YADEA

雅迪集團控股有限公司
YADEA GROUP HOLDINGS LTD.

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1585

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT 2024

CONTENTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THE REPORT

1.1 Report Overview

Yadea Group Holdings Ltd. ("**Yadea**" or the "**Company**", together with its subsidiaries referred to as the "**Group**", "**we**" or "**our**") is pleased to present its eighth Environmental, Social, and Governance ("**ESG**") Report (the "**ESG Report**" or the "**Report**").

This Report aims to outline the Group's ESG efforts and performance in 2024, responding to material issues of concern to stakeholders, and demonstrating the Group's commitment to sustainable development and its contribution to global sustainability efforts.

1.2 Organizational and Reporting Scope

This Report covers all entities over which the Group has financial or operational control or significant influence. Specifically, it includes the Company and its subsidiaries' major operating sites, namely eight self-operated production facilities located in Wuxi City in Jiangsu Province, Qingyuan City in Guangdong Province, Ningbo City in Zhejiang Province, Chongqing City and Tianjin City, Jinzhai City in Anhui Province, Bắc Giang City in Socialist Republic of Vietnam ("**Vietnam**") and Republic of Indonesia ("**Indonesia**"), as well as one battery manufacturing base in Jieshou in Anhui Province. Unless otherwise specified, the scope of disclosure in this Report is consistent with that in the Annual Report.

1.3 Reporting Period

The reporting period covers from 1 January 2024 to 31 December 2024 (the "**Reporting Period**", "the **Year**", or "**2024**"). To enhance completeness, certain information may extend slightly beyond the Reporting Period, either retrospectively or prospectively.

1.4 Reporting Framework

This Report is prepared in accordance with Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**SEHK**") — the ESG Reporting Guide (the "**ESG Reporting Guide**"). In preparing the Report, the Group has followed the ESG Reporting Guide's four key reporting principles: Materiality, Quantitative, Balance, and Consistency, and has complied with the "Mandatory Disclosure Requirements" and "Comply or Explain" provisions.

Materiality	The Group has identified key stakeholders and determined material ESG issues through stakeholder engagement and materiality assessment. These issues are the focus of this Report and address stakeholders' main concerns.
Quantitative	Where possible, key performance indicators in environmental and social areas are presented quantitatively, with standards, methodologies, and data sources disclosed.
Balance	The Report presents the Group's ESG performance and management status objectively and impartially.
Consistency	Unless otherwise stated, the data and calculation methods are consistent with those of the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This Report also draws reference from the Recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"), the Global Reporting Initiative Sustainability Reporting Standards ("**GRI Standards**"), and supports the United Nations Sustainable Development Goals ("**SDGs**").

An index cross-referencing the applicable standards can be found in the appendix of this Report.

1.5 Statement of Responsibility

The information contained in this Report is derived from the Group's internal official documents and statistical reports. The Board of Directors (the "**Board**") of the Company is responsible for the authenticity and validity of the information disclosed herein and affirms that there are no false statements or misleading descriptions. This Report was reviewed and approved by the Board in March 2025.

This Report should be read in conjunction with the "Corporate Governance Report" section in the Yadea Group Holdings Ltd. 2024 Annual Report for a comprehensive understanding of the Group's ESG performance.

1.6 Language and Publication Format

This Report is published in both Traditional Chinese and English. In case of any discrepancy in interpretation, the Traditional Chinese version shall prevail.

The electronic version of the Report is available on the SEHK website and Yadea's official website (www.yadea.com.cn) for browsing and download.

1.7 Feedback

Thank you for reading this Report. The Group highly values stakeholder's feedback and uses it to continuously improve its ESG management and performance, as well as the quality of disclosures. For any comments or feedback, please contact the Group via:

Email   brand@yadea.com.cn
Address   No. 515 Xishan Avenue, Xishan District, Wuxi, Jiangsu Province, China

1.8 Disclaimer

This Report may contain certain forward-looking statements, including but not limited to expectations, forecasts, and plans related to future business development, strategies, operational objectives, environmental impacts, sustainability initiatives, and other matters. These statements are based on currently available information and reasonable assumptions but involve unforeseen risks and uncertainties. As such, actual results may differ from those expressed or implied in the forward-looking statements. The Company makes no express or implied warranty regarding the realization of such statements and undertakes no obligation to update or revise them.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. ABOUT YADEA

2.1 Company Overview

Founded in 2001, Yadea is a leading electric two-wheeled vehicle brand in China, focusing on designing, researching, developing, manufacturing and selling electric scooters, electric bicycles, batteries and related accessories, with its headquarters in Wuxi, Jiangsu Province. Over the course of 24 years, it has successfully established "Yadea" as a premium brand of electric two-wheeled vehicles in the PRC. Under "Yadea" brand, the Group offers a wide range of electric scooters and electric bicycles with diverse designs, styles and functionalities catering to the needs of a broad customer base.

Yadea is dedicated in mastering the innovation and core technology of electric vehicles, adhering to international safety and quality standards, thus providing the world with superior green solutions for e-mobility. The Group operates three CNAS-accredited laboratories, holds over 2,000 patents, and has a production capacity of approximately 20 million units. It has eight self-operated production facilities located in Wuxi City in Jiangsu Province, Qingyuan City in Guangdong Province, Ningbo City in Zhejiang Province, Jinzhai City in Anhui Province, Chongqing City and Tianjin City in the PRC, Vietnam and Indonesia.

2.2 Key Performance Highlights

In 2024, the Group continued to drive business growth and sustainable development through technological innovation, smart manufacturing, and global market expansion, achieving outstanding business performance. The table below summarizes key performance indicators in finance, production capacity, global market coverage, and research and development ("**R&D**") innovation:

Key Performance Indicators	2024
Annual Revenue	RMB28.236 billion
Annual Electric Vehicle Output	13 million units
Global Users	Over 100 million accumulated
R&D Investment	RMB1.146 billion (4% of revenue)

2.3 ESG Highlights

During the Reporting Period, Yadea's total energy consumption across its production operations reached 280,894.17 MWh, including electricity, natural gas, and other energy sources to support efficient operations across its global manufacturing bases. In terms of environmental management, the Company's Scope 1 and Scope 2 carbon emissions amounted to 134,891.01 tonnes of CO_2 equivalent. Emissions were monitored and managed in accordance with international standards to ensure regulatory compliance. Yadea also maintained a strong focus on environmental impact throughout its supply chain and collaborated with partners to promote green manufacturing practices, ensuring that corporate development aligns with sustainability goals.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

On the social responsibility front, Yadea employed a total of 12,002 people worldwide and is committed to providing a safe, fair, and inclusive working environment. The company achieved 100% employee training coverage during the Year, focusing on enhancing professional skills and awareness of sustainable development. In addition, Yadea actively participated in social welfare initiatives, contributing to areas such as education, community support, and emergency relief, continuously delivering social value as a corporate citizen.

In terms of corporate governance, Yadea upholds high standards, with independent directors accounting for 50% of its Board, as at the end of the Reporting Period, ensuring transparency and independence in decision-making. The Company is also committed to improving Board diversity by encompassing a range of professional backgrounds, genders, regions, and industry experiences to enhance governance effectiveness and strategic foresight.

The Company strictly enforces anti-corruption and business ethics policies, conducts regular compliance training for employees, and has established clear whistleblowing channels to ensure integrity and compliance in its business operations.

Regarding risk management and internal control, Yadea identifies, assesses, and manages risks across financial, operational, compliance, and ESG dimensions. Regular reviews and optimizations are conducted by the audit committee of the Company and management. The Company also implements stringent internal audits and data security measures to ensure information transparency, security, and controllability.

3.   SUSTAINABILITY MANAGEMENT

3.1   Board and ESG Governance Structure

Board Responsibilities and Structure

The Board of Directors is responsible for leading the Group, guiding and overseeing its affairs to ensure success and shared accountability. The Board focuses on setting the Group's overall strategy, approving development plans and budgets, monitoring financial and operational performance, reviewing the effectiveness of risk management and internal control systems, supervising and evaluating management performance, and defining the Group's values and standards. The Group maintains an internal audit function. The Company has arranged appropriate insurance coverage for its directors to protect against legal claims arising from corporate activities.

The Board delegates the day-to-day management, administration, and operations of the Group to senior management. It contributes to the Group by overseeing daily business operations, development plans, and their implementation. In addition, the Board has established several Board committees and delegated specific responsibilities to them in accordance with their respective written terms of reference. The Board regularly reviews these delegations to ensure alignment with the Group's evolving needs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Board Diversity

On 22 April 2016, the Board adopted the board diversity policy. When determining the composition of the Board, the Company strives to appoint directors based on skills, experience, and expertise that complement and enhance the overall capabilities of the Board. Considerations include professional qualifications and experience, gender, age, ethnicity, cultural and educational background, and any other factors deemed relevant for achieving board diversity. Candidates are selected based on a broad perspective of diversity, including but not limited to experience, expertise, professional qualifications, gender, age, race, and cultural and educational background.

The Company places strong emphasis on gender diversity. As at the end of the Reporting Period, three of the Board's directors are women, representing 37.5% of the Board. The Nomination Committee of the Company refers to the nomination policy to ensure that gender diversity is considered when recruiting senior and middle management, and to maintain a gender-diverse talent pool for Board succession planning.

ESG Governance Structure

The Group has established a tiered ESG governance structure comprising the Board of Directors, the ESG Committee, and the ESG Working Group to oversee sustainable development matters, including climate-related work. Responsibilities related to climate issues are clearly defined at each level, as outlined below:

Board of Directors	The Board is the highest authority for sustainable development matters and has overall oversight of ESG governance. It established the ESG Committee to manage and make decisions regarding ESG-related issues within the Group.
ESG Committee	Without prejudice to any provisions of the Corporate Governance Code, the ESG Committee considers external ESG trends to guide, review, and adjust the Group's ESG management policies and strategies to ensure they are up-to-date and practical. It leads and participates in identifying, assessing, determining, and reviewing ESG issues and risks relevant to the Group. The Committee also advises departments on risk response measures and ensures the effective implementation of ESG risk management and internal control systems.

The ESG Committee is responsible for monitoring the formulation and implementation of ESG targets, including:

- Setting ESG performance targets for the Group.

- Reviewing progress and advising on actions needed to meet these targets.

- Assessing the alignment of ESG targets with the Group's overall business strategy.

Additionally, the Committee reviews the Group's annual ESG Report and other ESG-related disclosures, makes timely recommendations to the Board, and establishes reporting mechanisms, whistleblowing systems, and reward/penalty measures related to ESG risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Working Group

To enhance the Group's sustainability management, the ESG Working Group was established under the ESG Committee to carry out specific ESG tasks under its guidance. Comprising representatives from each of the Group's primary departments, the Working Group's responsibilities include:

- Formulating and executing detailed ESG work plans based on the Group's ESG strategies, policies, and targets.

- Regularly compiling and analyzing ESG performance data and submitting it to the ESG Committee for progress tracking.

- Continuously monitoring ESG-related risk events and reporting to the ESG Committee for appropriate responses.

- Collaborating with internal audit to investigate and handle ESG-related cases.

- Assisting in the preparation of the Group's annual ESG Report and submitting it to the ESG Committee and Board for review and approval.

- Providing necessary information for ESG-related decision-making by the ESG Committee and the Board.

Under the leadership of the Board, the Group strictly adheres to applicable laws, regulations, and administrative requirements in all jurisdictions where it operates, particularly in ESG-related decision-making. In addition, it develops internal charters, policies, and procedures aligned with domestic and international laws, industry standards, and best practices to continuously improve ESG governance and compliance.

To ensure scientific ESG management, the Group is currently optimizing its data collection and measurement methods, setting relevant action plans, and gradually planning quantitative climate-related targets. In the future, the Group aims to establish reasonable and measurable ESG indicators, integrating them into internal performance evaluations.

3.2 Stakeholder Engagement and Materiality Management
Stakeholder Engagement

The Group actively maintains communication and strong relationships with its stakeholders. Tailored communication channels have been established for different types of stakeholders to understand their views and expectations. Key stakeholders of the Group include Board members, management and decision-making level, employees, suppliers and distributors, shareholders and investors, government and regulatory bodies, public and communities, industry associations, and the media. The Board takes a balanced approach in addressing the needs and interests of all parties, integrating economic demands with social and environmental benefits. The Board is committed to delivering long-term value to shareholders while advancing corporate sustainability.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The table below outlines the internal and external stakeholder types with which the Group engaged during the Reporting Period, the communication methods used, stakeholders' expectations and concerns, and the Group's corresponding responses.

Internal Stakeholders			
Stakeholder Category	Communication Methods	Expectations and Concerns	Response Actions
Board Members	• Regular board meetings • Face-to-face meetings • Internal audits and compliance reports • Email communications or dedicated communication platforms	• Clear and accurate business and financial information • Long-term strategic direction • Risk management and compliance updates • Corporate sustainability performance • Reasonable decision-making procedures	• Provide regular updates on financial and operational performance • Providing quick decision-making support • Hold strategic discussions and forums • Strengthen internal control and compliance frameworks
Management and Decision-Making Team	• Management meetings • Performance reviews and assessments • Internal trainings and cultural events • Emails, instant messaging, tools	• Clear business objectives and performance evaluation criteria • Support for resource allocation • Clear organizational structure and well-defined responsibilities • Strong interdepartmental collaboration and streamlined internal communication channels • Operationally executable strategic decisions	• Provide clear strategic policies and guidance • Performance evaluation and incentive mechanisms • Establishing multi-level feedback mechanisms • Strengthen operational and process optimizations • Offer management training and business support
Shareholders and Investors	• General meetings and shareholder meetings • Company announcements and disclosures • Interim and annual financial reports • Company website	• Reasonable return on investment • Cost control • High-level corporate governance • Transparent financial disclosure	• Comply with laws and maintain stable operations • Enhance the risk management and internal control systems continuously • Strengthen investor communication and conduct regular exchanges

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

External Stakeholders			
Stakeholder Category	**Communication Methods**	**Expectations and Concerns**	**Response Actions**
Employees	• Employment contracts • Employee meetings • Training, workshops, seminars, and forums • Employee mailbox • Internal publications • WeChat official account	• Employment and recruitment • Employee development and training • Occupational health and safety • Prevention of forced labor and child labor • Talent attraction and retention • Diversity, equality, and inclusion	• Improve HR management systems to protect employee rights • Enhance the work environment continuously • Develop training plans and optimize workshops • Enrich employee engagement activities • Provide competitive compensation and career advancement opportunities
Suppliers and Distributors	• Contract agreements • On-site inspections and evaluation meetings • Regular reviews and assessments • Regular communication meetings • Business discussions and cooperation	• Long-term stable partnerships • Fair competition and integrity in business operations • Distributor collaboration • Compliance with laws and regulations • Information security	• Implement supplier management and tiered evaluation systems • Strengthen strategic cooperation with suppliers • Ensure fair and transparent procurement and tendering processes • Fulfill contractual obligations • Establish a comprehensive coordination mechanism

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

External Stakeholders			
Stakeholder Category	**Communication Methods**	**Expectations and Concerns**	**Response Actions**
Government and Regulatory Bodies	• Policies and guidelines • Inspections, evaluations, and supervision • Regular communication and information disclosure	• Regulatory compliance • Lawful tax payments • Stable operations • Job creation	• Strictly comply with national laws and regulations • Implement compliance measures • Promote local employment and economic development • Cooperate with regulatory authorities • Pay taxes lawfully
Public and Communities	• Support for vulnerable groups • Community service and environmental initiatives • Social media interactions	• Participation in community development • Active involvement in community welfare initiatives • Consideration of community interests in business operations • Corporate social responsibility	• Organize volunteer service activities • Conduct charitable donation programs • Encourage distributors to contribute to community development

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

External Stakeholders			
Stakeholder Category	**Communication Methods**	**Expectations and Concerns**	**Response Actions**
Industry Associations	• Industry conferences, forums, and annual meetings • Policy discussion seminars • Member newsletters and regular communication • Discussions on industry standards and regulations	• Development of industry standards • Sharing of industry trends and market insights • Collaboration among industry players • Influence on policy-making and regulatory support • Safeguarding corporate rights and reducing industry barriers	• Actively participate in industry standard-setting and revisions • Provide industry research data to support sector development • Engage in policy discussions to provide recommendations to the government • Strengthen cooperation with enterprises and institutions • Enhance corporate branding through association platforms
Media	• Press conferences • Media interviews and exclusive reports • Publishing industry insights and company updates • Social media and public relations materials • Crisis communication and public opinion management	• Access to transparent and accurate corporate information • Corporate social responsibility and sustainability efforts • Industry trends and market updates • Timely official responses to significant events • Providing valuable content to the public	• Maintain strong media relations • Engage with the public through social media to enhance brand communication • Monitor public sentiment and promptly respond to negative news or misunderstandings • Organize media open days and corporate visits

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Assessment

The Group conducts annual stakeholder surveys and materiality assessments to identify key ESG issues[1] relevant to its business and stakeholders. These assessments help prioritize critical ESG topics, manage key issues, and ensure transparent disclosure of relevant information.

During the Reporting Period, the Group carried out the following stakeholder engagement and materiality assessment process, as illustrated in the table below.

Implementation Stage	Key Actions
Identify Key Stakeholders	Conduct a stakeholder survey to determine the scope of the materiality assessment based on reporting standards and guidelines.
Update the Materiality Topics Database	Review and update the material ESG topics database based on reporting guidelines, previous assessments, international regulations, macroeconomic trends, and industry developments.
Screen Potential Material Topics	Further filter relevant ESG topics from the database for stakeholder evaluation.
Distribute Stakeholder Surveys	Stakeholders assess material topics from two perspectives: "Importance to the Group" and "Importance to Stakeholders" using a five-level rating system[2].
Analyze Results	Calculate the average score of governance, environmental, and social topics separately. Topics scoring above the average are classified as "high-materiality", while others are considered "secondary materiality" topics.
Review and Approval	The Board reviews, signs, and approves the materiality assessment results, integrating key ESG topics into the corporate risk management framework.
Information Disclosure	High-materiality topics identified in the stakeholder survey and assessment are prioritized for disclosure in this report.

---

[1] Material topics refer to economic, environmental, or social factors that may affect the company's ability to create value in the present or future and thus influence its long-term performance.

[2] Stakeholders of the Group evaluate each material topic using a five-level scoring system, primarily based on the topic's actual or potential positive or negative impact on the company's development. Among the five levels, Level 1 represents the lowest impact, while Level 5 represents the highest. The final score reflects the comprehensive degree of impact.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The following tables rank governance, environmental, and social topics by importance based on internal and external stakeholder evaluations:

Governance Dimension		
Rank	**Topic**	**Materiality Level**
1	Business Ethics	
2	Brand Influence	
3	Product Quality	High-Materiality Topic
4	Risk Management and Compliance	
5	Distributor Cooperation	
6	Innovation and R&D	
7	Responsible Marketing	
8	After-Sales Service	
9	Supply Chain Management	Secondary Materiality Topic
10	Digital Transformation	
11	Cost Control	
12	Emerging Market Demand	

Environmental Dimension		
Rank	**Topic**	**Materiality Level**
1	Air Pollution Emissions & Management	
2	Waste Management	
3	Chemical Management and Pollution Control	High-Materiality Topic
4	Water Resource Management	
5	Energy Management	
6	New Energy and Storage Solutions	
7	Product Life Cycle Management	
8	Material Recycling and Reuse	
9	Climate Change and Carbon Emissions	Secondary Materiality Topic
10	Natural Resource and Raw Material Use	
11	Clean Technology Opportunities	
12	Biodiversity and Land Use	

Social Dimension		
Rank	**Topic**	**Materiality Level**
1	Anti-Corruption	
2	Prevention of Forced and Child Labor	
3	Information Security	High-Materiality Topic
4	Occupational Health and Safety	
5	Intellectual Property Protection	
6	Employee Development and Training	
7	Employment and Recruitment	
8	Diversity, Equality, and Inclusion	Secondary Materiality Topic
9	Talent Attraction and Retention	
10	Social Philanthropy	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To ensure comprehensive disclosure, this report will prioritize the high-materiality topics identified in the above tables.

Additionally, the Group has also taken into account the concerns of external stakeholders regarding sustainability management. A separate ranking of material topics based on external stakeholder evaluations is provided in the table below:

Rank	Governance Dimension Topic	Environmental Dimension Topic	Social Dimension Topic
1	Risk Management and Regulatory Compliance	Air Pollution Emissions and Management	Anti-Corruption
2	Business Ethics	Chemical Management and Pollution Control	Prevention of Forced and Child Labor
3	Product Quality	Natural Resource and Raw Material Use	Intellectual Property Protection
4	Brand Influence	Waste Management	Employment and Recruitment
5	Distributor Cooperation	Material Recycling & Reuse	Occupational Health & Safety
6	Responsible Marketing	Biodiversity and Land Use	Information Security
7	Digital Transformation	New Energy and Storage Solutions	Employee Development and Training
8	Emerging Market Demand	Climate Change and Carbon Emissions	Social Philanthropy
9	Innovation and R&D	Energy Management	Diversity, Equality and Inclusion
10	After-Sales Service	Water Resource Management	Talent Attraction and Retention
11	Supply Chain Management	Clean Technology Opportunities	—
12	Cost Control	Product Life Cycle Management	—

This Report will provide focused responses and disclosures regarding the material sustainability issues identified by external stakeholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.3 ESG Risk Management

With the evolving global macroeconomic landscape, the increasing exposure to risks caused by climate change, and the intensifying competition in the industry. It is crucial to identify the risks posed by various factors of business operations. During the Reporting Period, the Group conducted a comprehensive process of screening, assessing, and managing ESG-related risks to refine its risk management framework and address stakeholder concerns.

The table below outlines the Group's methodology for ESG risk identification, assessment, and management:

Implementation Stage	Key Actions
Development of ESG Risk Database	The Group consolidates ESG risk types relevant to its business by referencing global macroeconomic trends, legal and regulatory requirements, industry developments, international research institutions, industry reports, and stakeholder concerns. The Group conducts an annual review of potential or existing risks that could have a long-term impact on business operations, formulating corresponding risk mitigation and management strategies.
Development and Distribution of ESG Risk Assessment Questionnaires	The Group utilizes surveys to evaluate risks based on two dimensions: "Likelihood of Occurrence" and "Severity of Impact". Risks are categorized into five levels, and relevant management and response departments are invited to assess their potential impact on the company. Given the broad scope and significant implications of various risks, the Group ensures a comprehensive and cross-functional approach by involving all relevant departments in the risk assessment process.
Risk Prioritization and Ranking	Based on the responses collected from different departments, the Group further analyzes the root causes of each risk and assesses the company's ability to manage and mitigate them. This process helps enhance the overall risk management framework.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Development of ESG Risk Database

During the Reporting Period, the Group reviewed and updated its 2024 ESG Risk List, referencing the latest materiality assessment results, internal ESG risk records, macro trends, and applicable legal and regulatory requirements in various countries and regions, as well as industry performance and market developments.

The table below presents the 2024 ESG Risk List:

Dimension	ESG Risk	Risk Description	Impact on the Company
Governance	Corporate Governance Risk	Corporate governance and business ethics are key factors for investors, including corporate ownership, board composition, executive compensation, accounting transparency, business ethics, and tax compliance.	Negative corporate governance issues such as corruption, money laundering, and lack of transparency may directly damage the company's reputation and lead to legal proceedings.
Environment	Ecosystem Destruction & Biodiversity Loss[3]	The depletion or extinction of species leads to the destruction of natural capital, affecting terrestrial and marine ecosystems, with severe consequences for the environment, humanity, and economic activities.	Biodiversity loss may cause natural resource shortages, impacting the supply chain. Increasing global awareness of biodiversity conservation may also heighten scrutiny of the company's development projects, potentially affecting its reputation if appropriate mitigation measures are not implemented.
	Waste Management Risk	The electric two-wheeled vehicle manufacturing industry involves production processes that generate waste, requiring proper disposal.	Improper waste management can result in financial penalties and harm the company's image.
	Natural Resource Crisis	Over-extraction and improper handling of minerals, water, and other natural resources have caused a global resource crisis.	Business operations rely directly or indirectly on natural resource development and utilization. A resource crisis may lead to increased costs or even business disruptions.
	Sustainable Consumption Risk	More consumers are adopting sustainable lifestyles and recognizing the impact of personal consumption on the environment, preferring green products to reduce their negative impacts.	The company must produce eco-friendly products that reduce energy consumption while also minimizing its own environmental impact.

---

[3] Ecosystem degradation and biodiversity loss was identified as a new risk during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Dimension	ESG Risk	Risk Description	Impact on the Company
Social	Workplace Safety & Health Risk	Workplace hazards may cause injuries, illnesses, or fatalities among employees, or lead to property damage.	Safety incidents during production, transportation, and equipment maintenance could result in occupational diseases, particularly in high-intensity or specialized work environments.
	Product Quality Risk	The lack of strict product quality policies and enforcement could lead to substandard products, affecting customer satisfaction.	If products fail to meet regulatory standards or customer expectations, the company may experience revenue loss, legal claims, and damage to customer relationships.
	Customer Data Breach	The leakage of customer personal data poses risks of unauthorized access, processing, deletion, or misuse.	A data breach could significantly harm the company's reputation and erode consumer trust in the brand.
	Cybersecurity Risk	Cyberattacks, data fraud or theft, and IT infrastructure failures pose cybersecurity threats.	Cybersecurity incidents may disrupt business operations, damage the company's reputation, or result in legal penalties. As companies collect and use increasing amounts of corporate and personal data, the costs of data breaches and cybersecurity management continue to rise.
	Talent Development & Training Risk	Training programs are essential for equipping employees with the necessary skills to meet business needs.	Inadequate or ineffective employee training may weaken the company's competitiveness, slow growth, and waste resources.
	Intellectual Property Theft & Technology Leakage Risk	Intellectual property includes intangible assets such as patents and trademarks, while core technologies represent critical business secrets.	The company's trademarks, copyrights, patents, know-how, proprietary technologies, and similar intellectual property rights have a significant impact on its operations. At the same time, the company's intellectual property is susceptible to counterfeiting or unauthorized acquisition and use by third parties. In addition, the company has independently developed a series of core technologies, which represent its core competitiveness and trade secrets. There is a potential risk of leakage or misappropriation of these core technologies. Should such leakage or misappropriation occur, the company's competitive advantage may be adversely affected.
	Reputation Damage Risk	Corporate branding and reputation-building efforts shape consumer perceptions and market positioning.	Brand strength is essential to business success. Failure to maintain or enhance brand value could negatively impact operations.
	Emerging Technology & Innovation Risk	Emerging technologies include digitization, automation, new materials, and other innovations in the electric two-wheeled vehicle value chain.	The introduction of new technologies may enable new market entrants while reducing demand for existing products and services, adversely affecting business performance and financial stability.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Development and Distribution of ESG Risk Assessment Questionnaires

During the Reporting Period, the Group conducted extensive surveys across its manufacturing bases and business divisions to gather insights from different operational units regarding specific ESG risks. Targeted research and evaluation were carried out for various types of risks to ensure a comprehensive assessment.

All identified risks were evaluated based on two key dimensions: Likelihood of Occurrence and Severity of Impact. Each risk was classified into five levels: Very Low, Low, Medium, High, Very High. Using these classifications, the Group developed an ESG Risk Matrix, categorizing risks into five priority levels: Very Low Risk, Low Risk, Medium Risk, High Risk, Very High Risk. This methodology allows the company to determine the actual or potential impact of each risk on business operations.

Risk Prioritization and Ranking

During the Reporting Period, the Group identified: 1 High Risk, 8 Medium Risks, 3 Low Risks, and 1 Very Low Risk. Among them, High and Medium Risks were considered relatively significant for business operations. The detailed assessment processes and risk management measures for these topics will be discussed in the relevant sections of this report.

ESG Risk	Risk Level
Sustainable Consumption Risk	High Risk
Intellectual Property Theft & Technology Leakage Product Quality Risk Workplace Safety & Health Risk Emerging Technology & Innovation Risk Waste Management Risk Customer Data Breach Reputation Damage Risk Cybersecurity Risk	Medium Risk
Corporate Governance Risk Talent Development & Training Risk Ecosystem Destruction & Biodiversity Loss	Low Risk
Natural Resource Crisis	Very Low Risk

3.4 ESG Target Management

During the Reporting Period, the Group conducted an annual review of its ESG qualitative targets set in 2022, assessing the implementation of production and sustainability goals at its manufacturing bases. The Group evaluated its performance, tracked the progress of ESG targets, and submitted findings for the Board to review.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The detailed status of ESG target implementation is outlined in the table below.

Directional Goal	Indicator	Timeframe	Scope	Completion Status	Action Plan	Implementation Actions
Air Pollutant Emissions						
Reduce air pollutant emissions	Improve exhaust treatment and recovery technologies and equipment	Long Term (5–10 years)	General	Ongoing	Continuously conduct exhaust quality testing in accordance with environmental regulations and permit requirements.	Manufacturing bases have signed contracts with third-party testing agencies to conduct regular emissions monitoring, ensuring compliance with national standards.
	Accelerate energy transition and reduce reliance on highly polluting energy sources	Long Term (5–10 years)	General	Ongoing	Reduce the use of natural gas in production processes and increase the share of renewable energy.	Fossil fuels are no longer used in production processes. Solar energy projects are actively being promoted in factories to increase the proportion of renewable energy.
Greenhouse Gas Emissions						
Reduce greenhouse gas emissions	Reduce direct (Scope 1) greenhouse gas emissions	Long Term (5–10 years)	General	Ongoing	1. Increase the use of new energy vehicles; 2. Reduce reliance on fossil fuels in production; 3. Adopt more energy-efficient factory and equipment designs.	Company vehicles in Tianjin and Anhui have been replaced with new energy vehicles. Total natural gas usage remains stable, and waste heat recovery systems are used to reduce consumption. In 2024, new equipment procurement focused on improving energy efficiency.
	Reduce indirect (Scope 2) greenhouse gas emissions	Long Term (5–10 years)	General	Ongoing	Continuously monitor energy consumption data and optimize energy usage in production.	Each quarter, the Group collects information released by the Ministry of Industry and Information Technology on green and energy-efficient technologies and equipment, and filters relevant policies applicable to the industry. The production bases have completed the installation of smart electricity meters for production equipment and conducts quarterly and monthly comparative analysis to assess electricity usage.
	Reduce indirect (Scope 3) greenhouse gas emissions	Long Term (5–10 years)	General	Ongoing	Implement emission reduction management systems and improve operational efficiency.	Digital office solutions such as Feishu and OA platforms have been implemented to promote paperless workflows. To promote employee engagement, the Wuxi base arranges shuttle buses from major public transport hubs to the company. It utilizes Yealink and Tencent Meeting platforms to conduct online meetings. The base also optimizes the inbound and outbound logistics of materials and finished products by centralizing transportation, thereby reducing the number of vehicle trips and lowering carbon emissions during the logistics process.
Carbon Offset Initiatives	Increase the greening rate of the factory	Long Term (5–10 years)	General	Ongoing	Continue enhancing greenery within factory areas by planting various types of trees around manufacturing bases.	Collaborating with Alipay, a leading mobile payment platform in China, encouraging consumers to plant tree through its platform when purchasing and using the Yadea's electric bicycles.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Directional Goal	Indicator	Timeframe	Scope	Completion Status	Action Plan	Implementation Actions
Waste Generation & Management Reduce waste generation	Ensure proper disposal of non-hazardous waste (solvents, thinners, paint residues, activated carbon, sludge, etc.)	Long Term (5–10 years)	General	Ongoing	Reduce the use of single-use materials in the procurement process. Replace certain paper or plastic packaging with reusable containers for circulation.	In 2024, EU-compliant reusable turnover boxes were introduced for spare parts to promote recycling and reuse.
	Reduce hazardous waste (household waste, kitchen waste, construction debris)	Long Term (5–10 years)	General	Ongoing	The treatment process for hazardous waste generated from processes such as electrophoresis and painting has been optimized. Contracts have been signed with qualified disposal companies to ensure regular handling of hazardous waste. In addition, relevant data is recorded in the national hazardous waste management system.	The production bases have signed contracts with hazardous waste disposal companies. Currently, all domestic hazardous waste is connected to the Ministry of Ecology and Environment's online platform, enabling full-cycle supervision of its generation, transportation, and disposal.
	Develop circular economy practices to improve waste recycling and reuse rates	Short Term (1–2 years) & Long Term (5–10 years)	General	Ongoing	Set up waste sorting and recycling bins to encourage resource reuse.	Recycling bins have been installed in workshops, dormitories, and public areas. Reusable plastic and paper packaging from incoming materials is being collected and recycled.
Energy Usage Increase the share of renewable energy	Achieve 50% renewable energy in total electricity consumption	Long Term (5–10 years)	General	Ongoing	Establish mechanisms for tracking renewable energy consumption and improve management systems.	The photovoltaic project has been successfully implemented in Anhui base and is now in operation.
Improve energy efficiency	Reduce overall energy consumption	Long Term (5–10 years)	General	Ongoing	Improve electricity management policies and air conditioning usage regulations, establishing a reasonable control system.	All manufacturing bases have established electricity management policies and air conditioning usage regulations. Additionally, six locations have designated energy specialists responsible for monitoring and inspecting non-compliant electricity usage.
	Increase the adoption rate of low-energy consumption equipment	Long Term (5–10 years)	General	Ongoing	Each manufacturing base selects equipment based on production needs while prioritizing energy efficiency.	Newly purchased production equipment considers energy efficiency. Maintenance plans ensure regular servicing and equipment upgrades where necessary.
Water Resource Usage Improve water efficiency	Reduce water consumption and control total usage	Short Term (1–2 years) & Long Term (5–10 years)	General	Ongoing	Strengthen inspections of water supply systems and replace corroded pipelines. Conduct monthly water usage audits and assessments.	The manufacturing bases conduct monthly water usage statistics, analyzing trends through year-over-year and month-over-month comparisons to identify and address anomalies. Future efforts will focus on strengthening annual inspections of the water supply system.
	Reduce wastewater discharge and improve wastewater recycling rates	Short Term (1–2 years) & Long Term (5–10 years)	General	Ongoing	The painting process has implemented a small-scale circulation system within the spray booth and utilizes large-scale water recycling pools externally. Additionally, the electro-coating process employs cycle-based water reuse, with iron part coating using electrophoretic paint.	The painting process has successfully implemented small-scale circulation within the spray booth and large-scale recycling using external water collection pools. The electro-coating process has also adopted cycle-based water reuse. Further exploration of greywater reuse methods is ongoing.

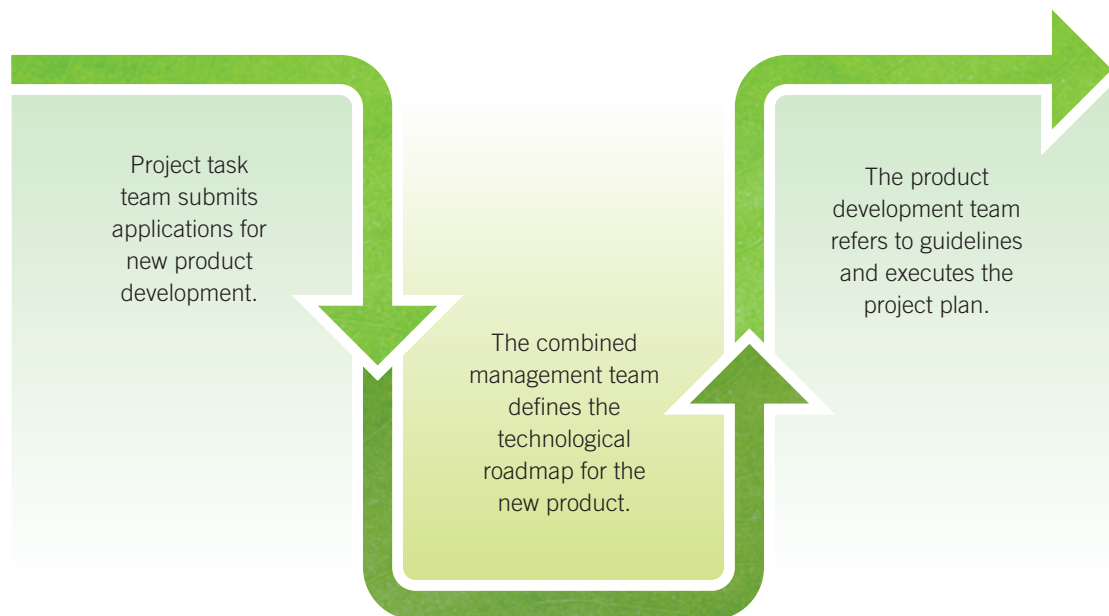# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4. QUALITY CONTROL

4.1 Innovation as the Driver of Development

Technological innovation is one of the Group's core competitive strengths. At the government and regulatory levels, we strictly comply with the National Intellectual Property Administration's "Opinions on Strengthening Patent Protection". Internally, we have established and implemented a series of policies, including "Patent Management Measures", "Patent Incentive Management Measures", "Trademark Management Measures", "Government Project Application Incentive Measures", "Project Management Evaluation Measures". These policies are designed to safeguard our intellectual property (IP) and incentivize employee innovation.

We actively promote technological innovation and intellectual property protection through a series of training programs, research initiatives, and transformation projects. This includes the "Strategy + IPD + Incentive" initiative, which establishes a structured IP training and management system to enhance the comprehensiveness and accuracy of patent searches and analysis. Additionally, we strategically file patents for key electric vehicle technologies both domestically and internationally, while an internal incentive mechanism encourages patent applications and the rapid commercialization of patents.

Furthermore, the Group has established an Intellectual Property Protection Task Force, assembling a cross-departmental team that integrates internal and external resources to protect proprietary innovations and combat infringement. We also maintain regular communication with technology bureaus and judicial protection agencies, conducting intellectual property protection training and workshops. By sharing real-world case studies, we aim to enhance employee awareness and reinforce the importance of patent protection.

The general workflow of the cross-departmental team is as follows:

Project task team submits applications for new product development.

The combined management team defines the technological roadmap for the new product.

The product development team refers to guidelines and executes the project plan.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has introduced an Intellectual Property Information Management System, which effectively integrates intellectual property-related information with external agencies. This system enables full-process collaboration and online management, covering everything from case filing, drafting, review, to registration. The system encompasses intellectual property application, approval, maintenance, and management, serving as a centralized platform. It not only enhances the efficiency of intellectual property management but also strengthens IP rights protection, facilitates dispute coordination, and handles infringement issues.

At the end of the Reporting Period, the Group's R&D and patent application data are as follows:

	Unit	2024	2023
R&D Expenditure	RMB million	1,146,828	1,192.01
Total Number of Patent Applications	Cases	389	351
Total Patents Held During the Year	Cases	2,051	1,900
Design Patents Held During the Year	Cases	1,234	1,196
Utility Model Patents Held During the Year	Cases	637	578
Invention Patents Held During the Year	Cases	180	126

The Group adheres to a standard-driven strategy and actively participates in industry standardization efforts. It serves as a member unit of the National Motorcycle Standardization Technical Committee and the National Electric Bicycle Standardization Technical Committee. In the current year, the Group has participated in the formulation and revision of 11 standards at the national, industry, local, or group level. It has been awarded the "Advanced Unit in National Electric Bicycle Standardization Work" for three consecutive years and has also received the "Advanced Group in National Light Industry Standardization Work" honor.

During the Reporting Period, no intellectual property disputes had a significant adverse impact on the Group's business. Additionally, the Group conducted risk identification and assessment regarding social issues within ESG risks. Below are the risk identification results related to "Innovation as the Driver of Development".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Risk	Risk Description	Risk Assessment Result	Risk Management Measures
Emerging Technology & Innovation Risk	Emerging technologies include but are not limited to digitization, automation, new materials, or any other innovations affecting the electric mobility value chain.	Medium Risk	• Strictly comply with intellectual property laws and regulations, and establish internal patent and trademark management policies to ensure legal and compliant technological innovation. • Implement a patent incentive mechanism to encourage employees to apply for patents and promote technological transformation. • Adopt the IPD (Integrated Product Development) innovation model to enhance R&D efficiency and improve the effective utilization of high-value patents. • Establish an IP protection task force to integrate internal and external resources, combat infringement, and safeguard core technologies. • Introduce an IP risk management system to oversee global applications, reviews, approvals, and renewals, strengthening intellectual property protection. • Enhance employee training and regulatory awareness through workshops and case studies to improve overall intellectual property risk management capabilities. • Actively participate in industry standard-setting efforts to enhance market positioning and secure a competitive technological advantage. • Continuously track technological R&D trends, optimize patent layouts, and minimize risks associated with technology innovation. • No major intellectual property disputes were reported during the Reporting Period, maintaining a stable IP risk and innovation management approach.

4.2 Quality Builds the Brand

The Group upholds the business philosophy of delivering products that bring happiness to consumers, firmly believing that product and service quality are the foundation of corporate development. Our goal is to achieve "better design, advanced technology, superior quality, refined manufacturing, excellent service, and expanded exports". We continuously strive to enhance product and service quality, making high quality the core value of our brand.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group strictly complies with the "Product Quality Law of the People's Republic of China" and "Technical Specification for Safety of Electric Bicycles" (GB 17761–2018), "Electrical Safety Requirements for Electric Bicycles" (GB 42295–2022), "Safety Technical Requirements for Chargers of Electric Bicycles" (GB 42296–2022), "Technical Specification for Safety of Lithium-ion Batteries for Electric Bicycles" (GB 43854–2024), "Compulsory Product Certification Implementation Rules for Electric Bicycles" (CNCA–C11–16:2023), "Compulsory Product Certification Implementation Rules — Electric Bicycles" (CQC–C1116–2021), and Regulation of the European Parliament and of the Council on the approval and market surveillance of two- or three-wheel vehicles and quadricycles (EU No 168/2013). To ensure product quality and regulatory compliance, the Group has established a comprehensive internal quality management system and standards.

During the production process, all manufacturing bases strictly implement initial inspections, process inspections, mutual inspections, and final inspections. Process engineers or quality inspectors conduct regular spot checks on critical production stages. Any identified defective vehicles are promptly reported for further analysis, ensuring quick and effective resolution of quality issues. Based on different scenarios where non-conforming products are identified, the Group follows internal policies and has specific handling procedures tailored to each case.

Non-Conforming Products	Handling Methods	Internal Policies
Identified Internally	1. Rework and repair 2. Reinspection after repair — only qualified products are allowed into inventory 3. If quality requirements cannot be met, the product is scrapped	"Non-Conforming Product Control Procedure"
Identified in the Market	1. Inspection and recall according to regulations 2. Inspection by the quality department and joint analysis with suppliers, leading to an inspection report and corrective action plan 3. Rectification verification — the after-sales department conducts market traceability verification 4. Standardize defective processes to incorporate them into future development projects and testing procedures	"Market Quality Information Control Procedure" "Non-Conforming Product Handling Measures" "Market Recall Management Measures"

The Group adheres to and implements various inspection standards, including "Inspection Control Procedure", "Market Quality Control Procedure", "Complete Vehicle Unboxing Review Management Measures", "Complete Vehicle Outbound Inspection Management Measures", "Internal Quality Information Management Measures", "Process Quality Control Procedure".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

With the continuous expansion of the Group in domestic and international markets, consumer demand for vehicle purchases is showing a trend of diversification, leading to higher expectations for the standardization and regulation of production processes. To meet those evolving standards, the Group's Manufacturing Resource Center launched a Process Standardization Project, integrating human and technical resources from its subsidiaries and forming a specialized project team. This team conducted a systematic review of the production processes for different electric vehicle models and captured standardized operation demonstrations from production lines. Through recording, selection, review, and compilation, the team developed a high-quality training manual, which was distributed to frontline employees for learning and implementation. Additionally, the Group and its eight manufacturing bases successfully completed and passed the annual audit for the GB/T 19001-2016 / ISO 9001:2015 Quality Management System Certification in the Year. This achievement highlights the Group's commitment to excellence in quality management and continuous improvement, further solidifying its leadership position in the industry.

During the Reporting Period, the Group conducted risk identification and assessment on social issues within ESG risks. Below are the risk identification results related to "Quality Builds the Brand".

ESG Risk	Risk Description	Risk Assessment Result	Risk Management Measures
Product Quality Risk	The company has not strictly established or implemented relevant product quality inspection policies and measures, resulting in non-compliance with quality requirements and affecting customer satisfaction.	Medium Risk	• Strictly comply with quality regulations and standards to ensure products meet domestic and international market requirements. • Establish a comprehensive quality management system, covering inspection control, process quality supervision, and market recall mechanisms. • Strengthen production inspection processes, implementing initial inspections, process inspections, mutual inspections, and final inspections to ensure high product qualification rates. • Develop a non-conforming product handling mechanism, applying repair, scrapping, or recall measures for defective products identified internally or in the market. • Promote process standardization, integrating technical resources to enhance production consistency and quality stability. • Conduct product quality tracking, with the marketing department responsible for monitoring and feedback to ensure rapid resolution of quality issues. • Obtain international certifications, such as ISO 9001:2015, to continuously enhance quality management standards. • Introduce third-party audit mechanisms to ensure compliance with the highest quality and safety standards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4.3 Responsibility-Driven Marketing

The Group strictly complies with the "Advertising Law of the People's Republic of China" and other relevant laws and regulations, ensuring that all marketing activities are conducted in a legal and compliant manner. Before launching any market promotions, the Group's management department conducts a strict review of promotional materials according to the "Advertising System Application" guidelines. This ensures that the content remains balanced, accurate, honest, and fair, strictly avoiding false advertising, exaggerated claims, and unfair competition. The Group adheres to global ethical marketing and advertising practices, committing to the accuracy and fairness of all marketing campaigns. Our ethical marketing policy clearly prohibits misleading promotions and strictly ensures compliance with regulations regarding social and environmental impacts.

User-Centric Approach to Sustainable Mobility

Taking battery technology as an example, the Group has spent seven years on independent R&D and five years on market testing to develop the TTFAR Graphene Battery, which it has obtained 58 core patents, including superconductive slurry technology. Additionally, innovations such as the YADEA OS Smart Hub have positioned the Group at the forefront of technological research in the electric two-wheeled vehicle industry. In 2024, technological innovation remained at the core of Yadea's strategy. The Group continued to invest in the research and development of key components such as batteries and electronic control systems. Leveraging its in-house expertise, the Group responded swiftly to regulatory changes by upgrading parts for existing models and launching market-oriented products that meet compliance requirements. In early January 2025, the Group launched its first mass-produced electric bicycle powered by a sodium-ion battery, marking a significant breakthrough in the field of sustainable mobility. This milestone represents a transformative leap in Yadea's green transportation technology, addressing critical challenges in energy density, cost-effectiveness, and environmental sustainability. Substantial R&D investment has enabled the continuous iteration and upgrading of core technologies, expanding industry boundaries and driving the sector toward higher quality and performance standards.

During the Reporting Period, no products were recalled due to safety or health reasons. Additionally, the Group has not received or become aware of any serious violations related to product responsibility, product and service health and safety, advertising, or labeling regulations that could have had a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group conducted risk identification and assessment on social issues within ESG risks during the Reporting Period. Below are the risk identification results related to "Responsibility-Driven Marketing".

ESG Risk	Risk Description	Risk Assessment Result	Risk Management Measures
Reputation Damage Risk	Refers to the series of activities and processes through which a company builds its corporate and product brand image, gaining widespread consumer recognition and trust.	Medium Risk	• Strictly comply with advertising regulations, ensure all marketing activities are lawful and compliant, and eliminate false or exaggerated claims. • Establish a marketing review mechanism, whereby the management department rigorously reviews all promotional materials to ensure content accuracy and fairness. • Implement an ethical marketing policy, commit to truthful and reliable information in all campaigns, and avoid misleading content. • Enhance technological innovation and R&D capabilities, with continued investment to improve product competitiveness and brand value. • Ensure product quality and safety, strictly enforcing product testing and regulatory compliance to prevent quality issues that could harm the brand. • Strengthen consumer trust by transparently disclosing product features and performance, and providing high-quality after-sales service. • Proactively respond to media and public concerns and establish a rapid response mechanism to effectively manage potential brand risks. • Monitor market feedback and complaints, follow up promptly and implement improvements to avoid damage to brand reputation. • No major violations occurred during the Reporting Period, and the Group continues to improve its brand management and risk prevention strategies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4.4 Sincere Service to Customers

To ensure that customer rights and interests are fully protected, the Group strictly complies with relevant laws and regulations such as the "Law on the Protection of Consumer Rights" and "Interests and the Regulations on the Liability for the Quality of Industrial Products". We have also established internal policies such as the "Customer Complaint Management Measures" to guide the sales team in properly handling customer complaints during both sales and after-sales processes. Upon receiving customer complaints or feedback, the Group follows a standardized response procedure, conducting swift investigations, providing timely and reasonable explanations to users, and making every effort to address their concerns, thereby safeguarding their legitimate rights and interests. To standardize customer service performance among our e-commerce platforms and distributors, we have also introduced policies such as the "Customer Review Management Measures for E-commerce Companies" and the "Live Streaming Room Code of Conduct".

Building a Comprehensive After-Sales Service System Centered on Users

The Group offers users a comprehensive after-sales service assurance system, including the development of a one-stop electric vehicle maintenance platform that provides end-to-end vehicle usage and care services, aiming to deliver a seven-star service experience that exceeds expectations. The Group has established over 40,000 service outlets across China, implementing standardized service procedures, offering free inspections, transparent pricing, and launching officially certified "Star Service Stations" and certified engineers. To address unexpected riding issues, the Group has introduced a "one-click rescue" electric vehicle roadside assistance service, with the following service commitments: Yadea rescue engineers will respond within 5 minutes of receiving a help request; arrive at the scene within 30 minutes to diagnose the problem; complete minor repairs on-site within 15 minutes; for issues that cannot be resolved on-site, a towing service will transport the faulty electric vehicle to the nearest service center for further repair, and a mobility support vehicle will be provided to ensure uninterrupted travel for the user. Additionally, to further improve end-user experience and satisfaction, the Group has standardized service procedures nationwide and implemented the "Star Service Stations" and maintenance engineer programs.

During the Reporting Period, the Group conducted biannual customer satisfaction surveys covering aspects such as product appearance, vehicle performance, and riding comfort. Customer satisfaction in the first half of the year was 86.40%; customer satisfaction in the second half of the year was 86.35%. Both results exceeded the target benchmark of 86.20%.

The Group received a total of 1,240 complaints related to products and services throughout the Year, all of which were resolved reasonably and efficiently.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5. RESPONSIBLE OPERATIONS

5.1 Efficient Supply Chain Management

The Group continuously optimizes the supplier management system, striving to build a sustainable supply chain and achieve joint development with its partners. To standardize supplier management procedures, the Group's headquarters has formulated a series of standards and management measures, including "New Supplier Admission Management Measures", "Supplier Performance Management Measures", "Supplier Manual", "Mold Management Measures", "Competitive Bidding Management Measures for Production Materials", "Price Management Measures for Production Materials", "Secondary Development Management Measures for Suppliers", "Supplier Rebate Management Measures", "In-depth Supplier Management Measures", "Supplier Elimination Management Measures", "Supply Ratio Allocation Management System", "Supplier Change and Expansion Management Measures", "Supply Chain and Procurement Process Control Procedures", and "Early Procurement Involvement Procedures", to ensure that all manufacturing bases and business units strictly comply with the regulations and are under the supervision of the headquarters. This has facilitated the effective integration of internal resources and improved the efficiency and operability of supply chain management.

In terms of supplier selection and expansion, the Group strictly enforces admission standards. Through the "Early Procurement Involvement Procedures", expert teams conduct comprehensive evaluations of suppliers' systems and products to ensure that suppliers meet quality and inspection requirements before engagement, thereby achieving the principle of "strict entry". In addition, through the "Supply Ratio Allocation Management System", the Group strengthens the competitive mechanism within the supply chain by linking supply ratios to supplier performance, allowing for more standardized and reasonable control over supply ratio allocation.

The Group attaches great importance to the sustainable development of the supply chain and has introduced a strict qualification review mechanism in the supplier selection process to ensure that suppliers meet the Group's sustainability standards in terms of quality management, environmental management, and compliance.

During the supplier onboarding stage, the Group requires the submission of relevant certifications and compliance documents, including but not limited to:

• Quality Management System Certification (e.g., ISO 9001 certificate)

• Environmental Management Certification (e.g., ISO 14001 certificate)

• Industry Standard Certifications (e.g., IATF 16949, CCC, CE certificates)

• Compliance Documents (e.g., Environmental Impact Assessment Reports, Fire Safety Reports, Distribution Authorization Certificates, etc.)

The Group ensures that all business partners comply with environmental protection, safety, and quality standards through a strict supplier auditing mechanism, thereby promoting the sustainable development of the entire supply chain system.

In terms of supplier management and oversight, the Group has integrated the list of authorized suppliers into a unified digital system, enabling online management and efficient monitoring. The system covers supplier authorization, tender processing, procurement contract signing, and review records, supporting a standardized, end-to-end management process — from supplier admission, performance evaluation, and capability enhancement to phasing out underperformers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group had a total of 592 suppliers, with 526 located in mainland China and 66 in other countries and regions. During the Reporting Period, the Group conducted a comprehensive review and cleanup of inactive supplier codes, leading to a notable fluctuation in the annual figures. The supplier audit coverage rate reached 100%, encompassing areas such as product quality, on-time delivery, and service standards. To strengthen environmental and social risk management across the supply chain, the Group has implemented an annual supplier visitation and evaluation plan. On-site audits are conducted to assess suppliers in multiple dimensions, including production processes, quality control, equipment maintenance, and change point management. These evaluations inform supplier selection, supply ratio decisions and help the Group gain deeper insights into component manufacturing processes, while assessing risks related to quality, technology, and ESG performance, ensuring that top-performing suppliers are prioritized. Regular communication with suppliers also helps maintain stable deliveries during peak seasons, preventing delays that could affect annual targets.

In terms of green procurement initiatives, the Group actively responds to ESG responsibilities and China's "dual-carbon" goals by not only raising quality expectations for suppliers but also strengthening ESG compliance standards across the supply chain to drive low-carbon transitioning. Environmental and compliance standards are clearly defined in all new procurement contracts as prerequisites for supplier onboarding. The Group strictly audits supplier qualifications and requires compliance with relevant ESG standards. For existing suppliers, ESG compliance is regularly assessed, and they are encouraged to obtain certifications such as ISO 14001, ISO 9001 and ISO 45001. These certifications are also incorporated into the supplier performance evaluation system, ensuring the long-term sustainability of the supply chain.

5.2 High-Quality Dealer Partnerships

To ensure that dealers can deliver high-quality sales and after-sales services, the Group provides comprehensive technical support and training. Upholding the core value of "user-centric", the Group places strong emphasis on the management of retail stores. The Sales Department is responsible for training dealers in product guidance, store operations, and promotional strategies, while the After-Sales Service Center provides support and guidance on customer service practices. The Group works closely with its dealer partners to promote a sustainable customer service philosophy, and it extends high service standards to overseas distributors to enhance sustainability performance across the entire value chain.

During the Reporting Period, the Group reiterated the importance of compliance in all business operations across its subsidiaries and dealer network. Clear assessment standards for violations were established. Dealers and regional directors found to be in breach of compliance were subject to disciplinary actions, thereby ensuring continuous improvement in compliant operations, as well as enhancing market order and customer experience.

To adapt to new trends in e-commerce, the Group's E-commerce Center conducted new retail business training for offline dealers during the Reporting Period. These efforts significantly enhanced service capabilities and operational performance across the dealer network. To accelerate digital transformation, the Group introduced an integrated inventory and sales system to digitize sales management, improve operational efficiency, and empower dealers to achieve high-quality development, supporting the continuous upgrade of the entire distribution channel.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5.3 Data Privacy Protection

Protecting corporate trade secrets, technical know-how, and customer information from leakage, theft, or misuse are the key responsibilities and obligations of the Group, as well as the critical factor in maintaining our competitiveness and market position. The Group has established and implemented the "Confidentiality Management Policy" and "Confidentiality Guidelines", integrating information and data security into the Group's compliance policy framework. These policies apply to all employees across functional centers, business units, manufacturing sites, as well as subsidiaries, affiliates, interns, and any third-party personnel[4] engaged in business with the Group. All levels of management are required to manage and use internal data and documents in accordance with these guidelines. The Group has implemented a centralized transactional data management system to oversee data queries and analysis, with systematic monitoring of data access behaviors to mitigate the risk of information leakage.

Furthermore, only customer service personnel are authorized to access data involving the Group and its customers. For non-customer service personnel who require access to user information samples for product demand analysis, market research, or other projects involving sensitive data, prior approval must be obtained from the Big Data Center and the Audit & Supervision Department. Our data platforms only display processed results, ensuring that operators cannot access specific personal information. To enhance operational security, in 2023, the Group deployed a bastion host auditing system to strictly control access permissions and operator behaviors, preventing leakage of personal information.

To further reinforce data security, the Group also implemented the following systems in the same year, including endpoint antivirus systems, data loss prevention systems, and zero trust access systems. Collectively, these systems enhance data privacy protection across identity management, terminal security, and data leakage prevention, while enforcing strict isolation and auditing of personal data. Since 2022, the Group has also operated a Host-based Intrusion Detection System ("**HIDS**") to standardize host security baselines, forming comprehensive and systematic host security architecture, with regular detection of endpoint security risks, thereby fortifying cybersecurity defenses. The Group prohibits any disclosure of confidential information, and any individual who breaches the policies will face disciplinary measures based on the severity of the violation, as outlined in the "Company's Reward and Disciplinary Policy". In cases of serious misconduct, the responsible party will also incur corresponding legal liability.

---

[4] Refers to external personnel who are not formally employed by the Company, including but not limited to partners, suppliers, distributors, consultants, outsourced workers, secondees from external organizations, and personnel on temporary assignments.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group recorded no violations related to privacy and data protection, and there were no incidents or complaints involving serious breaches or leaks of consumer data during production, sales, or after-sales services. The Group also conducted ESG risk identification and assessment related to social issues, including those associated with "Data Privacy Protection", as follow:

ESG Risk	Risk Description	Risk Assessment Result	Risk Management Measures
Intellectual Property Theft & Technology Risk	Intellectual property refers to intangible assets, including patents and trademarks. Core technologies are a company's key competitive advantage and confidential assets, playing a vital role in business operations.	Medium Risk	• Establish internal confidentiality policies covering the protection of R&D, patents, trade secrets, and other sensitive information. • Implement intellectual property ("**IP**") management mechanisms to ensure lawful and compliant use of core technologies, including patents, trademarks, and copyrights. • Adopt tiered access control, allowing only authorized personnel to access core technologies and R&D data. • Strengthen technical data review and monitor to prevent unauthorized downloading, sharing, or leakage of technical documents. • Enforce non-disclosure agreements ("**NDAs**") with internal staff, partners, and suppliers to ensure legal compliance with confidentiality obligations. • Deploy data encryption and leak prevention systems to protect technical data from theft or unauthorized exposure. • Apply patent protection to key technologies, actively pursuing and maintaining IP rights to prevent misuse by competitors. • Enhance supply chain and third-party risk management to ensure external partners comply with confidentiality and technology security standards. • Establish a technical leakage monitoring and emergency response mechanism to promptly address and mitigate risks when breaches are detected. • Provide training and raise legal awareness among employees, ensuring that R&D and technical teams understand the importance of IP protection.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Risk	Risk Description	Risk Assessment Result	Risk Management Measures
Customer Data Leakage Risk	The leakage of customer personal data held by the company poses risks of loss, unauthorized or accidental access, processing, deletion, or misuse of such information.	Medium Risk	• Establish information security and confidentiality policies, clearly defining the responsibilities of employees and partners in protecting customer data. • Implement tiered access controls, ensuring that only authorized personnel may access customer data; other departments must obtain prior approval. • Adopt data audit and monitoring systems to track data access activities and prevent unauthorized access or information leakage. • Deploy data leakage prevention ("**DLP**") systems to detect and block the unauthorized transmission of sensitive information. • Apply data anonymization and minimal access principles, ensuring personnel only access the data necessary for their roles. • Establish a privacy compliance review mechanism to ensure that all customer data processing complies with legal and corporate standards. • Define clear disciplinary measures for data leaks — violations are handled in accordance with "the Group's Reward and Disciplinary Policy", and severe cases are subject to legal consequences. • No data breach incidents were reported during the Reporting Period, and the Group continues to strengthen privacy management and risk control efforts.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Risk	Risk Description	Risk Assessment Result	Risk Management Measures
Cybersecurity Risk	Cybersecurity incidents such as network attacks, data fraud or theft, and IT infrastructure failures may significantly disrupt operations and compromise data integrity.	Medium Risk	• Establish a Zero Trust Access System, enhancing internal defense through identity verification and endpoint security. • Deploy a Host-based Intrusion Detection System (HIDS) to reinforce baseline host security and prevent unauthorized intrusions. • Implement endpoint antivirus and intrusion detection systems to monitor and block cybersecurity threats in real time. • Conduct regular cybersecurity risk assessments, identify system vulnerabilities and perform timely patching and remediation. • Restrict data access and transmission, minimizing the risk of malicious attacks or internal data breaches. • Enhance employee cybersecurity training to raise awareness of threats such as phishing and online fraud. • Establish an emergency response mechanism to ensure rapid incident handling and system recovery in the event of cyberattacks. • Maintain continuous monitoring of the Group's cybersecurity environment, including regular third-party audits and security evaluations.

5.4 Upholding Integrity and Anti-Corruption

The Group attaches great importance to operational compliance and strictly adheres to relevant laws and regulations, including the "Criminal Law of the People's Republic of China" and the "Anti-Unfair Competition Law of the People's Republic of China". The Group continues to strengthen efforts in anti-corruption and promoting integrity, and adopts a zero-tolerance policy toward all forms of corruption, bribery, extortion, money laundering, and fraud. To this end, the Group has issued the "Integrity Management Regulations (V1.0)", which clearly define the responsibilities of various departments and integrity managers. The regulations establish stringent oversight over audited units' management, governance bodies, employees, and third parties to prevent any form of misconduct. In addition, the Group has released the "Anti-Corruption Commitment Letter" and requires dealers and suppliers to sign the "Anti-Commercial Bribery Agreement" in contracts, thereby extending the anti-corruption agenda across its value chain.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group actively carries out anti-corruption work through letter and visit reporting, inspections, internal audits, and special investigations. A dedicated independent department has been set up to oversee and address matters related to integrity in the workplace. To raise awareness and prevent violations, the Human Resources and Administrative Center and the Audit & Supervision Department regularly organize campaigns to promote knowledge on anti-corruption practices and available reporting channels. These initiatives help enhance employees' awareness and sense of responsibility in identifying and reporting corruption, bribery, and insider trading. During the Reporting Period, the Group recorded zero cases of corruption, bribery, or insider trading.

The Group has also established and implemented the "Whistleblower Protection and Reward Policy", which clearly outlines: the scope of reportable behaviors and subjects; confidentiality and protection measures for whistleblowers; and incentives and rewards for those who report misconduct. Employees can report violations via mail, whistleblowing hotline, email, or official WeChat account. Upon receiving a report, the designated department will register the report, verify the information; investigate the matter; and provide feedback to the whistleblower — while ensuring strict confidentiality of the whistleblower's identity.

The Group has established the following internal channels for reporting misconduct:

Mailbox	Complaint mailbox set up by the Audit, Supervision & Legal Center
Whistleblowing Hotline	0510–88101338 or 18112399637
Email	audit@yadea.com.cn
WeChat Anti-Corruption Account	Yadea Colleague Station — "Integrity Yadea" section
Other Channels	Any other method or channel deemed appropriate by the whistleblower

The Group consistently implements anti-corruption training programs, covering all employees, with special focus on critical and high-risk positions. Each year, Yadea organizes dedicated anti-corruption sessions for all employees, including board members. Professional experts are regularly invited to deliver in-depth integrity and compliance workshops, covering real-world scenarios such as non-government employee bribery and corruption, helping staff understand legal boundaries and internal accountability. The Group also leverages internal communications tools — corporate announcements, employee handbooks, morning/evening meetings, etc. — to repeatedly reinforce anti-corruption principles and specific requirements. Additionally, anti-corruption and compliance management is a core component of onboarding training. All new employees must complete the course and pass an assessment before formally starting their roles.

During the Reporting Period, the Group conducted "Anti-Corruption and Integrity Education" training for newly promoted managers and staff in key functions, including technology, materials, procurement, and quality departments across all production bases.

The Group was not aware of any major corruption-related litigation cases filed and concluded against the Group or its employees during the Reporting Period. Furthermore, there were no known incidents of serious violations related to bribery, extortion, fraud, or money laundering that had a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6. PEOPLE-ORIENTED APPROACH

6.1 Regulating Employment Management

Employment and Labor Standards

The Group regards talent as the cornerstone of development and strictly complies with relevant laws and regulations such as the "Labor Law of the People's Republic of China", the "Labor Contract Law of the People's Republic of China", and the "Social Insurance Law of the People's Republic of China". Internally, the Group has formulated and implemented a series of policies and systems, including the "Employee Handbook", "Recruitment Management Measures", "Cadre Management Implementation Rules", and "Cadre Management Charter Implementation Guidelines 2.0". These are designed to safeguard employees' legal rights and interests, clearly define standards for remuneration, recruitment, employment, working hours, equal pay for equal work, leave, and other employee benefits and welfare, with the aim of effectively enhancing human resources and operational management efficiency.

The Group strictly abides by all applicable labor standards and explicitly prohibits all forms of illegal employment, including but not limited to forced labor and child labor. We ensure that all employees sign labor contracts in accordance with the law based on mutual agreement and voluntary participation. Employees are guaranteed the right to resign freely under reasonable notice and transparent resignation procedures. The Group firmly prohibits the confiscation or retention of employees' personal identification documents, such as ID cards, passports, or work permits, in any form. Before inviting candidates to interview, the Group verifies their basic information; candidates under the age of 16 are not offered interview opportunities. In the event of any violations of the labor standards, the Group's Human Resources Department will immediately halt the related actions, rectify them, and issue internal notifications to reinforce the correct values and prevent recurrence. The Group will also conduct reviews among current employees to prevent similar non-compliance. During the Reporting Period, the Group was not aware of any material incidents of non-compliance with laws and regulations concerning the prevention of child labor or forced labor that had a significant impact on the Group.

In terms of recruitment, the Group adheres to the principles of "open recruitment, fair competition, strict assessment, and merit-based selection", and recruits outstanding talents through various external channels such as annual campus recruitment and university graduate training programs. Candidates are required to pass written exams, interviews, background checks, and medical examinations before officially becoming employees of the Group. Prior to onboarding, the Group signs a labor contract with the candidate in accordance with the law to ensure the rights and obligations of both parties are protected.

Regarding dismissal, both the Group and its employees have the right to propose the termination of a labor contract. The Group strictly complies with applicable laws and regulations when terminating labor contracts with employees. In cases where an employee seriously violates national laws and regulations, or breaches the Group's rules, policies, or labor discipline, and such violations are verified, the Group will notify the employee in writing of the reason for contract termination and proceed with the dismissal accordingly.

During the Reporting Period, the Group was not aware of any material violations of laws and regulations related to remuneration and dismissal, recruitment and promotion, working hours, leave, equal opportunity, diversity, anti-discrimination, or other treatment and benefits that had a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Equal Opportunity and Diversity

The Group upholds a "people-oriented" philosophy, committed to safeguarding employees' rights and interests, providing broad development platforms, and fostering an inclusive, supportive, and harmonious work environment.

We implement an equal opportunity policy and fully respect the basic rights of employees as protected by law. The Group adopts a "zero discrimination" approach regarding employees' race, age, gender, social status, nationality, religion, disability, sexual orientation, and other personal attributes. We strictly prohibit any form of discrimination or harassment in the workplace. Furthermore, employees are encouraged and supported to openly communicate with management about working conditions without fear of retaliation, threats, or harassment. Upon discovering any violations, the Group will take immediate corrective actions, conduct internal reviews, issue formal internal notices, and reinforce the correct values to prevent recurrence. During the Reporting Period, the Group recorded zero incidents of discrimination or harassment.

The Group is also committed to maintaining gender diversity within its workforce. Recognizing the importance of gender inclusiveness, we actively promote diversity across all levels of the organization, including the Board of Directors. To further advance gender diversity, the Group seeks to incorporate this principle into the recruitment of mid- to senior-level employees and provides female staff with ongoing training and career development opportunities. As of 31 December 2024, 69.07% of the Group's total employees (including senior management) were male and 30.93% were female, reflecting gradual progress towards a more gender-diverse workforce. The Nomination Committee continues to review and monitor the implementation of the Board Diversity Policy to ensure its ongoing effectiveness in promoting a diverse workforce.

The Group fully supports employees' right to freedom of association, including participation in labor unions, representative bodies, and workers' committees. Our labor union is actively engaged in safeguarding employees' legal rights, particularly in the area of occupational health and safety. The union plays an essential role in educating employees to strictly comply with the Group's safety protocols and operating procedures. It also assists in implementing occupational health and safety regulations and monitors compliance with relevant national laws. If the union identifies high-risk operations, potential accident hazards, occupational hazards, or other threats to employees' safety, it has the right to organize evacuations from dangerous areas, make recommendations for corrective actions, and request prompt responses from management. These measures help ensure workplace safety and well-being while strengthening trust and cooperation between the Group and its employees.

Talent Attraction and Retention

With the growing influence of the internet and social media, the Group has actively developed its employer brand and adopted innovative recruitment models to attract more talent and expand its workforce. Since 2021, the Group has launched and continuously updated the Yadea Talent Development System, establishing differentiated development pathways and competency requirements for both managerial and non-managerial staff. During the Reporting Period, in line with business expansion, the Group introduced overseas training programs and provided structured non-monetary incentives to recognize outstanding employees, boost team morale, and enhance employee engagement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's Human Resources Department launched a series of talent development initiatives aligned with the Group's strategic goals, while other departments organized professional skill training programs based on operational needs. In 2024, the Group also introduced project-based training aimed at supporting organizational transformation. The Group's Talent Development Center continued to enrich its training curriculum in collaboration with external partners, offering specialized programs such as the Ruidi Program, Lingdi Program, IPD Training, Danaher Training, IMS Training, ISC Training, Mind Mapping, Quality System, Total Quality Management ("**TQM**"), Business Etiquette, and courses related to the divisional system reform.

During onboarding, new employees receive training designed to strengthen their understanding of corporate culture, enhance cultural alignment, and ensure required skill levels. A "mentorship system" is strictly implemented across all departments, pairing each new employee with a mentor who provides job guidance and offers personal support, helping newcomers integrate quickly and fostering a sense of belonging.

In terms of performance evaluation, the Group conducts formal appraisals every six months. Evaluations assess various dimensions such as professional competence, work performance, team spirit, integrity, cultural awareness, and dedication. Employees are eligible for promotion twice a year; however, those who are found to be underperforming or lacking in professionalism, dedication, or attitude may be subject to position adjustments.

For employee motivation, the Group has established the "Non-Monetary Incentive System Management Standard" based on the core value of "contribution-oriented recognition." This system aims to inspire excellence, innovation, and proactive performance. It provides a clear framework for defining non-monetary incentives, their applicable forms, and the management of honor records, resulting in a systematic and standardized incentive mechanism. The non-monetary incentive system includes five key areas: Timely Recognition, Long-Service Recognition, Honor-Based Recognition, Achievement and Development Recognition, and Employee Care & Emotional Recognition.

Non-Monetary Incentive System	
Dimension	**Definition**
Timely Recognition	Based on actual circumstances, this incentive follows the principle of "contribution-oriented, timely, and wide coverage," offering timely encouragement and recognition to employees for their contributions and performance, expressing expectations and stimulating proactive innovation among staff.
Long-Service Recognition	A special incentive model designed for long-tenured employees, particularly those with many years of service. It differentiates from daily recognition for new employees and becomes increasingly rich and substantial as employee tenure grows.
Honor-Based Recognition	Aligned with the core values of "employee-centered and contribution-oriented," the Group recognizes teams or individuals who have made outstanding contributions. Based on the "Three Levels of Glory" system, the Group has established a hierarchical recognition structure, including Group-level, company-level (entity, division), and department-level honors. This multi-level approach is designed to foster a strong culture of recognition and serve as a key driver of organizational cohesion and employee motivation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Non-Monetary Incentive System	
Dimension	**Definition**
Achievement & Development Recognition	The Group has established comprehensive training and development channels, along with performance evaluation systems and internal competition mechanisms. Employees who demonstrate exceptional capability and potential are provided with greater opportunities for advancement and long-term growth. In addition to promotions, the Group fosters a competitive environment with clear benchmarks and recognition systems, encouraging career development through performance excellence.
Employee Care & Emotional Recognition	Beyond formal recognition mechanisms, the Group cultivates a supportive environment through regular communication, diversified employee experience, and systematic employee care. This includes attention to employees' physical and mental well-being, work-life balance, and cultural integration. Personalized care helps enhance cultural cohesion and promotes organizational vitality.

These recognitions cover all employees across the Group and are categorized into short-term and long-term incentives. The timing includes timely incentives, semi-annual or annual incentives, as well as long-term incentives based on specific circumstances. Specific types of incentives are distinguished by their underlying motivations and purposes.

6.2 Protecting Employee Rights and Welfare

The Group respects and promotes human rights and has made the following commitments and guidelines to all employees, which are documented in the "Employee Handbook".

Topic	Content
Freedom of Employment	• No use of forced labor, coercion, debt bondage, or any form of restriction on employee freedom. All work is conducted on a voluntary basis, free from threats, intimidation, or coercion. Employees have the right to resign with reasonable notice in accordance with legal procedures. Employees must not be required to surrender original identity documents, residence permits, or work permits as a condition of employment.
Prohibition of Child Labor	• No individual under the age of 16 shall be employed for any position.
Prohibition of Discrimination and Harassment	• Equal opportunity in hiring, compensation, promotion, and other employment matters regardless of gender, age, race, religion, nationality, disability, or any other identity status. • All forms of abuse — physical, sexual, verbal, psychological — are strictly prohibited. No employee shall be subjected to any form of humiliation, punishment, or intimidation.
Freedom of Association and Collective Bargaining	• Employees have the right to freely and publicly express opinions. The company respects their right to form or join labor unions and ensures no retaliation or unfair treatment as a result of lawful participation in such organizations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Topic	Content
Fair Wages and Working Conditions	• The company provides compensation and working conditions that meet or exceed local legal minimums, and ensures reasonable working hours and rest periods. • A safe and healthy working environment is maintained to prevent occupational injury and health risks.
Respect for Others' Fundamental Rights	• In manufacturing locations where religious or cultural practices may differ, the company respects employees' religious beliefs, cultural customs, and lawful rights.

In the event that any employee violates the above commitments or regulations, the Group has revised relevant management policies and established communication and grievance mechanisms. Employees who encounter problems or have any opinions or suggestions regarding the company may contact their department's employee liaison or submit feedback through official channels such as the Group's WeChat public platform "Yadea Employee Cloud Station." The responsible personnel will ensure that employees' valuable feedback is communicated to the appropriate departments.

We fully understand that comprehensive employee benefits and a healthy, comfortable work environment are essential to enhancing employees' sense of well-being, identity, and belonging. Therefore, the Group is committed to providing advanced office facilities and a well-established benefits system. Office spaces are maintained to high standards of cleanliness and order, and are equipped with modern office equipment and supplies. To improve workplace comfort, we have added green plants and amenities such as pantries, reading rooms, staff canteens, fitness centers, and mother-and-baby rooms. For employees who live far from the workplace, we offer staff dormitories near office locations and shuttle bus services to ease commuting burdens. Additional benefits, such as meal subsidies and high-temperature allowances, are also provided to support employees' various needs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group places great importance on the physical and mental health of employees and regularly organizes a variety of cultural and recreational activities to promote a healthy work-life balance. We offer festival gifts, birthday benefits, and departmental team-building budgets, which include but are not limited to birthday celebrations, Women's Day gifts, Spring Festival shopping cards, Mid-Autumn and Dragon Boat Festival gifts, and Mother's Day care packages. In addition, we actively host family day events, employee tea sessions, youth culture salons, Chinese New Year reunion dinners, group movie screenings, book sharing sessions, fun sports days, Mid-Autumn riddle games, charity campaigns, and low-carbon initiatives, all aimed at fostering a vibrant and enriching employee experience.

Employee Activity

The Group periodically offers employees opportunities to participate in study tours and external learning programs to promote personal growth and career development, while broadening their horizons. We believe that through these activities and opportunities, employees can gain valuable learning experiences and professional advancement, which serve as strong support for their long-term career paths.

In terms of leave benefits, in addition to statutory public holidays in the countries and regions where our offices and facilities are located, the Group has established a "Leave Management Policy" that outlines various types of leave, including maternity leave, paternity leave[5], parental leave[6], breastfeeding leave, caregiving leave, work injury leave, bereavement leave, marriage leave, and annual paid leave. A set of corresponding rules and procedures have been developed to ensure effective implementation. Among them, the Group provides a minimum of 158 days of maternity leave and 15 days of paternity leave.

---

[5] Paternity Leave: Granted to male employees whose spouse has given birth.
[6] Parental Leave: Available to eligible fathers whose child is under the age of three. Both spouses are entitled to take this leave in accordance with applicable laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6.3 Occupational Health and Well-being

The Group places strong emphasis on the health and safety of its employees and adheres to the principle of "safety first, value life." We continuously enhance safety management and risk monitoring, foster a strong safety culture, and strive to create a safe and healthy working environment. The Group strictly complies with applicable laws and regulations, including the "Production Safety Law of the People's Republic of China", "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", "Regulations on Emergency Response to Production Safety Accidents", and "Occupational Health Management Regulations for Workplaces". In addition, we have established and implemented internal policies such as the "Production Safety Management Measures", "Special Equipment Management Measures", "Management Measures for External Contractors", "Fire Safety Management Measures", "Emergency Response Regulations for Production Safety Accidents", and "Occupational Health Management Regulations for Workplaces". These internal guidelines provide a systematic framework for occupational health and safety management.

Our health and safety management is guided by the following principles, including "People-oriented, care for life", "Protect the environment, cherish resources" and "Continuous improvement, harmonious development". These principles apply to the Group and all its subsidiaries within the certification scope. The decision-making body for related matters is the Group's Production Safety Committee, which oversees policy implementation and performance enhancement in occupational health and safety. A detailed explanation of these principles is provided in the following table.

Principle	Explanation
People-oriented, care for life	Create a safe and healthy work environment to ensure the health and safety of all personnel within the workplace, including employees and other stakeholders.
Protect the environment, cherish resources	Reduce resource consumption and waste, protect the environment, and promote environmental awareness.
Continuous improvement, harmonious development	Comply with relevant national and local regulations on occupational health and safety, industry standards, and technical requirements. Strengthen communication, increase transparency, ensure implementation, and gain full support and understanding from employees and stakeholders to achieve continuous improvement in environmental and occupational health and safety performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group established annual targets for occupational health, safety, and the environment (OHSE). The achievement of these targets was linked to the actual performance of relevant personnel, and the results were systematically recorded. Details are shown in the table below.

Category	Indicator	Target	Achievement
Occupational Health, Safety and Environmental Targets	Number of major personal injuries or fatalities	0 Cases	0 Cases
	Occupational disease incidence rate	0 Cases	0 Cases
	Major safety accident occurrence rate	0 Cases	0 Cases
	Proper waste disposal rate	100%	100%
	Non-compliant discharge of wastewater, exhaust gas, or noise	100%	100%

To achieve the above targets, the Group conducted regular assessments of occupational health and safety (OHS) risks during the Reporting Period, in order to identify potential hazards in the workplace. The assessment process was primarily carried out in the following stages:

Occupational Health and Safety Risk Assessment	
Stage	**Description**
Hazard Identification and Risk Recognition	• The Group regularly conducts OHS risk assessments to identify potential hazards in the workplace. Examples include: • Environmental Factor Identification: Conducted per environmental identification procedures and updated annually to ensure 100% recognition rate. • Hazard Identification: Carried out in line with hazard identification protocols and updated annually to maintain 100% effectiveness.
Risk Response Planning and Action	• Develop prioritized action plans based on the severity of risks, clarify control measures, and define phased implementation targets. • Emergency Preparedness: • Incident Handling: Follow defined procedures and conduct monthly statistical reviews to ensure rapid response. • Internal Management Reviews: Conducted at least annually by senior management to evaluate implementation effectiveness.
Risk Mitigation and Preventive Improvement	• Apply control measures based on hazard identification and risk evaluation. Regularly update risk management programs to ensure all high-risk factors are well controlled. • Analyze past incidents to continuously improve management processes and reduce the likelihood of reoccurrence.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Occupational Health and Safety Risk Assessment	
Stage	**Description**
Internal Audits and Compliance	• Internal Audits: Conducted annually according to the audit plan to ensure compliance, with a target completion rate of 100%. • Regulatory Compliance: Conduct annual legal compliance audits to ensure adherence and implement corrective measures for any violations.
Independent Certification and Standards	• Adopt standards such as ISO 14001:2015 and ISO 45001:2018, and regularly undergo third-party audits to ensure alignment with international OHS management requirements.
Incident and Health Monitoring	• Investigate work-related injuries, illnesses, and incidents, and prepare statistical reports via the risk management system. Monitoring includes (but is not limited to) causes of incidents, injury rate statistics, employee health check results, and tracking of improvement actions.
Employee and Contractor Safety Training	• Provide targeted OHS training to employees based on identified risks, ensuring 100% completion rate. • For contractors, relevant safety standards are required, and training implementation is regularly audited.
Supplier Compliance	• Require suppliers and contractors to meet both internal and contractual OHS standards. For example, ensure 100% completion rate of safety training for personnel entering high-risk areas, and 100% signing rate of safety agreements.

In daily operations, the Group has implemented a series of concrete measures to ensure employee health and safety. These measures include, but are not limited to, the following:

Employee Health

For different positions, the Group organizes corresponding employee health checks, establishes personal health records to assist with their treatment.

We continuously improve the work environment to create a dust-free and harmless workspace, while reducing occupational hazard.

A comprehensive hygiene management system for staff canteens is in place in to ensure food safety.

To encourage active lifestyles, the Group organizes annual employee activities such as basketball tournaments and sports games to promote health and stress relief.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Workplace Safety

The Group sets annual safety targets and establishes a safety management framework, forming a safety production organization that includes the Group's management, supervisors, safety officers, and safety departments across various business units.

All employees are required to pass safety training before taking up positions. Only those who have been certified are permitted to work.

The Group provides personal protective equipment ("**PPE**") and relevant safety training to ensure operational safety.

Safety warnings and operating instructions are placed at key points in work areas to prevent accidents caused by negligence.

A three-tier inspection and improvement system has been established to regularly monitor and improve safety risks.

Safety Education

The Group organizes safety production month activities annually, covering areas such as safety regulations, fire prevention, and emergency training.

Each department conducts weekly safety meetings and reviews, combining training content with actual safety conditions to raise employees' safety awareness.

The Group also organizes employees to participate in safety training programs and Level III safety certification courses to ensure that operators maintain long-term safety knowledge and skills.

In the event of a production safety incident, the Group responds immediately and conducts disability assessments for affected personnel. For incidents officially recognized as work-related injuries upon investigation, the Group reimburses medical expenses and covers employees' wages during the recovery period. To minimize the likelihood of workplace injuries, the Group actively organizes a variety of safety drills and occupational safety training sessions. For example, the Group regularly and irregularly conducts fire safety training sessions to educate employees on the use of fire extinguishers, fire prevention measures, and evacuation procedures. These trainings help enhance employees' awareness of fire safety and improve emergency response capabilities.

During the Reporting Period, no work-related fatalities occurred within the Group. A total of 1,576 lost workdays were recorded due to occupational injuries[7].

---

[7] The total number of workdays lost due to occupational injuries is determined based on the injury leave indicated in the official injury certification or the actual duration of injury leave taken.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To prevent the recurrence of such incidents, the Group implemented a series of enhanced safety measures, including installing power lockout switches on equipment (e.g., one lock for single-operator stations, two locks for dual-operator stations, requiring both to be unlocked for operation); introducing a Production Site Inspection Checklist, requiring managers to sign off after inspections and document identified issues and corresponding corrective actions; incorporating safety topics into morning shift briefings; conducting team-based training sessions on accident investigation and analysis; organizing training on safety management and equipment operation protocols.

In addition, during the Reporting Period, the Group carried out ESG risk identification and assessment related to social topics, with the following findings of risk specifically related to "Occupational Health and Well-being":

ESG Risk	Risk Description	Risk Assessment Result	Risk Management Measures
Workplace Safety & Health Risk	The hazardous nature of business activities may pose risks of injury, illness, or even death to employees, as well as potential property damage.	Medium Risk	• Strict compliance with applicable laws and internal policy formulation to build a safe and healthy working environment. • Commitment to achieving zero accidents and zero occupational diseases, aligning with environmental and safety goals. • Regular risk assessments to identify hazards and develop corresponding mitigation plans. • Provision of health check-ups, improvement of working conditions, and promotion of employee health management. • Mandatory safety training to ensure employees are qualified for their roles and properly equipped with protective gear. • Implementation of emergency drills to enhance safety awareness and response capabilities across all staff. • Prompt response to work-related injuries, root cause analysis, and strengthened preventive measures. • Rigorous safety management throughout the supply chain to ensure supplier compliance with health and safety standards. • Continuous improvement of safety management systems through ISO certification and third-party audits.

6.4 Talent Development and Training

The Group has always regarded employee training and development as a core focus and is committed to building a comprehensive talent cultivation and development system. Guided by the management philosophy of "selecting, employing, nurturing, and retaining talent", we have formulated and continuously optimized internal training policies such as the "Training Control Procedure", "Internal Trainer Management Measures", and "New Employee Management Measures" to ensure employees receive multi-level learning and development opportunities. Through diverse vocational training programs, the Group aims to build a high-caliber talent team aligned with our business philosophy and technical standards, thereby enhancing overall competitiveness.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Organizational Optimization and Career Development Opportunities

As our business continues to grow, the Group constantly optimizes its organizational structure and talent allocation, providing ample development space and promotion opportunities for both existing employees and newly recruited talent. To meet employees' diverse learning needs, we offer a wide range of general and professional skills training programs, covering both foundational capabilities and specialized development.

The Human Resources Management Center, in alignment with the Group's strategic direction, promotes talent pipeline programs such as:

- Qidi Plan, Mingdi Plan, Ruidi Plan, and Lingdi Plan — each focuses on the development of different employee levels to ensure a complete and sustainable talent pipeline.

- Each business department also delivers targeted professional training tailored to their specific operational needs, helping employees enhance their expertise and business competitiveness.

Training System and Course Diversification

To further improve the effectiveness and coverage of training, the Group continues to enhance its course system and collaborates with external professional institutions. Training topics span a variety of areas including product knowledge, project management, leadership development, quality systems, and emerging technologies such as AI and big data. This ensures that employees keep pace with market trends and technological innovations.

Talent Programs and Corporate Culture Inheritance

The Group has launched customized training programs for employees at different levels, including:

- "Ivy" Training Program — tailored for frontline managers, this program offers systematic training and practical exercises to build a highly efficient and excellent first-line management team.

- "Starry Sky" Training Program — focuses on developing core capabilities of overseas teams, aiming to energize the organization and strengthen frontline team support.

In addition, the Group attaches great importance to the inheritance and promotion of corporate culture. Cultural orientation training is provided to new employees to strengthen their sense of belonging and alignment with company values, fostering deeper integration between personal growth and corporate development.

Through systematic training and talent development initiatives, the Group strives to create a workplace environment rich in learning and growth opportunities, providing a solid foundation of talent to support sustainable business development.

7. GREEN DEVELOPMENT

With the escalation of climate change and environmental challenges become increasingly severe, corporate responsibility for sustainable development has emerged as a central concern in society. As an electric vehicle manufacturer, the Group is committed to leveraging intelligent manufacturing and green innovation to explore and implement new technologies and materials that reduce energy consumption and emissions throughout the entire value chain — from raw material processing to production — aiming to redefine a green and healthy lifestyle centered around electric mobility.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

7.1 Climate Governance

Against the backdrop of global climate change, the management of climate-related risks not only affects the planet we rely on for survival, but also has a profound impact on business operations and long-term development. Effectively addressing climate issues — by identifying both the challenges and opportunities they present — has become an integral part of corporate sustainability.

The Group has established an ESG governance structure composed of the Board of Directors, the ESG Committee, and the ESG Working Group to oversee sustainability-related efforts, including climate-related work. Clear responsibilities for climate-related matters have been defined at each governance level. For more details, please refer to Section 3.1 Board and ESG Governance Structure. Under the leadership of the Board, the Group ensures that major ESG-related decisions comply with applicable laws and regulations in its manufacturing locations, while also referencing international and national laws, industry standards, and best practices to continuously improve ESG governance and compliance frameworks.

During the Reporting Period, from a sustainability perspective and in line with industry characteristics, macro trends, and the Group's operational context, a climate scenario analysis was conducted, as detailed below.

Climate Scenario Analysis

Climate change presents both risks and opportunities. As a company committed to sustainable development, the Group acknowledges the urgency of climate-related issues and is working to strengthen its resilience and adaptive capabilities in the face of climate change. During the Reporting Period, the Group referenced guidelines from international bodies such as the Intergovernmental Panel on Climate Change ("**IPCC**") and TCFD, as well as industry practices on climate risk disclosure, to compile a list of potential climate-related risks.

We began by assessing the climate risks the Group may face from two perspectives: physical risks and transition risks. These were compiled into a risk list and distributed to relevant departments for further evaluation. The table below illustrates how physical and transition risks impact the business.

Physical Risks	Transition Risks
Risks arising from extreme or chronic weather events that directly disrupt economic activities. For example, droughts, floods, and other events may damage farmland, buildings, factories, or infrastructure, thereby affecting production operations.	Risks resulting from the transition to a low-carbon economy, including changes in policies, technologies, market sentiment, and consumer preferences. These changes may impact enterprise operations, asset valuations, and bring about economic or financial risks.

According to the Sixth Assessment Report of IPCC, various climate change outcomes are projected under different levels of global action. Taking into account both industry characteristics and the Group's specific operational context, we analyzed the current governance practices surrounding climate-related risks and selected two representative climate scenarios for further assessment: SSP1–2.6 and SSP3–7.0, to explore the potential risks the Group may face under different climate futures.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Based on the SSP1–2.6 and SSP3–7.0 scenarios, in combination with TCFD recommendations and the characteristics of our industry, the Group has identified the following climate-related risks:

Physical Risks Climate Risk				
Climate Change Risk (Level 1)	Climate Change Risk (Level 2)	Influence Duration	Risk Description	Mitigation Action
Acute Physical Risk	Adverse impacts caused by extreme weather events	Short Term Medium Term	Natural disasters (e.g., flooding, typhoons, etc.) may disrupt electricity-powered two-wheeled vehicle factories and the supply of critical resources (energy, water, raw materials). This could affect operations at the company and supplier levels, especially in areas with vulnerable infrastructure or limited resource availability. Potential impacts include production halts, supply chain interruptions, and reduced income due to lower output.	• Strengthen flood control and typhoon protection for vulnerable facilities, and improve infrastructure resilience to extreme weather. • Upgrade early warning systems and emergency response plans to reduce damage from flooding and storms. • Enhance supplier flexibility, establish backup systems and inventories to ensure supply chain stability. • Conduct regular emergency drills to improve employee preparedness for extreme weather events.
Chronic Physical Risk	Adverse impacts from long-term global climate pattern shifts	Medium Term Long Term	Long-term climate change could affect the operation of e-scooter manufacturing facilities, leading to increased downtime, rising insurance premiums, and disruptions in supplier and customer behavior. Rising sea levels or extreme weather may damage infrastructure, increase repair and maintenance costs, and reduce productivity — resulting in negative financial impacts.	• Promote green manufacturing and adopt renewable energy to reduce emissions. • Establish water recycling systems to improve water reuse and reduce pressure on freshwater supply. • Adopt new technologies for water conservation and rainwater harvesting. • Develop climate-resilient electric mobility products to reduce climate sensitivity and enhance adaptability. • Optimize energy efficiency and reduce carbon dependency to adapt to long-term climate shifts.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| **Transition Risks** | | | | |
| **Climate Risk** | | | | |
Climate Change Risk (Level 1)	**Climate Change Risk (Level 2)**	**Influence Duration**	**Risk Description**	**Mitigation Action**
Policy and Regulatory Risk	Stricter policy regulations on existing products and services	Short Term Medium Term	Changes in policies may lead to asset impairment or early retirement of existing assets, and require capital investment in technological upgrades. To comply with regulatory requirements, companies need to further shift their operations toward energy efficiency, environmental protection, and low-carbon attributes in order to reduce environmental impact, including pollutant and greenhouse gas emissions. Failure to meet policy expectations may result in increased operating costs due to non-compliance.	• Establish a dedicated regulatory compliance team: Continuously monitor domestic and international policy developments to ensure that products meet the latest regulatory requirements. • Engage in standard-setting and industry collaboration: Actively participate in the formulation of electric vehicle industry standards and collaborate with government bodies, regulators, and industry associations to stay prepared for upcoming policy changes.
	More stringent emission and disclosure requirements	Short Term Medium Term	In response to national policies, the Group actively promotes the development of green factories. As energy conservation, emission reduction, and environmental protection regulations become increasingly stringent, additional investments in environmental protection and technological upgrades are required to meet compliance standards. These increased operating costs may pose challenges to the Group's profit margins.	• Enhance environmental information disclosure standards: Optimize ESG reporting in accordance with international frameworks such as TCFD to ensure transparency and regulatory compliance. • Optimize energy structure: Increase the proportion of renewable energy use, such as expanding solar photovoltaic installations, to reduce reliance on fossil fuels. • Improve energy efficiency management: Upgrade production equipment to enhance energy efficiency in the electric vehicle manufacturing process and reduce greenhouse gas emissions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Transition Risks | | | | |
| Climate Risk | | | | |
Climate Change Risk (Level 1)	Climate Change Risk (Level 2)	Influence Duration	Risk Description	Mitigation Action
	Carbon pricing on greenhouse gas emissions	Short Term Medium Term	The government has introduced various levies, including carbon taxes, emissions trading schemes, and fuel taxes, while also providing subsidies for new energy and solar photovoltaic ("**PV**") power generation. If the electric two-wheeled vehicle manufacturing industry lags in adapting to these policy changes, it may face direct or indirect increases in operating costs.	• Energy-efficient upgrades to production equipment: Introduce more energy-saving production equipment to improve energy use efficiency. • Develop more advanced battery technologies, such as solid-state batteries. • Use recyclable materials to increase product recyclability and reduce carbon emission intensity.
	Exposure to legal liability or litigation risk	Short Term Medium Term	Under stricter legal and regulatory frameworks, failure to establish effective internal response mechanisms may expose the company to potential litigation risks. Penalties or rulings resulting from such lawsuits could lead to increased costs and/or a decline in demand for the company's products and services.	• Monitor regulatory changes across countries to ensure compliance in areas such as product standards, environmental protection, data privacy, and employee management. • Internally review contract terms to ensure compliance in agreements with suppliers, distributors, and consumers, and to minimize potential legal dispute risks. • Strictly implement the ISO 9001 Quality Management System in electric vehicle manufacturing to ensure products meet domestic and international quality standards. • Enhance safety testing of battery technologies to prevent safety incidents such as fires or explosions.
	International green trade barriers	Short Term Medium Term	The cost of exporting products to overseas markets may rise in the future due to evolving international regulations, trade barriers, or compliance requirements.	• Increase the use of renewable energy, in manufacturing processes, such as solar power, in the manufacturing process to reduce Scope 2 greenhouse gas emissions. • Research tariffs and subsidy policies for electric vehicles in different countries to determine the optimal market entry strategy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Transition Risks Climate Risk				
Climate Change Risk (Level 1)	Climate Change Risk (Level 2)	Influence Duration	Risk Description	Mitigation Action
Technology Risk	Expenditures for low-carbon technology transition	Short Term Medium Term	Replacing traditional energy or high-energy-consuming, outdated equipment with new energy-saving technologies may lead to the early retirement of existing assets, resulting in increased operating expenses. In addition, delays in energy transition due to geographical or technical limitations may also lead to rising operational costs.	• Establish R&D centers focused on core technologies such as battery efficiency improvement, low-carbon material applications, and smart energy management to ensure technological leadership. • Develop TTFAR graphene batteries and solid-state batteries to improve energy efficiency and reduce carbon emissions per unit. • Introduce digital production management systems to enhance manufacturing precision and reduce energy waste. • Invest in low-energy-consuming equipment and intelligent factory upgrades to improve energy efficiency and reduce carbon emission costs.
	Failed investments in new technologies	Short Term Medium Term	To align with green and low-carbon development requirements, the electric two-wheeler industry must incorporate energy-saving and carbon-reducing improvements into product development and design. This requires significant investment in R&D, including funding, talent, and other resources. However, such investments in new technologies also carry the risk of failure.	• Conduct market research, technical feasibility studies, and benchmarking against competitors before investing in new technologies to ensure alignment with the Company's long-term strategic goals. • Yadea invests in alternative technologies such as sodium-ion batteries to mitigate the impact of potential failure from relying on a single technology.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Transition Risks **Climate Risk**				
Climate Change Risk (Level 1)	**Climate Change Risk (Level 2)**	**Influence Duration**	**Risk Description**	**Mitigation Action**
Reputation Risk	Corporate reputation	Medium Term Long Term	The success of a company depends on the strength of its brand. Failure to maintain or enhance brand value may negatively impact business operations and overall performance.	• Enhance supply chain quality management to ensure that batteries, frames, and electronic control systems comply with international safety standards. • Implement the ISO 9001 Quality Management System to ensure product quality control and consistency throughout the production process. • Ensure all marketing activities comply with local laws and regulations to avoid false or misleading advertising. • Establish real-time media monitoring systems across social and traditional media platforms to promptly respond to public concerns and negative news. • In times of crisis, respond with timely communication, transparent disclosure, and responsible actions to maintain brand credibility and public trust. • Adopt data encryption, identity authentication, and zero-trust architecture to prevent customer data breaches and cyberattacks.

During the Reporting Period, the Group conducted risk identification and assessment for environment-related topics under ESG risks. Emerging risks have been integrated into the Group's enterprise-wide risk management framework to ensure their timely identification, evaluation, and proactive response. Among them, "Ecosystem Degradation and Biodiversity Loss" has been identified as an emerging risk during the Reporting Period. Taking into account current operational realities, the Group has further analyzed this issue in light of broader socio-economic development trends, which are expected to have long-term and significant impacts on our business operations. To enhance the future resilience of our risk management system, we will continue to monitor changes in emerging risks and regularly report relevant developments to senior management. The table below outlines the current management status of these risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Risk	Risk Description	Risk Assessment Result	Risk Management Measures
Ecosystem Destruction & Biodiversity Loss	Loss of biodiversity may lead to irreversible environmental damage, disrupt ecological system stability, and result in resource scarcity.	Low Risk	Reduce water resource consumption and pollution in manufacturing bases • Introduce water-saving technologies such as water recycling and treatment systems at production bases to reduce dependency on freshwater resources. • Adopt advanced discharge and wastewater treatment technologies to avoid impacts on local ecosystems. Reduce solid waste generation • Adopt green production technologies (such as intelligent manufacturing) to reduce material waste and pollution emissions during the production processes. • Promote recycling and reuse of waste batteries and electronics to minimize ecological harm. Monitor global biodiversity-related environmental regulations to ensure compliance with international standards.

7.2 Environmental Management System

The Group regulates environmental protection, occupational health, and safety practices in its operations, personnel, activities, and services to achieve the goals of reducing environmental pollution, conserving resources, preventing risks, eliminating potential hazards, and safeguarding employee health. Based on the standards of ISO 14001:2015 — "Environmental Management Systems — Requirements with Guidance for Use" and ISO 45001:2018 — "Occupational Health and Safety Management Systems — Requirements with Guidance for Use", the Group has customized the "Environmental and Occupational Health & Safety (**"EHS"**) Management Manual" according to its actual conditions. This manual applies to the design and production of electric vehicles at the Group and its subsidiary production bases, as well as the environmental and occupational health and safety management activities associated with daily operations, business facilities, specific products and services, distribution logistics, and waste management. It also includes environmental management requirements for the Group's supply chain and distributors. The manual provides a clear and concise explanation of the Group's EHS policy, targets, performance indicators, organizational structure, assigned responsibilities, and other core elements essential for the establishment and effective operation of the management system.

In terms of decision-making and oversight, the ESG Committee of the Company is responsible for matters related to environmental and occupational health and safety. The committee ensures that the necessary processes of the EHS management system are established, implemented, and maintained. It is also responsible for organizing internal audits, reporting system performance and improvement needs to senior management, enhancing organization-wide awareness of customer satisfaction, and acting as the Group's representative in communications related to EHS standards with external stakeholders. The Group's ESG Committee has made the following commitments regarding environmental and occupational health and safety:

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Commitment Content

1	Assume responsibility for the effectiveness of the EHS management system and bear full responsibility for protecting employees' work-related health and safety.
2	Ensure that the policies, targets, and performance of the EHS management system are established and aligned with the organization's context and strategic direction.
3	Ensure that EHS requirements are integrated into the organization's business processes.
4	Ensure the availability of resources necessary for the implementation and maintenance of the EHS management system.
5	Communicate the importance of effective EHS management and compliance with the system's requirements.
6	Ensure the achievement of intended outcomes of the EHS management system.
7	Lead and support employees in contributing to the effectiveness of the EHS management system.
8	Promote continuous improvement.
9	Support other relevant managers in demonstrating leadership within their areas of responsibility.
10	Ensure active participation of employees and their representatives by encouraging consultation, identifying barriers to participation, and systematically removing them.
11	Ensure and promote continuous improvement of the EHS management system by systematically identifying and addressing non-conformities, opportunities, and work-related hazards and risks, including system deficiencies, to enhance occupational health and safety performance.
12	Cultivate, guide, and advocate for a strong EHS culture throughout the organization.

The Group identifies the applicable environmental and occupational health and safety laws, regulations, and other relevant requirements, evaluates its operations and processes, and conducts identification and assessment of environmental aspects and hazards. Based on this, the Group determines significant environmental aspects and major hazards, and sets corresponding EHS targets, performance indicators, and management plans to ensure compliance and drive continuous improvement. EHS requirements are embedded across all business processes, including design and development, production, procurement, human resources, marketing, and sales. The Group also integrates considerations related to its operating environment, geographic location, and stakeholder expectations into its EHS management system. Environmental and safety responsibilities are clearly assigned to each department, and system documents are developed to regulate the EHS operational processes. EHS performance is continuously monitored and measured, and corrective and improvement actions are taken as needed to ensure sustained progress.

The Group is committed not only to establishing an effective EHS management system but also to maintaining and continuously improving it. At the end of each year, an annual EHS work plan is developed for the following year, including internal audits, management reviews, and training programs. These activities are incorporated into the Group's overall annual work plan. In line with the relevant standards, the Group ensures that the EHS system is established, implemented, maintained, and improved continuously, with clearly defined approaches and documentation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has been certified under the ISO 14001 international standard and has publicly disclosed relevant certification information. The certification covers the Group's major production and operation bases, including Wuxi, Tianjin, Guangdong, Zhejiang, Anhui, Chongqing, and Vietnam, ensuring that the environmental management system aligns with globally recognized best practices.

ISO 14001 Environmental Management System Certification

Certification of Wuxi, Tianjin, Guangdong

Certification of Zhejiang

Certification of Anhui

Certification of Chongqing

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ISO 14001 Environmental Management System Certification

Certification of Vietnam

7.3 Resource Management

The Group remains committed to conserving resources and improving efficiency in resource utilization. We strictly comply with applicable environmental and energy-related regulations, including the "Water Law of the People's Republic of China", "Urban Water Conservation Management Regulations", "Energy Conservation Law of the People's Republic of China", and "Cleaner Production Promotion Law". Internally, we have formulated and implemented policies such as the "Environmental Protection and Resource Conservation Management System" and "Energy Use Management Guidelines" to ensure regulatory compliance and promote sustainable development across all operations.

Energy-Saving Measures in Production and Operations

The Group actively adopts the 5S management model and lean production principles to improve operational efficiency and promote energy-saving. In water management, we apply the Plan-Do-Check-Act ("**PDCA**") method to diagnose abnormal water consumption and continuously upgrade to water-efficient equipment. We also optimize production processes to promote water recycling. The Group raises employee awareness of water conservation through regular campaigns and routine inspections of water-related facilities, eliminating outdated equipment to ensure efficient usage. No major issues related to water resource access were identified during the Reporting Period.

In electricity management, the Group regularly inspects power distribution stations and conducts preventive checks. Energy consumption of new equipment is assessed to ensure safety and efficiency. In office areas, energy-saving measures are also implemented, such as temperature control — no higher than 20ºC in winter and no lower than 26ºC in summer, aimed at reducing energy consumption.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Renewable Energy Adoption and Smart Energy Monitoring

The Group actively increases the use of renewable energy by maintaining continuous PV power generation operations at our Wuxi and Zhejiang production bases. Furthermore, we collaborate with external partners to develop PV power stations to ensure a stable supply of clean energy. During the Reporting Period, the Anhui production base's PV project was officially launched, expanding the Group's green energy coverage. Additionally, smart energy monitoring systems have been implemented at the Wuxi, Zhejiang, and Anhui production bases to enable real-time data monitoring and refined electricity management at the source. The Group will continue to advance green energy projects such as PV power generation and energy storage to reduce reliance on purchased electricity and further lower carbon emissions.

Energy Conservation and Low-Carbon Operations

In energy management, the Group promotes fuel and gas efficiency. Currently, 90% of forklifts in workshops have been replaced with electric models, and we plan to complete the transition to electric forklifts in the near future. Employees are encouraged to use electric vehicles and public transportation, reduce the frequency of business vehicle use, and participate in carpooling initiatives to lower transportation-related carbon emissions. Each production base also implements energy-saving initiatives based on local conditions. For example, the Jiangsu base reduces natural gas consumption by shutting down paint-curing ovens early and utilizing residual heat for drying components.

Green Office and Low-Carbon Initiatives

To reduce emissions in office settings, the Group advocates for green office practices, including paperless operations and digital transformation. All departments and production bases are encouraged to print double-sided, refill ink cartridges, and adopt electronic financial systems, centralized shared platforms, and efficient paperless meetings to reduce paper usage. Offices also promote paper reuse and optimized packaging materials to further minimize environmental impact.

Through a series of energy-saving and sustainability initiatives, the Group continues to advance efficient resource utilization and its low-carbon transition, ensuring alignment between business development and environmental protection.

Product Carbon Footprint Accounting and Verification

To actively and prudently advance carbon peaking and carbon neutrality, promote green and low-carbon industries, and encourage sustainable consumption, during the Reporting Period, the Group engaged a third-party verification agency to conduct product carbon footprint accounting and certification for three models of electric two-wheeled motorcycles. The assessment was based on the international standard "ISO 14067:2018 Greenhouse Gases — Carbon Footprint of Products — Requirements and Guidelines for Quantification", and in accordance with the national standard "GB/T 24067–2024 Requirements and Guidelines for Quantification of Product Carbon Footprint of Greenhouse Gases". The assessment quantitatively measured the carbon emissions throughout the entire life cycle of the products.

The carbon footprint accounting and verification of products serves as an effective means for the Group to communicate across the product supply chain, playing a positive role in promoting greenhouse gas reduction throughout the entire value chain. The stakeholders involved include internal personnel such as the Group's management and relevant teams, as well as external stakeholders such as upstream suppliers, downstream purchasers, and local governments.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's carbon footprint accounting and verification process is based on the Life Cycle Assessment (LCA) methodology. The process includes defining the goal and scope of the assessment, compiling an inventory of relevant inputs and outputs of the product system, evaluating the potential environmental and social impacts associated with these inputs and outputs, and interpreting the results of inventory analysis and impact assessment in accordance with the study's objectives. A detailed description of the Group's methodology and practical procedures is provided in the table below.

Stage		Process Description
1	Define the objective and scope of the assessment	Objective During the Reporting Period, the Group selected three product models for product carbon footprint accounting and verification. This initiative aims to promote low-carbon and green development in both society and the enterprise, fulfill corporate social responsibility, further investigate and manage greenhouse gas emissions across the full supply chain, and strengthen communication with internal and external stakeholders. Scope In the implementation process, the Group defined the functional unit, system boundaries, cut-off criteria, time horizon, and allocation principles for the product carbon footprint assessment, in order to meet data quality requirements.
2	Compile an inventory of relevant inputs and outputs of the product system	The carbon footprint identification process covered the raw material acquisition stage, production stage, distribution stage, usage stage, and end-of-life stage. For each of these stages, the Group compiled categorized summaries and inventories of product materials, as well as data sources and references for relevant emission factors.
3	Evaluate the potential environmental impacts associated with these inputs and outputs	Based on the compiled inventory of relevant inputs and outputs of the product system, and after ensuring the accuracy and completeness of the primary data, the Group carried out stage-by-stage calculations and analysis to present the greenhouse gas emission impacts of its products.
4	Interpret the results of the inventory analysis and impact assessment in accordance with the study objectives	Taking into account the characteristics of the industry and business operations, the Group analyzed the data distribution of greenhouse gas emissions across different life cycle stages. It conducted assessments and made improvement recommendations in areas such as product design, manufacturing processes, operation models, and energy recovery, with the goal of enhancing supply chain management of product carbon footprints and promoting green, low-carbon development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The product carbon footprint labeling certificates obtained by the Group during the Reporting Period are as follows.

Electric Bicycle Model TDT3282Z — Product Carbon Footprint Labeling Certificate

Electric Motorcycle Model YD1200DT-72A — Product Carbon Footprint Labeling Certificate

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Electric Motorcycle Model YD5500D–01 — Product Carbon Footprint Labeling Certificate

7.4 Wastewater, Air Emissions, and Waste Management

The Group's operations generate several key emissions, including wastewater, air pollutants, and non-hazardous and hazardous solid waste. To ensure compliance, the Group strictly adheres to relevant environmental laws and regulations, such as the "Environmental Protection Law of the People's Republic of China", "Air Pollution Prevention and Control Law", "Water Pollution Prevention and Control Law", "Law on the Prevention and Control of Environmental Pollution by Solid Waste", and "Environmental Impact Assessment Law". In addition to legal compliance, the Group ensures that all emissions meet applicable national standards, including the "Integrated Wastewater Discharge Standard" (GB 8978-1996), "Ambient Air Quality Standard" (GB 3095-2012), and "Acoustic Environment Quality Standard" (GB 3096-2008). To this end, the Group has established a comprehensive set of internal regulations and policy guidelines. Under the Group-wide environmental management framework, each production base has developed standardized processes, technical standards, and emergency response plans for managing the "three wastes" (wastewater, waste gas, and solid waste) and noise emissions. These include, but are not limited to "Exhaust Gas Management and Control Procedures", "Wastewater Management and Control Procedures", "Solid Waste Management and Control Procedures", "Noise Management and Control Procedures", "Hazardous Waste Emergency Response Plan" and "Hazardous Waste Prevention and Control System".

During the Reporting Period, the Group was not aware of any material incidents of non-compliance with laws or regulations related to air emissions, greenhouse gas emissions, wastewater or land discharges, or the generation and handling of hazardous and non-hazardous waste that had a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The major categories of emissions generated from the Group's operations during the Reporting Period are summarized in the table below.

Major Categories of Emissions	
Wastewater • Domestic sewage • Wastewater containing organic compounds generated during the recycling of packaging materials	**Exhaust Gas** • Industrial exhaust gas generated from painting processes • Fume emissions from canteen operations
Non-hazardous Solid Waste • Packaging waste materials	**Hazardous Solid Waste** • Solvents, thinners, oil-based paints, waste activated carbon, sludge, and other hazardous substances generated during production processes

To manage pollutant emissions effectively, all of the Group's production sites are staffed with qualified professionals holding certifications in health, safety, and environmental management. These professionals ensure that all emissions handling procedures are strictly implemented in accordance with the Group's internal policies and regulatory requirements.

Wastewater Discharge and Treatment

During the Reporting Period, the Group conducted monthly sampling and testing of rainwater and wastewater at all production bases, with third-party agencies providing formal testing reports. These efforts ensure that all wastewater meets discharge standards and that the surrounding ecological environment remains protected.

The Group adopts advanced water management technologies and practices across its production processes to support sustainable water use. Water conservation measures are promoted across all operational facilities, including process optimization and the reduction of non-essential water use. Water recycling technologies are applied to increase wastewater treatment and reuse rates. In addition, water resource management targets are set, and water efficiency performance is regularly tracked and evaluated.

For example, at the Group's Anhui Huayu manufacturing base, a recycled cooling water system has been implemented to reduce water consumption by recycling water internally and minimizing direct discharge. As a result, water consumption per unit of output has decreased year by year. The site is also equipped with an on-site wastewater treatment station, and all treated effluent is discharged to the industrial park's central treatment plant. A "one enterprise, one pipeline" system enables online wastewater monitoring, ensuring full compliance with discharge standards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Air Emissions Management

During the Reporting Period, each production base conducted monthly air quality monitoring, managed by the relevant production departments. Responsibilities included routine cleaning of exhaust pipelines, daily recording of environmental protection facility operations — including noise and odor levels, operating parameters, control systems, and protective equipment status.

Waste Disposal and Management

To prevent environmental pollution from hazardous waste and chemicals, protect human health, and promote sustainable development, the Group has developed a series of waste management policies in accordance with the "Law on the Prevention and Control of Environmental Pollution by Solid Waste", "Regulations on the Safety Management of Hazardous Chemicals", and other applicable laws and regulations. These include "Waste Management Measures", "Environmental Safety Hazard Investigation and Rectification System", "Hazardous Waste Pollution Prevention and Control Responsibility System" and "General Solid Waste Management System". These policies cover key aspects such as employee training, waste classification and recycling, and landfill reduction. The Group has implemented integrated recycling programs to improve resource reuse rates and reduce the amount of waste sent to landfills, ensuring that waste disposal aligns with environmental sustainability standards. Regular employee training is conducted to raise environmental awareness and reduce waste generation. Additionally, third-party certification bodies are engaged to monitor the compliance and effectiveness of the Group's waste management practices.

8. GIVING BACK TO SOCIETY

8.1 Corporate Social Responsibility

During the Reporting Period, the Group remained its commitment to corporate social responsibility and actively fulfilled its public welfare mission, striving to give back to society. We firmly believe that the value of a company lies not only in its business growth, but also in its care for and contributions to the community. Therefore, we have focused on the field of charitable donations, providing tangible support to those in need through financial aid, material donations, and community assistance initiatives.

Yadea Responds to Earthquake Relief in Wushi County, Xinjiang — Demonstrating the Responsibility of a National Brand

On 23 January 2024, a 7.1-magnitude earthquake struck Wushi County in the Aksu Prefecture of Xinjiang. Following the disaster, emergency response efforts were swiftly mobilized, with government departments and armed forces working together to carry out rescue and relief operations. While the affected residents were quickly relocated and sheltered, local livelihoods and infrastructure had yet to recover, and urgent support from all sectors of society remained critical.

As a leading Chinese brand, Yadea responded rapidly by dispatching emergency relief supplies to the affected areas. Upon learning that Yamansu Township in Wushi County was among the hardest hit — an area characterized by extreme cold, high altitudes, and ongoing aftershocks — Yadea immediately mobilized its local stores and supply chain partners to prepare and deliver winter clothing, shoes, and essential supplies such as rice, flour, and cooking oil. These items were swiftly transported to village committees in the disaster zone, ensuring that residents received timely warmth and support.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For many years, Xinjiang has actively advanced housing and seismic resilience projects for rural communities. As a result, the region was able to avoid major casualties, despite the high magnitude of the earthquake. However, the combination of freezing temperatures and persistent aftershocks posed additional challenges to evacuation and relief efforts. Yadea has continued to monitor the situation closely and responded with concrete actions — demonstrating the company's sense of social responsibility. In critical moments, Yadea stood with impacted communities, extending a helping hand and overcoming hardships together with the people of the disaster-stricken areas.

Police-Enterprise Collaboration: Yadea Promotes "Safe Riding and Civilized Travel"

As urban traffic becomes increasingly congested, electric two-wheelers have emerged as a key mode of green transportation, playing an essential role in daily commuting. However, with the rapid growth in ownership, issues such as lack of safety awareness, insufficient knowledge of traffic laws, and limited riding skills have led to frequent accidents, posing significant challenges to public traffic safety. To address these concerns, raising public awareness around safe and responsible riding practices has become a shared focus for governments, businesses, and society at large.

On the 20th anniversary of the implementation of the "Road Traffic Safety Law of the People's Republic of China", the Ministry of Public Security, in collaboration with several departments, launched a public welfare campaign titled "Safe Riding, Civilized Travel" at Beijing Garden Expo Park. As a leading brand in the electric two-wheeled vehicle industry, Yadea actively responded to the government's call by being among the first enterprises to join the initiative. The company worked hand-in-hand with public security and traffic management authorities to promote safety awareness and education.

During the event, Yadea contributed through awareness campaigns, safety training sessions, and public engagement activities, helping citizens gain a better understanding of safe riding practices for electric two-wheelers. These efforts aim to enhance rider safety awareness and ensure that every trip is safer and smoother.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Yadea Launches Public E-Bike Safety Inspection Campaign

With the widespread adoption of electric bicycles, safety concerns have become a critical issue for both the industry and society. In Guangdong Province, one of China's key markets for electric two-wheelers, there are currently over 30 million electric bicycles in circulation — more than 15 million of which are older than five years or exceed national standards. According to backend data from the "E-Bike Expert" platform, 80% of nearly 1,000 fire safety inspections revealed medium to high fire risk, with 45% categorized as high risk. Common causes include aging vehicles and poor battery management, which frequently result in fire hazards — posing serious threats to users' life and property.

In response to these challenges, Yadea actively fulfilled its corporate social responsibility by launching the "Technology-Driven, Safety-Focused" Yadea Safety Technology Conference & Fire Safety Joint Action, in partnership with the Guangdong Provincial Fire and Rescue Department, Guangzhou Fire and Rescue Department, and related authorities. As part of this campaign, Yadea initiated the "E-Bike Public Safety Inspections for Thousands of Households" initiative, showcasing both its latest safety technology innovations and its commitment to promoting safer mobility.

As part of this public welfare effort, Yadea offered free e-bike safety inspections to local residents. Users could register via the "E-Bike Expert" WeChat mini-program and bind their vehicle information for on-site professional safety checks — especially focused on battery and vehicle condition — helping prevent risks from outdated e-bikes at the source.

The campaign's first stop was in Guangzhou, the pilot city for Yadea's nationwide safety inspection initiative. Moving forward, Yadea plans to expand this program to cities across the country, providing a full-chain "Inspection — Replacement — Repair" service to cultivate safety awareness, reduce accident rates, and help the e-bike industry upgrade toward higher-end, smarter, and greener solutions.

In the future, Yadea will continue to advance its public welfare initiatives for safe mobility, contributing to the safety and sustainable development of global electric mobility through the integration of technological innovation and corporate social responsibility.

During the Reporting Period, the Group did not participate in any political donations or related activities[8].

The Group carried out ESG risk identification and assessment. Based on a review of multi-dimensional risk factors and the Group's operational context, the following summarizes the identified risk under the theme of Sustainable Consumption. Additionally, the Group conducted risk identification and assessment on integrated environmental and social issues within ESG risks. Below are the risk identification results related to corporate social responsibility.

---

[8] Refers to the amount of donations and expenditures made to political campaigns, political organizations, lobbyists or lobbying organizations, industry associations, and other tax-exempt entities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Risk	Risk Description	Risk Assessment Result	Risk Management Measures
Sustainable Consumption Risk	An increasing number of consumers are embracing sustainable consumption and lifestyles, with growing awareness that individual consumption choices directly impact the environment. As a result, more consumers are willing to support green consumption to minimize their personal environmental footprint.	High Risk	Develop Eco-Friendly Products to Enhance Sustainable Product Competitiveness • Develop sodium-ion batteries to reduce reliance on scarce resources such as lithium, cobalt, and nickel, and to improve battery sustainability. • Promote intelligent Battery Management Systems ("**BMS**") to optimize charging and discharging strategies, reduce energy consumption, and enhance vehicle range. Strengthen ESG Brand Positioning to Increase Sustainable Consumer Loyalty • Engage with consumers via social media platforms (e.g., Weibo, WeChat, Rednote), building an environmentally conscious brand through user-driven content and interaction. • Collaborate with influencers and key opinion leaders ("**KOLs**") through short videos and live streaming to raise market awareness of sustainability efforts. Launch Nationwide Public Safety Inspection Campaigns • Leverage offline service networks across the country to offer free e-bike safety inspections for consumers, helping prevent safety risks such as battery aging and electrical short circuits. • Promote the "E-Bike Safety Inspections for Thousands of Households" initiative to enhance consumer safety awareness and promote responsible riding behavior.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

9. DATA AND INDEXES

9.1 ESG Data Summary

Environmental Data: Electric Vehicles and Accessories

Environmental Data		
Wastewater Discharge		
	Unit	**2024**
Total Wastewater Discharge[9]	Tonnes	**166,566.11**
Total Chemical Oxygen Demand (COD) in Wastewater	Tonnes	**8.83**
Total Ammonia Nitrogen Discharge in Wastewater	Tonnes	**0.60**
Air Pollutant Emissions[10]		
	Unit	**2024**
Total Particulate Matter Emissions	Tonnes	**0.02**
Total Nitrogen Oxides (NOx) Emissions	Tonnes	**1.33**
Total Sulfur Dioxide (SO$_2$) Emissions	Tonnes	**0.02**
Waste		
	Unit	**2024**
Total Hazardous Waste Generation	Tonnes	**1,977.82**
Intensity of Hazardous Waste Generation	Tonnes per RMB1,000 of revenue	**0.0001**
	Tonnes per 1,000 productions	**0.16**
Total Non-Hazardous Waste Generation	Tonnes	**7,669.08**
Intensity of Non-Hazardous Waste Generation	Tonnes per RMB1,000 of revenue	**0.0003**
	Tonnes per 1,000 productions	**0.63**
Energy		
	Unit	**2024**
Total Comprehensive Energy Consumption	MWh	**84,021.39**
Energy Consumption Intensity	MWh per RMB1,000 of revenue	**0.0030**
	MWh per 1,000 productions	**6.85**
Total Purchased Electricity	MWh	**50,614.35**
Electricity Generated from Photovoltaic (PV) Systems	MWh	**12,192.17**
Total Gasoline Consumption	10,000 Liters	**11.89**
Total Diesel Consumption	10,000 Liters	**1.91**
Total Natural Gas Consumption	10,000 m^3	**184.21**

[9]   During the Reporting Period, wastewater discharge from electric vehicle production bases included both industrial wastewater and domestic sewage.

[10]   Air pollutant emissions from electric vehicle production bases primarily originated from two sources: 1. Natural gas combustion from industrial fixed emission sources, and 2. Gasoline and diesel consumption from road mobile sources. The emission factors used for calculations were based on official guidelines issued by the Ministry of Ecology and Environment of the People's Republic of China, including "Manual of Boiler Pollutant Generation and Discharge Coefficients", "Manual of Pollutant Generation and Discharge Coefficients for Domestic Pollution Sources", and "Technical Guidelines for Preparing Air Pollutant Emission Inventories for Road Motor Vehicles (Trial Version)".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water Resources		
	Unit	**2024**
Total Water Consumption	10,000 m³	**45.00**
Water Consumption Intensity	10,000 m³ per RMB1,000 of revenue	**0.000002**
	10,000 m³ per 1,000 productions	**0.0037**
Packaging Materials		
	Unit	**2024**
Total Packaging Materials Consumption	Tonnes	**19,618.04**
Packaging Materials Consumption Intensity	Tonnes per RMB1,000 of revenue	**0.0007**
	Tonnes per 1,000 productions	**1.60**
Greenhouse Gas Emissions		
	Unit	**2024**
Total Greenhouse Gas (GHG) Emissions	Tonnes of carbon dioxide equivalent (tCO$_2$e)	**33,140.16**
GHG Emission Intensity	Tonnes of CO$_2$ equivalent per RMB1,000 of revenue	**0.0012**
	Tonnes of CO$_2$ equivalent per 1,000 productions	**2.70**
Scope 1 GHG Emissions[11]	Tonnes of carbon dioxide equivalent (tCO$_2$e)	**5,980.50**
Scope 2 GHG Emissions[12]	Tonnes of carbon dioxide equivalent (tCO$_2$e)	**27,159.66**

[11] During the Reporting Period, Scope 1 greenhouse gas (GHG) emissions from electric vehicle production bases primarily originated from: Natural gas combustion from industrial and domestic fixed sources, Gasoline and diesel combustion from road mobile sources, and Fugitive emissions from fire extinguishers and refrigerants. Emission factors were derived from the following official sources: "GHG Accounting Methods and Reporting Guidelines for Enterprises in Other Industrial Sectors" (National Development and Reform Commission of the People's Republic of China), "GHG Accounting Methods and Reporting Guidelines for Enterprises in the Land Transportation Sector (Trial Version)", and "Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)".

[12] During the Reporting Period, Scope 2 greenhouse gas (GHG) emissions from the electric vehicle manufacturing facilities were primarily attributable to indirect emissions from purchased electricity. The emission factor was based on the 2022 National Grid CO$_2$ Emission Factor published by the Ministry of Ecology and Environment of the People's Republic of China.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental Data: Batteries

Environmental Data		
Wastewater Discharge		
	Unit	**2024**
Total Wastewater Discharge[13]	Tonnes	**114,403.00**
Total Chemical Oxygen Demand (COD) in Wastewater	Tonnes	**1.53**
Total Ammonia Nitrogen Discharge in Wastewater	Tonnes	**0.28**
Air Pollutant Emissions[14]		
	Unit	**2024**
Total Particulate Matter Emissions	Tonnes	**0.02**
Total Nitrogen Oxides (NOx) Emissions	Tonnes	**0.03**
Total Sulfur Dioxide (SO_2) Emissions	Tonnes	**0.0004**
Waste		
	Unit	**2024**
Total Hazardous Waste Generation	Tonnes	**30,243.66**
Intensity of Hazardous Waste Generation	Tonnes per RMB1,000 of revenue	**0.0060**
	Tonnes per 1,000 productions	**0.74**
Total Non-Hazardous Waste Generation	Tonnes	**32.00**
Intensity of Non-Hazardous Waste Generation	Tonnes per RMB1,000 of revenue	**0.000006**
	Tonnes per 1,000 productions	**0.0008**
Energy		
	Unit	**2024**
Total Comprehensive Energy Consumption	MWh	**196,872.78**
Energy Consumption Intensity	MWh per RMB1,000 of revenue	**0.04**
	MWh per 1,000 productions	**4.80**
Total Purchased Electricity	MWh	**189,414.97**
Electricity Generated from Photovoltaic (PV) Systems	MWh	**6,966.40**
Total Gasoline Consumption	10,000 Liters	**2.84**
Total Diesel Consumption	10,000 Liters	**0.00**
Total Natural Gas Consumption	10,000 m³	**2.10**

[13] During the Reporting Period, wastewater discharge from battery production bases included both industrial wastewater and domestic sewage.

[14] Air pollutant emissions from battery production bases primarily originated from natural gas combustion from domestic fixed emission sources, and gasoline combustion from road mobile sources. The emission factors used for calculation were based on the following official guidelines issued by the Ministry of Ecology and Environment of the People's Republic of China: "Manual of Pollutant Generation and Discharge Coefficients for Domestic Pollution Sources", and "Technical Guidelines for Preparing Air Pollutant Emission Inventories for Road Motor Vehicles (Trial Version)".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water Resources		
	Unit	2024
Total Water Consumption	10,000 m³	48.13
Water Consumption Intensity	10,000 m³ per RMB1,000 of revenue	0.000010
	10,000 m³ per 1,000 productions	0.0012
Packaging Materials		
	Unit	2024
Total Packaging Materials Consumption	Tonnes	15,041.00
Packaging Materials Consumption Intensity	Tonnes per RMB1,000 of revenue	0.0007
	Tonnes per 1,000 productions	1.60
Greenhouse Gas Emissions		
	Unit	2024
Total Greenhouse Gas (GHG) Emissions	Tonnes of carbon dioxide equivalent (tCO$_2$e)	101,750.85
GHG Emission Intensity	Tonnes of CO$_2$ equivalent per RMB1,000 of revenue	0.02
	Tonnes of CO$_2$ equivalent per 1,000 productions	2.48
Scope 1 GHG Emissions[15]	Tonnes of carbon dioxide equivalent (tCO$_2$e)	110.78
Scope 2 GHG Emissions[16]	Tonnes of carbon dioxide equivalent (tCO$_2$e)	101,640.07

[15] During the Reporting Period, Scope 1 greenhouse gas (GHG) emissions from battery production bases primarily originated from natural gas combustion from domestic fixed sources, gasoline combustion from road mobile sources, and fugitive emissions from fire extinguishers and refrigerants. Emission factors were referenced from the following official sources: "GHG Accounting Methods and Reporting Guidelines for Enterprises in Other Industrial Sectors" (National Development and Reform Commission of the People's Republic of China), "GHG Accounting Methods and Reporting Guidelines for Enterprises in the Land Transportation Sector (Trial Version)", and Intergovernmental Panel on Climate Change (IPCC) "Sixth Assessment Report (AR6)".

[16] During the Reporting Period, Scope 2 greenhouse gas (GHG) emissions from the electric vehicle manufacturing facilities were primarily attributable to indirect emissions from purchased electricity. The emission factor was based on the 2022 National Grid CO$_2$ Emission Factor published by the Ministry of Ecology and Environment of the People's Republic of China.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Data

Social Data		
Employees Number		
By Gender		
	Unit	**2024**
Female	People	**8,290**
Male	People	**3,712**
By Age		
	Unit	**2024**
30 years old or below	People	**4,847**
31–40 years old	People	**5,455**
41–50 years old	People	**1,498**
51 years old or above	People	**202**
By Geographic Areas		
	Unit	**2024**
China Mainland	People	**11,564**
Hong Kong SAR	People	**12**
Other countries or regions	People	**426**
Turnover Rate		
By Gender		
	Unit	**2024**
Female	%	**4.83%**
Male	%	**3.58%**
By Age		
	Unit	**2024**
30 years old or below	%	**5.41%**
31–40 years old	%	**4.14%**
41–50 years old	%	**2.94%**
51 years old or above	%	**0.50%**
By Geographic Areas		
	Unit	**2024**
China Mainland	%	**4.32%**
Hong Kong SAR	%	**8.33%**
Other countries or regions	%	**7.51%**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Data				
Development and Training				
By Gender				
	Unit	**2024**		
		% Training Employee	**Unit**	**Average Training Hour**
Male	%	100	Hour	16.59
Female	%	100	Hour	17.44
By Employee Category				
	Unit	**2024**		
		% Training Employee	**Unit**	**Average Training Hour**
Senior Management	%	100	Hour	422.75
Middle Management	%	100	Hour	35.61
General Staff	%	100	Hour	16.29
Health and Safety				
	Unit	**2024**	**2023**	**2022**
Number of Work-related Employee Fatalities	Case	0	0	0
Fatality Rate	%	0	0	0
			Unit	**2024**
Lost Workdays Due to Work-related Injuries			Day	1,576
Supply Chain Management[17]				
			Unit	**2024**
Number of Suppliers in Mainland China			Number	526
Number of Suppliers in Hong Kong, China			Number	0
Number of Suppliers in Other Countries or Regions			Number	66
Number of Suppliers Assessed During the Reporting Period			Number	592

[17] During the Reporting Period, the Group conducted a comprehensive review and cleanup of inactive supplier codes, leading to a notable fluctuation in the annual figures.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

9.2 Content Index of Stock Exchange "ESG reporting guide" and "GRI standards"

SEHK ESG Reporting Guide Requirements, Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure
Mandatory Disclosure Requirement			
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews the progress made against ESG-related targets with an explanation of how they relate to the issuer's businesses.		3.1 Board and ESG Governance Structure
Reporting Principles	Description on, or explanation on, the application of the following Reporting Principles in the preparation of the ESG report	Materiality: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted by the issuer, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	1.4 Reporting Framework
		Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and the source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	
		Consistency: The issuer should disclose in the ESG report any change to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	
Scope of Reporting	Explanation of the scope of reporting of the ESG report and description of the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.		1.2 Organizational and Reporting Scope 1.3 Reporting Period

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SEHK ESG Reporting Guide Requirements, Subject Areas, Aspects, General Disclosures and KPIs		Content applicable to "GRI Standards"	Location of Disclosure
"Comply or Explain" Provisions			
A. ENVIRONMENTAL			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land and generation of hazardous and non-hazardous waste.	GRI 3: Material Topics Disclosure 3–3 GRI 305: Emissions	7.1 Climate Governance 7.2 Environmental Management System 7.3 Resource Use Management 7.4 Wastewater, Air Emissions, and Waste Management
KPI A1.1	Types of emissions and respective emissions data.	GRI 305: Emissions Disclosures 305–1, 305–2, 305–3, 305–6 and 305–7	9.1 ESG Data Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 305: Emissions Disclosures 305–1, 305–2, 305–3 and 305–4	9.1 ESG Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306: Waste Disclosure 306–2 (a)	9.1 ESG Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306: Waste Disclosure 306–2 (a)	9.1 ESG Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	GRI 305: Emissions Reporting Requirements 1.2 and Disclosure 305–5	3.4 ESG Target Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, as well as reduction targets set and steps taken to achieve them.	GRI 306: Waste Disclosures 306–2 and 306–4	7.4 Wastewater, Air Emissions, and Waste Management
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	GRI 3: Material Topics Disclosure 3–3	7.3 Resource Use Management 9.1 ESG Data Summary
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (in thousand kWh) and intensity (e.g. per unit of output, per facility).	GRI 302: Energy Disclosures 302–1 and 302–3	7.3 Resource Use Management 9.1 ESG Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of output, per facility).	GRI 303: Water and Effluents Disclosure 303–1	7.3 Resource Use Management 9.1 ESG Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	GRI 302: Energy Disclosures 302–4 and 302–5	3.4 ESG Target Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SEHK ESG Reporting Guide Requirements, Subject Areas, Aspects, General Disclosures and KPIs		Content applicable to "GRI Standards"	Location of Disclosure
KPI A2.4	Description of whether there is any problem in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	GRI 3: Material Topics Disclosure 3–3 GRI 303: Water and Effluents Disclosure 303–3	7.4 Wastewater, Air Emissions, and Waste Management 9.1 ESG Data Summary
KPI A2.5	Total packaging material used for finished products (in tonnes) and, where appropriate, packaging material used per unit produced.	GRI 301: Materials Disclosure 301–1	
Aspect A3: Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	GRI 3: Material Topics Disclosure 3–3	7.3 Resource Management
KPI A3.1	Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them.	GRI 3: Material Topics Disclosure 3–3 GRI 303: Water and Effluents Disclosure 303–2 GRI 304: Biodiversity Disclosure 304–2 GRI 306: Waste Disclosures 306–3(c) and 306–5	
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate — related issues which have impacted, and those which may impact, the issuer.	GRI 3: Material Topics Disclosure 3–3	7.1 Climate Governance
KPI A4.1	Description of significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	"GRI Standards" do not cover this indicator	
B. Social			
Employment and Labour Practice			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare.	GRI 3: Material Topics Disclosure 3–3	6.1 Regulating Employment Management 6.2 Protecting Employee Rights and Welfare

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SEHK ESG Reporting Guide Requirements, Subject Areas, Aspects, General Disclosures and KPIs		Content applicable to "GRI Standards"	Location of Disclosure
KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	GRI 2: General Disclosures Disclosure 2-7 GRI 405: Diversity and Equal Opportunity Disclosures 405-1 (b-ii)	9.1 ESG Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	GRI 401: Employment Disclosure 401-1 (b)	
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	GRI 3: Material Topics Disclosure 3-3	6.3 Occupational Health and Well-being 9.1 ESG Data Summary
KPI B2.1	Number and ratio of work-related fatalities occurred in each of the past three years, including the reporting year.	GRI 403: Occupational Health and Safety Disclosure 403-2	
KPI B2.2	Lost working days due to work injury.	GRI 403: Occupational Health and Safety Disclosure 403-2	
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	GRI 3: Material Topics Disclosure 3-3	
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities. Note: Training refers to vocational training, which may include internal and external courses paid by the employer.	GRI 3: Disclosures on Material Topics 3-3 GRI 404: Training and Education Disclosure 404-2 (a)	6.4 Talent Development and Training 9.1 ESG Data Summary
KPI B3.1	Percentage of employees trained by gender and employee category (e.g. senior management and middle management).	"GRI Standards" do not cover this indicator	
KPI B3.2	Average training hours completed per employee by gender and employee category.	GRI 404: Training and Education Disclosure 404-1	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SEHK ESG Reporting Guide Requirements, Subject Areas, Aspects, General Disclosures and KPIs		Content applicable to "GRI Standards"	Location of Disclosure
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	GRI 3: Material Topics Disclosure 3–3	6.1 Regulating Employment Management 6.2 Protecting Employee Rights and Welfare
KPI B4.1	Description of measures to review employment practice to avoid child and forced labour.	GRI 3: Material Topics Disclosure 3–3 GRI 408: Child Labour Disclosure 408–1 (c) GRI 409: Forced or Compulsory Labour Disclosure 409–1 (b)	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	GRI 3: Material Topics Disclosure 3–3 GRI 408: Child Labour Disclosure 408–1 (c) GRI 409: Forced or Compulsory Labour Disclosure 409–1 (b)	
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	GRI 3: Material Topics Disclosure 3–3	5.1 Efficient Supply Chain Management 9.1 ESG Data Summary
KPI B5.1	Number of suppliers by geographical region.	GRI 2: General Disclosures Disclosure 2–6	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and now they are implemented and monitored.	GRI 3: Material Topics Disclosure 3–3 GRI 308: Supplier Environmental Assessment Disclosures 308–1 and 308–2 GRI 414: Supplier Social Assessment Disclosures 414–1 and 414–2	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain and how they are implemented and monitored.	GRI 414: Supplier Social Assessment Disclosures 414–1 and 414–2	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers and how they are implemented and monitored.	"GRI Standards" do not cover this indicator	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SEHK ESG Reporting Guide Requirements, Subject Areas, Aspects, General Disclosures and KPIs		Content applicable to "GRI Standards"	Location of Disclosure
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy issues relating to products and services provided and relevant remedies.	GRI 3: Material Topics Disclosure 3–3 GRI 416: Customer Health and Safety Disclosure 416–2 GRI 417: Marketing and Labelling Disclosures 417–2 and 417–3 GRI 418: Customer Privacy Disclosure 418–1	4.2 Quality Builds the Brand
KPI B6.1	Percentage of sold or shipped products subject to recalls for safety and health reasons to the total amount of sold or shipped products.	"GRI Standards" do not cover this indicator	
KPI B6.2	Number of product and service-related complaints received and how they are addressed.	GRI 2: General Disclosures Disclosure 2–29 GRI 3: Material Topics Disclosure 3–3 GRI 418: Customer Privacy Disclosure 418–1	4.2 Quality Builds the Brand 4.3 Responsibility-Driven Marketing 4.4 Sincere Service to Customers
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	"GRI Standards" do not cover this indicator	4.1 Innovation as the Driver of Development
KPI B6.4	Description of quality assurance processes and recall procedures.	"GRI Standards" do not cover this indicator	4.2 Quality Builds the Brand
KPI B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	GRI 3: Material Topics Disclosure 3–3	5.3 Data Privacy Protection
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	GRI 3: Material Topics Disclosure 3–3 GRI 205: Anti-corruption Disclosure 205–3	
KPI B7.1	Number of concluded litigations regarding corruption brought against the issuer or its employees during the Reporting Period and the results of the cases.	GRI 205: Anti-corruption Disclosure 205–3	5.4 Upholding Integrity and Anti-Corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures and how they are implemented and monitored.	GRI 2: General Disclosures Disclosure 2–26 GRI 3: Material Topics Disclosure 3–3	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	"GRI Standards" do not cover this indicator	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SEHK ESG Reporting Guide Requirements, Subject Areas, Aspects, General Disclosures and KPIs		Content applicable to "GRI Standards"	Location of Disclosure
Community			
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	GRI 3: Material Topics Disclosure 3–3	8.1 Corporate Social Responsibility
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture and sports).	GRI 203 Indirect Economic Impacts Disclosure 203–1 (a)	
KPI B8.2	Resources contributed (e.g. money or time) to the focused areas.	GRI 201: Economic Performance Disclosure 201–1 (a-ii)	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

9.3 United Nations Sustainable Development Goals (SDGs) Mapping Index

SDGs Mapping		
Goal	**Content**	**Location of Disclosure**
1. No Poverty	End poverty in all its forms everywhere	—
2. Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	—
3. Good Health and Well-being	Ensure healthy lives and promote well-being for all at all ages	6.3 Occupational Health and Well-being
4. Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	6.4 Talent Development and Training
5. Gender Equality	Achieve gender equality and empower all women and girls	6.1 Regulating Employment Management
6. Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all	7.4 Wastewater, Air Emissions, and Waste Management
7. Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	7.3 Resource Use Management
8. Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	6.1 Regulating Employment Management 6.2 Protecting Employee Rights and Welfare 6.4 Talent Development and Training
9. Industry, Innovation, and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	4.1 Innovation as the Driver of Development
10. Reduce Inequalities	Reduce inequality within and among countries	6.2 Protecting Employee Rights and Welfare
11. Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient and sustainable	Distributed in Each Chapter
12. Responsible Consumption and Production	Ensure sustainable consumption and production patterns	Distributed in Each Chapter
13. Climate Action	Take urgent action to combat climate change and its impacts	7.1 Climate Governance 7.2 Environmental Management System 7.3 Resource Use Management 7.4 Wastewater, Air Emissions, and Waste Management
14. Life Below Water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	—
15. Life on Land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	—
16. Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Distributed in Each Chapter
17. Partnerships for the Goals	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	3.2 Stakeholder Engagement and Materiality Management

YADEA

雅迪集團控股有限公司
YADEA GROUP HOLDINGS LTD.