security Technology – Implementation Guide for Information Security Risk Management, the Information Security Committee coordinates relevant review activities, the Human Resources Center is responsible for identifying, updating, and communicating applicable information security laws, regulations, and other requirements, and the Information Management Center and relevant departments implement the information security management requirements in accordance with their respective responsibilities, thereby ensuring the orderly execution of information security risk identification, compliance reviews, policy implementation, and continuous improvement.

During the reporting period, the Company obtained ISO/IEC 27001:2022 Information Security Management System certification. No violations related to information security or privacy protection occurred, and there were no complaints involving customer privacy breaches or loss of customer data.



Compliance identification and review

The Company regularly identifies applicable laws, regulations, and other requirements for information security, and prepares and updates the List of Information Security Laws and Regulations. The Information Security Committee conducts at least one compliance review per year to assess the implementation status of relevant laws, regulations, and requirements.



System development and implementation

The Company formulates and implements information security management systems, including the Data Security Management Procedure, and defines clear data security management requirements. The Information Management Center and relevant departments carry out the information security management work in accordance with these requirements.



Security inspection and technical safeguards

The Company conducts regular information security inspections, technical compliance reviews, and information system audits. The WOWO encryption system is used to encrypt and protect corporate data, thereby enhancing the data protection capabilities.



Emergency drills and capability building

The Company organizes data recovery drills to improve the information system and data recovery capabilities, and also provides ISO 27001 internal auditor training, as well as specialized training programs for headquarters and production base employees on information security and encryption system operations, thereby strengthening employees' information security awareness and operational compliance.

Information Security and Privacy Protection Management Measures

Upholding Business Ethics

Kaijin New Energy adheres to a development philosophy grounded in integrity and compliance, and integrates business ethics requirements throughout its entire business operation and development processes. The Company firmly opposes any form of corruption and unfair competition, continuously improves its complaint and whistleblowing mechanisms, and strengthens employees' awareness of integrity in professional conduct. The Company is also committed to fostering a clean and ethical business environment, thereby safeguarding the high-quality and sustainable development with a strong foundation of integrity.

Governance

The Company strictly complies with applicable laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China and the Anti-Monopoly Law of the People's Republic of China, and upholds the principles of "enhancing governance through investigations, ensuring accountability for all violations, and conducting inspections of all cases". A comprehensive set of internal policies has been established, including the *Anti-Fraud and Whistleblower Complaint and Protection Policy*, and *Employee Blacklist Management Measures*. A business ethics governance framework has been developed under the oversight of the Board of Directors and the Audit Committee, with overall coordination by the Executive Management and implementation by the Audit and Supervision Center, functional departments, and subsidiaries. Integrity management responsibilities are clearly defined across all levels. The Company also makes continuous efforts to strengthen risk prevention and control, whistleblowing investigations, self-inspections and corrective actions in key operational areas, thereby fostering a robust foundation for honest and compliant operations.

Strategy

The Company regards business ethics as a critical foundation for ensuring stable operations and long-term partnerships. Operating in the new energy battery materials industry, where customers maintain stringent quality requirements and supply chain collaboration is highly integrated, the Company recognizes that ethical and compliant business conduct is critical to maintaining customer trust, fostering supplier partnerships, guiding employee behavior, and safeguarding the corporate reputation. Ethical and compliant business practices, together with anti-corruption measures, help prevent risks such as commercial bribery, fraud, conflicts of interest, and unfair competition, while maintaining a fair and transparent business environment and protecting the legitimate rights and interests of partners and other stakeholders. The Company continuously integrates the requirements for anti-bribery, anti-fraud, conflict of interest prevention, and fair competition into procurement, sales, customer cooperation, supplier management, and internal decision-making processes, thereby preventing the potential adverse impacts of business ethics risks on the Company's business operations, supply chain stability, and long-term development.

Impact, Risk, and Opportunity Management

The Company continuously improves its business ethics risk identification, assessment, and management mechanisms, and has established a closed-loop management process encompassing risk identification, risk assessment, risk rating determination, control measure development, risk monitoring, and auditing activities. Through policy implementation, process control, training and publicity activities, as well as whistleblowing and reporting mechanisms, the Company has integrated business ethics requirements into key business processes, including procurement, sales, supplier collaboration, and the management of employees' routine conduct.



For suppliers

- Update the supplier integrity agreement and require all suppliers to sign the agreement, clearly defining the boundaries of business conduct.
- Distribute an Integrity Initiative Letter to suppliers during holiday periods to strengthen the proactive compliance awareness and enhance risk prevention efforts.
- Organize supplier conferences and conduct integrity publicity and training programs to foster a collaborative environment with fair competition.

For employees

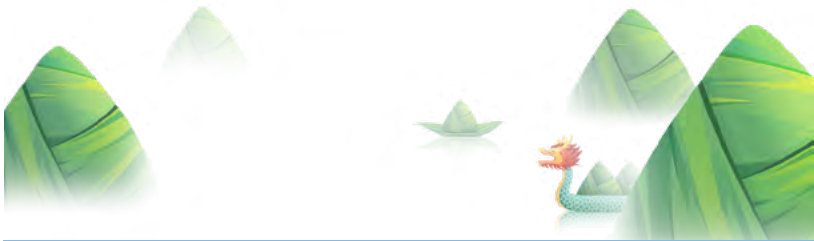
- Revise and improve integrity management rules and regulations to further regulate employees' ethical conduct, and require senior and middle management personnel, as well as employees with key functions, to sign an Integrity Agreement upon onboarding.
- Enforce disciplinary measures for any conduct that violates the Company's anti-corruption principles, including admonition sessions, warnings, serious warnings, demotion in position and grade, and unilateral termination of employment contract, as appropriate.
- Conduct integrity and self-discipline training programs in all production sites to foster a culture of integrity throughout the organization.



Inner Mongolia and Guizhou Subsidiaries organized thematic training sessions titled "Integrity at Kaijin"

Whistleblowing and Complaint Management

The Company has established the Anti-Fraud and Whistleblower Complaint and Protection Policy, which clearly defines the scope of reportable matters, handling procedures, and whistleblower protection requirements, and encourages employees and external business partners to monitor and report suspected fraud, commercial bribery, conflicts of interest, and other violations of business ethics. The Audit and Supervision Center is responsible for the registration, acceptance, investigation, and feedback of whistleblowing materials, and shall provide feedback on the case status within the specified timeframe. The Company strictly protects whistleblowing information and the personal information of whistleblowers, and prohibits any disclosure of such information or any form of retaliation against whistleblowers. Any violation of the confidentiality requirements or acts of retaliation will be handled in accordance with applicable policies and procedures. Where such conduct is suspected to constitute a violation of law or a criminal offense, the matter will be referred to the competent judicial authorities in accordance with applicable laws.



Integrity Initiative Letter for All Employees

Hotline
13537156615

Email
Kai_jubao@dgkaijin.com

Mailing Address
No. 7 Xingda Road, Songshan Lake Park, Dongguan, Guangdong

Whistleblowing Channels

Indicators and targets

The Company is committed to fostering a business environment characterized by integrity, transparency, and fair competition. Ongoing efforts are made to strengthen the business ethics awareness among employees and suppliers. Key performance indicators (KPIs) related to business ethics have been established to provide a quantitative basis for the continuous optimization of management practices.

Metrics	Unit	2025	2024
Number of anti-corruption training sessions conducted	Times	6	3
Number of participants in anti-corruption training	Persons	890	669
Percentage of employees receiving business ethics training	%	100	100



Delivering Excellence Through Quality and Trust

The Company continues to build a sustainable operating system that spans the entire value chain, including research and development, manufacturing, and services. By enhancing its governance structure, strengthening institutional guarantee, and systematically managing risks and opportunities, the Company continuously improves its core competitiveness and creates long-term value for customers, the industry, and society.

Our Actions

- Innovation-driven development
- Quality customer service
- Intellectual property protection
- Responsible supply chain
- Product quality and safety

Key Performance

- The total research and development expenditure accounted for **4.63%** of the operating revenue.
- The total number of valid granted patents reached **304**, representing a **13.86%** increase compared with 2024.
- The finished product inspection pass rate reached **96.3%**, while the first-pass customer acceptance rate achieved **99.94%**.
- The Company was recognized as a Key Enterprise for Intellectual Property Protection in Dongguan.
- The Company was awarded CATL 2025 “Excellent Supplier” .

Alignment with the United Nations Sustainable Development Goals (SDGs)



Innovation-driven Development

Kaijin New Energy regards technological innovation as the core engine of its sustainable development and has established a systematic, multi-tiered innovation framework. By strengthening its governance structure, defining clear strategic pathways, and systematically managing risks and opportunities, the Company promotes the deep integration of innovation capabilities with business strategy, injecting new momentum into the high-quality development of the industry.

Governance

Governance Structure

In accordance with the *Product Development Project Management Procedure*, the Company has established a systematic R&D organizational framework, under which the Innovation Center is responsible for coordinating R&D strategy formulation, resource allocation, and the overall advancement of development projects. On the basis of its existing organizational structure comprising the Product Development Department, Technology Management Department, Analytical Testing Department, and Materials Innovation Department, the Company established a Product Development Department II. This department is responsible for identifying and developing prospective customers, reactivating multiple key lapsed customers, and rebuilding a regular communication mechanism. At the same time, the Company has established a New Product Introduction Department, responsible for the transfer of lab-scale trial results into the pilot-scale stage, as well as related business functions.

The Company has established a full-chain innovation mechanism covering raw material development, new material R&D, product iteration, process optimization, and stable finished-product delivery, which enables the Company to precisely meet the diverse needs of different customer segments, accelerate the effective implementation and industrialization of technological achievements, and continuously enhance its core market competitiveness.

Policy and System Certification

The Company has established a standardized R&D innovation management system. By formulating the Kaijin Project Full Lifecycle Management System, the Company has clearly defined the processes and responsibilities across the entire project lifecycle, with a focus on end-to-end management covering project initiation, process control, quality assurance, risk prevention, and achievement implementation. The Company is committed to improving R&D efficiency and output quality, reducing project risks, and ensuring that R&D outcomes are closely aligned with its strategic planning and can be effectively implemented.

The Company continues to strengthen its systematic capability development and has obtained ISO 9001:2015 and IATF 16949:2016 quality management system certifications. The IATF 16949:2016 automotive quality management system fully covers the Company's key business departments, including R&D, production, quality control, supply chain, and after-sales services. Benchmarking against premium automotive industry quality standards, the Company has established a full-process, standardized, and traceable quality management and continuous improvement system. Meanwhile, the Company has obtained the laboratory accreditation from China National Accreditation Service for Conformity Assessment (CNAS). This signifies that the management system and technical capabilities of the Company's Analytical Testing Institute comply with the internationally recognized ISO/IEC 17025 standard, providing systematic assurance for the Company's product consistency, customer trust, and R&D validation capabilities.



Laboratory Accreditation Certificate issued by CNAS (with internationally recognized testing capabilities)

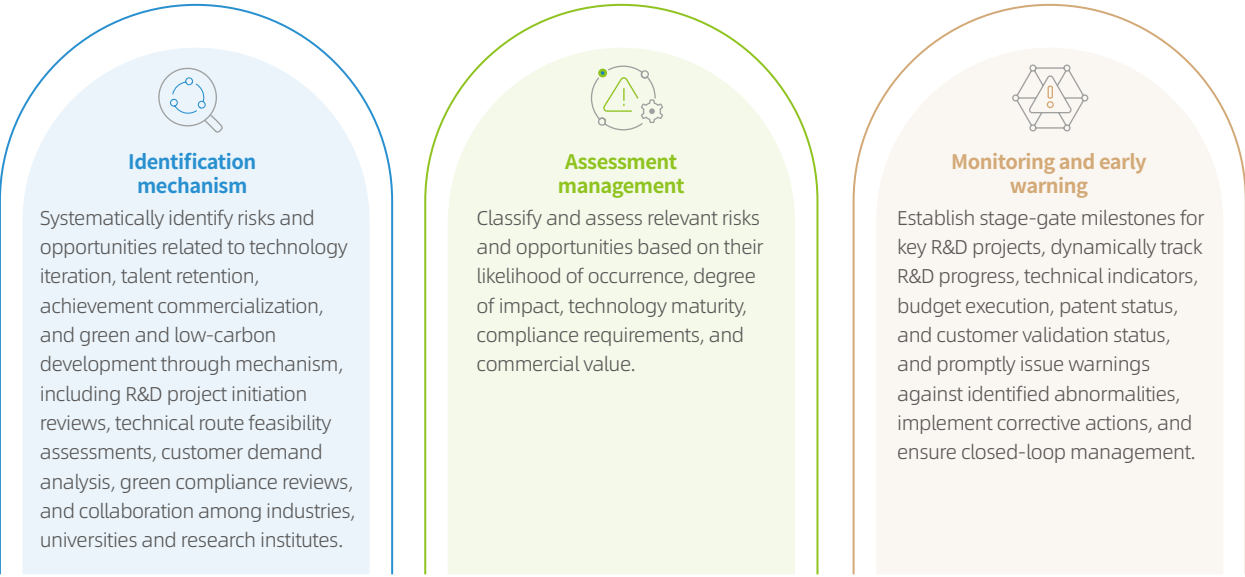


ISO 9001:2015 & IATF 16949:2016 Quality Management System Certifications (covering the design and manufacturing of graphite and silicon-based anode materials for lithium-ion batteries)

Strategy

Building on its strengths in energy storage products, the Company focuses on the core anode materials segment and has developed three major technological pathways. Its product portfolio covers all application scenarios, including power batteries, consumer products, and energy storage systems, with a strategic emphasis on fast-charging applications and 3C digital devices. The Company continues to make breakthroughs in key bottlenecks in material design and large-scale production, embedding its innovation capabilities into product development, customer qualification, and supply chain collaboration. By effectively addressing risks such as over-reliance on a single technology pathway and R&D lagging behind market demand, the Company aims to strengthen downstream customers' technical trust and loyalty. It also plans to complete the deployment of an intelligent manufacturing platform by 2026 and establish a full-chain resource recycling system.

Impact, Risk, and Opportunity Management



Management of R&D and Innovation Risks and Opportunities

Diversified Technological Pathway Layout

The Company mitigates risks associated with reliance on a single technological pathway through the coordinated operation of its three major R&D platforms. On the conventional anode development platform, the Company focuses on the iterative upgrading and cost optimization of mature technologies such as artificial graphite and fast-charging graphite materials, and has established a well-developed customer engagement and response mechanism to ensure the stable development of its foundation business. On the advanced anode materials innovation platform, the Company is strategically developing cutting-edge technologies such as vapor-phase silicon-carbon and solid-state batteries to secure a leading position in next-generation battery technologies, while also overcoming the performance bottlenecks in already industrialized products to accelerate their commercialization and widespread application. On the analysis, characterization, development, and application platform, the Company introduces advanced testing and analytical equipment and continuously develops precise testing methods to provide technical support for R&D innovation.



Talent Empowerment and Incentive Mechanisms

By establishing a tiered empowerment system and diversified incentive mechanisms covering the entire R&D value chain, the Company effectively reduces its reliance on external high-end talent and promotes the implementation of key technologies.

Newcomer integration

Implement the "Kairui Trainee Program" and support it with standardized pre-job training and a one-on-one mentorship mechanism to shorten the job adaptation period by more than 30%.

Grassroots development

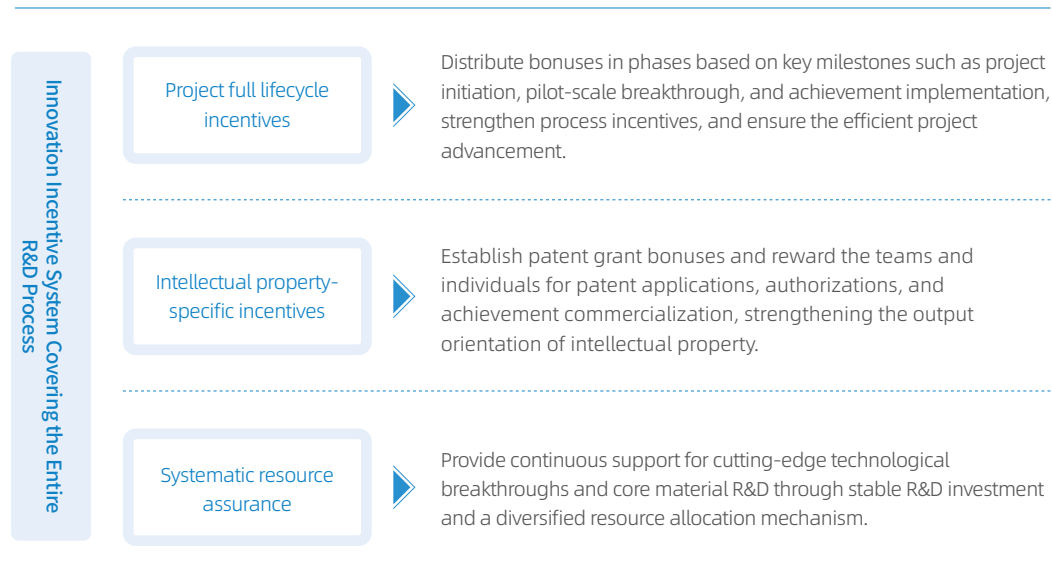
Implement the "Golden Brick Project" for cross-department rotational training, requiring participants to gain in-depth understanding of at least three related departments' business processes, and develop systems thinking and cross-functional collaboration capabilities.

Leadership development

Launch the "Core Backbone Program", adopting a dual-track model combining training and practical performance assessment to promote the transformation of backbone talents into business decision-makers.

Company-wide capability upgrading

Establish a two-tier training matrix. At the corporate level, focus on industry trends and technological frontiers; at the departmental level, conduct monthly technical research targeting key challenges, and build a channel for converting individual job competencies into organizational knowledge, and vice versa.



Industry, University, Research Institute Collaboration Mechanism

The Company actively establishes partnerships with universities and research institutions, and reduces the risks in in-house R&D through the integration of external R&D resources.

Undertaking national-level and provincial-level major scientific research projects

The Company actively undertakes major national and local scientific research projects, and joins forces with five universities to carry out the "14th Five-Year Plan" National Key R&D Program project titled "Integrated Demonstration of Key Technologies for Efficient Negative-Carbon Conversion of Forestry Biomass and the Development of Low-Carbon Products", thereby seizing preemptive opportunities in cutting-edge technological domains.

Leading the establishment of an industry collaborative innovation platform

The Company, in collaboration with the Guangdong Electronic Information Engineering Research Institute of the University of Electronic Science and Technology of China, as well as core upstream and downstream enterprises and research institutions, has jointly established the "Dongguan New-Type Energy Storage Innovation Consortium" to tackle common technologies such as safe and fast charging for consumer lithium batteries. In addition, the Company has led the formulation and release of two enterprise standards for silicon oxide anode materials.

Deepening the talent cultivation mechanism integrating industrial application and education

The Company has co-established a "Postgraduate Joint Training Base" with Dongguan University of Technology to carry out the "Excellent Engineer Industrial Application and Education Joint Training Action", and has appointed 10 core technical staff members as external supervisors for professional degree postgraduate students. A "Memorandum of Understanding on the Establishment of a Teaching and Practice Base" has been signed with Shenzhen University of Advanced Technology to conduct in-depth collaboration in areas such as student practice and employee training. The Company has also been invited to serve as an evaluation expert for the "Postdoctoral Assessment Committee of the Guangdong Electronic Information Engineering Research Institute of the University of Electronic Science and Technology of China," contributing to the development of high-level talents in the industry.

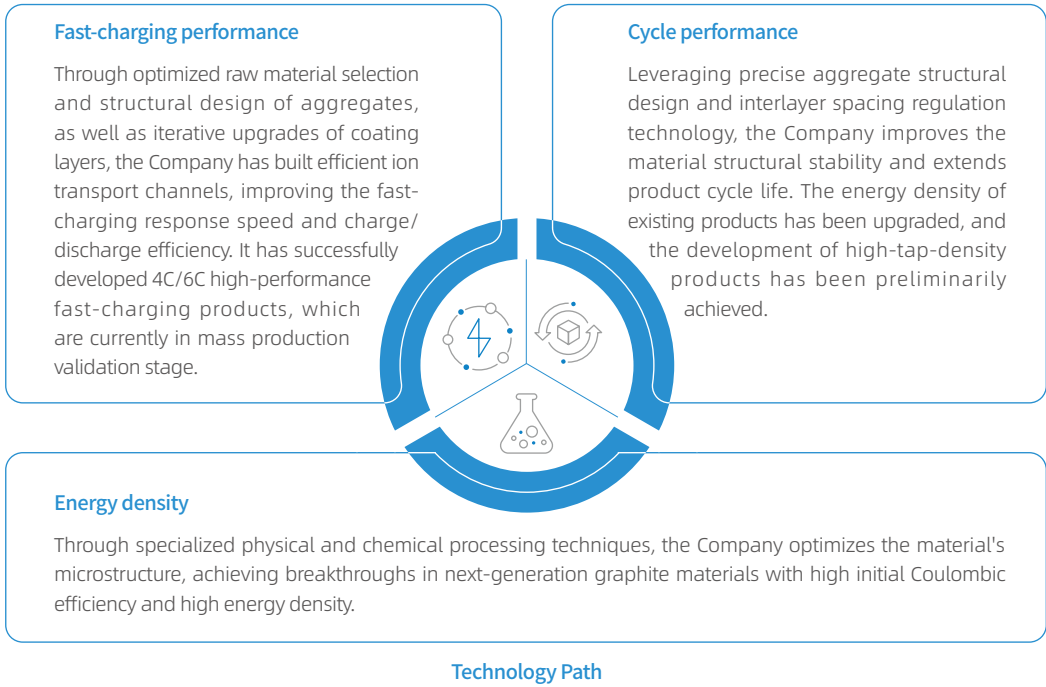
Expand the technical exchange ecosystem network with universities

The Company actively participates in the "Industry-University-Research Exchange Program Among Universities in Hunan" organized by the Dongguan Science and Technology Bureau, engaging in in-depth discussions with universities such as Central South University and Hunan University on industry development trends and cutting-edge technologies, and continuously expanding its industry-university-research collaboration network.



Technological Innovation Upgrade

The Company strictly implements the *Ecological Design Management System*, exercising full-process control over product design inputs, outputs, and reviews, thereby enhancing products' environmental performance from the source. On this basis, the Company has identified technical and environmental risks such as high energy consumption in traditional graphitization processes, long production cycles, high dependence on non-renewable resources, and increasing pressure from biomass waste treatment. Focusing on three key directions, i.e., energy conservation and consumption reduction, resource recycling, and low-carbon materials, the Company makes key breakthroughs in critical process technologies to improve the resource utilization efficiency and the environmental performance of its products.



Customer-Oriented Agile R&D

The Company has established an end-to-end agile R&D mechanism from demand response to technology implementation to address the product adaptation risks arising from the rapidly increasing customer requirements for battery performance and accelerated technological iteration.

From the aspect of demand transformation, leveraging the conventional anode material development platform, the Company rapidly decomposes customers' performance requirements and precisely designs the technical process routes that balance performance and cost, achieving a fast closed-loop transition from "demand" to "solution". From the aspect of technology breakthrough, the Company has established a closed-loop optimization pathway spanning optimizing raw materials, particle structure design, surface coating modification, heat treatment process optimization, pilot-scale validation, and scenario-based customer feedback to systematically address key technical bottlenecks. From the aspect of external collaboration, the Company maintains in-depth technical cooperation with leading global battery enterprises, enabling it to timely grasp the next-generation technology trends.

Indicators and targets

The Company has established a quantitative metrics system covering R&D investment, talent development, platform collaboration, and output of achievements, translating its innovation-driven strategy into measurable and trackable key performance objectives, thus ensuring the strong alignment between innovation investment and strategic direction, as well as the effective linkage between innovation outcomes and business growth.

Company management targets	Our progress
Invest 4% of annual operating revenue in R&D	Achieved, 4.63%

Metrics	Unit	2025	2024
R&D team	Persons	554	541

Intellectual Property Protection

The Company strictly complies with national laws and regulations related to intellectual property and has established an operation management system in accordance with the *Enterprise Intellectual Property Compliance Management System—Requirements* (GB/T 29490-2023). The Company continuously optimizes its full lifecycle intellectual property management framework and has issued multiple policies and procedures, including the *Company Intellectual Property Control Procedure*, *Patent Incentive System*. These documents cover all aspects of day-to-day management, rights protection, trade secret protection, and incentive mechanisms.

In strict accordance with procedure documents such as the Intellectual Property Management Procedure for Project Initiation and R&D Phase, Intellectual Property Management Procedure for Procurement Process, and Intellectual Property Management Procedure for Sales and After-Sales Process, the Company embeds intellectual property control requirements into all business processes, including R&D, procurement, production, and sales, thus achieving full-process compliance management from technology development to market application and systematically preventing intellectual property risks. In 2025, no intellectual property related disputes occurred.

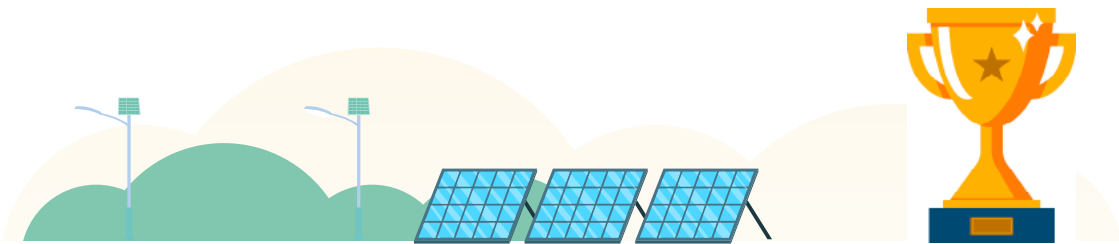
Coordinating patent portfolio planning

Implement a diversified intellectual property strategy and advance both domestic patent mining and international patent planning. Systematically identify and organize core technological innovation points, develop patent planning based on technical value, dynamically assess industry patent trends, and build technological protection barriers; optimize patent application timing in alignment with market pace, and comprehensively strengthen the protection of independently developed innovations.

Strengthening technology control

For the confidentiality of core processes, establish a permission-based access control system and strictly manage core technical information. During the initiation stage of R&D projects, conduct patent mining and risk screening simultaneously, implement the design requirements, and eliminate potential infringement risks at the source.

Intellectual Property Management Measures



Building diversified training systems

Establish a tiered and categorized intellectual property training system, incorporate relevant courses into mandatory online training for all employees, and conduct specialized training for R&D personnel to raise the overall intellectual property awareness and practical capabilities of all personnel. Actively participate in official specialized training programs such as pilot initiatives for building a strong intellectual property nation and professional capability enhancement programs, and continuously iterate and improve the Company's intellectual property management level.

Improving incentive mechanisms

Establish a tiered intellectual property reward system, with corresponding incentives set based on different types of patents and stages of application and authorization. Provide special recognition to the teams and individuals who demonstrate outstanding performance in patent application and technological achievement commercialization, thus fully stimulating the innovation and creativity enthusiasm of all personnel.

Capability Development and Innovation Incentives



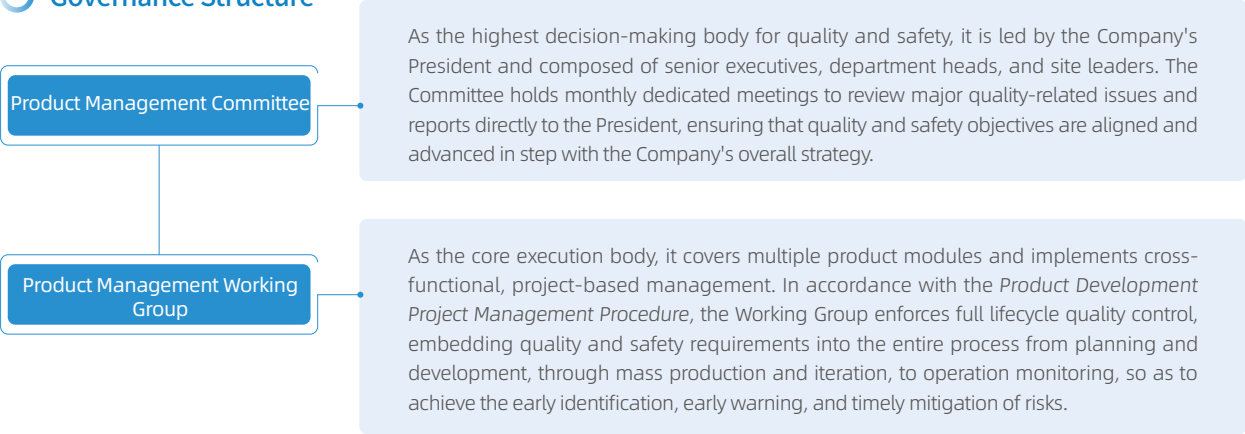
Intellectual Property Protection Performance			
	Invention patents	Utility model patents	Total
Applications in 2025	76	11	87
Granted in 2025	44	6	50
The total number of valid granted patents reached 304, representing a 13.86% increase compared with 2024.			

Product Quality and Safety

Upholding the core philosophy of "pursuing excellence in quality and meeting customer needs", Kaijin New Energy has established a quality and safety management system covering the full product lifecycle, strengthened quality foundations through standardized management, whole-process closed-loop control, and responsible implementation, and enhanced customer trust and market competitiveness with stability and reliable product quality.

Governance

Governance Structure



Establish a closed-loop system for the implementation of quality responsibilities and performance assessment, develop a quality responsibility checklist that clearly defines the quality responsibilities of each level and position, and sign accountability agreements to improve the accountability mechanism; build a quality-centered performance appraisal system and incorporate quality performance into the assessments of senior executives and all employees. Link the appraisal results directly to performance, recognition, and promotion, thereby establishing a governance mechanism with clearly defined responsibilities, incentives, and penalties.

System Framework and Compliance Qualifications

The Company strictly complies with laws and regulations such as the *Product Quality Law of the People's Republic of China*, and has established a comprehensive quality and safety management system covering the entire process, including the *Production Process Control Procedure*, *Nonconforming Product Control Procedure*, and *Corrective Action Control Procedure*, which clearly define the standards, responsibilities, and workflows for each stage of the process.

The Company has established a multi-dimensional management system covering quality, occupational health, information security, energy utilization, intellectual property, and carbon emissions, and has obtained relevant certifications. In 2025, the Company successfully passed all certification audits for IATF 16949:2016, ISO 9001:2015, ISO 14064, and ISO 14067 on the first attempt, and all management systems are currently within their validity periods.

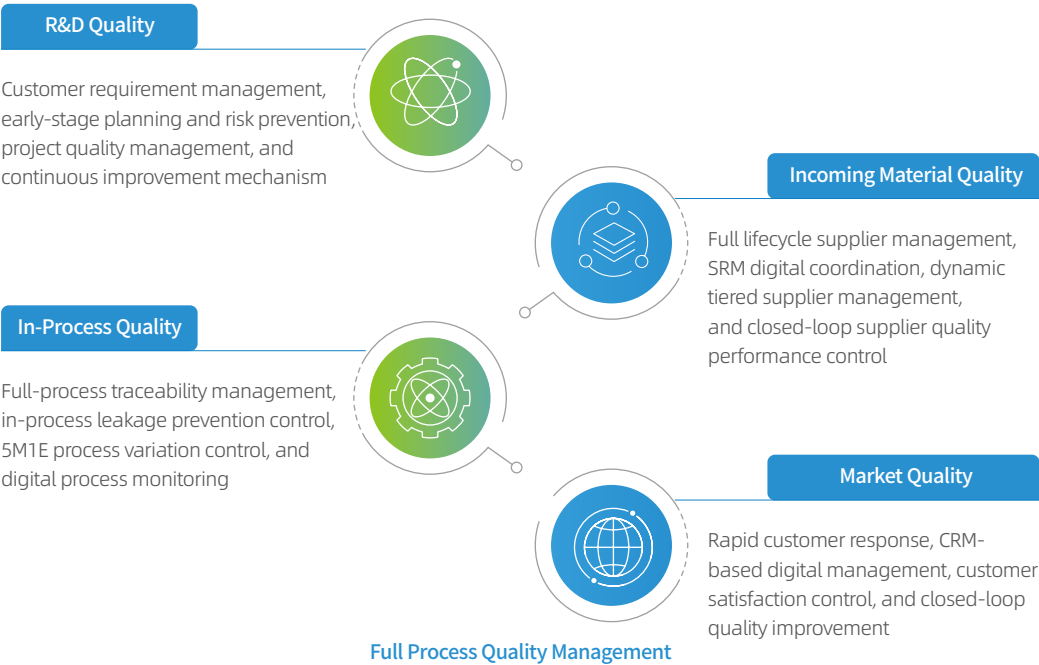
Strategy

Guided by its core philosophy of "pursuing excellence in quality and meeting customer needs", the Company formulates the annual quality objectives aligned with its development strategy and industry standards to ensure the stability and reliability of its products through standardized control, full-process closed-loop management, and responsible implementation. A quality risk and opportunity management mechanism is established around production processes, process changes, and system implementation to achieve closed-loop control through multi-dimensional assessment and data-driven monitoring and early warning. By effectively addressing risks such as quality fluctuations, customer complaints, and regulatory penalties, the Company strengthens its customer partnerships through stable and reliable product quality.

Impact, Risk, and Opportunity Management

Full-Process Standardized Quality Control

The Company, in accordance with system documents such as the *Raw Material Development Management Procedure*, *Production Process Control Procedure*, *Nonconforming Product Control Procedure*, and *Engineering Change Management Procedure*, implements controls over all processes covering raw materials, work-in-process, and finished products, and clearly defines the input and output standards for each stage, with designated positions established to provide full-process monitoring. In addition, multi-level inspections and audits, digital systems, record sampling, product traceability, and system audits are implemented to ensure the effective execution of control requirements. Once defective products are identified, they are immediately handled in accordance with the *Nonconforming Product Control Procedure*. Relevant documents and records are filed in accordance with the *Document and Record Control Procedure*, ensuring that quality management is traceable and verifiable.



Quality Risk Prevention and Abnormality Management

The Company has established an end-to-end quality risk prevention and nonconformity response system. By leveraging Advanced Product Quality Planning (APQP), standardized operations, Statistical Process Control (SPC) monitoring, multi-level inspections, change reviews, and early warning mechanisms for abnormalities, the Company effectively prevents and controls quality risks. In response to quality issues, the Company implements rapid response, root cause analysis, and verification of corrective actions. At the same time, the Company formulates preventive measures, updates documentation and standards, and optimizes processes through post-event reviews and lessons learned, thereby continuously improving its management system. In 2025, the Company was not subject to any penalties for violations of laws and regulations related to product quality and safety. No incidents of non-compliance occurred in relation to the health and safety of the products and services provided by the Company. The Company had no product recalls, and the sales amount of products sold or shipped that were subject to recall for health and safety reasons was RMB 0.

Quality Capability Development and Talent Empowerment

The Company regularly conducts specialized training on quality system standards, risk management and control, and problem-solving tools, while simultaneously launching online foundational quality courses for new employees to continuously strengthen the quality awareness of all employees. Targeted capability-building training on the six core quality tools is provided to key departments such as R&D, process, and quality departments within the Group, thus effectively enhancing the professional competence of all personnel in resolving quality issues and controlling quality risks.

Indicators and targets

The Company has established a sound quantitative metric system for quality and safety, translating its quality strategy into measurable and traceable key performance objectives. It conducts system audits, manufacturing process audits, and product audits as scheduled to ensure the continuous and effective operation of the quality management system, thereby achieving the annual quality targets and driving continuous improvement.

Metrics	Targets	2025
Finished product inspection pass rate	≥ 93%	96.3%
First-Pass acceptance rate at customer inspection	≥ 99.8%	99.94%
Defective product disposal completion rate	≥ 95%	100%
Internal audit nonconformity corrective action completion rate	≥ 95%	100%
Improvement rate of quality objectives and process indicators	≥ 95%	100%
System operation and maintenance completion rate	100%	100%
On-time closure rate of corrective actions	≥ 90%	100%

Quality Customer Service

Governance

The Company has established a customer relationship governance system with clear responsibilities and efficient collaboration. The Marketing Center is responsible for coordinating the customer service work, with a focus on demand alignment and service follow-up, while the Quality Center is responsible for complaint management, ensuring that customer feedback is handled in a professional and timely manner. Through refined division of duties and cross-functional collaboration, the Company continuously strengthens its customer relationship management capabilities, ensuring the standardization and responsiveness of customer service.

Cross-Functional Collaborative Governance Mechanism

The Company has established a customer requirement review process that integrates R&D, sales, product, supply chain, and procurement departments to proactively identify and conduct tiered evaluations of customer needs, define resource allocation priorities, and build a CRM-based customer intelligence sharing platform to achieve real-time information synchronization among relevant departments. The Company has also improved systems and processes such as pricing approval and customer visit management, clearly defining the responsibilities and standards at each stage to ensure the compliance and consistency of customer communication and business decision-making.

Strategy

The Company updates its 2025-2028 sales plan on a quarterly basis and implements a differentiated customer development strategy, concentrating resources on promoting high-quality cooperation and facilitating long-term value co-creation with key accounts. A full-process customer service mechanism is established covering pre-sales technical alignment, in-sales delivery assurance, and after-sales issue response to improve customer satisfaction through proactive demand identification and rapid closed-loop resolution. By effectively addressing risks such as customer churn, order fluctuations, and market share decline, the Company has strengthened its customer loyalty and brand reputation through high-quality customer service capabilities.

Impact, Risk, and Opportunity Management

Customer Service

The Company comprehensively responds to the customer concerns in multiple dimensions, including product quality, delivery assurance, technical support, after-sales service, green and low-carbon development, supply chain compliance, and information security. Through standardized management, regular customer research, and systematic training, the Company continuously improves its customer service capabilities and deepens long-term mutual trust through responsible communication and service.

Full Lifecycle Customer Service System	Conduct market investigation and channel expansion in the pre-sales phase, implement standardized process management during sales to safeguard customer rights and interests, and provide order payment follow-up and whole-process service support in the after-sales phase, thereby practicing responsible customer management.
Enhancement of Professional Customer Service Capabilities	Systematically conduct specialized training in three major areas, i.e., product technology, customer relationship, and compliance risk control, with the content covering multiple modules including fundamental knowledge of lithium battery materials, product design and application practices, key account management and customer visit strategies, CRM system operations, customer audit processes, legal risk prevention in sales contracts, and accounts receivable management. Effectively strengthen the team's professional service competence and overall capabilities, and provide strong support for efficiently responding to customer needs and ensuring the quality of cooperation.
Responsible Marketing	Establish a strict marketing materials management mechanism and implement standardized control over the development, review, use, and archiving of technical product materials, external promotional documents, and contract agreements. Ensure that all external information is true, accurate, and compliant, and eliminate exaggerated claims, misleading statements, or inappropriate commitments, thereby conducting customer communication and marketing activities in a responsible manner. In 2025, no fines, penalties, or warnings were received due to violations of marketing and communication regulations, and no non-compliance incidents related to product and service information or labeling occurred. No major liability accidents occurred.
Customer Satisfaction Management	Revise the <i>Customer Satisfaction Control Procedure</i> , systematically conduct customer satisfaction surveys, establish a closed-loop improvement mechanism based on feedback, and continuously optimize customer service. Respond rapidly to after-sales, delivery, and information security requirements through cross-functional coordination, and ensure compliance and delivery stability through NDA agreements and rolling sales forecasts. Track the evaluations from key customers relying on the monthly customer scorecard system. In 2025, the overall customer satisfaction level was maintained above 90 points.

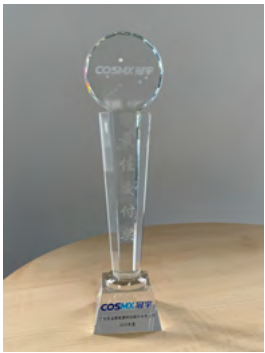
Customer Rights Protection and Responsible Marketing Management



Awarded CATL 2025 "Excellent Supplier"



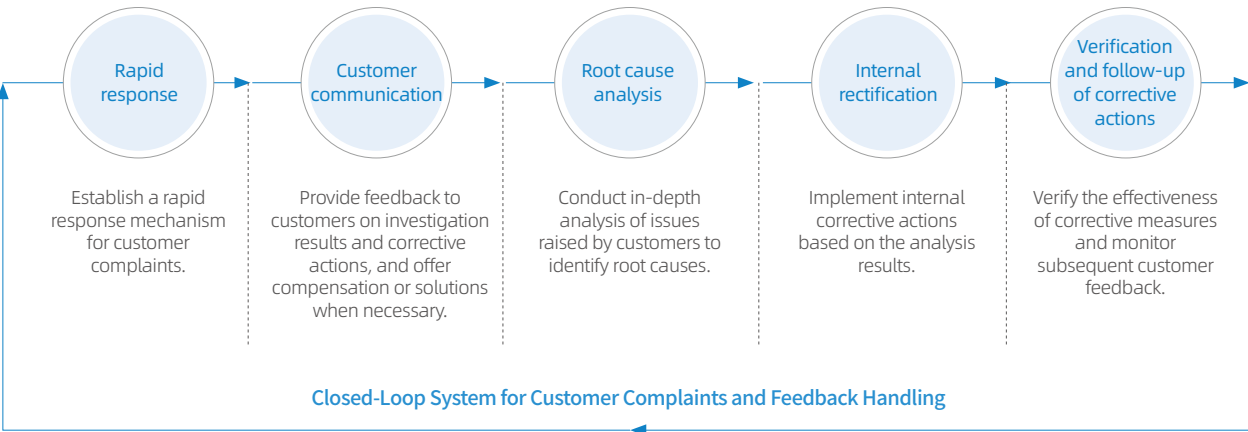
Awarded the Sinopec "Cooperation and Win-Win Award"



Awarded the "Best Delivery Award" of CosMX Battery

Customer Complaint Management

The Company has established a standardized customer complaint management mechanism to standardize full-process management in accordance with the *Customer Complaint Handling Control Procedure*. Special internal control standards are developed for each finished product model, effectively reducing the risk of release of defective products from the source. Upon receiving customer complaints, the Company responds rapidly in strict accordance with relevant procedures and customer requirements, extends effective measures across all sites, and establishes a closed-loop resolution mechanism.



Tiered Rapid Response Mechanism

In accordance with the *Customer Complaint Handling Control Procedure*, the Company has established a complaint management system featuring tiered response and closed-loop control. Customer complaints are classified into three levels, i.e., minor, general, and severe, according to the nature and impact of the defects, and differentiated response workflows are established to ensure customer concerns are handled efficiently and professionally. Minor complaints are handled under the leadership of the Quality Engineer, general and severe complaints are handled by cross-functional teams under the guidance of the Quality Manager, and major complaints are escalated to management in parallel to ensure that all customer complaints receive a response within 24 hours.

Full-Process Closed-Loop Improvement Management

The Company introduces the 5A handling process principle and establishes a standardized closed-loop management system covering Containment Actions (BA), Failure Analysis (FA), Corrective Actions (CA), Preventive Actions (PA), and System Actions (SA). Risk containment, root cause analysis, action verification, cross-site replication, and process optimization are required to be completed within the defined timeframe to ensure that the whole customer complaint process from receipt, investigation, and resolution to archiving is fully traceable and verifiable, thereby effectively preventing recurrence of similar issues.

Indicators and targets

In 2025, the Company’s customer service performance improved significantly. An A-grade performance rating was maintained for 12 consecutive months among key customers. The rate of customer complaints decreased by 50% year-on-year.

Company management targets	2025	2024
Order review timeliness rate: 100%	Achieved	Achieved
24-hour customer complaint response rate: 100%	Achieved	Achieved
72-hour customer complaint review feedback rate: 100%	Achieved	Achieved
Number of customer complaints: ≤ 10 cases/year	Achieved	Achieved
Comprehensive performance rating	A	B+
Customer satisfaction survey result (100-point scale)	100	97
Product and service complaint handling rate	100%	100%

Responsible Supply Chain

Kaijin New Energy fully integrates ESG requirements into the full supply chain lifecycle management, and continues to build a transparent, compliant, and sustainable responsible supply chain system with a focus on key areas such as compliance governance and supply chain resilience.

Governance

The Company strictly complies with internal policies and procedures, including the *Supplier Management Control Procedure*, *Sustainable Procurement Policy*, *Responsible Mineral Supply Chain Management Procedure*, and *Responsible Mineral Grievance Mechanism*, and continuously optimizes its supply chain management framework to promote compliance, transparency, and sustainability in supply chain development.



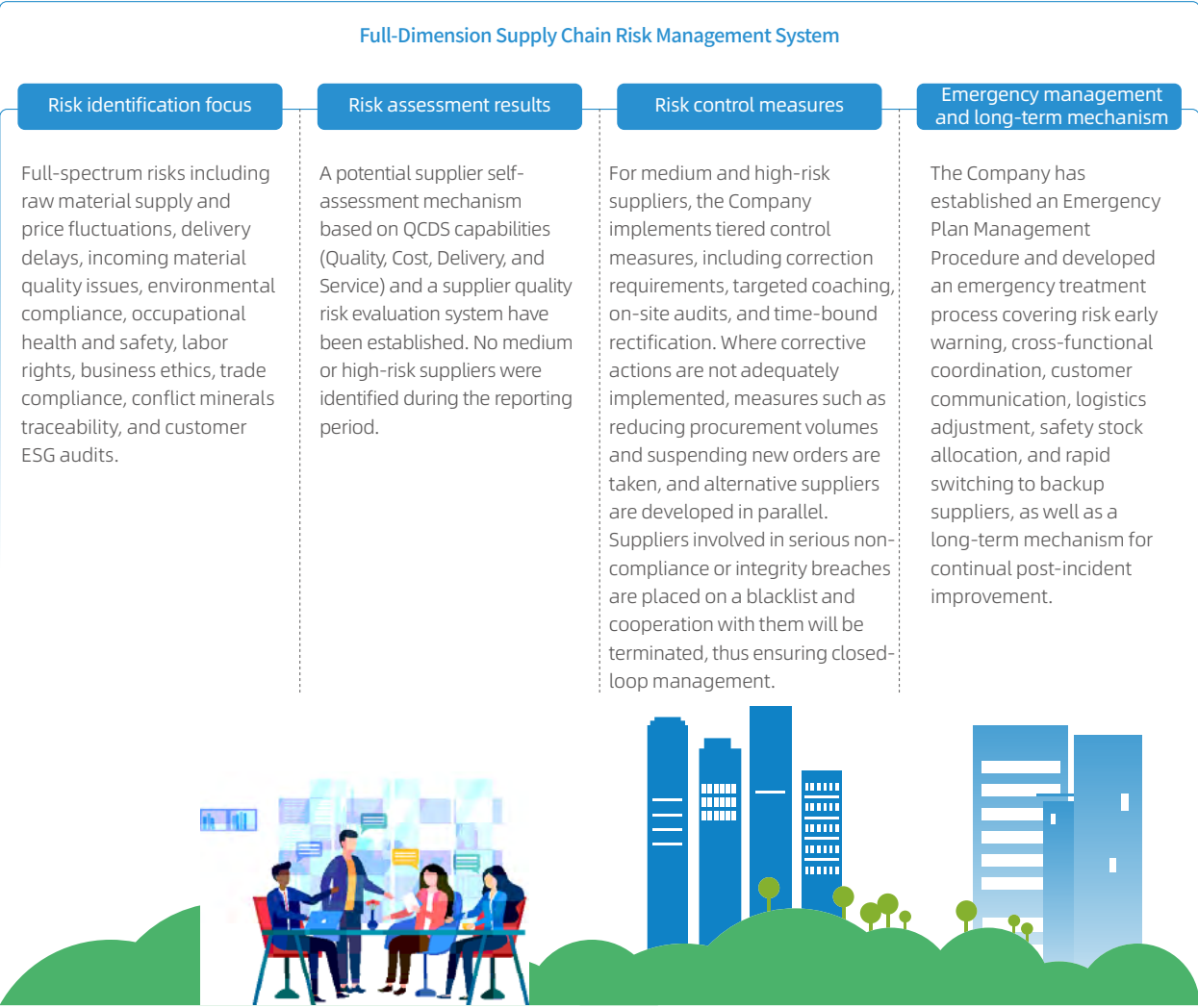
Strategy

The Company integrates ESG requirements into the full lifecycle of supplier management, including onboarding, assessment, empowerment, and de-listing, with a focus on five core areas, i.e., compliance governance, quality control, green and low-carbon development, supply chain resilience, and responsible minerals. The Company also establishes a supplier ESG performance evaluation mechanism, promotes the collection and disclosure of carbon footprint data, strengthens traceability management of responsible minerals, and proactively responds to customer and regulatory requirements. By addressing risks such as supply chain disruptions, regulatory penalties, and customer churn, the Company has strengthened its downstream customer trust through transparent and sustainable supply chain capabilities.

Impact, Risk, and Opportunity Management

Supply Chain Risk Identification, Assessment, and Emergency Management

The Company has established a supply chain risk identification and assessment process. Through an operational analysis meeting mechanism consisting of monthly summaries, quarterly special assessments, and annual reviews, supply chain risk conditions are regularly reported to management. A risk register is maintained for tracking and follow-up, forming a full closed-loop management cycle of "identification, assessment, decision-making, rectification, verification" to ensure the continuous implementation of risk control measures.



Supply Chain Compliance, Sustainable Procurement, and ESG Development

To meet the ESG requirements of customers and regulatory authorities for the supply chain (including labor practices, safety, and carbon emissions), the Company has established a closed-loop ESG management system covering the full supplier lifecycle. By incorporating compliance and quality criteria into supplier onboarding assessments, signing integrity commitments, and strengthening process control and green procurement, the Company has effectively embedded the ESG standards throughout the supply chain. The Company regularly holds supplier conferences and provides joint training and technical support to empower key suppliers in enhancing their ESG management capabilities. Over the past year, customer evaluations, sustainability KPIs, and the level of information disclosure have all improved significantly.

 Policies and systems	The Company has established policies and procedures, including the Sustainable Procurement Policy and the Responsible Mineral Supply Chain Management Procedure. The former prioritizes the use of green materials and sets requirements covering resource consumption, greenhouse gas emissions, hazardous substances, workers' rights, ethical procurement, and conflict minerals. The latter, aligned with the OECD Guidelines, establishes a due diligence process for the graphite raw material supply chain, covering risk identification, risk assessment, transaction monitoring, and grievance mechanisms.
 Assessment and evaluation	At the onboarding stage, due diligence is conducted to verify raw material sources, human rights compliance, anti-money laundering, and anti-bribery practices. During operations, environmental management, occupational health and safety, labor rights, business ethics, carbon emissions management, and information security are incorporated into performance evaluations. Suppliers with severe compliance risks are prevented from onboarding or will have their cooperation terminated. The Company prioritizes the procurement of green raw materials, incorporates environmental requirements into supplier onboarding and performance evaluation, and promotes the green transformation of the supply chain.
 Capacity building	Through the Procurement Declaration and questionnaires, the Company ensures that suppliers are informed of OECD requirements and the Company's policies.

Full Lifecycle Supplier ESG Management Mechanism

Procurement Compliance and Transparent Procurement

The Company strictly adheres to the principles of openness, fairness, equity, and transparency, and has established a governance and control system covering procurement management, supplier onboarding, tendering and price comparison, and approval authority.

The Company implements transparent procurement comprehensively and has established a Supplier Code of Conduct, requiring suppliers to comply with the requirements for legal and compliant operations, fair competition, and anti-bribery. These requirements are incorporated into supplier assessment and dynamic management. The Integrity Agreement covers all suppliers. The Company also signs integrity cooperation agreements with suppliers and incorporates integrity clauses into procurement contracts, explicitly prohibiting improper benefits transfer, bid rigging, bid collusion, kickbacks, and bribery. Any breach will result in termination of the cooperation and placement on the blacklist. Meanwhile, the Company strengthens integrity education and job commitment requirements for internal procurement personnel through systems such as the Audit Management Measures and the Employee Handbook, establishing a dual internal and external control mechanism to ensure compliant, transparent, and fair procurement operations.

Supplier Management and Audit

The Company has established a standardized supplier onboarding process covering development application, qualification investigation, sample verification, supplier review, PPAP, and qualification as approved suppliers, continuing to advance supplier management from "loosely controlled onboarding" toward "full lifecycle, refined governance". In addition, the Company has established a risk map for key raw material suppliers, completed risk level assessments for key suppliers, and achieved dynamic monitoring and tiered management.

The Company performs comprehensive audits covering key raw material suppliers, high-risk suppliers, strategic suppliers, and newly onboarded suppliers. The annual on-site audit coverage rate exceeds 60% (with trading suppliers audited through self-assessment). The audit covers the requirements for all dimensions, including quality systems, environmental management, occupational health and safety, labor rights, business ethics, conflict minerals, and product compliance. Findings are primarily concentrated in quality-related areas. The corrective action requirements have been issued for all identified issues, and the correction completion rate reached 100%.

Responsible Mineral Supply Chain Management

The Company has developed the Responsible Mineral Supplier Management Procedure and established a due diligence management system in compliance with the requirements of OECD. Through supplier mapping and the preparation of risk assessment forms for mineral producing regions, raw material suppliers are classified by risk level. Supporting measures, including supply chain traceability, due diligence, grievance mechanisms, and training programs, have also been taken. In addition, the Company provides both online and offline training for spherical natural graphite suppliers to popularize responsible procurement, OECD regulations, and ESG requirements. In 2025, special investigations on conflict minerals were completed for six major raw material suppliers. All suppliers were assessed as low-risk suppliers, and no abnormal issues were identified.

Indicators and targets

In 2025, the audit traceability efficiency of the digital transparent procurement platform increased by 80%, continuously driving the transparency, compliance, and sustainability in supply chain management.

Target item	Target value	2025
Risk assessment coverage of graphite raw material suppliers	100%	100%
Audit coverage rate of environmental, safety, and social responsibility for contracted A/B suppliers	≥ 60%	60%
Signing rate of Procurement Declaration (Integrity Commitment Letter)	100%	100%
Number of suppliers failing the onboarding due to ESG or compliance risks	0	0



Environmental Management and Green Manufacturing

Upholding an environmental management philosophy of "full life-cycle management, energy conservation and consumption reduction, and pollution prevention", Kaijin New Energy actively builds a green manufacturing system, proactively addresses climate change, and strictly adheres to the environmental compliance requirements. The Company continuously improves resource utilization efficiency, strengthens pollutant emission control, and promotes green and low-carbon operations, striving to achieve the coordinated improvement of economic and ecological performance and contribute to the sustainable development of the industry.

Our Actions

- Climate change response
- Strengthening resource utilization
- Environmental compliance management
- Pollution emission control

Key Performance

- Annual PV power generation at Guangdong Kaijin and Huzhou Kaijin: **5.2681** million kWh.
- The total cooling water circulation volume of the cooling water circulation system at the Guangdong base reached **2,830** m³ per hour, with a water-saving rate exceeding **10%**.
- **Three** products completed the carbon footprint assessments and obtained certification.
- Waste recycled and reused: **312.83** tonnes/t

Alignment with the United Nations Sustainable Development Goals (SDGs)





Climate Change Response

In response to the global challenges of climate change and the accelerating transition toward a green and low-carbon economy, Kaijin New Energy actively responds to China's "dual carbon" goals, follows the international climate governance trends, and attaches great importance to the expectations of customers and value chain partners for low-carbon development. The Company regards climate change response as a key component in driving high-quality corporate development and creating long-term sustainable value. It continuously strengthens its climate governance system, improves its capabilities for managing climate-related risks and opportunities, and advances energy conservation, carbon reduction, and green operation practices, thereby supporting its long-term sustainable development through more resilient and steady climate action.

Governance

The Company has established a three-tier climate governance structure featuring "decision-making by the Board, coordination by management, and implementation by departments", with clearly defined responsibilities at each level to systematically advance climate risk identification, target implementation, and action execution. The Board of Directors is responsible for reviewing climate-related ESG information and providing guidance on climate governance. Senior management is responsible for identifying and assessing climate-related risks and opportunities. Functional departments and EHS departments of subsidiaries are responsible for implementing climate change mitigation and adaptation actions, thus promoting the integration of climate management into daily operations, and providing governance guarantee for the Company's green and low-carbon transition.

Strategy

To proactively respond to climate change, the Company identifies and assesses the potential impacts of climate-related risks and opportunities on business operations, strategic planning, and financial performance based on its actual operations, and integrates these factors into strategic decision-making and operational management processes to continuously improve its climate risk prevention capabilities and overall business resilience.

Climate Change Risk Inventory and Response Measures

Physical risks

Acute risks

Impact level: Medium

Value chain segment: Core operations, upstream, downstream

Short-, medium-, and long-term

Risk description

Typhoons, extreme heat, floods, and other extreme weather events occur with increasing frequency, affecting the stability and safety of electricity, water, gas supply and logistics. This may adversely impact the Company's sustainable and stable production.

Financial impact

Costs for equipment repair, insurance, and emergency response are increased; production stoppages or logistics delays lead to higher operating costs.

Response measures

Strengthen extreme weather monitoring and early warning. Develop an Emergency Response Plan for Sudden Environmental Incidents. Conduct regular emergency drills and training for sudden environmental incidents to improve resilience to extreme weather events.

Chronic risks

Impact level: Medium

Value chain segment: Core operations

Medium- and long-term

Risk description

- Global warming, sea level rise, and abnormal precipitation patterns may intensify the constraints on water and energy resources, leading to sustained increases in factor costs and affecting the stability of operations.
- Long-term high temperatures may also increase the likelihood of heat-related illnesses among employees, thereby impacting the normal production and operations.

Financial impact

Increased expenditures on electricity, water, cooling, and occupational health lead to higher operating costs.

Response measures

- Phase in a transition away from fossil fuel consumption. Before 2030, prioritize the reduction of overall energy consumption. In the carbon neutrality phase, continuously increase the share of green electricity and zero-carbon energy consumption to achieve carbon-free energy consumption.
- Continually strengthen cleaner production transformation and promote circularity in all operation stages from procurement to products. Continuously develop wastewater and solid waste utilization through new processes and technologies to improve resource efficiency.
- Increase investment in renewable energy, including wind and photovoltaic power generation projects, to expand the Company's installed capacity of self-owned renewable energy.
- Implement occupational health protection measures for high-temperature operations, provide cooling and sunstroke prevention supplies, and reasonably adjust the working schedules.

Transition risks

Regulatory risks

Impact level: High

Value chain segment: Core operations, upstream, downstream

Short-, medium-, and long-term

Risk description

As China's "dual carbon" goals continue to advance and international regulatory requirements, such as the EU Battery Regulation, are progressively implemented, the power and energy storage battery industry chain is imposing increasingly stringent requirements for product carbon footprints, renewable electricity usage, raw material traceability, and supply chain due diligence. As a supplier of battery anode materials, the Company may be exposed to growing compliance pressures related to customer carbon data disclosure, product carbon footprint accounting, third-party verification, and green supply chain management.

Financial impact

The investment in carbon accounting, certification, compliance systems, and data management is increased.

Response measures

- Develop a carbon management strategy aligned with the Company's development needs, and implement supporting management measures including monitoring mechanisms and supervisory frameworks.
- Develop the capabilities for energy consumption and carbon emissions monitoring, reporting, and verification (MRV), and supervise and urge key functional departments to promote basic capacity building training.
- Establish a dedicated carbon emission management team, formulate carbon emission management policies and systems, clarify responsibilities and obligations of all entities, and set up a target accountability system.
- Strengthen the monitoring, collection, and statistical analysis of energy activity data, production process data, and emission factors of all departments to ensure the inter-connection of low-carbon strategies and action plans among these departments.
- Promote renewable electricity consumption at production sites, continuously increase the proportion of green electricity used by the Company, and proactively promote the development and application of zero-carbon electricity and energy storage systems in energy-intensive plants.
- Actively procure clean energy through direct supply of green electricity and the purchase of renewable energy certificates (RECs).

Market risks

Impact level: High

Value chain segment: Core operations, upstream, downstream

Short-, medium-, and long-term

Risk description

Downstream battery manufacturers and automotive OEMs continue to raise their requirements for supply chain carbon emission reduction, product carbon footprint management, green manufacturing, and material traceability. If the Company is unable to timely meet customers' requirements for low-carbon qualification requirements, carbon data disclosure, or supply chain review, it may face risks such as declining customer evaluations, restricted order acquisition, or loss of market share.

Financial impact

Failure to meet customers' low-carbon requirements may affect order revenue and increase the costs associated with green supply chain management.

Response measures

- Improve and establish the Company's green supply chain management system, and integrate it into the Company's environmental management system from the aspects of product development, raw material procurement, production processes, sales, transportation and use, as well as recycling and reuse.
- Carry out eco-design for green products, strictly implement green raw material procurement and supplier management, and improve the recyclability and reuse rate of products and raw materials.
- Promote the transformation of the Company's logistics from traditional transportation models to low-carbon logistics supported by big data and intelligent scheduling systems. Encourage electrification of the Company's owned transport fleet and tool vehicles, and replace all internal transport and short-distance fuel-powered vehicles with electric vehicles. For long-distance transportation, gradually introduce electric or hydrogen-powered heavy-duty trucks based on the operational demand. Accelerate the construction of intelligent warehousing facilities and develop green, smart logistics parks.

Technical risks

Impact level: Medium

Value chain segment: Core operations

Medium- and long-term

Risk description

manufacturing technologies, green technologies, and high-efficiency energy management technologies are continuously upgrading. If the Company fails to timely strengthen the update of energy-saving equipment, optimization of graphitization processes, green electricity substitution, and comprehensive resource utilization, it may face risks such as higher unit energy consumption and carbon emissions, increased production costs, and weakened competitiveness in customers' low-carbon evaluations.

Financial impact

Increased investment in energy-saving technological upgrades, equipment renewal, and low-carbon R&D may lead to higher capital expenditures for equipment replacement and energy efficiency improvements.

Response measures

- Reshape key, core, and critical technology directions and carry out technical R&D with a focus on process optimization, energy substitution and equipment upgrading, as well as the comprehensive recovery and utilization of resources and other low- and zero-carbon industrial processes.
- Continually strengthen cleaner production transformation and promote circularity in all operation stages from procurement to products. Continuously develop wastewater and solid waste utilization through new processes and technologies to improve resource efficiency.
- Develop new technologies and processes for comprehensive resource recovery and recycling, and expand the mineral resource supply channels to achieve sustainable industrial development.
- Implement strict approval procedures for proposed and new internal projects, with a focus on controlling energy-intensive and high-emission projects, and strengthen the requirements for cleaner production and low-carbon development.
- Appropriately increase the investment in green projects related to environmental improvement, climate change mitigation, and efficient and intensive resource utilization, including low-carbon, carbon-negative, and net-zero product and technology development and investment projects, and properly focus on and invest in advanced and relatively mature carbon removal technology projects.

Reputational risks

Impact level: Medium

Value chain segment: Core operations, downstream

Short-, medium-, and long-term

Risk description

In the context of climate change and the green and low-carbon transition, if the Company experiences environmental compliance incidents, inaccurate disclosure of carbon emissions data, unfavorable outcomes in customers' low-carbon audits, or insufficiently substantiated green and low-carbon claims, it may undermine the trust of customers, investors, partners, and the public in the Company.

Financial impact

The risk may adversely affect operating revenue and increase environmental remediation, testing and disclosure management costs.

Response measures

- Promote frugality and a green, low-carbon lifestyle, implement an incentive mechanism that combines material rewards with carbon credit redemption, track and record the low-carbon actions of all departments, and encourage employees to adopt green and low-carbon lifestyles, thereby mitigating environmental reputational risks arising from employee behavior.
- Conduct company-wide education on low-carbon knowledge and guide employees to gain hands-on experience with pathways to achieving carbon neutrality. Implement low-carbon activities in daily management, such as posting air-conditioning energy-saving reminders in the office and production areas, promoting the "Clean Plate" campaign in canteens, and assigning security personnel to conduct energy-saving inspections of lighting and air-conditioning systems periodically.
- Strengthen the development of the Company's "green and low-carbon" exhibition platform, enhance the publicity of the Company's image as a low-carbon pioneer, and build a new brand identity of "Green and Low-Carbon Kaijin".

List of Climate Change Opportunities and Response Measures

Product and services

Impact level: High

Value chain segment: Core operations, Downstream

Medium- and long-term

Opportunity description

As the power battery, energy storage battery, and new energy vehicle industry chains accelerate their low-carbon transition, downstream customers are placing continuously increasing demands on low-carbon materials, product carbon footprint transparency, green manufacturing, and supply chain traceability. The Company can leverage its anode material R&D capabilities, process optimization expertise, and carbon data management capabilities to advance the development of low-carbon and high-performance products, thereby strengthening its customer service capabilities and market competitiveness.

Financial impact

They can help improve the competitiveness of low-carbon products, and increase order opportunities and operating revenue.

Response measures

- Reshape key, core, and critical technology directions and carry out technical R&D with a focus on process optimization, energy substitution and equipment upgrading, as well as the comprehensive recovery and utilization of resources and other low- and zero-carbon industrial processes.
- Carry out eco-design for green products, strictly implement green raw material procurement and supplier management, and improve the recyclability and reuse rate of products and raw materials.
- Actively support and participate in the development and revision of various "dual-carbon" and energy conservation standards in the materials industry, and continuously promote the formulation of foundational and general standards, monitoring and control standards, technical standards, and assessment and management standards related to carbon emission verification, product carbon footprint, and data quality management in this industry.

Resource efficiency

Impact level: High

Value chain segment: Core operations, upstream

Short-, medium-, and long-term

Opportunity description

Through energy-saving technical transformation, use of renewable electricity, refined energy management, water recycling, and waste reutilization, the Company can reduce the unit energy consumption and carbon emission level, lower resource consumption and operating costs, and improve the low-carbon competitiveness of its products.

Financial impact

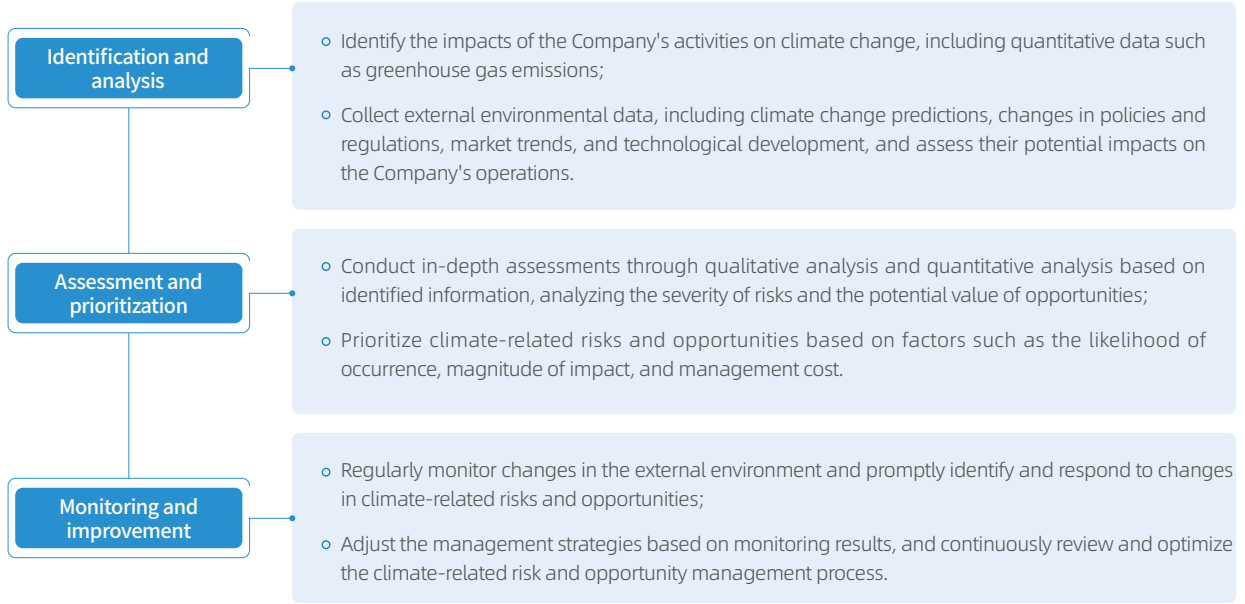
These measures can help to reduce energy, raw material, waste disposal, and unit operating costs.

Response measures

- Continually strengthen cleaner production transformation and promote circularity in all operation stages from procurement to products. Continuously develop wastewater and solid waste utilization through new processes and technologies to improve resource efficiency.
- Develop new technologies and processes for comprehensive resource recovery and recycling, and expand the mineral resource supply channels to achieve sustainable industrial development.
- Promote the electrification of building terminal energy use and improve the cleanliness of energy consumption in office, commercial, and living activities. Advance the energy-saving transformation for existing buildings and the energy-efficient design of new buildings. Explore the introduction of new smart building management platforms to achieve data interconnection of all systems, and establish intelligent building control systems to achieve digital and intelligent energy management.
- Improve and establish the Company's green supply chain management system, and integrate it into the Company's environmental management system from the aspects of product development, raw material procurement, production processes, sales, transportation and use, as well as recycling and reuse.

Impact, Risk, and Opportunity Management

The Company has established a climate-related risk and opportunity management process to continuously identify the potential impacts of climate change on its operations, strategy, and value chain from three aspects, i.e., identification and analysis, assessment and prioritization, and monitoring and improvement, and optimizes its response measures based on the management outcomes to improve its climate resilience and low-carbon transition management capabilities.



The Company continues to advance the construction of near-zero-carbon factories and product carbon footprint management as part of its green and low-carbon transition effort. During the reporting period, the Company established a Leading Group and a Working Office for the construction of near-zero-carbon factories, completed the implementation plan for green factory construction, and systematically advanced the building of near-zero-carbon factories. At the same time, the Company conducted product carbon footprint assessments for key anode products and obtained relevant certification, gradually enhancing its capability for carbon emission data management in the full lifecycle product carbon emissions data management. These efforts provide support for customers' low-carbon supply chain management and the optimization of the Company's carbon emission reduction pathways. As of the end of the reporting period, three products had completed carbon footprint assessments and obtained certification.



International Third-Party Carbon Footprint Verification Statement

Indicators and targets

The Company conducts carbon emissions accounting and target studies in a scientific manner based on its industrial layout, development stage, and energy consumption structure. Since 2021, the Company has carried out annual carbon inventories for Guangdong Kaijin Base and defined its carbon neutrality target in accordance with the Strategic Plan of Guangdong Kaijin for Carbon Peaking and Carbon Neutrality. At the same time, the Company is actively expanding carbon inventory coverage to other production bases, progressively incorporating all production bases into its carbon neutrality target management system, with the aim of achieving carbon neutrality by 2060 and continuously advancing its green and low-carbon transition.

Guangdong Kaijin climate targets		Progress
Short-term target	By 2025, reduce the carbon emissions per 10,000 RMB of output value by 10% compared with 2023	Achieved
Medium-term targets	By 2030, achieve 100% renewable and green electricity consumption	In Progress
	By 2040, reduce the carbon emissions per 10,000 RMB of output value by 70% compared with 2023	In Progress
Long-term target	By 2060, Guangdong Kaijin will comprehensively achieve green and low-carbon circular development and reach the goal of carbon neutrality.	In Progress

Note: The organization covered by the targets is defined as Guangdong Kaijin Base determined under the operational control approach.

Guangdong Kaijin greenhouse gas emissions metrics	Unit	2025	2024
Scope 1 Greenhouse gas emissions	tCO ₂ e	242.51	208.52
Scope 2 Greenhouse gas emissions	tCO ₂ e	16,491.97	17,557.73
Scope 3 Greenhouse gas emissions	tCO ₂ e	286,553.2	371,388.97
Total greenhouse gas emissions	tCO ₂ e	303,287.68	389,155.23
Number of product carbon footprint certifications	Items	3	3



Environmental Compliance Management

Kaijin New Energy strictly complies with national and local environmental laws and regulations. The Company has systematically established a comprehensive compliance management system covering the environmental governance structure, environmental emergency management, and environmental communication and training to ensure that all production and operating activities fully comply with environmental protection requirements, thereby continuously improving the environmental management performance and strengthening the foundation for green development.

Governance

The Company strictly complies with the Environmental Protection Law of the People's Republic of China and other applicable laws and regulations, and has formulated internal policies and procedures, including the Environmental Protection Policy, Environmental Factors Identification and Evaluation Procedure, Emergency Preparedness and Response Procedure, Emergency Response Plan for Sudden Environmental Incidents, and the List of Significant Environmental Factors. An environmental governance structure has been established, in which the headquarters EHS department provides centralized oversight, the EHS departments at each production base are responsible for implementation, and the General Manager's Office at each base conducts data monitoring and improvement tracking, thereby promoting the standardized and effective operation of environmental management.



ISO 14001 Environmental Management System Certification Certificates for Kaijin New Energy and Huzhou Kaijin

Strategy

The Company regards environmental compliance management as a fundamental basis for ensuring stable operations and green development. The industry in which the Company operates involves key environmental management stages such as manufacturing, energy consumption, exhaust gas, wastewater, and solid waste management. Changes in environmental regulations, emission standards, and customers' green supply chain requirements may affect the Company's production operations, project development, compliance costs, customer partnerships, and brand reputation. The Company integrates environmental compliance requirements into the entire process of project planning, production operations, pollution prevention and control, resource utilization, and daily management. It continuously improves its environmental management system, strengthens environmental risk identification and process control, and reduces the risks related to environmental non-compliance, pollution incidents, and operational disruptions, thereby providing support for the Company's green manufacturing and long-term sustainable development. In addition, the Company pays attention to the impacts of its operations on the ecological environment and biodiversity. The Company has formulated a Sustainability Policy, requiring that project siting and operations proactively avoid ecologically sensitive areas such as world heritage sites and nature reserves, and encourages all production bases and external partners to jointly participate in ecological conservation practices.

Impact, Risk, and Opportunity Management

The Company systematically identifies and assesses the environmental impact factors arising from its business activities, with a particular focus on the potential impacts on ecologically sensitive areas and biodiversity. The Company also improves employees' risk awareness and emergency response capabilities through continuous environmental policy communication and training, ensuring the effective implementation of environmental compliance management.

Environmental Impact Analysis

The Company systematically identifies and analyzes the environmental impact factors in all stages of its production and operating activities, and has established a management mechanism covering the full lifecycle of prevention, response, and disposal. This mechanism helps to effectively control the impacts of sudden environmental incidents and minimize the environmental harm caused by operational activities.

R&D and production

Environmental factor input

Energy: purchased electricity, coal, natural gas, steam, diesel oil
Water: municipal water supply
Packaging materials: bulk bags, cartons

Environmental factor output

Waste gas: sulfur dioxide, nitrogen oxides, particulate matter, and other characteristic pollutants (benzo[a]pyrene, non-methane total hydrocarbons, asphalt fumes, ammonia, hydrogen sulfide, hydrogen chloride)
Wastewater: five-day biochemical oxygen demand (BOD5), chemical oxygen demand (COD), ammonia nitrogen, pH (dimensionless), suspended solids, sulfates, petroleum
Non-hazardous waste: household waste, production scrap, packaging waste
Hazardous waste: waste lubricating oil, laboratory hazardous waste
Noise
Greenhouse gas

Product transportation

Environmental factor input

Energy: gasoline and diesel consumed by freight vehicles; electricity consumed by electric vehicles

Environmental factor output

Greenhouse gas

Office operations

Environmental factor input

Energy: purchased electricity, gasoline and diesel consumed by company-owned vehicles
Water: municipal water supply
Packaging materials: cartons

Environmental factor output

Wastewater: domestic wastewater
Non-hazardous waste: domestic waste
Greenhouse gas

Environmental Communication and Training

The Company continuously conducts environmental hazard identification and risk assessments. Each production base develops the emergency response plan for sudden environmental incidents based on its operation realities, clearly defining the response procedures and division of responsibilities. Based on such plans, the Company organizes emergency drills, environmental protection training sessions, and knowledge assessments. In addition, the Company fosters a green and low-carbon culture through activities such as plant site greening, tree planting activities, and the posting of environmental protection banners.

Case Huzhou Kaijin conducts environmental protection training program

In November 2025, Huzhou Kaijin New Energy organized a specialized environmental protection training program, with the content focusing on environmental pollution prevention and control, as well as the treatment of various types of pollutants. The training provided systematic explanations to help employees gain a deeper understanding of environmental regulations and pollution prevention requirements. After the training, the Company conducted an on-site assessment with a 100% pass rate, which effectively improves employees' environmental awareness and practical capabilities, laying a solid foundation for environmental compliance management at the production base.



Environmental Protection Training at Guangdong Kaijin

Indicators and targets

The Company establishes its annual environmental management targets focusing on key areas such as resource consumption, pollutant emissions, and environmental compliance. Through regular monitoring and data analysis, the Company dynamically tracks the completion status of targets to ensure continuous improvement in environmental performance.

Environmental management targets of Guangdong Kaijin	Our progress
Compliance rate of plant boundary noise	✔ Achieved
Emissions of waste gas in compliance with regulatory standards	✔ Achieved
Emissions of domestic sewage in compliance with regulatory standards	✔ Achieved
Green electricity share ≥ 60%	✔ Achieved
100% compliant hazardous waste treatment	✔ Achieved
Zero environmental non-compliance incidents	✔ Achieved

Strengthening Resource Utilization

Adhering to the philosophy of "green manufacturing and green development", Kaijin New Energy integrates the water saving, energy saving, and circular economy principles into the whole process of production and operation, with an aim to achieve energy conservation, consumption reduction, and cost efficiency. The Company continuously optimizes its energy structure, promotes the recycling and reuse of water resources, and vigorously develops the circular economy, thereby contributing to the comprehensive green transformation in economic and social development.

Energy management

The Company strictly complies with the Energy Conservation Law of the People's Republic of China and other applicable laws and regulations, and has formulated internal policies and procedures, including the Energy and Resource Management Regulations, Energy Policy, and Energy and Resource Conservation Procedure. The Company systematically advances energy management, continuously improves energy efficiency and reduces carbon emissions through measures such as energy-saving equipment retrofits, optimization of production processes, utilization of renewable electricity, and promotion of energy saving principles. The Company's operational energy consumption primarily derives from production activities and daily office work, involving energy types such as electricity, natural gas, steam, diesel used in production equipment, and gasoline and diesel used in company-owned vehicles.



ISO 50001 Energy Management System Certification Certificate of Kaijin New Energy

Energy-saving equipment upgrades

- Establish an energy management platform to achieve real-time monitoring and centralized management of energy consumption data.
- Implement energy-saving retrofits for energy-intensive equipment, promote new energy-efficient products and technologies, and phase out high-energy-consuming equipment.
- Adopt variable frequency drive (VFD) control in central air-conditioning systems to reduce start-up and braking energy losses.
- Introduce IoT-based interconnected equipment systems to monitor electricity consumption in real time and promptly identify idle equipment.

Production process optimization

- Prioritize the use of raw materials with low volatile content and low sulfur content to reduce energy consumption during processing.
- Prioritize the adoption of lower-energy and lower-consumption furnace types while ensuring product quality.
- Prioritize integrated manufacturing facilities to reduce energy consumption associated with material transportation.

Promotion of green electricity

- Advance the construction of rooftop photovoltaic (PV) systems and energy storage installations at all production bases.
- Develop integrated "PV + energy storage + charging" systems in parking facilities to promote the circular utilization of green electricity.
- Sign green electricity direct supply agreements with power sales companies and actively purchase renewable energy certificates.

Cultivation of energy-saving awareness

- Maximize the use of natural daylight in production sites and office areas to reduce artificial lighting energy consumption.
- Install energy-efficient lighting in office areas, sensor lights in corridors, and timed dimming controls in residential areas.
- Implement fixed temperature controls for air-conditioning in office areas during summer.
- Develop annual training plans, conduct specialized training programs such as green factory activities, and organize performance assessments.

Case Kaijin New Energy is recognized as a national-level "green factory"

In 2025, Kaijin New Energy was successfully recognized as a National-Level Green Factory in recognition of its systematic practices and outstanding achievements in green manufacturing. The Company has continuously advanced green manufacturing measures, including rooftop PV systems, energy storage installations, rainwater reuse systems, and energy management platforms, based on five core standards, i.e., intensive land use, non-hazardous raw materials, cleaner production, waste recycling, and low-carbon energy utilization. In particular, the Guangdong Kaijin PV project has generated 1.3243 million kWh of electricity in total from April to December since it was put into operation in April 2025. The Huzhou Kaijin PV project generated 3.9438 million kWh of electricity in total in 2025. The cumulative power generation of both PV projects reached 5.2681 million kWh, effectively increasing the share of clean energy use and contributing to the low-carbon transformation of production and operations.

Looking ahead, the Company will continue to leverage its demonstration role as a National-Level Green Factory, actively collaborate with upstream and downstream partners across the value chain, and jointly build a green supply chain system. By reducing the life-cycle carbon footprint of its products, the Company will continue to empower the high-quality and sustainable development of the new energy industry.



Rooftop PV System



PV Installation on the Company's Parking Canopy Roof

Water resource management

The Company, in accordance with applicable laws and regulations such as the Water Law of the People's Republic of China, establishes the Energy and Resource Conservation Procedure. It regards improving water use efficiency as a key management requirement in its daily operations and continues to enhance its water resource management mechanisms, implement water conservation measures, and strengthen the foundation for developing a water-efficient enterprise. The Company's water consumption is mainly sourced from municipal water supply and rainwater. Its major production and operational sites are located in areas with low water risk levels, and no significant direct or indirect impacts arising from changes in water withdrawal, consumption, discharge, or storage have been identified.



Circulating cooling tower at Guangdong Base: The total circulating cooling water capacity is 2,830 m³/h, achieving a water-saving rate of over 10%

The Company actively promotes recycling and reuse of water resources, and has established a comprehensive water resource management system covering production water, rainwater, and daily management. Through recycling and reuse, source control, and system optimization, the Company continuously improves its water use efficiency. In production operations, the manufacturing sites are equipped with circulating cooling water towers and cooling water reuse systems, which can enable the recycling of cooling water in production processes and effectively reduce freshwater withdrawal. Initial rainwater is collected and treated through coagulation-sedimentation before being reused as make-up water for the circulating cooling water system, which further improves the rainwater utilization efficiency. No production wastewater is discharged externally, thereby effectively reducing the impacts on the external water environment.

In office and living areas, the Company promotes the use of sensor water-saving devices to control water consumption at the source. The Company also actively advocates the water conservation philosophy, with water-saving signage posted at water use points. It conducts training on energy conservation, carbon reduction and green development, and establishes a regular inspection mechanism to prevent leakage and wastage, embedding the water conservation awareness deeply in daily operations. During the reporting period, no material water-related non-compliance incidents occurred at the Company's operating sites.

Circular economy

The Company has formulated the Ecological Design Management System and the Raw Material Conservation Rating System, integrating the circular economy principle into the entire process of product research and development, manufacturing, and resource utilization. In line with the characteristics of the anode materials industry, the Company continues to advance the development of a full-chain circular engineering system covering “raw material grading - structural restoration - graphitization control - recycling closed loop”, thereby promoting coordinated improvements in resource conservation, efficient material utilization, and green manufacturing.



Raw material selection

The Company's primary raw materials include petroleum coke and needle coke. During the raw material selection stage, the Company emphasizes resource efficiency and environmental compatibility, strictly controls prohibited and restricted substances, and promotes the efficient use of raw materials.



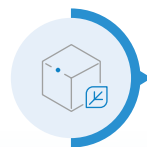
Product design

The Company integrates the eco-design principles into product design, and incorporates material recyclability and environmental friendliness into R&D considerations, thereby improving the resource utilization efficiency and reducing the environmental impact during the product's full life cycle.



Manufacturing process

The Company applies green manufacturing technologies and optimizes production processes to reduce resource consumption and pollutant generation during manufacturing, thus continuously improving the resource efficiency and manufacturing process control capabilities.



Packaging and transportation

The Company continuously optimizes packaging design, prioritizing the use of biodegradable or recyclable packaging materials, and promotes packaging reduction, reuse, and standardized use to reduce material consumption and waste generation.



Recycling and disposal

The Company places strong emphasis on end-of-life product and waste management, continuously improving its product recycling and reuse capabilities. Non-recyclable materials are disposed of in compliance with applicable laws and regulations through environmentally sound methods to avoid environmental impacts caused by improper disposal.

Green products

The Company focuses on process innovation and product R&D, integrating low-carbon and green development principles throughout the entire product development and technological upgrading process. It continuously advances the R&D of low-carbon anode materials, optimization of green manufacturing processes, and management of product carbon footprints, thereby improving the product performance and low-carbon competitiveness and providing support for supply chain decarbonization for customers as well as the green development of the new energy battery industry.

Green process innovation

- The Company promotes an integrated production model, leveraging process coordination to shorten production cycles. It has simultaneously upgraded the existing production lines, achieving a 20%-30% increase in production capacity and a 20% reduction in relative energy consumption.
- In collaboration with customers, the Company has developed ARDR atomic rearrangement repair technology. Mass production validation shows a 15%-25% reduction in cost and approximately 20% reduction in carbon emissions.
- The Company optimizes key processes such as graphitization, carbonization, coating, and particle restructuring, which helps to reduce the energy consumption and emissions in production while improving product consistency, capacity, rate performance, and cycle life.

Development of low-carbon products

- The Company focuses on the efficient conversion of forestry biomass and has established a circular economy model of "carbon-negative process - carbon-based materials - energy applications", thus forming an independent low-carbon material technology system to strengthen the foundation for carbon reduction from the source.
- The Company has achieved breakthroughs in key technologies for the controllable preparation and mass production of biomass hard carbon anode materials, with multiple core performance metrics demonstrating excellent results. This has provided support for the performance improvement in new energy batteries.
- The Company has completed product carbon footprint verification and certification and established a full-chain raw material traceability system to ensure carbon emission data is traceable, thus assisting customers in achieving the supply chain decarbonization targets.
- The Company continuously optimizes product performance and service life, with a strategic focus on next-generation technologies such as solid-state and sodium-ion batteries, and reduces the lifecycle carbon emissions by extending the battery lifespan.

Pollution Emission Control

Kaijin New Energy strictly complies with national standards and requirements for the discharge of pollutants such as wastewater, exhaust gas, solid waste, and noise, and systematically advances the standardized management of all types of pollution sources to ensure 100% compliant treatment and disposal, thereby fulfilling its commitment to green development with concrete actions and effectively reducing the environmental impact of its operations.

Wastewater management

The Company strictly complies with applicable laws and regulations, including the *Water Pollution Prevention and Control Law of the People's Republic of China* and the *Integrated Wastewater Discharge Standard*, and has formulated the Wastewater Control Procedure to implement standardized management over the entire lifecycle of wastewater generation, collection, treatment, and discharge, and ensure the compliant disposal. The Company's wastewater mainly consists of desulfurization wastewater and domestic sewage. Desulfurization wastewater is fully treated through the wastewater treatment system and recycled for reuse, with zero external discharge. Domestic sewage is pretreated using grease traps and septic tanks before being discharged into the municipal pipe network for centralized treatment at the municipal wastewater treatment plant.

Waste gas management

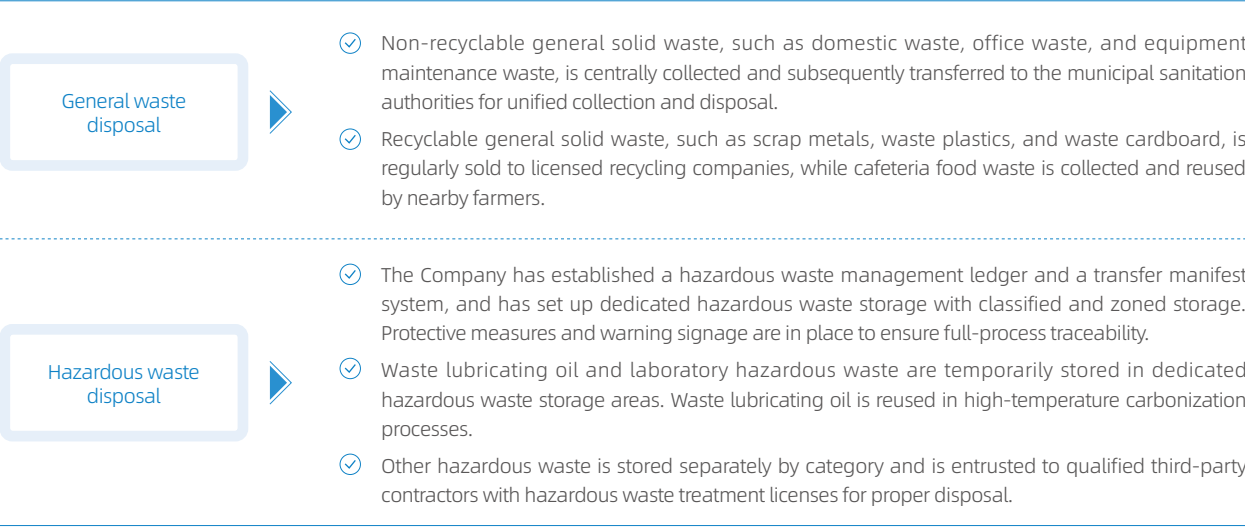
The Company implements the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and other applicable laws and regulations, and has formulated the Atmospheric Pollution Control Procedure. For particulate matter generated during graphite feeding and packaging processes, dust removal technologies are adopted for treatment. For organic waste gases generated during laboratory coating, drying, and electrolyte injection processes, adsorption treatment technologies are applied to ensure compliant emissions.

Guizhou Kaijin, based on its actual production conditions, has formulated the Guizhou Kaijin Waste Gas Emission Management System. For waste gases generated during graphitization and carbonization processes, combined treatment technologies such as desulfurization are adopted, and emissions are discharged through ducted emissions after meeting applicable standards. In addition, through technological upgrades, the waste gas collection system has been optimized to reduce the number of emission outlets and lower the monitoring cost.



Waste management

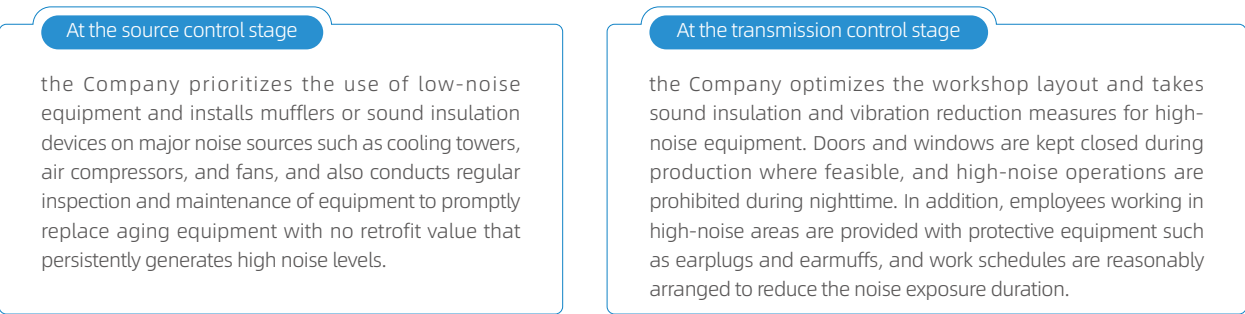
The Company strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and has established internal systems including the Solid Waste Control Procedure, Solid Waste Management Measures, Hazardous Waste Management Regulations, and Solid Waste Management Regulations for the classified management, standardized storage, and compliant disposal of waste to ensure harmless, reduced, and reduction, harmless treatment, and resource utilization. The Company's non-hazardous waste mainly includes domestic and office waste, general solid waste generated from equipment maintenance, desulfurization gypsum, and waste plastics. Hazardous waste mainly includes waste lubricating oil, electrostatic tar, and laboratory hazardous waste.



In the area of biomass waste resource utilization, the Company attaches great importance to the development and application of renewable carbon source materials. In collaboration with institutions such as South China Agricultural University, the Company carries out the project titled Key Technologies and Applications of Carbon-Based Energy Storage Materials Derived from Forestry Residues, exploring the ways to convert forestry residues such as bamboo and wood, as well as subtropical waste biomass resources including coconut shells, bamboo, sugarcane bagasse, and lychee wood, into carbon-based energy storage materials, so as to improve the utilization value of waste biomass resources and reduce the dependence on traditional non-renewable resources.

Noise management

In accordance with the Emission Standard for Industrial Enterprises Noise at Boundary and the Environmental Quality Standard for Noise, the Company has developed a noise management system in line with its operational conditions, and ensures that boundary noise consistently meets the applicable standards through source control, transmission pathway mitigation, and regular third-party monitoring.



Talent Empowerment for Shared Value Creation

Adhering to the lawful, compliant, fair, and equitable employment principles, Kaijin New Energy works continuously to foster a safe, equal, and inclusive workplace that balances employees' work and life based on the principle of safeguarding employees' legitimate rights and interests, with career development empowerment as the support, and occupational health and safety as the basic requirement. Meanwhile, the Company actively participates in industry exchanges and standards co-development, roots itself in local communities to respond to livelihood needs, and works collaboratively with stakeholders to build a mutually beneficial and harmoniously coexisting development ecosystem.

Our Actions

- Employee rights and benefits
- Promoting industry development
- Occupational health and safety
- Co-creating a better society
- Employee training and development

Key Performance

- Total number of employees: **2,715**
- Major safety accidents: **0**
- Employee labor contract signing rate: **100%**
- Occupational disease incidence rate: **0**

Alignment with the United Nations Sustainable Development Goals (SDGs)

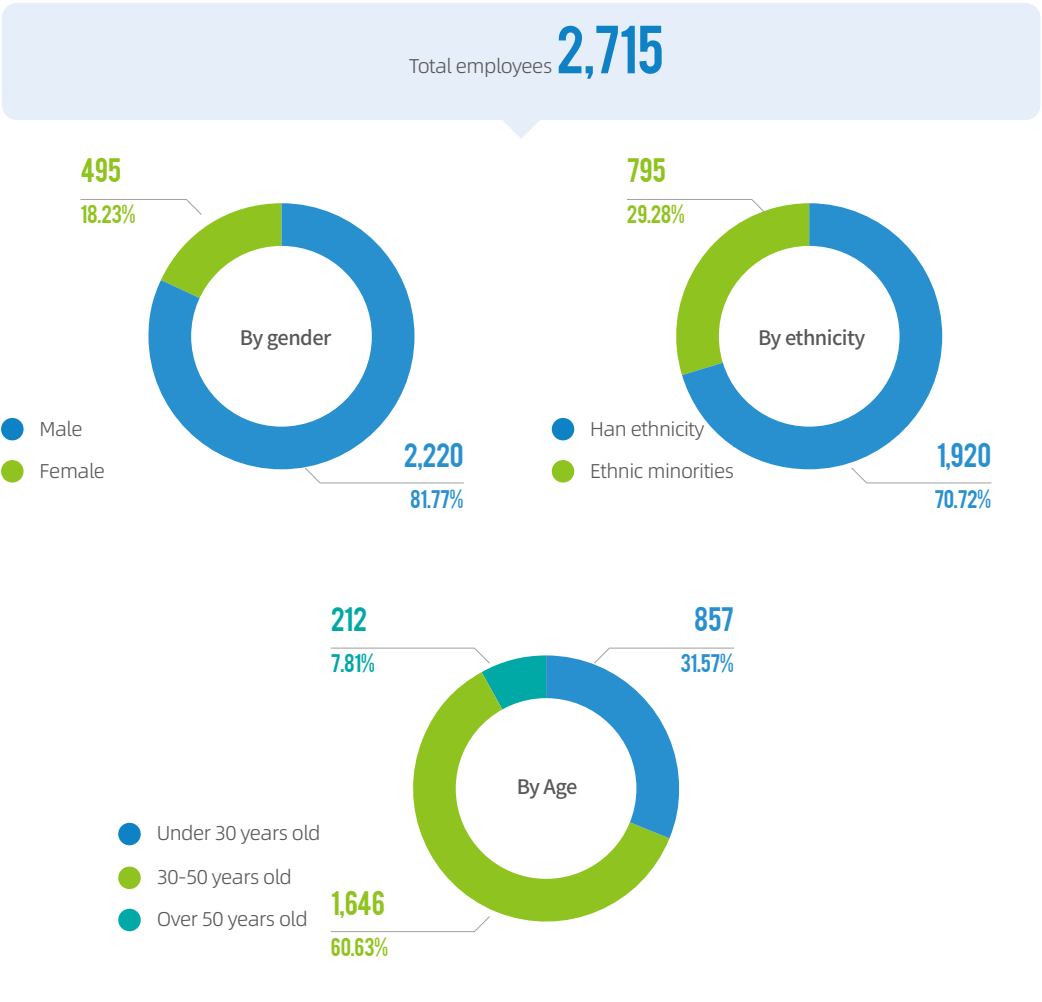


Employee Rights and Benefits

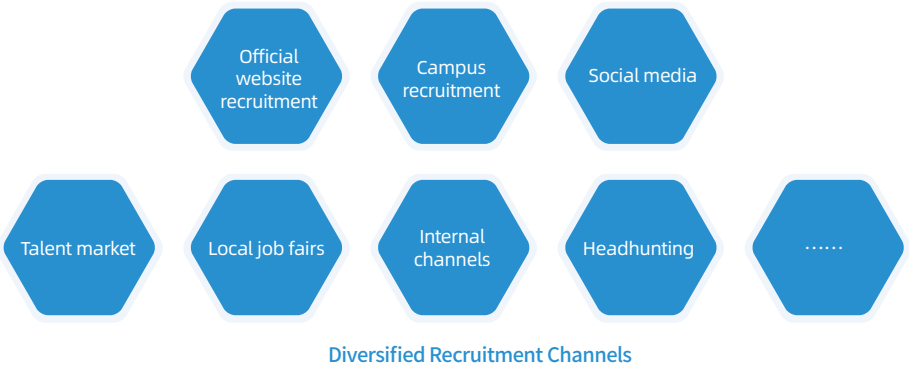
Kaijin New Energy strictly complies with applicable labor laws and regulations, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Law on the Protection of Minors of the People's Republic of China*, to effectively safeguard employees' lawful rights and interests. On the basis of timely and full payment of remuneration and the guarantee of statutory leave entitlements, the Company actively expands a diversified range of supplementary benefits centered on health care and life support, such as supplemental commercial insurance, annual health check-ups, and various allowances and subsidies to comprehensively increase employees' sense of fulfillment, security, and belonging. With these measures, the Company is committed to building a compensation and benefits system characterized by both strong market competitiveness and human-centered care.

Diversity and inclusion

The Company upholds the principle of equal employment and strictly complies with applicable laws and regulations in the regions where it operates. It prohibits any form of employment discrimination based on race, color, gender, age, religion, etc. Throughout the entire recruitment and employment process, the Company recruits talent from diverse backgrounds through multiple channels following the principles of openness, fairness, and impartiality, and ensures that all employees enjoy equal rights in career development opportunities and compensation and benefits, thus fostering a diverse, inclusive, and equitable working environment. In 2025, no employment-related legal or regulatory violations were recorded.



The Company adheres to the principles of legality, compliance, fairness, and professionalism in its recruitment management and strictly follows applicable labor laws and regulations. The principle of equality is embedded throughout the entire recruitment process. The Company has established a diversified recruitment system combining internal and external channels. Internally, talent mobility is promoted through mechanisms such as internal competitive selection, employee referrals, and cross-functional rotations, thereby improving workforce efficiency. Externally, the Company actively attracts talent through campus recruitment and social recruitment, with a focus on attracting talent specialized in emerging industries and cross-disciplinary areas. Through the coordination of internal and external recruitment channels, the Company effectively ensures the talent supply for key positions and builds a diverse, integrated, and highly capable talent team.



Harmonious employment

The Company upholds its core talent philosophy of "Initiative, professional, modesty, work hard, and strong learning ability". It comprehensively implements a labor contract system and strictly signs and fulfills labor contracts with all employees in accordance with applicable laws and regulations, thereby establishing a standardized and well-regulated employment relationship. The Company follows the principle of aligning employees' competencies with job requirements, and is committed to placing the right talent in the positions where they can best leverage their strengths, so as to enable employees to fully realize their potential, promote the coordinated development between employees and the Company, and continuously foster a professional, harmonious, and mutually beneficial employment environment.

Employee labor contract signing rate
100%

Compensation and benefits

The Company effectively safeguards employees' compensation and benefits rights. In terms of compensation, the Company adopts a market-oriented income distribution mechanism based on industry competitiveness. It strictly implements the *Employee Benefits Management System* and the *Management Supplementary Benefits Policy*, and ensures timely and full payment of salaries in accordance with performance appraisal results, maintaining both external competitiveness and internal equity of compensation. In terms of benefits, the Company safeguards employees' statutory leave entitlements, ensuring that all leave is fully taken. It also places strong emphasis on employees' physical and mental well-being, and organizes a variety of recreational and engagement activities, thereby increasing employees' sense of fulfillment, security, and belonging.



Establishing a Comprehensive Employee Benefits System

The Company has established a comprehensive employee benefits system covering the full statutory leave entitlements, festival care, health protection, living subsidies, and a comfortable working environment.

Leave entitlements	Paid annual leave, marriage leave, bereavement leave, prenatal check-up leave, maternity leave, paternity leave, nursing leave, and parental leave.
Festival benefits	Gifts for traditional Festivals, kick-off red packets, onboarding anniversaries, and employee birthday celebrations
Health guarantee	Employer liability insurance, annual health examinations, occupational health check-ups, and visits to employees with work injuries
Living guarantee	Free accommodation, free meals, electricity subsidies, high-temperature allowances, and night shift allowances
Employee activities	Diverse team-building activities



A Favorable Working Environment

The Company office spaces are designed based on the concepts of openness and interaction. The design moves away from traditional compartmentalized layouts, aiming to facilitate team communication and collaboration, improve communication efficiency and responsiveness, and provide spatial support for high-performance teamwork.



Office Building Environment

Case Establishing a "Points Reward Marketplace" to Recognize High-Performing Employees

The Company has established a Points Reward Marketplace to recognize employees' contributions in project execution and cross-functional collaboration. Employees may earn corresponding badges and points based on their work contributions, performance, and demonstration of corporate values, which can be redeemed for corresponding benefits, creating a positive feedback loop between effort and reward and effectively motivating striving employees.



Points Reward Marketplace Display Page Points Redemption Display Page

Organizing Team-building Activities

The Company attaches high priority to employees' physical and mental well-being. It regularly conducts employee care activities, including traditional festival celebrations, kick-off red packets, and workplace group psychological counseling sessions, and regularly holds departmental team-building activities quarterly to raise employees' sense of happiness, gain, and belonging.



Dragon Boat Festival Event



Basketball Game



Mid-Autumn Festival Celebration



Employee Birthday Celebration

Advancing Personalized Employee Care Activities

The Company continues to improve its employee care system by establishing recreational facilities such as the library, gym, and yoga room. It also designs branded cultural products, including cushions, gift sets, and woven bags, to enrich employees' cultural life by regularly organizing employee leisure activities and distributing gifts through online interactive programs, while strengthening their sense of identity and belonging to the organization.



Library



Gym



Company-Themed Cushion



Commemorative Keychain



Commemorative Woven Bag

Democratic communication

The Company upholds a governance philosophy of "openness, transparency, and two-way communication", and strictly complies with applicable laws and regulations, including the *Company Law of the People's Republic of China* and the *Trade Union Law of the People's Republic of China*. The Company has established an open, transparent, and democratic communication mechanism. The Company systematically collects employee concerns through multiple channels, including Workers' Congress, employee roundtables, and complaint and feedback platforms, and also regularly conducts employee satisfaction and organizational climate surveys to accurately identify key employee concerns, develop targeted improvement measures, and continuously improve employees' sense of belonging as well as corporate governance transparency.

Workers' Congress



The Company holds a Workers' Congress every six months. Representatives are elected from various departments and production bases. At the congress, democratic discussions are held with a focus on issues of close concern to employees. Leadership fully listens to the opinions and suggestions from frontline employees to promote employees' participation in corporate management, and safeguard employees' rights to information and expression.

Department Employee Roundtables



These sessions are jointly organized by multiple departments, with feedback and discussions focused on practical issues such as workplace challenges, employees' life needs, and team management. During the meetings, employees can directly raise concerns to management. After each session, meeting minutes are prepared, responsible departments are assigned, and follow-up actions are taken and monitored to ensure the effective resolution of employee concerns.

Employee Complaint and Feedback Platform



The Company's OA system has launched an "Employee Improvement Suggestions" channel, providing a continuous feedback pathway for all employees. A total of 126 employee improvement suggestions were collected throughout the year. In 2025, the online feedback system was further upgraded with the launch of the dedicated "Kaijin Mic" employee voice platform. A special follow-up and monthly review mechanism was established, and 113 employee feedback items were collected, covering various aspects such as processes, communication, management, and accommodation and catering services, with a cumulative issue closure rate exceeding 95%.



Launch poster for the dedicated employee voice feedback platform "Kaijin Mic"



Employee Voices - Themed Posts

Occupational Health and Safety

Kaijin New Energy places a high priority on employees' occupational health and safety, viewing it as a foundational element of internal management to prevent operating risks. The Company strictly complies with applicable laws and regulations, including the Work Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases. It establishes a management approach grounded in the principles of "putting people first, caring for life,, and promoting harmonious development", and systematically advances occupational health and safety management practices.

Governance

The Company has established an occupational health and safety governance structure, where the headquarters is responsible for coordination and management, and all bases are responsible for the specific related work. Each production base has developed a set of management systems, including the *Work Safety Management Regulations*, *Occupational Health Management Measures*, and *Occupational Hazard Prevention Responsibility System*, which clearly define the safety responsibilities at all levels, ensure the provision of a safe and healthy working environment, and effectively safeguard employees' physical and mental well-being.

Strategy

The Company integrates occupational health and safety into its overall development strategy. The Company proactively advances hazard and source identification, with a focus on high-risk factors such as dust, chemical hazards, noise, and high temperatures. Through process optimization, technological upgrades, and production line improvements, the Company has achieved occupational risk prevention and control. At the same time, the Company strengthens the digitalization empowerment, standardizes employee protection measures, and conducts safety warning education and emergency response drills, thereby continuously improving its occupational health and safety management performance.

Impact, Risk, and Opportunity Management

The Company conducts identification and assessment of occupational health and safety hazards across all business units. Targeted preventive and control measures are developed and strictly implemented, with continuous process monitoring and improvement in place. This establishes a closed-loop management system of "identification - assessment - control - supervision - improvement!", maximizing the protection of employees' occupational health and safety.

Identification and Assessment

The Company engages qualified third-party professional institutions to conduct hazard factor testing and evaluate the effectiveness of occupational disease prevention and control measures. The main occupational hazard factors identified at the production sites include dust, noise, toxic and hazardous substances, welding arc radiation, high temperatures, and power-frequency electromagnetic fields.

Management and Improvement

For identified risk factors and corresponding response measures, the Company implements the control requirements comprehensively from production support, emergency management, safety training, and monitoring and improvement, thereby reducing employees' exposure to occupational hazards to the greatest extent possible.



Ensuring work safety

Conduct routine safety inspections and special inspections before festivals and holidays, with a focus on key areas, critical processes, and high-risk locations to promote dynamic hazard identification and closed-loop correction, and standardize the configuration of first-aid kits and emergency response materials.



On-site emergency drill for fire and explosion risk scenarios



Specialized emergency drill for dust explosion incidents



Occupational health and safety knowledge training



High-risk and confined space operation safety training

Number of safety emergency drills conducted

20 sessions

Indicators and targets

The Company has established occupational health and safety objectives and key performance indicators, which are further decomposed and assigned to each department and position to ensure the responsibilities are clearly assigned to individuals. During the reporting period, the Company strictly maintained its occupational health and safety bottom line, and effectively drove the standardized operation of daily safety management through process-based indicators.No work-related fatalities or serious injuries occurred throughout the reporting period.

Metrics	Unit	Targets	2025
Occupational disease incidence rate	%	0	0
Major safety incidents	Cases	0	0
Employee health check coverage	%	100	100
Fire/explosion incidents	Cases	0	0
Chemical solvent leakage incidents	Cases	0	0



Strengthening emergency management

Improve the emergency response system and develop comprehensive, specialized, and on-site response plans. Conduct regular and practical emergency drills targeting key risks such as dust explosions and fires.



Conducting safety training programs

Establish a tiered and graded training system for key safety risk sources. Provide training on safety regulations, job-specific operational procedures, emergency response practices, and occupational health protection through video-assisted learning, on-site instruction, and apprenticeship mentoring to raise employees' safety awareness and emergency response capabilities.



Continuous monitoring and improvement

Establish an occupational health and safety management ledger to track key indicators and task implementation on a monthly basis. Identify issues in a timely manner, implement and monitor corrective actions, and maintain a closed-loop management system consisting of monitoring, rectification, verification, and optimization.

Employee Training and Development

Anchored in its clear talent evaluation standards and core value orientation, Kaijin New Energy continues to build a diversified growth platform to comprehensively empower employee development. The Company has established a systematic training framework covering the entire career lifecycle, supported by fair and transparent talent selection and promotion mechanisms as well as a well-defined career progression pathway. This framework unlocks the development pathways for employees and fosters a mutually reinforcing and synergistic relationship between individual capability enhancement and the Company's long-term development.

Strengthening career development pathways

The Company places strong emphasis on employees' career development, and has established clear career development channels and a comprehensive performance appraisal system. This provides employees with transparent growth pathways and fair assessment mechanisms, facilitating the mutual development between employees and the Company.

Providing Clear Career Development Pathways

The Company has developed and implemented the *Job Grade and Position Classification Management System*, and established multi-track career development pathways covering management, functional, technical, operational, and R&D tracks. It also defines the job grading structures and promotion requirements, providing employees with clear and structured career advancement opportunities.



Improving the Performance Appraisal System

The Company has established a performance management framework covering governance, management, and execution levels, and has formulated and implemented the Compensation and Performance Incentive Program to systematically advance performance management practices. The President's Office is responsible for coordinating the annual business objectives and action plans. The Performance Management Execution Team is responsible for the performance indicators, target setting, incentive budgeting, and supervision. The Human Resources Center is responsible for system development, performance organization, process auditing, and result application. Department heads and production base leaders are accountable for breaking down targets, conducting performance evaluations, providing feedback, organizing face-to-face discussions, and guiding improvement actions. This structure forms a closed-loop management system covering decomposition of strategic objectives at all levels, process tracking, and application of results.

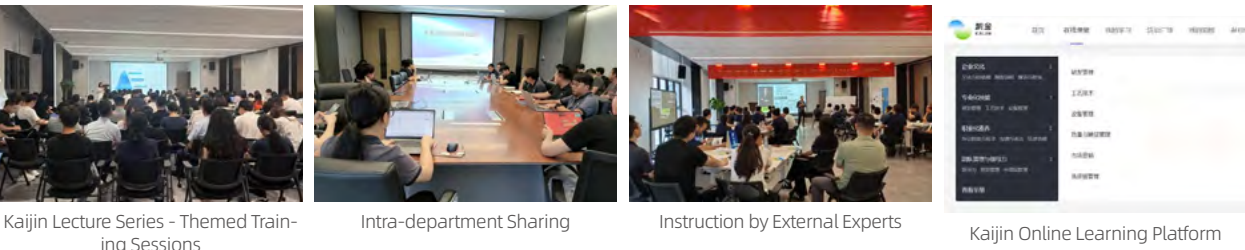
The Company has established a differentiated incentive system driven by performance outcomes, job value, competency contribution, and appraisal results. Tools such as employee performance commitment letters and 360° Feedback are applied to ensure close alignment between compensation distribution, employee contributions, and organizational objectives. In 2025, the voluntary turnover among employees in key positions decreased steadily year on year, while the per capita annual output increased by 45.1%. These results demonstrate continuous improvements in the core team stability, organizational efficiency, and talent incentive effectiveness.

Organizing employee training

The Company places strong emphasis on employee development and capability building. Relying on its Talent Development Center and in strict compliance with internal management requirements such as the Employee Training Management System, the Company continues to build a professional, standardized, and systematized learning platform. Focusing on employees' different career stages and job competency requirements, the Company regularly conducts diversified training programs, including online learning lectures, onboarding boot camps for new graduates, professional skills training, and management capability development programs. These programs aim to continuously improve employees' professional expertise, comprehensive competencies, and job performance, providing strong talent support for both employees' career development and the execution of the Company's strategic objectives.

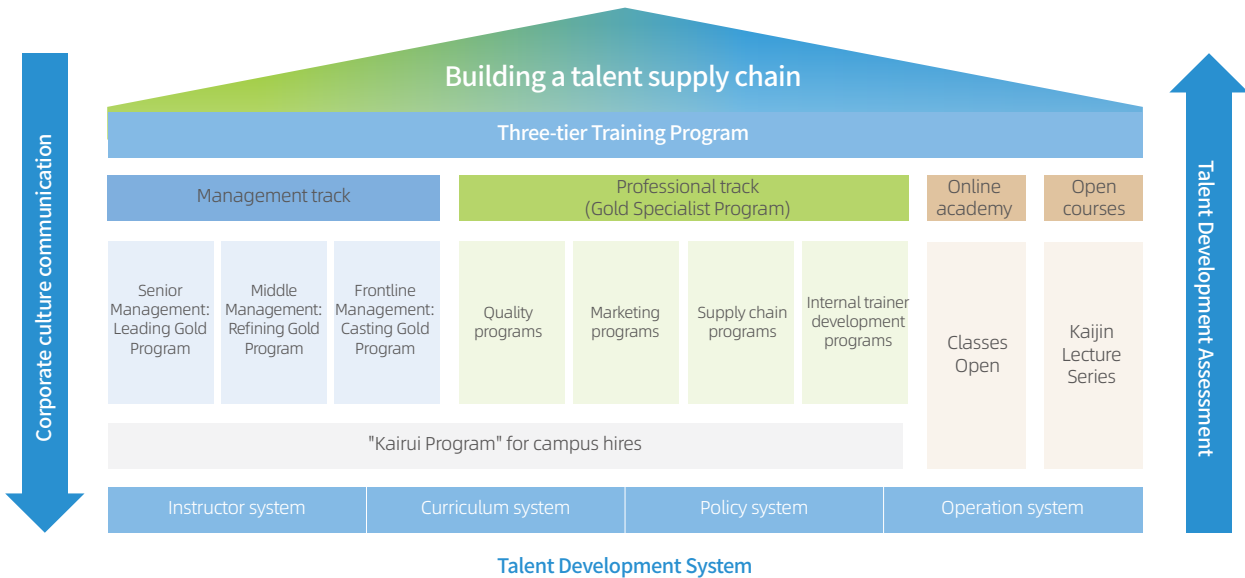
Diversified Training Formats

The Company has developed a diversified training system that integrates online learning and offline instruction. Training formats include teaching by internal instructors, external expert seminars, and the selection of employees to participate in the training programs organized by external institutions. This format can accurately meet the diverse and multi-level learning and development needs of employees at all levels.



Systematic Training Courses

The Company has established a structured training curriculum covering onboarding training, management capability training, and professional skill training. This curriculum is designed for employees at different levels and career stages, and can meet the diverse career development needs of employees.





Focusing on talent pipeline development and business capability enhancement, the Company has established a series of special training programs, including the "Kairui Program", "Casting Gold Program", "Refining Gold Program", "Leading Gold Program", and "Gold Specialist Program", forming a comprehensive talent development system covering new employees, team leaders, middle managers, senior management personnel, and core professional talents.

Kairui Program

Designed for campus recruits, this program provides a series of training courses to help new employees accelerate their transition from campus to the workplace, improve their job adaptability, and strengthen their integration into the organization. In 2025, the program achieved a 100% completion rate.

Gold Specialist Program

Focused on core professional areas, this program provides thematic, scenario-based, and practice-oriented training to help employees at key positions improve their technical expertise and address key business challenges. In 2025, the program delivered 17 courses, reaching more than 1,800 participants.



"Gold Specialist Program" training



"Refining Gold Program" training



Opening ceremony of the "Kairui Program" intensive training camp



The "Kairui Program" received the Outstanding Practice Award for Blended Learning Program of BOOAO Awards

Casting Gold Program

Focused on team leader development, this program delivers hands-on training based on actual production needs, aiming to improve frontline managers' capabilities for on-site management, problem solving, and team collaboration. In 2025, the Company conducted 17 training sessions under this program, with a total training duration of 25 hours, an average satisfaction score of 4.74 out of 5, and a team leader qualification pass rate of 82%.

Refining Gold Program

Targeting middle managers, this program focuses on themes such as team management, strategic understanding, compliance awareness, and cross-functional collaboration. Through intensive workshops, case studies, and action learning, it helps to broaden the business perspectives and strengthen the management abilities of middle managers. In 2025, the program achieved a 100% completion rate.

Leading Gold Program

This program is designed to improve the strategic leadership capabilities of management personnel. It adopts a dual-driven model of "training + practical assessment", incorporating company-level decision-making simulations, to guide participants to develop implementable improvement plans based on real business scenarios, promoting the transformation of middle and senior managers from functional experts to business decision-makers.

Promoting Industry Development

Adhering to an open, collaborative, and mutually beneficial development philosophy, Kaijin New Energy works closely with industry chain partners to actively participate in the formulation of industry standards and high-level industry forums. It is also committed to cultivating and empowering industry talent, promoting knowledge sharing and capability co-building, and supporting the industry in achieving higher-quality and more sustainable development.

Industry Talent Development

The Company actively contributes to talent development within the industry, and supports education leveraging its extensive practical experience. It also supports talent cultivation in the new energy sector through university-enterprise cooperation, joint construction of internship bases, and co-development of specialized curricula.

Case Applying Industry Practice to Education

In June 2025, 10 senior professionals from Kaijin New Energy were officially appointed as external mentors at Dongguan University of Technology, and both parties jointly established a professional degree postgraduate training base. This appointment reflects the academic institutions' recognition of the Company's industry standing, technological innovation capabilities, and talent development philosophy. In the future, external mentors will participate in postgraduate training, research projects, and vocational skills development from the perspective of industry practice, and build a bridge between "academic theory" and "industrial practice" to inject momentum into the collaborative education between universities and enterprises.



Appointment certificates



Appointment ceremony

Participating in Industry Dialogue

Following the principles of fostering cooperation through openness and promoting development via collaboration, the Company actively participates in high-end industry forums, deepens the multi-dimensional collaboration in the upstream and downstream segments of the industrial chain, and works to build an industry ecosystem characterized by resource sharing and complementary advantages, thereby contributing to industry development.

Case Participation in Industry Summit Forum

In March 2025, Kaijin New Energy was invited to attend the 18th Lithium Battery Anode Materials Market and Frontier Technology Summit Forum, where it delivered a keynote speech titled Green Development, Responsibility First. Driven by the dual forces of energy transition and green development, the Company continues to deepen its ESG practices and is committed to becoming a benchmark for sustainable development within the industry.



The Company's representative delivers a speech at the industry summit forum

Case "Government-Enterprise Dialogue" to promote overall development of the industry

In April 2025, a delegation led by Li Zuoxun, Secretary of the Tongren Municipal Party Committee of Guizhou Province, visited Guangdong Kaijin New Energy for an on-site inspection. The dialogue aimed to deepen the industrial cooperation between Dongguan and Tongren and to assess the Company's technological capabilities and industrial influence in the field of new energy anode materials. Both parties engaged in in-depth discussions on topics including joint industrial chain development and the commercialization of technological achievements, laying a foundation for future regional collaborative development.



Tongren municipal Party and government delegation visits Kaijin New Energy

Case Strong alliance to build a new energy industry ecosystem

On August, 2025, Kaijin New Energy signed a solid-state battery cooperation agreement with Leagtech Group in Dongguan, Guangdong. The two parties conducted in-depth discussions on future business strategic planning, product technology roadmaps, development trends of solid-state batteries, and the global competitive landscape, and reached preliminary consensus on key technology standardization and improvements in manufacturing process efficiency. Both parties will jointly advance the innovation and technological breakthroughs in solid-state and next-generation battery material systems, leverage synergies, and accelerate the industrialization process.



Strategic cooperation agreement between Kaijin New Energy and Leagtech Group

Co-creating a better society

Kaijin New Energy actively regards community contribution as a key pillar of its social responsibilities efforts. The Company has established a community communication mechanism and actively participates in public welfare initiatives and community co-building activities in the regions where it operates. Through various forms, including industrial investment that drives local employment, volunteer service programs, and charitable donations, the Company effectively responds to community livelihood needs and contributes to the co-creation of a better society.



Arbor Day tree-planting activities

Case Driving regional development through industrial investment

In 2021, leveraging the Dongguan-Tongren collaboration mechanism, Kaijin New Energy started its operations in the Dalong Economic Development Zone in Guizhou Province. With “Kaijin Speed”, the Company completed the entire process from factory construction to trial production in just 72 days, and built an integrated production line with an annual capacity of 100,000 tons of high-performance lithium-ion battery anode materials. Since all production lines were put into operation in the second half of 2022, through continuously increasing its R&D investment, attracting technical talent, strengthening university-enterprise collaboration, and advancing production line technological upgrades, the Company’s output value has increased from RMB 1.3 billion in 2023 to RMB 1.91 billion in 2024, and further surged to nearly RMB 4 billion in 2025, achieving a leapfrog growth of over 200% within two years.

Creation of employment opportunities

The integrated production model of Kaijin New Energy has generated substantial employment opportunities. The Company’s workforce increased from over 200 employees in 2022 to more than 900 employees, representing an increase of approximately 300%. In 2025, the Company recruited over 50 university graduates, continuously optimizing its talent structure. Together with surrounding enterprises, the new functional materials industry in the Dalong Economic Development Zone has created more than 2,200 jobs in total.



Workshop of Guizhou Kaijin

Talent development

The Company has further deepened its collaborations with institutions such as Guizhou University and Central South University. Through targeted job training programs, the Company has supplied skilled technical workers to the local region, continuously promoting the development of the regional talent pipeline.



Production workshop

Regional Coordinated Development

Guangdong Kaijin New Energy and Guizhou Kaijin work in coordination, actively participate in local recruitment fairs and conduct employment support programs in surrounding villages, helping local residents obtain employment opportunities near their hometown.

Outlook

Looking ahead, Kaijin New Energy will continue to anchor its development on the vision to become the world’s leading supplier of new energy materials. Remaining committed to the principles of steady operations, pragmatic innovation, and green development, the Company will continuously strengthen its ESG management system and further improve its capabilities in R&D innovation, quality management, green manufacturing, customer service, and supply chain collaboration. The Company will drive industrial upgrading through innovation, strengthen customer trust through quality, and promote sustainable operations through green and low-carbon development. It will continuously advance energy conservation and carbon reduction, resource recycling, environmental compliance management, and green supply chain development, and work together with employees, customers, suppliers, industry partners, and communities to co-create and share value from development, thereby contributing its strength to the high-quality development of the new energy materials industry.

Key Performance Table

Governance Performance

Indicator	Unit	2025	2024
Business Ethics and Anti-corruption Performance			
Number of participants in anti-corruption training	Persons	890	669
Number of anti-corruption training sessions	Sessions	6	3
Anti-corruption training coverage	%	100	100

Environmental Performance¹

Indicator	Unit	2025	2024
Energy Use			
Electricity consumption	MWh	1,120,979.44	887,241.65
GHG Emissions ²			
Scope 1 GHG emissions ³	tCO ₂ e	242.51	208.52
Scope 2 GHG emissions ⁴	tCO ₂ e	16,491.97	17,557.73
Scope 3 GHG emissions	tCO ₂ e	286,553.2	371,388.97
Total GHG emissions (Scope 1 + Scope 2)	tCO ₂ e	30,3287.68	389,155.23

Social Performance

Indicator	Unit	2025	2024
Employee Employment and Training Performance			
Total number of employees	Persons	2,715	2,280
By gender			
Female	%	18.23%	18.68%
Male	%	81.77%	81.32%
By age			
Under 30	%	31.57%	20.26%
Aged 30-50	%	60.63%	68.73%
Over 50	%	7.81%	11.01%
By ethnicity			
Han Chinese	%	70.72%	74.52%
Ethnic minorities	%	29.28%	25.48%
By employment type			
Full-time employees under labor contracts	Persons	2,678	2,259
Full-time dispatched workers	Persons	24	19
Other employment forms ⁵	Persons	13	2

Indicator	Unit	2025	2024
Female Managers			
Total number of senior management employees	Persons	61	63
Proportion of women in senior management	%	18.03	15.87
Employee turnover rate ^{6, 7}	%	21.34	37.41
Employee Training			
Employee training coverage ⁸	%	100	100
Of which: training coverage for female employees	%	100	100
Of which: training coverage for male employees	%	100	100
Cumulative online learning hours	Hours	18,449	6,732.32
Online learning attendances	Person-times	68,000	37,018
Average training hours per employee	Hours/person/year	6.8	3
Occupational Health and Safety Performance ⁹			
Employee medical check-up coverage	%	100	100
Number of work-related fatalities	Persons	0	0
Number of employees receiving OHS training	Persons	3,272	2,280
Number of major safety incidents	Incidents	0	0
Employee health and safety training coverage	%	100	100
Product Quality Performance			
Total fines due to violations of laws and regulations concerning products and services	RMB 10,000	0	0
Number of sold or delivered products subject to recall for safety and health reasons	Items	0	0
Customer Service Performance			
Handling rate of complaints received about products and services	%	100	100
Total number of complaints received about products and services	Cases	6	8
Number of substantiated complaints concerning breaches of customer privacy and loss of customer data	Cases	0	0
Incidents involving fines/penalties or warnings for violations of marketing communications regulations	Cases	0	0

Notes 1 and 9: The statistical boundary for environmental performance covers Guangdong Kaijin, Guizhou Kaijin, Huzhou Kaijin, and Inner Mongolia Kaijin;

Note 2: The calculation of Scope 1 and Scope 2 GHG emissions refers to ISO 14064-1:2018 and the General Rules for Greenhouse Gas Emission Accounting and Reporting by Industrial Enterprises (GB/T 32150-2015); the statistical boundary for GHG emissions is Guangdong Kaijin.

Note 3: Scope 1 GHG emissions include direct GHG emissions generated from the consumption of natural gas, diesel, gasoline, and other fuels. The GHG types include CO₂, CH₄, and N₂O, and CO₂e is calculated using the 100-year GWP values from IPCC AR6. Emission factors for various energy sources refer to the Guidelines for Enterprise Greenhouse Gas Emissions Accounting and Reporting, the China Energy Statistical Yearbook, etc.;

Note 4: Scope 2 GHG emissions include indirect GHG emissions from purchased electricity. In 2025, the Company calculated electricity-related GHG emissions using a location-based approach;

Note 5: Employees under other employment forms refer to interns;

Note 6: Turnover rate for each employee category = number of employees in that category who left during the year / (number of employees in that category at year-end + number of employees in that category who left during the year);

Note 7: The Company's turnover mainly consists of workshop production employees. Due to the characteristics of workshop production roles, this group has relatively high mobility, resulting in a relatively high employee turnover rate. Starting from 2025, the statistical boundary for employee turnover rate was adjusted to employees at Grade 4 and above.

Note 8: Employee training coverage = number of employees participating in training / total number of employees.

GRI Content Index

Statement of use	Kaijin New Energy has reported the information cited in this GRI Content Index for the period January 1, 2025 to December 31, 2025 with reference to the GRI Standards.
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GRI 403: Occupational Health and Safety 2018	
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About This Report

Report Preparation Statement

This Report is the third Environmental, Social and Governance (ESG) Report published by Guangdong Kaijin New Energy Technology Corp., Ltd., which discloses to investors and other stakeholders the company’s ESG-related principles, management methods, work implemented, and performance outcomes achieved in its operations.

Reporting Scope

The scope of this Report covers Guangdong Kaijin New Energy Technology Corp., Ltd. (hereinafter referred to as “Kaijin New Energy”, the “Company”, or “we”) and its subsidiaries. The Report discloses the Company’s sustainability performance for the period from January 1, 2025 to December 31, 2025, with certain disclosures appropriately extended to adjacent reporting periods where necessary.

Data Description

All data and cases presented in this Report are derived from the Company’s officially maintained operational records. All financial data in this Report is denominated in Renminbi (RMB). In the event of any inconsistency between the financial data and the Company’s annual financial report, the annual financial report shall prevail.

Abbreviations

For ease of reference, the subsidiaries mentioned in this Report are defined as follows: “Guangdong Kaijin” refers to Guangdong production base of Guangdong Kaijin New Energy Technology Corp., Ltd.; “Inner Mongolia Kaijin” refers to Inner Mongolia Kaijin New Energy Technology Co., Ltd.; “Huzhou Kaijin” refers to Huzhou Kaijin New Energy Technology Co., Ltd.; “Jiangsu Kaijin” refers to Jiangsu Kaijin New Energy Technology Co., Ltd.; and “Guizhou Kaijin” refers to Guizhou Kaijin New Energy Technology Co., Ltd.

Preparation Basis

This Report is prepared with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021 Edition), as well as the requirements of the International Sustainability Standards Board (ISSB), including *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures*.

Access to the Report

The electronic version of this Report is available for download on the Company’s official website (<https://www.dgkaijin.com/>). If you have any comments or suggestions regarding this Report, please contact us through the following channels:
Address: No. 7 Xingda Road, Songshan Lake Park, Dongguan, Guangdong
E-mail: esg@kaijin.cn

Feedback Form

Dear Readers:

Thank you for reading this Report. To provide you and other stakeholders with more valuable information and effectively support the Company in continuously improving its sustainability performance, we highly value and sincerely welcome your feedback on this Report.

1. Your overall assessment of this Report:

☐ Very good ☐ Good ☐ Average ☐ Relatively poor ☐ Poor

2. Do you think the structure of this Report is reasonable?

☐ Very reasonable ☐ Reasonable ☐ Average ☐ Less reasonable ☐ Unreasonable

3. How would you rate the readability of this Report?

☐ Very readable ☐ Readable ☐ Average ☐ Less readable ☐ Not readable

4. How comprehensively does this Report disclose the information you are concerned about?

☐ Comprehensive ☐ Fairly comprehensive ☐ Partial ☐ Limited ☐ Not covered

5. How would you rate our overall ESG performance?

☐ Very good ☐ Good ☐ Average ☐ Relatively poor ☐ Poor

6. How would you rate our stakeholder engagement?

☐ Very good ☐ Good ☐ Average ☐ Relatively poor ☐ Poor

7. Do you have any comments or suggestions regarding our sustainability practices and this Report?



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