CALB



2025

CALB Group Co., Ltd.
Environmental, Social and Governance Report

About the Report

Basis for the Report

This report was prepared according to Annex C2 of the Main Board Listing Rules by The Stock Exchange of Hong Kong Limited ("HKEX") – Environmental, Social and Governance Reporting Guide, and by referring to the Sustainability Reporting Standards by the Global Sustainability Standards Board (GRI Standards), the IFRS Sustainability Disclosure Standards (ISSB) and the United Nations Sustainable Development Goals (SDGs).

Disclaimer

This report may contain predictive information, including but not limited to future finance, operation, product series and new technologies. The actual results may largely deviate from the predictive information due to many uncertain factors in practice. Therefore, this report is for reference only and does not constitute any form of investment advice or commitment. The Company may modify the information above without a prior notice.

Data Sources

The information in this report is sourced from the Company's internal statistical data, third-party audit report and public materials. The Company invited the independent third-party agency to verify the data contained in this report, to ensure accuracy and reliability of data. The unit for financial records featured in this report is Renminbi (RMB), unless otherwise stated/specified.

Reporting Principles

This report adheres to the materiality, quantitative, balance, and consistency principles of the Environmental, Social and Governance Reporting Guide by the HKEX:

(1) Materiality: We have conducted identification of stakeholders and material issues, and determined the content and scope of the report based on the results of the identification. The specific identification process and material issues contents can be found in the "Stakeholder Participation" and "ESG Material Issues" sections of this report.

(2) Quantitative: The statistical standards, methods, assumptions and/or calculation tools for the quantitative key performance indicators in this report, as well as the sources of conversion factors, have been explained in the corresponding sections, where appropriate.

(3) Balance: This report objectively presents the performance of the Company in the environment, society and governance (hereinafter referred to as "ESG") to avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

(4) Consistency: This report uses consistent disclosure and statistical methodologies to allow for meaningful comparison of ESG data over time.

Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025 (hereinafter "the reporting period"). In order to enhance the comparability and forward-looking nature of the report, some contents are moderately extended to the previous and subsequent years.

Scope of Report

Unless otherwise stated, this report covers CALB Group Co., Ltd. and its subsidiaries.

Obtaining the Report

In order to promote green environmental protection, this report is only available in electronic version. You can view or download CALB's ESG report online on CALB's official website (http://www.calb-tech.com) or the official website of HKEXnews (https://www.hkexnews.hk). This report is available both in Chinese and English, if there is any difference in understanding between the two versions, the Chinese version shall prevail.

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Abbreviations

For easy expression and reading, "CALB Group Co., Ltd." in this report is also represented by "CALB", "the Company", "the Group" and "We".

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A Letter from the Chairwoman



Chairwoman 刘静瑜

Energy plays a crucial role in the existence and development of human society and also drives the development of the world economy. Each big transformation of human civilization is closely related to the improvement and replacement of energy development and utilization. At present, a new round of global energy transformation is entering a critical period of pattern reshaping and paradigm transition, which is typically reflected by the prominent energy security, in-depth integration of electrification, intelligence and low-carbon and the gradual transformation from "centralized supply + linear consumption" to "diversified collaboration + low-carbon circulation". The basic logic of the global energy system is in the process of significant transformation. Under the context above, the integration of energy and AI is an inevitable choice for building a more efficient, safer, and sustainable new energy system, and a key foundation for ensuring and promoting the sustainable development of the human society and even the entire planet.

CALB not only creates energy value but also innovates and practices AI technology. On the basis of our profound understanding of the development trend of the energy industry pattern and the mankind's core demand for sustainable development, we have brought forth the "AI + Energy" strategy, focused on the zero-carbon and digitalized full scenario industrial ecology, fully leveraged the comprehensive advantages of leading technology and energy operation and actively built an energy ecology of mutual creation and win-win. CALB drives carbon reduction and efficiency improvement through innovation, strengthens compliance bottom line through responsible governance, jointly builds green ecology on the principle of openness and calibration, provides safe, efficient, and recyclable solutions for the new global energy pattern continuously, drives the continuous improvement of sustainable management level in the value chain, and joins hands with partners all over the world to create a green and sustainable future.

In 2025, with the intensification of global energy transformation, in face of the external challenges and more uncertainties, CALB forged ahead with determination complying with the "AI + energy" strategy. Thanks to its forward-looking strategic layout, leading technology, safe and reliable products, and green and sustainable concept, the Company witnessed the growth of its various businesses at a high speed, promoted its global layout in order, and stepped into a new stage of high-quality development driven by diverse scenarios, markets and technologies.

By breaking through the stereotyped scenarios and demand limitations, CALB makes layout in both technology and product following the idea of "shared source for technology, market and resources". In 2025, we launched a series of innovative products complying with the latest technical trend and needs in the industry. To be specific, the "UP" all-around battery could best satisfy the ultimate pursuit of high power and high energy density in high-end passenger cars and eVTOLs. The "Ultimate" series full-scenario commercial product solutions meet the requirements for high safety, ultra-long charging life and wide temperature range simultaneously. The "Zhijiu" series energy storage cells system bring high returns on investment for clients thanks to their ultra-long life, extremely high reliability and intelligent O&M. The "Borderless" solid state battery can bring extraordinary power support for innovative scenarios such as eVTOL and robot with its superior performance.

With focus on the "sustainable development" concept, we have built and improved the key working mechanisms of carbon management and environmental protection following the strategic goals of "net-zero in core operation by 2030 and net-zero in value chain by 2040". In 2025, the Company made significant progress in the 7 core work directions of low-carbon product development, full lifecycle carbon footprint management, energy efficiency improvement, clean energy consumption, low-carbon logistics, circular recycling, and supply chain collaborative decarbonization comprehensively, winning unanimous praise from both clients and stakeholders. CALB strengthens environmental protection work continuously, fulfils the principle of minimizing environmental impact in production and operation in depth, and actively promotes biodiversity conservation actions with its partners. Fulfilling the environmental responsibilities means not only complying with the compliance bottom line but also facilitating the Company's long-term development.

Upholding the idea of "respecting and cultivating talents", we lay special emphasis on and support the growth of each employee; continuously optimize the talent development mechanism, allow employees to obtain the sense of belonging and happiness in growth and realize self-transcendence and personal value. We attach great importance to employee occupational health, continuously improve the occupational health and safety (OHS) management system, and enhance our management level.

Keep in mind our mission, give returns to the society actively. CALB has given continuous support and organized a series of public welfare activities by joining hands with professional institutions and communities, such as environmental protection, education, rural revitalization, poverty alleviation, care for vulnerable groups, volunteer service, disaster relief, etc., to create a better home together.

In the future, CALB will embrace, create and protect the green, intelligent world that belongs to all humanity with a broader perspective, higher vision, and superior cognition; uphold the mission of "surpassing commerce, benefiting mankind", and work together with partners all over the world to make a big difference and realize win-win on the path of sustainable development!

2025 ESG Highlights

Upholding the ESG strategic objectives of "Green & Low-carbon, Ecological Harmony and Empowering the World", CALB has integrated the concept of sustainable development into its whole enterprise operation chain in depth. Thanks to its solid actions and outstanding achievements, it has made steady progress in sustainable development. In 2025, CALB realized outstanding performance in ESG, together with its remarkable business performance, including the annual revenue of RMB 44.4 billion and YoY growth of net profits by 148.4%, reflecting its strong resilience for sustainable development.



The Company received Level B score (management level) in "climate change" and "water security" respectively in the Carbon Disclosure Project (CDP) that it participated in for the very first time, marking the highest rating among enterprises in the battery industry.

"Practicing Green, Intelligent Manufacturing, Setting an Example of Zero-waste Enterprise" —— CALB Wuhan Base won the title of **"Zero-waste Factory" in Wuhan City**

Both Jiangsu Base and Wuhan Base won the title of **national "Green Factory"** while Jiangmen Base won the title of **provincial "Green Factory"**

Case: "CALB: Address Climate Change with green manufacturing, lead a zero-carbon future with many measures" was included in the **Collection of Climate Action Cases by Enterprises (Parks) in 2025** mainly edited by Center for Environmental Education and Communications of Ministry of Ecology and Environment and was released to the whole world in the main venue of COP30

The Company organized the **quantitative analysis on the financial influence of climate change risks** and disclosed relevant results to the public

The Company **established a natural capital related risk management system**, which includes the biodiversity related work as a whole

The Company realized remarkable improvement in emission reduction with the GHG further dropping by 25.3% and to 13.90 kgCO_2e/KWh in 2025

25.3% ↓



In 2025, CALB was awarded the **"Jiangsu Provincial Governor's Quality Award"** , the supreme honor in the quality management field of Jiangsu Province, upon its first submission

CALB passed the **ISO 56005 assessment certification for innovation management**––IPRs management guidelines, setting a new benchmark for industry innovation management

The coverage rate of carbon trainings on key suppliers reached 100%

100%

CALB's "Battery Module and Battery Pack" was granted the "Excellence Award" at the 25th China Patent Award. The "Patented Intensive Product Lithium Battery L221 Cultivation Case" was included in China's top 20 cases of "Supporting One Thousand Enterprises with One Hundred Industry Chains" while the "Energy Storage Battery System with an Ultra-long Life" was granted the **"2025 Green Technology Innovation Case"**

The amount of the Company's donations in social welfare activities was increased by above 4 times than last year



Empowered governance on gender equality: The proportion of the Company's women directors in the Company's Board of Directors reached 50%, increasing by 12.5% compared to last year

12.5%

CALB was included in the **"China ESG Listed Company Yangtze River Delta Pioneer 100 Index"** of CCTV successfully

In 2025, CALB was selected as a member unit of the Yangtze River Delta New Energy Industry Legal Service Alliance. Its case of Trade Secret Protection Mechanism won the first prize of the 2025 Rule of Law and Compliance Construction Case

No.1

"Fulfill Responsible Manufacturing, Create Quality Benchmark" –– CALB Wuhan Base passed the **RBA VAP silver certification**, the "required pass" for international ESG, at a high score

About CALB

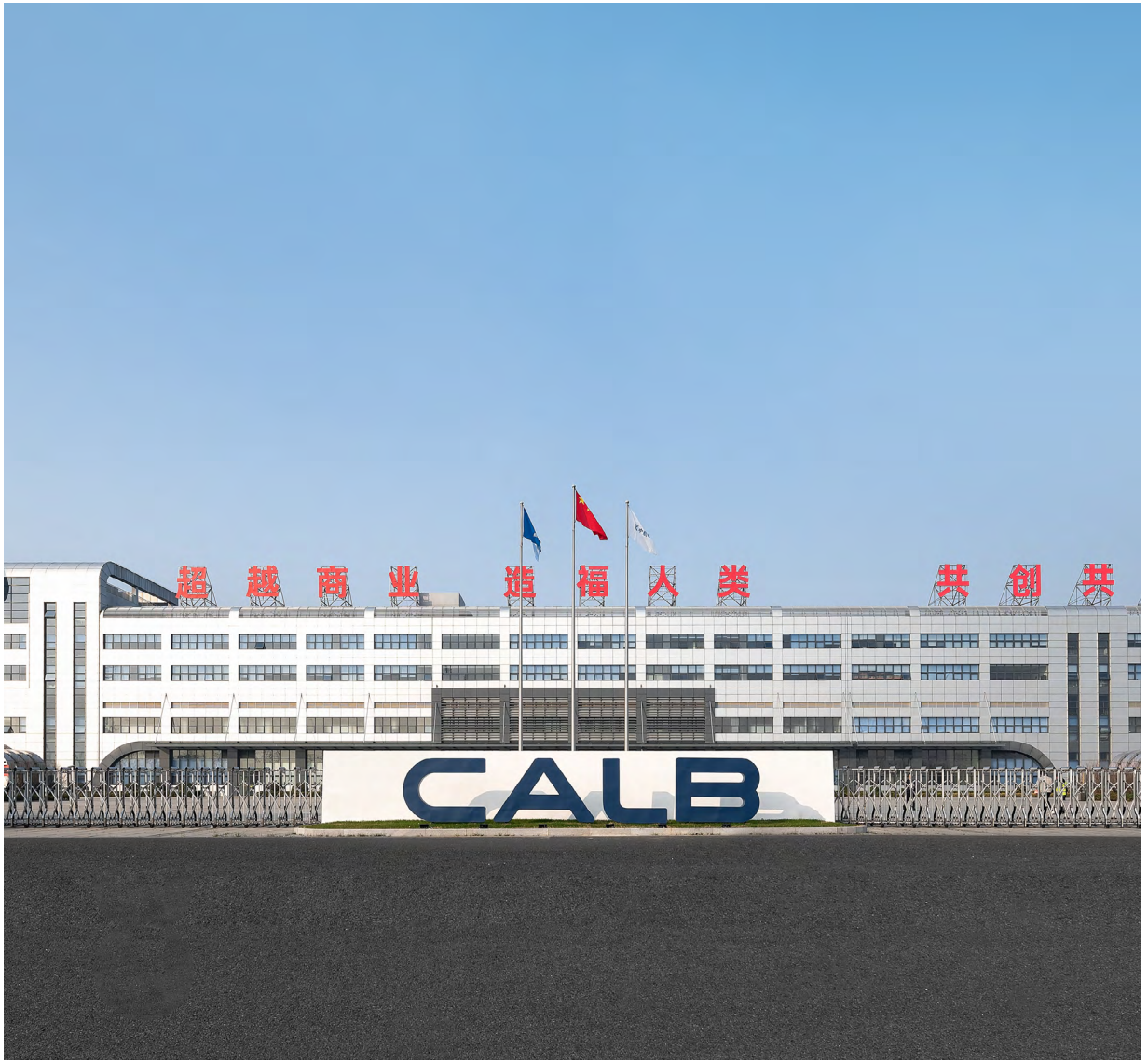
Company Profile

CALB is a globally leading new energy high-tech enterprises. As a battery expert, we takes "AI+ Energy" as our strategic direction and aim to build a comprehensive energy operation system, to provide complete product solutions and full life-cycle management for the new energy application market, represented by power and energy storage.

CALB has cultivated continuous leading technological innovation capability. Based on the research platforms including the nationally recognized enterprise technology center and post-doctoral research workstation, we have been making continuous efforts in material technology innovation, structure technology innovation, manufacturing technology innovation, and eco-healthy development innovation to build a new energy technology innovation platform with global influence. CALB continues to improve outstanding product power to serve the market, fulfil customers' sanctification and realize win-win cooperation with ecological partners.

At present, CALB has established many industrial bases all over China, including Jiangsu, Fujian, Sichuan, Hubei, Anhui, Guangdong, Henan, Hebei, Zhejiang and Shandong as well as overseas bases in Europe and ASEAN, vigorously expanding the layout all over the world to become a global leading enterprise with large-scale intelligent manufacturing capabilities.

Upholding the holy mission of "surpassing commerce, benefiting mankind" and the vision of "achieving greatness through win-win cooperation", CALB is devoted to leading innovation and technology in the field of new energy. We will continue to develop the healthy ecology of the new energy industry, and work towards the achievement of the "carbon peaking and carbon neutrality goals" and the new energy vehicle strategy, and fulfil our responsibility for energy security and sustainable development.



Scope of Business

The Company's main business covers the research, production, sales and market application & development of new energy batteries, battery management systems and related integrated products and battery materials. The products above are mainly applicable in the emerging fields, such as new energy passenger vehicles, new energy commercial vehicles, energy storage, ships, flight power, humanoid robots and light power.



Passenger vehicle market
Support the launch of all-series car models for clients; significant growth in the supporting devices of high-end vehicle models

By taking the "high safety, high energy density, long service life, fast recharging/high power, all weather conditions" as the core product competitiveness, the Company has the ability to fully support first-tier brand OEM models, covering both pure electric and hybrid models. It has established in-depth cooperation with leading passenger car companies home and abroad, given strong support for clients in the launch of cars in all models, taken the lead in the industry in terms of mass production, development and delivery capabilities, and realized significant growth in high-end vehicle model delivery.



Commercial vehicle market
Leading full-scenario product power, No. 1 enterprise with annual growth speed in the industry

By taking the "high safety, high energy density, long service life, all weather conditions, standardization and strong expandability" as the core product competitiveness, the Company has built a full-scenario one-stop energy solution, which covers freight trucks, engineering machinery, buses and minibuses. Through the all-round strategic partnerships with leading OEMs such as China National Heavy Duty Truck Group Co., Ltd. and XCMG, the Company takes the lead in product strength in all scenarios and ranked 1st in annual installed capacity growth rate.



Energy storage market
Achieve exponential growth in performance

By taking "high safety, long service life, high economic efficiency and high integration" as the core product competitiveness, the Company could satisfy customers' various needs, including energy storage batteries, integrated systems and O&M services comprehensively in such fields as wind and solar energy storage in power generation, peak load and frequency regulation in grid side, peak shaving in user side, backup power supply, and marine energy storage; it also provides highly reliable and high-performance energy storage solutions for various extreme scenarios such as offshore islands, remote plateaus, and high-altitude low voltage regions. CALB has realized exponential growth in its energy storage business for several consecutive years, and taken the lead in the industry in terms of total installed capacity of energy storage projects.



Ship market
Diverse product solutions

By taking "high safety, high power, long endurance, long service life, high cost efficiency" as the core product competitiveness, CALB can provide diverse product solutions for such fields as standby ship power supply and power system. The Company has passed the CCS Certification of China Classification Society; DNV Certification based on the system designed independently by the Chinese team (also the first one in China), in succession, realizing the full application coverage for global electric ship market. At present, CALB has successfully applied its products to 1,000+ pure electric and hybrid ships worldwide, covering major markets such as the Europe, the Middle East, and Asia-Pacific regions.



Emerging markets
Make painstaking efforts fully

By taking "high safety, high energy density, high rate and long service life" as the core product competitiveness, CALB is the first enterprise in the industry that passed the eVTOL power battery manufacturing compliance review, and can provide flexible, diverse customized product solutions for emerging markets such as flight power, humanoid robot and lightweight power, and takes the lead in applying its products to land, sea and air fields. With a leading market share in the low-altitude economy market, CALB has been designated as the exclusive designated enterprise of main models.

CALB, the Battery Expert

Headquarters

Changzhou, China

Five R&D Centers

Changzhou, Shenzhen, Shanghai, Chengdu, Europe

Fourteen Industrial Bases

Changzhou, Xiamen, Chengdu, Wuhan, Hefei, Meishan, Jiangmen, Jinhua, Xinyang, Handan, Zaozhuang, Zigong, Europe, ASEAN

Passenger Vehicle Brands

39

Vehicle Models Applied

340+

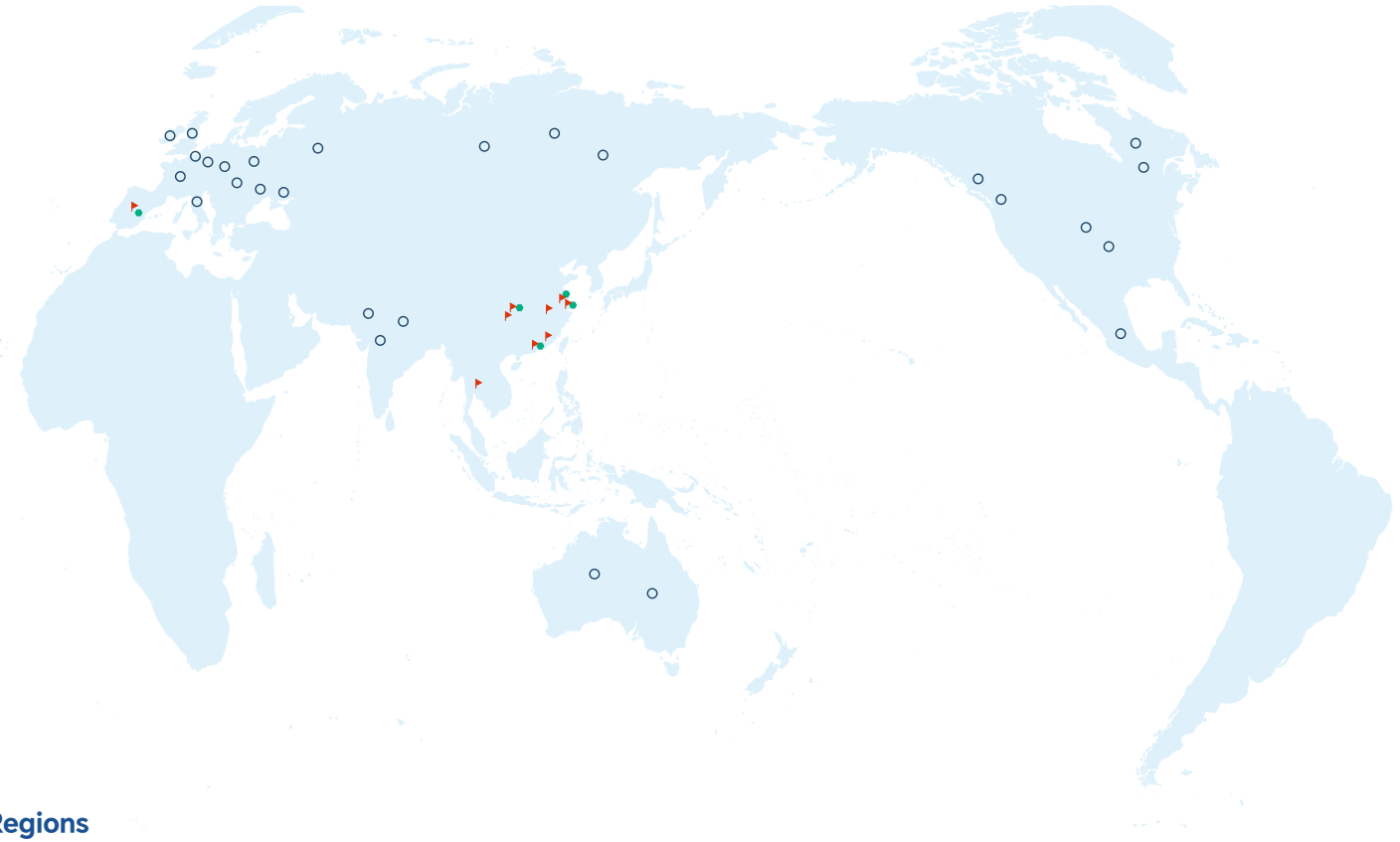
Equipped Vehicles

Over 3.1 million

Operating Cities

4 Municipalities

328 Prefecture-level Administrative Regions



ESG Honors & Awards

Government & Regulatory Authorities

Ministry of Industry and Information Technology of the People's Republic of China (MIIT)

National Outstanding Intelligent Factory

Ministry of Industry and Information Technology of the People's Republic of China (MIIT)

National 5G Factory

Ministry of Education of the People's Republic of China

Engineering and Technology Research Achievement Award

Department of Science, Technology and Informatization, Ministry of Education of the People's Republic of China

2025 Excellent Science Research Achievement Award of the Ministry of Education (Natural Science and Engineering Technology) Key Technologies and Application of Intrinsic Safety and Passive Protection of Power Lithium Batteries

Center for Environmental Education and Communications of Ministry of Ecology and Environment

Collection of Climate Action Cases by Enterprises (Parks) in 2025

China National Intellectual Property Administration

China Patent Excellence Award

Office of Jiangsu Provincial People's Government

2025 Jiangsu Provincial Governor's Quality Award

Industry and Information Technology Department of Jiangsu

The first prize of the 2025 Rule of Law and Compliance Construction Provincial Case

Media, Industry Associations and Research Institutions

CCTV

China ESG Listed Company Yangtze River Delta Pioneer 100 Index

Chinese Society for Electrical Engineering

The second prize of Science and Technology Progress Award of Chinese Society for Electrical Engineering

China Patent Protection Association

China's top 20 cases of "Supporting One Thousand Enterprises with One Hundred Industry Chains"

Changzhou Science and Technology Association

Demonstration Unit Science Association of Changzhou City

GGII Research

GGII Global Award - Annual Top 10 Leading Enterprises

CCM SCR Promotion Center

Excellent Sustainable Development Case of CSO Forum

Partners

Sungrow

Global Strategical Partner Award

Changan Automobile

Excellent Supplier

Changan Mazda

Excellent Supplier

XPeng Motors

Excellent Supplier; "Pengyi" Cup Quality Golden Award

Leapmotor

Good Quality Award

Proton Automobile

2025 Quality Chain Strategic Supplier

Goldwind

Long-term Value Award

ESG Rating

AA	Wind
A	Sino-Securities Index
B Climate change B water security	CDP
A–	SynTao Green Finance
AA	CCXI
AA	Lianhe Equator
AAA	Zhiding



Assist the UN in Realizing the "Sustainable Development" Goals

SDGs		CALB's Actions
	End poverty in all its forms everywhere.	CALB has established its production bases and R&D centers in underdeveloped areas, bringing a large number of job opportunities for the local residents. It also procures some non-productive materials and services from the local area in priority, driving the economic development of local region. By virtue of its industrial strengths, CALB allocates resources and actively participates in public welfare undertakings, such as rural revitalization and assistance to disadvantaged children, in order to assist in the development of vulnerable areas and groups.
	Ensure healthy lives and promote well-being for all at all ages.	With strong focus on the employees' health and safety, CALB ensures that all its operation bases have passed ISO 45001 occupational health and safety (OHS) management system certification. In addition, it actively advocates the cultural concept of "working pleasantly and living happily", pays special attention to employees' physical and mental health, holds various kinds of entertainment activities and cares the employees from every detail.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	CALB is active in university-industry cooperation with colleges and universities, in order to facilitate the connection between study and work for students. In addition, the Company has provided strategic support for the FSEC events for five consecutive years, offering internship and employment opportunities for outstanding participants so that they could apply the practical experience learnt from the events to work.
	Achieve gender equality and empower all women and girls.	Upholding the principle of "equal employment" and "equal pay for equal work", CALB treats its employees all equally in terms of recruitment, training, promotion, and compensation policies. It actively supports the career development of female employees, and the number of female directors accounts for 50% of the total board directors. CALB has established its female employee committee, which regularly organizes caring activities for female employees, provides facilities such as mother and baby rooms, and safeguards women's rights.
	Ensure availability and sustainable management of water and sanitation for all.	CALB's all production bases come with complete drinking water supply system and sanitation facilities, in order to ensure its employees can easily access safe drinking water and sanitation facilities. The Company's wastewater meets the standard for discharge or reuse through meticulous treatment. The factory implements "rainwater and sewage diversion; clean water and sewage division" and takes management and water-saving measures such as circulating water reuse.
	Ensure access to affordable, reliable, sustainable and modern energy for all.	CALB actively uses clean energy and increases the proportion of clean energy use by setting up distributed PV, biomass boilers, and purchasing green power. It also makes efforts in battery upgrading based on technological innovation, to improve battery density, extend the service life and reduce costs and make batteries more affordable among residents.

SDGs	CALB's Actions
 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	CALB offers its employees competitive compensation and benefits, a safe and healthy working environment, and clear career development channels, and safeguards employees' rights and interests by diverse benefit policies. It drives employment in the upstream and downstream of the industry chain and promotes local economic growth through continuous technological innovation and capacity expansion.
 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	"Innovation" plays an essential role in CALB, which takes "product and technology leadership" as one of its four development strategies. It continuously innovates material technology, structural technology, manufacturing technology, system technology, etc. and makes efforts in building a comprehensive energy operation system and providing complete product solutions and full lifecycle management services for the new energy full scenario application market. At the same time, the Company explores collaborative innovation between industry, academia, and research in depth, thus facilitating its technological upgrading, industrial empowerment, and green and low-carbon development significantly.
 Reduce inequality within and among countries.	Holding the idea that "diversification" drives continuous innovation and development, the Company explicitly prohibits employment discrimination and harassment by formulating and promoting the Employee Code of Conduct, provides an equal and diverse workplace environment for employees of different genders, ages, ethnicities, regions and religious beliefs, and respects and protects labor rights.
 Make cities and human settlements inclusive, safe, resilient and sustainable.	The Company's power batteries receive extensive trusts and popularity among customers, facilitating the sustained and rapid popularization of new energy vehicles, and effectively promoting the green transformation of the transportation industry. The Company's energy storage solution supports the stable operation of urban power grids and promotes the consumption of renewable energy. The Company's products are also applicable to emerging fields such as ship electrification, low-altitude flight, and humanoid robot, with a view to achieving zero carbon applications and services in all scenarios. In addition, the Company also attaches great importance to harmonious coexistence with surrounding communities and actively gets involved in public welfare activities such as community environmental improvement.
 Ensure sustainable consumption and production patterns.	CALB has established a closed-loop system covering the whole lifecycle of battery. Through in-depth cooperation with battery recycling "whitelist" enterprises and upstream lithium battery raw material suppliers, the Company has broken through the traditional linear consumption mode of "resource extraction - production - waste disposal" and realized the systematic closed-loop cycle from the raw materials to recycling and regeneration.
 Take urgent action to combat climate change and its impacts.	CALB has established its carbon target of "net-zero in core operation by 2030, carbon neutrality in value chain by 2040", and promoted the greenhouse gas verification and carbon footprint certification. It has included climate change risks into its overall risk management system, identified climate risks and key response strategies, and enhanced its ability to cope with climate risks.

SDGs	CALB's Actions
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.	CALB has formulated the Natural Capital Management Procedure, which specifies the Company's standard management of natural capital, biodiversity protection and deforestation avoidance. The Company joins the "One Planet Foundation (OPF)", to which, it gives strong support, such as the foundation's environmental actions, including biodiversity conservation, climate and energy, through financial support, strategic collaboration, and resource integration, promoting the better development of the ecological environment.
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.	CALB has formulated the Employee Code of Conduct and the Administrative Measures for Anti-Fraud Management, signed integrity agreements with its partners, in order to ensure that both parties and their employees are honest and comply with laws faithfully, prevent improper behaviors and jointly creates a healthy commercial environment. The Company also listens to employees' voices through various means such as suggestion boxes and regular communication meetings, in order to solve their problems and build an open, fair, and trustworthy working environment.
17 PARTNERSHIPS FOR THE GOALS Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	CALB has actively established partnership with the government, research institutions, upstream and downstream companies, industry associations, etc., to jointly promote the development of new energy industry. It leads or participates in several industry technology innovation alliances, and co-builds united laboratories with colleges and universities to facilitate the integration of industry, academia and research. It also works with its suppliers to promote carbon reduction and share sustainable development experiences in the global supply chain; actively participates in industry organizations and initiatives such as the UNGC and China ESG Alliance, and standard formulations, contributing to building a sustainable industrial ecosystem.



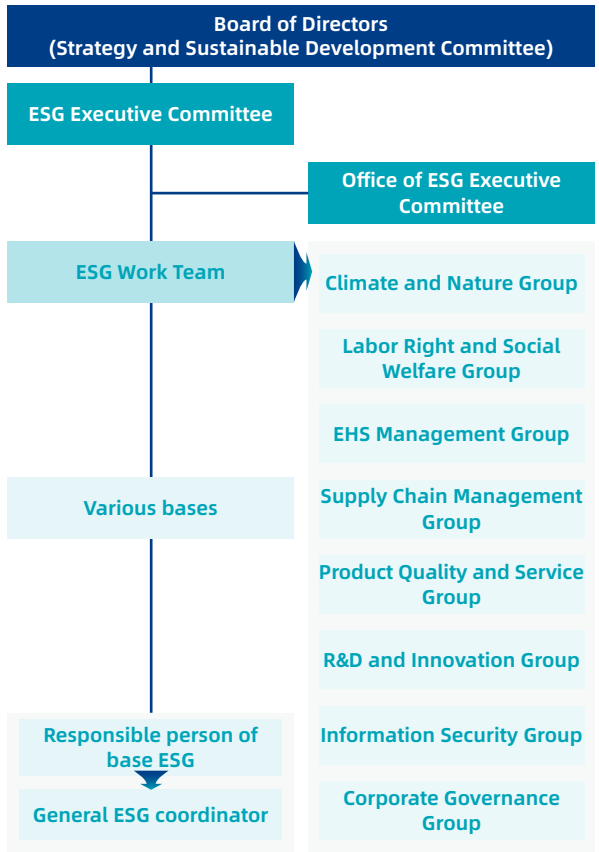
ESG Management

CALB has integrated the ESG concept into its corporate strategy in depth in order to drive sustainable and high-quality development. In 2025, we achieved comprehensive upgrade from governance to action. Governance upgrading: The Strategy and Sustainable Development Committee was established under the Board of Directors, to further improve the management mechanism of sustainable development work. Actions complying with international standards: The carbon neutrality practice case was launched at the 30th United Nations Climate Change Conference (COP30). Performance recognition: Its ESG rating came out top in the industry.

ESG Governance

CALB has established and continuously strengthened the 3-level linkage sustainable development organizational structure system ("governance - management – execution"). In 2025, the ESG governance system was upgraded in both "top-level strengthening" and "system connection". The Strategy and Sustainable Development Committee led by the chairman was established under the Board of Directors, which further promotes sustainable development to an unprecedented strategic level. The deed above not only implies that ESG has been included in the Company's core decision-making agenda but also drives the responsibility review and further collaborative optimization of the entire "governance - management – execution". Thanks to the efforts above, top-down strategic command and bottom-up execution feedback become smoother. Through continuous evaluation of substantive issues, building of special capacity and precise matching between personnel and responsibility, the system effectively ensures the management loop from strategic planning to execution feedback, driving the continuous improvement of ESG governance performance.

Board of directors	Fully takes charge of the ESG supervision as the Company's highest responsible body for ESG management. The Strategy and Sustainable Development Committee under the Board of Directors is responsible for studying and bringing forth suggestions on the Company's development strategies and medium and long-term planning, reviewing and supervising the Company's ESG-related policies, guidelines and performance, including major events, communications with stakeholders, potential influence and risk of them on business; reviewing ESG report and disclosing relevant information.
ESG Executive Committee and Its Office	Formulate and implement the Company's ESG-related policies, strategies and objectives of core topics, major ESG risk controls; review the disclosure of ESG reports. The committee is composed of the Company's top management.
ESG Work Group	Under the management of ESG Executive Committee, it includes the heads of main business departments and core business backbones in the Group and all bases, who serve as team leader and members, in order to effectively promote and execute the ESG work of the Company's bases and departments, and plan and implement the Company's ESG management-related matters.
All bases	Construct the ESG management system of bases, effectively execute the planning of the ESG Work Group, and continuously respond to the demands of internal/external stakeholders.



Board of Directors' Statement

CALB applies the ESG concept into its strategy and daily operation, continuously improves the ESG management mechanisms, and is committed to working with various stakeholders to build a sustainable and promising future. Under the Board of Directors, which is the Company's top responsible body for ESG management, the Strategy and Sustainable Development Committee has been established to work as the regulatory body for ESG work. The committee is responsible for reviewing the Company's ESG related policies, strategic plans, and ESG information disclosure documents, supervising the achievement of the Company's ESG goals, evaluating and managing ESG-related risks and opportunities, and reporting to the Board of Directors.

CALB actively complies with external policies, industry standards, and peer practices, keeps communication with stakeholders closely, and systematically identifies ESG material issues. On the basis of the above, it evaluates and prioritizes the issues from four dimensions: the impact on the Company's business strategy, stakeholders' attention, regulatory policies and market trends, and risk and opportunity assessment. The Company allocates resources for the issues with high priorities, for the purpose of maintenance and improvement, and formulates the corresponding performance goals and action plans, and establishes a continuous follow-up and review mechanism to ensure a closed-loop management.

The impact on the Company's business strategy
The potential influence of the issues on the Company's business model, finance and operating results
Stakeholders' attention
Attention of investors, customers, employees and regulatory bodies on the issues
Regulatory policies and market trends
Including the external factors such as laws and regulations, industrial standards, market expectations, etc.
Risk and opportunity assessment
Result of assessment based on double materiality assessment (impact materiality and financial materiality)

In 2025, CALB continuously promoted the implementation of its ESG strategy and target management, optimized its ESG governance structure and operational mechanism, systematically conducted ESG issue evaluations and performance improvements, and laid emphasis on the fields with significant influence on its business and stakeholders.

1. Issue identification: Identify ESG material issues dynamically by communicating with stakeholders continuously and complying with external policies
2. Double materiality assessment: Assess the ESG-related risks and opportunities systematically from two dimensions, including "impact materiality" and "financial materiality"
3. Priority ranking: Rank all issues by considering fully their influence on the business strategies, stakeholders' attention, changes of regulatory policies, etc.
4. Inclusion in strategy management: Include the issues with high priority into the key ESG work, and formulate performance goal and action plans
5. Continuous monitoring and discussion: The Strategy and Sustainable Development Committee reviews risk control and achievement of goals regularly, and reports to the Board of Directors to ensure the effective running of management mechanisms

This report elaborates the progress and effectiveness of CALB's ESG work in 2025. The Board of Directors is held liable for the truthfulness, accuracy and completeness of the contents contained herein. The Company hereby undertakes that it will, as always, promote the Company's continuous improvement in ESG field, create long-term values for stakeholders, and make contributions to the global sustainable development.

ESG Strategy

Within the reporting period, under the leadership of the Strategy and Sustainable Development Committee under the Board of Directors, we systematically examined and determined the core ESG risks and opportunities based on stakeholders' expectations and industry trends, and by complying with the regulatory requirements. On the basis of the above, we also deepened our ESG strategy and reflected it as a key action perfectly matched with business growth to better adapt to the present environment, both internally and externally, in order to drive the Company's more resilient and sustainable development in the future.

Strategic Objectives	Details
Green & Low-carbon	Integrate the environmental protection concept into product life-cycle management, insist on green design, low-carbon manufacturing and recycling, promote the coordinated carbon reduction of the whole supply chain, and realize carbon neutrality objectives.
Ecological Harmony	Stick to integrity-based development, respect the employees, focus on their rights, interest and development, promote the supply chain sustainability, implement the responsibilities of public welfare, and forge a healthy ecology of new energy industry in partnership with the stakeholders.
Empowering the World	Focus on continuous innovation, develop the top-grade technologies and products, and assist in reaching the realization of double-carbon objectives worldwide, to make contribution to energy security and sustainable development of our mankind.

Construction of ESG Capacities

With the strong belief that "outstanding ESG performance is stemmed from the awareness and ability of all employees", in 2025, the Company made the ESG concept deeply root into organizational operations through systematic training on "hierarchical classification, internal external collaboration". The cumulative coverage of ESG training throughout the year was 57,796 person-times, guaranteeing the talents for the sustainable development goals.

Culture integration for all staff

The Company offers the monthly training of ESG Basic Knowledge to new employees systematically, so that each of them can understand the Company's ESG concepts and actions, finally laying a solid foundation for cultivating the sustainable corporate culture.

Leadership driving and profession deepening

The Company lays emphasis on the leading role of governance and management. Within the reporting period, the coverage rate of ESG training for senior executives reached 100%. CALB has improved its strategy decision-making and professional execution capacity significantly through special trainings offered by the industrial experts on the address climate change and other topics, and the trainings on ISO 14064:2006 Greenhouse Gases – Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals and ISO 14067: 2018 Greenhouse Gases - Carbon Footprint of Products - Requirements and Guidelines for Quantification for the ESG Work Team and specialists.

Value chain collaboration, value co-creation

The Company has participated in 21 ESG trainings of downstream power and energy storage customers actively, which not only strengthens the ESG collaboration of the supply chain, but also promotes the sustainable development practice of the entire industry chain, creating more extensive ecological value for achieving the Company's ESG strategic goals.

Communication with Stakeholders

CALB believes that the in-depth involvement of stakeholders is the cornerstone of ESG management. We identify and classify stakeholders accurately based on CALB's Management Procedure of Stakeholders' Needs and Expectations. On the principle of openness and transparency, the Company has established a systematic communication and participation mechanism, to give response to the expectations of customers, investors, employees, industry chain partners and the society, but also systematically integrate insights from all parties into corporate governance and ESG strategies, thus creating a sustainable future with the joint efforts.

Stakeholders	Clients	Shareholders and investors	Employees	Government or regulatory bodies	Suppliers
Main Issues	IPRs protection Customer service management Information security and privacy protection Address climate change Supply chain sustainability Product quality and safety Circular economy R&D and innovation Energy management ESG management Commercial ethics and compliance	Economic performance ESG management Corporate governance Commercial ethics and compliance	Occupational health and safety (OHS) Employee development and training Employee rights and interests protection Employee care Product quality and safety R&D and innovation Economic performance Employee diversity and inclusiveness	Occupational health and safety (OHS) ESG management Commercial ethics and compliance R&D and innovation Product quality and safety Environment compliance management IPRs protection Economic performance	Product quality and safety Supply chain sustainability Information security and privacy protection Economic performance R&D and innovation Customer service management Occupational health and safety (OHS) IPRs protection Commercial ethics and compliance Corporate governance Employee rights and interests protection Pollution and waste management
Communication Channels and Methods	Customer satisfaction survey Exhibition Social media Customer research and audit Daily communication conference Customer service hotline Company's official website	Shareholders' meeting Information disclosure Investor relations activities Partner meeting	Employee questionnaire Employee exchange meeting Internal communication platform Workers' congress Employee training Employee activities	Government meetings Supervision and inspection Visit/survey Information disclosure	Daily communication conference Supplier audit and evaluation Partner meeting

Stakeholders	Communities and masses	Industrial and standard associations	Partners	Media
Main Issues	Circular economy Water resource management Pollution and waste management Ecosystem and biodiversity conservation Social participation Environment compliance management	Employee care R&D and innovation Occupational health and safety (OHS) Product quality and safety IPRs protection Corporate governance Economic performance	Information security and privacy protection Occupational health and safety (OHS) ESG management Social participation Employee development and training R&D and innovation Commercial ethics and compliance	R&D and innovation IPRs protection ESG management Energy Management Supply chain sustainability
Communication Channels and Methods	Public welfare activities Environmental protection measures Social media Company's official website Volunteer project	Industry information exchange Participation in industry standard formulation	Daily communication conference Supplier audit and evaluation Partner meeting	Daily communication conference Social media Company's official website

Materiality Assessment

In 2025, CALB deepened the evaluation of the issues with double materiality assessment (financial materiality and impact materiality) continuously, improved methods according to the latest international standards, and conducted quantitative analysis from the perspective of "financial materiality" and "impact materiality". The assessment was carried out focusing on the Company's business strategy, and could accurately identify key risks and opportunities. In the substantive issue matrix constructed based on the above, CALB defined the priority ranking, which also directly guides the annual ESG target management, performance tracking and core report disclosure.

Issue identification and preparation

Establish a comprehensive and objective initial issue library to ensure the extensiveness and relevance of the evaluation foundation

Assessment of double materiality of issues

Carry out "quantitative and qualitative" analysis on the issues identified from two perspectives of "financial importance" and "impact importance"

Confirmation and report of material issues

Ensure the authority and consensus of the evaluation results, and that the results can be transformed into effective management and disclosure actions



Step 1 Issue identification and preparation

Internal review and strategic benchmarking: Systematically review the Company's annual strategic plan, major business decisions, internal management systems and ESG performance, identify the top issues concerned internally.

External benchmarking and trend overview: Study the global ESG reporting standards (such as IFRS, GRI), guidelines for new energy vehicles (NEVs) and battery industry, regulatory policies (such as the EU Battery Regulation), and ESG practices of leading companies in the industry in depth, incorporate them into core industry issues.

Collection of stakeholders' opinions: Collect the concerns and expectations of key groups such as investors, customers, suppliers, employees, communities and the public on ESG issues via such ways as questionnaire, special interviews, conference, etc.



Issues in 2025		Issues in 2024	Description of Issue Change
Environment (7)	Environment compliance management	Environment management	• Adjust "environment management" into "environment compliance management" and the descriptions
	Energy management	Energy management	
	Address climate change	Address climate change	
	Circular economy	Circular economy	
	Water resource management	Water resource management	
	Pollution and waste management	Pollution and waste management	
	Ecosystem and biodiversity conservation	Ecosystem and biodiversity conservation	
Society (11)	R&D and innovation	Product R&D and innovation	• Adjust "product R&D and innovation" to "R&D and innovation" to cover more innovation activities besides "products", such as processes, materials, service models, and underlying technologies, to fully reflect the ESG value creation of the entire value chain. • Adjust "career development and training" to "employee development and training" to cover more aspects besides the occupational skill cultivation, such as the overall investment on employees' physical and mental health, career growth, work experience and inclusive environment.
	IPRs protection	IPRs protection	
	Product quality and safety	Product quality and safety	
	Customer service management	Customer service management	
	Supply chain sustainability	Supply chain sustainability	
	Employee rights and interests protection	Employee rights and interests protection	
	Employee diversity and inclusiveness	Employee diversity and inclusiveness	
	Employee development and training	Career development and training	
	Employee care	Employee care	
	Occupational health and safety (OHS)	Occupational health and safety (OHS)	
	Social participation	Social participation	
Governance (5)	Economic performance	Economic performance	• Remove the independent substantive issue of "digital intelligence" after considering the "digital intelligence" management results have been integrated into other issues, to make our issue structure better focus on and comply with international standards.
	Corporate governance	Corporate governance	
	Commercial ethics and compliance	Commercial ethics and compliance	
	Information security and privacy protection	Information security and privacy protection	
	ESG management	ESG management	
		Digital intelligence	

Step 2 Evaluation of Issue Materiality

Based on the characteristics of its industry and business operations, the Company organized its management and internal ESG experts to evaluate the impact materiality and financial materiality of the issues in the list of issues in Step 1 in the form of questionnaire:

Evaluation of Impact Materiality	Evaluation of Financial Materiality	Results of Double Materiality Assessment
Analyze the potential influence of the sustainability issues initially through interviews and questionnaires.	Communicate with stakeholders and evaluate the issues from the "likelihood of influence occurrence" and "degree of financial impact".	Integrate the results of impact materiality and financial materiality assessment of all issues, set importance thresholds based on the Company's operational management capabilities, determine the list of "material issues" based on the above as well as the scope of each issue.
Communicate with stakeholders to collect their opinions on the nature of impact (either positive or negative), status (either existing or potential), and make quantitative scoring from two dimensions of "impact severity" (scale, scope and irrevocability) and "likelihood of impact".	Conclude the final financial materiality assessment results for all issues based on the opinions of multiple stakeholders and by considering the suggestions of internal and external experts.	Form a double materiality matrix to visually display the evaluation results, identify 9 major issues, 13 material issues and 1 general issue.
Conclude the final impact materiality assessment results for all issues based on the opinions of multiple stakeholders and by considering the suggestions of internal and external experts.		Assess and identify major financial materiality issues such as ESG management, address climate change, environment compliance management, product quality and safety, R&D and innovation, supply chain management, occupational health and safety (OHS), information security, etc., all of which are disclosed according to the four element framework of "governance", "strategy", "management of Impact, Risks and Opportunities", and "goals and indexes".
		Review and confirm the evaluation results and matrix finally by the Company's Board of Directors.

Major ● ● ● — Material both Financially and Operationally Significant

1. R&D and innovation
2. Economic performance
3. Employee rights and interests protection
4. Environment compliance management
5. Corporate governance
6. IPRs protection
7. Product quality and safety
8. Supply chain sustainability
9. Occupational health and safety

Important ● ● — Material only Financially Significant

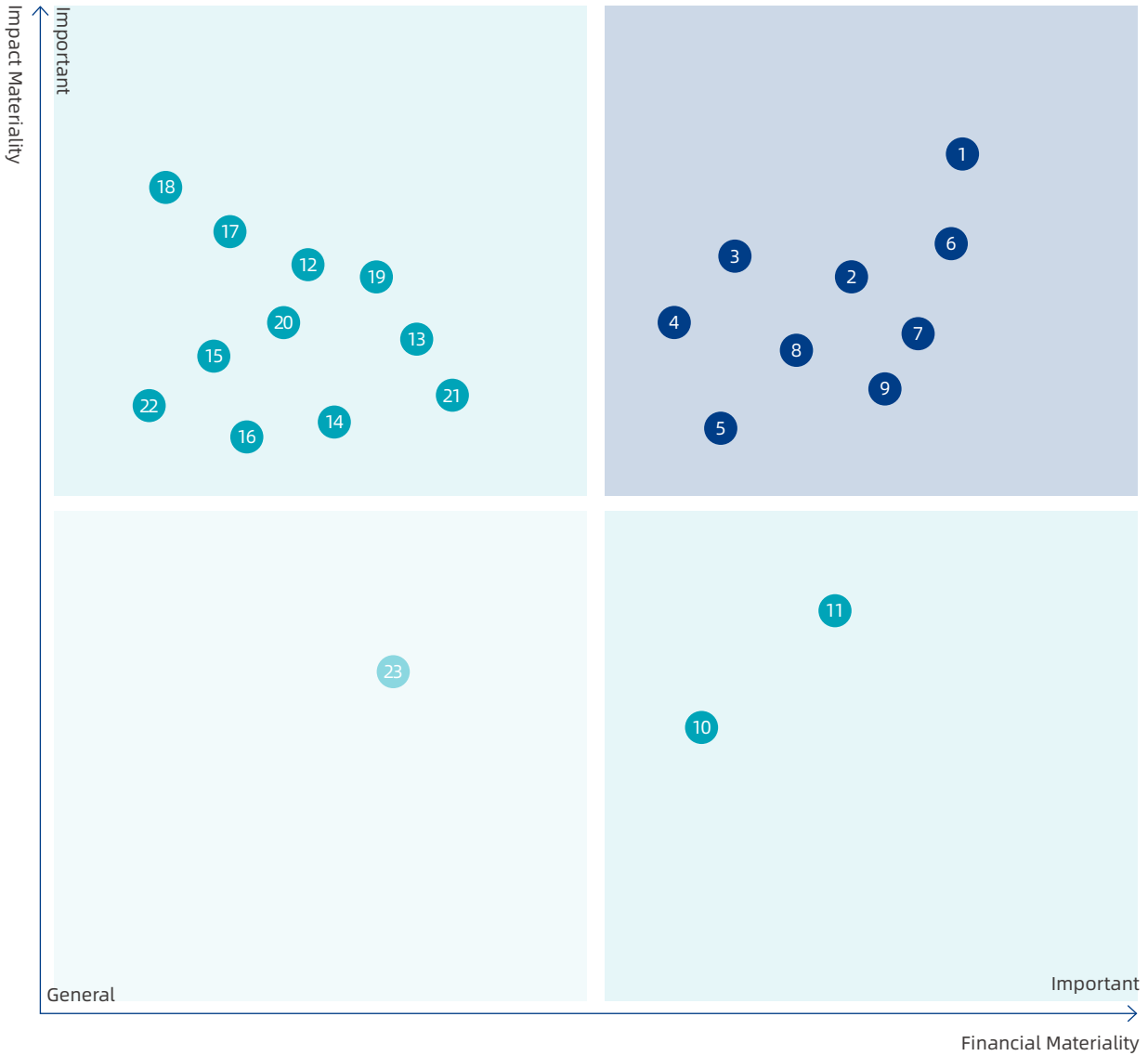
10. Information security and privacy protection
11. Respond to climate change

Important ● ● — Material only Operationally Significant

11. Energy management
12. Commercial ethics and compliance
13. ESG management
14. Employee development and training
15. Social participation
16. Employee diversity and tolerance
18. Circular economy
19. Employee care
20. Pollution and waste management
21. Customer service management
22. Water resource management

General ● — Other Material Issues

23. Ecological system and biodiversity protection



Step 3 Confirmation and Report of Material Issues

The Company analyzed all material issues comprehensively, including the scope of their impact on the value chain, related stakeholders, specific risks and opportunities, as well as the impact period. Based on the above, the subsequent contents contained herein will be focused on the specific actions taken by the Company to manage these issues.

R&D and innovation				
Affected Value Chain			Stakeholders	Impact Period
Upstream	The Company	Downstream		
√	√	√	Employees, suppliers, customers, partners, industry and standard associations, government or regulatory bodies and media	Long term

Risks and opportunities (Business model, business operation, development strategy, financial condition, operating results, cash flow, financing methods and costs, etc.)	
Risks	Opportunities
Strategy and operation risks: Misjudgment of technical routes, failure or delay of R&D projects lead to resource waste and loss of market opportunities. Financial and cash flow risks: High and sustained R&D investment may lower profits in the short term; Key R&D equipment investment and talent costs lead to higher cash expenditures.	Business model and market opportunities: Establish a new/competitive advantage product line through disruptive technological innovation, explore the blue ocean markets, and shape the industry structure. Operation and cost opportunities: Improve the yield rate and reduce energy and material consumption by process innovation; directly optimize production costs and environmental performance. Financial and financing opportunities: Successful R&D can form a high-value patent portfolio, and may attract specialized green credit or low-cost financing and improve capital structure through green technology labels. Strategy and reputation opportunities: Set a typical example in the industry, enhance customer loyalty and brand premium; proactively respond to future stricter environmental regulations through the R&D of cutting-edge low-carbon technology.

IPRs protection				
Affected Value Chain			Stakeholders	Impact Period
Upstream	The Company	Downstream		
√	√	√	Suppliers, customers, industry and standard associations, government or regulatory authorities	Long term

Risks and opportunities (Business model, business operation, development strategy, financial condition, operating results, cash flow, financing methods and costs, etc.)	
Risks	Opportunities
Strategy and operation risks: Core patents are invalidated or avoided; key technology secrets are leaked; the dispute on IPRs ownership arises from unclear agreements in open innovation or collaborative R&D activities. Financial and legal risks: The Company may be subjected to high litigation costs and potential compensation expenses against infringement, as well as legal and administrative costs for active right safeguarding. Key disputes over core IPRs may have an impact on the Company's valuation, financing, and merger and acquisition activities. Reputation and market risk: The Company may be accused or judged of infringement, damaging the brand image of its technological innovation.	Business model and financial opportunities: Directly generate license fee income through patent licensing and technology transfer, expand financing channels through intangible asset pledge financing, build a “patent pool” or participate in the patents required in standards to enhance the bargaining power and status in the industry chain. Strategy and competition opportunities: Establish solid IPRs barriers to protect R&D investment returns and consolidate the leading market status. Clear and protected IRPs play an essential role in and serve as the trust prerequisite for technology cooperation and establishing strategic alliances. It is also critical to the application for the qualifications and rewards from the government, such as “SRID” enterprise.

Economic performance				
Affected Value Chain			Stakeholders	Impact Period
Upstream	The Company	Downstream		
√	√	√	Shareholders and investors, employees, suppliers, industry and standard associations, government or regulatory bodies	Long term

Risks and opportunities (Business model, business operation, development strategy, financial condition, operating results, cash flow, financing methods and costs, etc.)	
Risks	Opportunities
Strategy and operation risks: Unsustainable growth model, low operational efficiency, and improper investment decisions. Financial and market risks: Risk of cash flow disruption, impact of market price fluctuations on gross profit margin and profits. Compliance and reputation risks: Inaccurate financial information leads to regulatory penalties, legal lawsuits, and distrust of investors, as well as the performance dissatisfying the expectation and significant drop in stock prices and market capitalization.	Business model and market opportunities: Gain more market share in price competition by virtue of the cost advantage or leveraging cost advantages or scale effect. Operation and cost opportunities: Continuously reduce the unit cost and enhance profitability resilience through lean production, digital transformation, and supply chain optimization. Strategy and reputation opportunities: Foster business resilience, participate in the market with a responsible attitude stably and continuously, enhance shareholder confidence and capital market image.

Product quality and safety				
Affected Value Chain			Stakeholders	Impact Period
Upstream	The Company	Downstream		
√	√	√	Employees, suppliers, customers, industry and standard associations, government or regulatory bodies	Long term

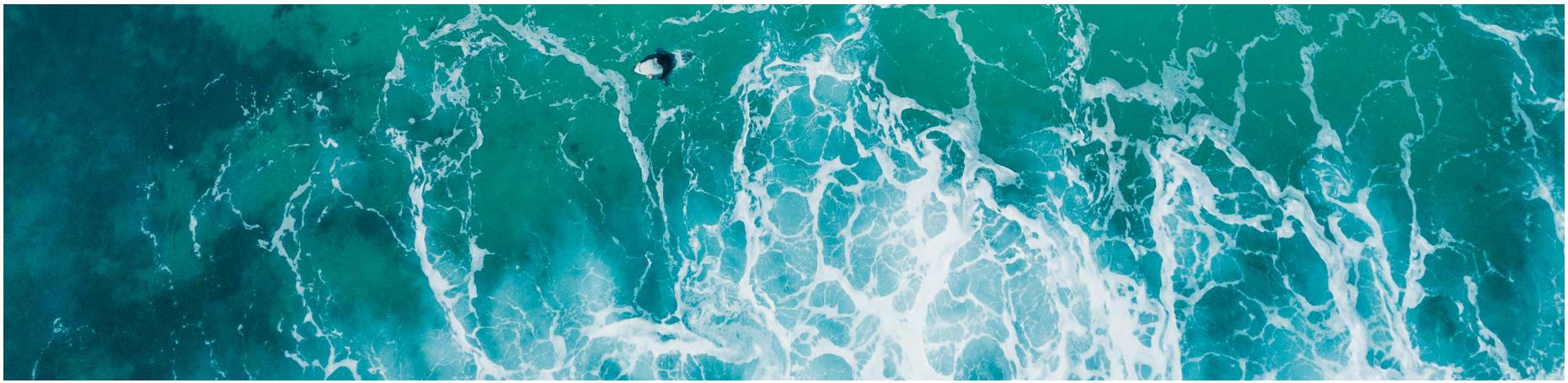
Risks and opportunities (Business model, business operation, development strategy, financial condition, operating results, cash flow, financing methods and costs, etc.)	
Risks	Opportunities
Direct safety and accident risks: Thermal runaway and safety accidents can cause personal injury, property damage, and catastrophic brand crises, as well as complex global recalls with extremely high costs and massive compensation. Operation and market risks: Quality defects lead to customer loss; high after-sales maintenance, warranty costs, and return processing fees lower the profits seriously. Compliance and reputation risks: Products that do not meet the stricter safety and performance standards home and abroad may result in market access revocation and penalties, long-term damage to brand reputation, and exert certain influence on investor confidence and stock price.	Market and brand opportunities: Establish core competitive barriers, win orders from high-end customers and establish long-term, stable strategic partnerships with customers. Operation and cost opportunities: Reduce the costs of internal failure (scrap, rework) and external failure (recall, compensation), drive the upgrading of manufacturing system production towards automation, digitization and intelligence. Strategic and sustainable development opportunities: Empower the circular economy, participate in or lead the formulation of high quality and safety standards and foster a leading status in the industry.

Employee rights and interests protection				
Affected Value Chain			Stakeholders	Impact Period
Upstream	The Company	Downstream		
√	√	√	Employees、 suppliers、government or regulatory bodies and communities, the public,	Long term

Risks and opportunities (Business model, business operation, development strategy, financial condition, operating results, cash flow, financing methods and costs, etc.)	
Risks	Opportunities
Legal and operational risks: Violation of labor regulations may result in administrative penalties, lawsuits, and high compensation; interruption of production and operation and brain drain may occur by labor disputes or major safety accidents. Financial and reputation risks: In ESG investment screening, labor practices are a core negative indicator. Poor records may lead to the failure in accessing the investment scope, or affect brand image, causing review by or cooperation termination with downstream customers.	Operational and strategic opportunities: Fair treatment, a safe and healthy workplace, and effective communication mechanisms can significantly improve productivity and operational stability, help attract and retain top talent, and promote leaner management. Market and reputation opportunities: Excellent employee rights practices could help win the trust of long-term partners and ESG investors, and gain supports from communities and government, and create a favorable external environment for long-term development.

Supply chain sustainability				
Affected Value Chain			Stakeholders	Impact Period
Upstream	The Company	Downstream		
√	√	√	Clients, supply and partners	Long term

Risks and opportunities (Business model, business operation, development strategy, financial condition, operating results, cash flow, financing methods and costs, etc.)	
Risks	Opportunities
Operation and supply risk: The establishment, management, and execution of a sustainable supply chain management system bring higher operation cost of the Company, mainly in such aspects as humans and finance. Compliance and legal risks: In consideration of the requirements for supply chain carbon emissions and use of recyclable materials, the Company needs to meet downstream customers' needs and policies at the same time, causing challenges to implementation. Due to the overseas traceability regulations, downstream customers' necessary requirements make the entire chain of mining end main materials transparent based on business flows, which poses significant challenges to the protection and feasibility of commercial secrets.	Strategy and supply chain resilience opportunities: Actively respond to the international environmental changes and regulatory requirements, consolidate the Company's compliance for going global, thereby enhancing the comprehensive brand influence and bidding advantages, building a competitive and sustainable supply chain, and enhancing the stability of upstream and downstream partners. Market and brand opportunities: Accurately satisfy the rigid supply chain requirements of downstream customers (especially international car companies and energy storage operators), become one of the preferred suppliers, have the chance of accessing the "green premium", comprehensively enhance brand trust and attractiveness. Operation and cost opportunities: Help suppliers improve energy efficiency, reduce waste, and indirectly reduce procurement costs while optimizing operational performance.



Environment compliance management				
Affected Value Chain			Stakeholders	Impact Period
Upstream	The Company	Downstream		
	√		Communities, the public, government or regulatory bodies	Long term

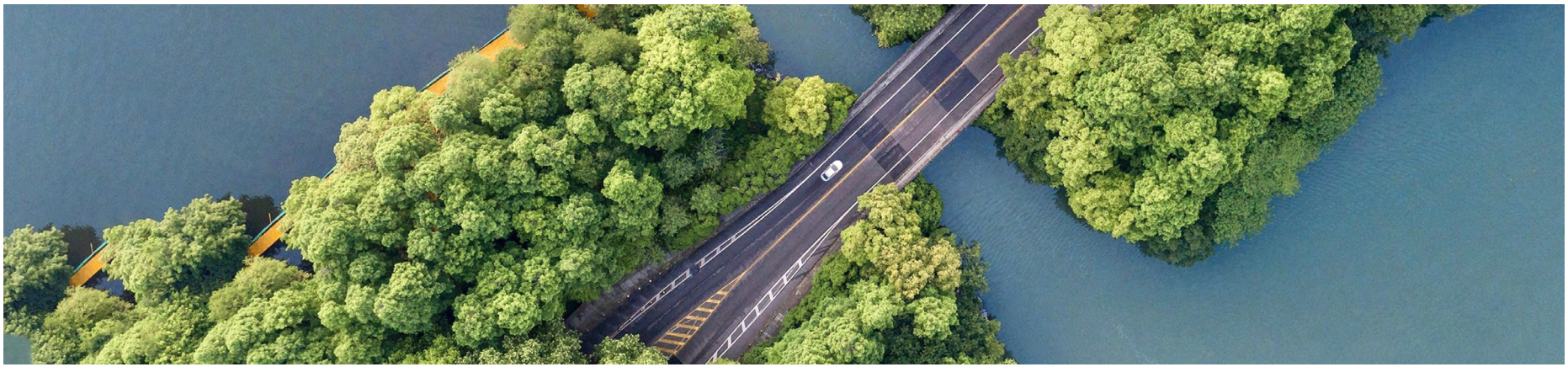
Risks and opportunities (Business model, business operation, development strategy, financial condition, operating results, cash flow, financing methods and costs, etc.)	
Risks	Opportunities
Legal and operational risks: The environmental management system does not run effectively, causing higher operational safety risks, and ineffective environmental control; it may cause such accidents as non-standard emissions and illegal disposal of hazardous waste, directly leading to administrative fines, production suspension for rectification, criminal liability investigation, and high compensation against ecological environment damage; the environmental related laws and regulations are not identified regularly or identified incompletely, or applicable legal and regulatory provisions are not transformed into internal management systems, operation does not comply with requirements or external regulations, causing compliance loopholes. The enforcement of laws and regulations is intensified (such as pollution discharge permit policies, environmental performance policies, etc.), increasing the punishment risks. Financial and market risks: Failure to meet the stricter ecological and environmental regulations in major markets (such as the EU) leads to the loss of market access qualifications directly.	Strategy and market opportunities: The government promotes the formulation of stricter industry environmental safety standards. Enterprises whose internal standards comply with or even are stricter than the standards above initiatively can attract more high-quality partners and customers, consolidate their industry position, and promote their own development. Operation and brand opportunities: The Company promotes its environmental management system faithfully, effectively preventing environmental safety accidents and incidents, reducing fines and losses caused by violations, and helping build a good brand image.

Occupational health and safety (OHS)				
Affected Value Chain			Stakeholders	Impact Period
Upstream	The Company	Downstream		
√	√	√	Employees, suppliers, partners, industry and standard associations, government or regulatory bodies	Long term

Risks and opportunities (Business model, business operation, development strategy, financial condition, operating results, cash flow, financing methods and costs, etc.)	
Risks	Opportunities
Risk of personnel injury and operational interruption: The occupational health and safety system is not implemented effectively, and regular physical examinations for the employees in the post with occupational hazard are not organized, causing occupational hazards and safety accidents. Legal and financial risks: Failure to comply with regulatory requirements for special equipment, hazardous operations, and monitoring of occupational hazards may make the Company be subjected to regulatory review and penalties. Reputation and talent risks: Severe image damage will make the Company less popular in the recruitment market. Major safety incidents may make critical customers or partners reassess their partnership with the Company after considering their supply chain risks.	Operation and human capital opportunities: Promote the construction of occupational health and safety (OHS) system in a down-to-earth manner, effectively prevent safety accidents and incidents, and minimize the fines and losses caused by violations and accidents; Strategic and brand opportunities: Implement sustainable development strategies, foster sustainable competitive advantages, and maintain a good brand image.

Corporate governance				
Affected Value Chain			Stakeholders	Impact Period
Upstream	The Company	Downstream		
√	√	√	Shareholders, employees, customers, suppliers, partners and government regulatory agencies	Long term

Risks and opportunities (Business model, business operation, development strategy, financial condition, operating results, cash flow, financing methods and costs, etc.)	
Risks	Opportunities
Legal and regulatory risks: If the corporate governance structure does not comply with relevant legal and regulatory requirements, such as information disclosure, composition rules of the board, etc., the Company may be subjected to penalties. Strategy and decision-making risks: Unreasonable corporate governance easily results in unscientific decision-making process. Ethical risk of the management: Improper corporate governance may lead to the failure in restraining the behaviors of the management effectively. Stakeholder conflict risks: Failure to balance the interests of stakeholders such as shareholders, employees, and consumers in corporate governance may lead to conflicts among them.	Brand and reputation opportunities: Good corporate governance can enhance a company's reputation on the market. Market and capital opportunities: Favorable corporate governance is one of the key factors considered by the institutional investors and social responsibility investors focusing on long-term investment; the Company can expand financing channels and reduce financing costs via this channel. Opportunities for improving operation and management: Effective corporate governance can help improve internal management processes and work and decision-making efficiency, facilitate risk control and reduction of operating risks. Opportunities for supply chain integration: Companies with good governance in the supply chain enjoy certain advantages, such as cooperation with high-quality suppliers, stable supply of raw materials and more favorable cooperation conditions.



ESG Risk and Opportunity Management

The Company brings ESG risk and opportunity management into its risk management mechanism, to identify, evaluate, monitor and manage the ESG risks and opportunities.

Identification and Evaluation of ESG Risks and Opportunities

To establish the strategic core of ESG management, the Company identifies the material issues through a systematic program, which takes into consideration the major concerns of stakeholders, trends in regulatory policies and rules, industry standards and development trends, as well as benchmark analysis of industry practices. On the basis of the above, we comprehensively assess the potential impacts, risks and opportunities of each issue, such as the likelihood of occurrence, potential impact scale, and duration of action. For the complete assessment method and specific process, please refer to the "Assessment of ESG Material Issues" contained herein.

Monitoring and Management of ESG Risks and Opportunities

The Company includes the major ESG risks and opportunities identified through importance evaluation into the scientific management system centering on PDCA (Plan – Do – Check – Act) circle comprehensively, in order to realize constant monitoring, assessment and improvement.



The systematic management covers:

Plan

Analyze the root causes of each material issue, determine the specific management goal, strategy and action plan to provide clear basis for specific implementation.

Do

Implement specific management measures according to the set plan, including resource allocation, specialized training, technological innovation, and integration practices in daily operations, in order to ensure effective implementation of management intentions.

Check

Track, audit and evaluate the execution effect and achievement of goals regularly by establishing key performance indicators (KPIs) and a systematic monitoring process; make verification from different dimensions through internal and external audits, stakeholder feedback, etc.

Act

Standardize and promote successful practices based on the inspection and evaluation results; analyze the root causes of existing deficiencies or new problems, formulate the corrective and preventive measures to drive the continuous optimization and upgrading of the management system.

The Company's Board of Directors and Strategy and Sustainable Development Committee are responsible for supervising the management of major ESG risks and opportunities to ensure the effective running of the dynamic management cycle.

Sustainable Development Impact

The Company adheres to the concept of sustainable development faithfully, deeply integrates into the global green transformation process, and establishes cooperation and maintains communication with authoritative sustainable development initiatives (or organizations) home and abroad. Within the reporting period, the Company joined the United Nations Global Compact (UNGC), China Corporate Climate Action (CCCA), China ESG Alliance, and ISSB Sustainability Disclosure Standards Pioneer Partner Programme.

Case

CALB actively promotes the international digital ecosystem co-construction action of battery ID

CALB gives an active response to the digital transformation of the global battery industry and endeavors to establish a transparent and traceable battery lifecycle management system. Within the reporting period, the Company participated in the "2025 Battery ID International Digital Ecological Co-construction Action" led by China Automotive Data in depth in the identity of core co-builder, and accessed the trusted data space of battery ID initiatively, trying to break through the industry bottleneck of two-way compliance of policies home and abroad.

In this big event, CALB created a battery ID initiatively and launched it formally for one of its core power batteries and one advanced energy storage battery. Furthermore, the above two products have successfully passed the compliance pre-evaluation and were granted the battery ID evaluation report from an authoritative third-party organization after evaluation in strict accordance with the EU Battery Regulation (EU) 2023/1542 (mainly including Article 77 (Battery Passport), Article 78 (General Requirements) and Appendix 13 (including data information).

The significant outcome of the event implies CALB's digital capabilities in data collection, carbon footprint accounting, and supply chain tracing and also marks the substantial breakthrough of the Company's products in meeting the most stringent international market access standards, ensuring the Company's digitalization strengths in coping with the global green trade barriers and deepening overseas market layout in the future.





Case

CALB's Climate Action Case appeared at COP30 to reflect its corporate social responsibility for green development

CALB's Climate Action Plan "Address Climate Change with green manufacturing, lead a zero-carbon future with many measures" appeared in the United Nations Framework Convention on Climate Change COP30 and was included in the Collection of Climate Action Cases by Enterprises (Parks) in 2025 co-edited by Center for Environmental Education and Communications of Ministry of Ecology and Environment and C Team as well as the collection of English cases of the 2025 World Environment mainly edited by Center for Environmental Education and Communications of Ministry of Ecology and Environment.


C TEAM

《2025企业（园区）气候行动案例集》

案例入选证书

中创新航科技集团股份有限公司：

贵单位报送的"绿色制造应对气候变化，多措并举引领零碳未来"入选《2025企业（园区）气候行动案例集》。

特颁此证，以资鼓励！

生态环境部宣传教育中心　　大道应对气候变化促进中心

二〇二五年十一月


2025

企业 | 园区 |

气候行动案例集

联合发起方

支持方

万科公益基金会 VANKE FOUNDATION

2025 企业 | 园区 | 气候行动案例集

绿色制造应对气候变化，多措并举引领零碳未来

中创新航

案例概述

企业 / 机构简介

CALB中创新航

案例成果

项目亮点

ESG Metrics and Targets

This chapter elaborates on CALB's ESG metrics and targets systems. To ensure the effective implementation of the strategy, we break down the sustainable development goal into measurable and executable short, medium, and long-term tasks by using the systematic method of "Strategy decoding - Target breakdown - Route planning - Dynamic management", and integrate them into core business processes for continuous tracking and optimization. The process above is aimed to ensure that every ESG commitment can be transformed into tangible management actions and performance improvements.

Issue	Direction	Objective	Objective Type[1]
Address climate change	Carbon goal	Net-zero in core operation by 2030	Long term
		Net-zero in value chain by 2040	
Occupational health and safety (OHS)	Commitment on a healthy and safe working environment	100% certification rate of ISO45001 health safety system	Medium and long term
		Zero work-related deaths in all production bases	Long term
Water resource management	Water-saving management	Build an efficient water-saving production system, cultivate the water-saving awareness of all staff and realize the sustainable utilization of water resources through technological innovation and management innovation	Medium term
Energy management	Improve management system	100% certification rate of of ISO50001 energy management system	Medium and long term
	Reduce energy consumption density	Energy consumption intensity decreases by 46% by 2030 compared with that in 2024	Medium term
Pollution and waste management	Reduce waste discharge density	Hazardous waste discharge density decreases by 50% by 2030 compared with that in 2024	Medium term
		Non-hazardous waste discharge density decreases by 30% by 2030 compared with that in 2024	Medium term
Product quality and safety	Quality management system	100% certification rate of quality management system for stable operation and certified production base	Medium and long term
	Total quality management	Skilled in business, quality system and tools	Long term
Customer service management	After-sales service	100% of customer complaints closed	Long term
		Timely response to after-sales services	Medium term
	Customer satisfaction	Customer satisfaction not below 90%	Medium term
Product R&D and innovation	R&D and innovation investment	Maintain R&D investment proportion at advanced level in industry	Long term
IPRs protection	IPRs management	Continuously strengthen the intellectual property layout in core technical fields, improve the patent quality and technology coverage depth, and construct the independent and controllable intellectual property system. Strengthen the competitive toughness of enterprise in new energy battery industry and promote the high-quality development of industry through global layout and forward-looking intellectual property strategy	Long term

[1]Objective type: Short term (1 year), medium term (1-5 years), and long term (more than 5 years)

Issue	Direction	Objective	Objective Type[1]
Supply chain sustainability	Supplier ESG management	100% signing rate of supplier CSR Agreement	Long term
		100% coverage rate of annual field review to key material suppliers	Short term
		Complete field due diligence audit to Level 1 and 2 suppliers of key mineral raw materials	Medium term
	Supply chain tracking management	Establish a sound tracking management system	Medium term
	Construction of supply chain capacity	Improve the sustainable development capability of enterprise and suppliers comprehensively	Long term
Employee rights and interests protection	Employee satisfaction	No lower than 90%	Long term
Corporate governance	Diversity of the Board of Directors	1. Appoint at least one female director	Long term
		2. At least 1/3 of members in Board of Directors are independent non-executive directors	
	Risk management and internal control	Annual internal control evaluation has covered all bases in service	Short term
Commercial ethics and compliance	Anti-fraud management	Submit frauds through formal channel and 100% complaint handling	Long term
	Compliance management	Promote the compliance management system certification to cover the operation base stably and gradually	Medium term
Information security and privacy protection	Information security management	By 2028, complete ISO27001 and Tisax information security management system certification of all production bases which have stable operation and have certification qualification	Medium term
	Privacy protection	Zero information security event such as data leakage or violation of privacy protection throughout the year	Long term
Biodiversity	Avoid setting up production base in the regions rich in biodiversity	100% new production bases are not in the regions sensitive to biodiversity	Medium and long term
	Avoid production and operation activities from exerting significant influence on local biodiversity	100% production bases have no events exerting significant influence on biodiversity[1]	Medium and long term
	Proportion of suppliers completing biodiversity risk assessment	100% core suppliers complete the biodiversity risk screening and assessment	Medium term

[1]Events exerting significant influence on biodiversity mainly refer to specific incidents officially identified by government regulatory authorities or judicial authorities that have caused adverse impacts on the ecological environment.

ENVIRONMENTAL



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2.1

Address Climate Change

The economic and social influences from global climate changes are significant. As a substantive issue, climate change is not just a severe challenge for mankind, but also a core factor that may bring major influences on the operation and financial conditions of enterprises. In the face of the situation, the enterprise should transcend the existing business modes, actively manage climate-related risks and opportunities to ensure that its economic behaviors can bring positive effects on the social and ecological environment. The Company adheres to the sustainable development commitment, and includes climate change into the key factors of corporate strategic vision. By implementing the green and low-carbon strategy, the Company not only alleviates the negative influences from climate change, but also forges a stronger and more energetic future economic model. According to the IFRS Sustainability Disclosure Standards No. 2 (IFRS S2) – Climate Disclosure, we will briefly introduce the Company's work on climate changes in terms of governance, strategy, risk management, metrics and targets.

Governance

The Company has established the process and mechanism on climate-related risk management from the governance to execution, to fully include the climate-related risks and opportunities into its strategic decision-making and risk management. The Board of Directors, as the highest supervision and decision-making body for addressing climate change, has established the Strategy and Sustainable Development Committee, which is responsible for reviewing the strategies, action plans and key policies to address climate change, evaluating climate-related risk and opportunities, and supervising the implementation of climate change-related work and resource allocation, etc. The ESG Executive Commission under the Strategy and Sustainable Development Committee performs the routine supervision work for addressing climate change, communicates with stakeholders regularly to know their expectations and opinions on climate change, analyses the industry tendency and influence on climate change, benchmarks against peer performance for tackling climate change, identifies and evaluates climate-related risks and opportunities. The Climate and Nature Group (formerly known as the carbon management group) is responsible for carrying out concrete implementation work on climate change and regularly reviewing the work progress related to climate change, including following up and interpreting the low-carbon laws and policies home and abroad, planning net-zero strategies, formulating objectives, implementation plans and management indicator system, boosting the action of energy conservation and carbon reduction for the Company as well as the supply chain, and constantly reducing the carbon footprint during life cycle and achieving climate goals.

Strategy

The Company has incorporated climate change risks into its overall risk management system. Furthermore, within the reporting period, the Company started formulating a specialized management procedure, which further standardizes the identification, assessment, response, and contingency planning of climate related risks, so as to prevent major climate related risks, and seize climate related development opportunities.

The Climate and Nature Group under the ESG Executive Committee is responsible for identifying and assessing climate related risks and opportunities, and reporting them to the Company's leading department for risk management; formulating management strategies and key action plans of annual climate related risks and opportunities, and setting annual management goals and monitoring indicators. After the management strategy, action plan, and target indicators are approved by the Strategy and Sustainable Development Committee of the Board of Directors through review, the Climate and Nature Group should urge relevant departments and bases to implement the requirements, track the progress regularly and provide necessary resource support and technical guidance.

Management of Impacts, Risks and Opportunities

The Company has established the climate change risk register, to cope with possible influences from climate changes on the Company's operation and finance; identifies the possible climate change-related physical and transformation risks comprehensively from such perspectives as supply chain, infrastructure and business operation.

Identification of Physical and Transformation Risks (short term: 1-3 years; medium term: 4-9 years; long term: 10-30 years)

Physical risks			Solutions
Acute risks	Risk Descriptions Impact directly caused by extreme weather events with strong suddenness, short duration, such as typhoon, flood, etc., characterized by fast occurrence and centralized destructive power. Influence on Business 1. Business suspension or operational disruption: Extreme weather conditions may lead to production infrastructure damage, depreciation of fixed assets, further causing production shutdown, labor loss or supply chain disruption. 2. Business activity suspension: The meteorological authority issues orange or red alerts, making the Company have to suspend some business activities. 3. Higher insurance cost: The supply of asset insurance in areas with high incidence of extreme weather may decrease, affecting the stability of the Company's assets and increasing operating costs.	Financial Influence Higher costs and lower profitability Severity of Influence High Period of Influence Short and medium term	1. Formulate business continuity plans and emergency plans: Formulate specific processes for factory shutdown, personnel evacuation, data backup, and supply chain disruption response against extreme weather conditions such as typhoons and floods, and organize regular drills. 2. Strengthen facility resilience: Conduct disaster resilience assessments and reinforcement of key facilities in the production bases and warehouses; bring forth specific protection level requirements for key equipment and maintain the equipment at regular interval. 3. Optimize insurance strategy: Regularly evaluate the coverage of asset insurance to ensure sufficient coverage, and consider climate risks when purchasing insurances.

Physical risks		Solutions
Chronic risks **Risk Descriptions** Long-term slow climate pattern change, which develops gradually but exerts far-reaching and lasting influence on the industry operation and regional economy, such as sustained sea level rise, average temperature rise, and precipitation pattern change. **Influence on Business** 1. Problem with power supply: Extreme high temperatures may lead to power supply suspension, causing certain damage to production equipment. 2. Higher labor costs: The incidence of diseases related to high temperatures rises, resulting in productivity decrease or production interruption, and increase of labor costs. 3. Problems with operation in coastal region: The coastal operation sites may have to move or change its structure due to the higher sea level, resulting in higher capital expenditures. Transport ports are affected, making product delivery more difficult.	**Financial Influence** Higher costs and lower profitability **Severity of Influence** Medium and high **Period of Influence** Long term	1. Invest in distributed energy: Introduce PV and energy storage facilities in the plant area to better stabilize energy supply. 2. Implement employee health protection plan: Adjust the indoor and outdoor operation time and provide heatstroke prevention materials for outdoor operation at a high temperature, and establish employee health monitoring mechanism. 3. Conduct climate resilience assessment: Conduct long-term climate risk assessment against the existing production bases and include it into the factors to be considered when choosing a new base address.



Transition risks		Solutions
Policy and law risks Risk Descriptions The risks brought by policies and regulations on the address to climate change as promulgated by the government, such as stricter energy policies, carbon emission standards, mandatory disclosure requirements, etc. Influence on Business 1. Pressure from energy policies: The change of policies on renewable energy and fossil energy may cause the increase of industrial energy price in the long run. 2. Higher carbon cost: If the battery industry is included in the compulsory carbon emissions permit trading system, the manufacturing costs may be increased directly. 3. Supply chain compliance: For instance, the EU Battery Regulation poses very rigid requirements for carbon footprint, raw material traceability, etc., which leads to higher compliance cost.	Financial Influence Higher costs and lower profitability Severity of Influence High Period of Influence Medium and long term	1. Establish a policy tracking and analysis mechanism: Follow the latest dynamics of relevant regulations such as the EU Battery Regulation and CBAM, and conduct compliance analysis. 2. Build an internal carbon accounting and management system: Cultivate the capacity of carbon emission organization and product lifecycle carbon footprint calculation to provide corresponding data at the request of carbon tariffs and carbon markets policies. 3. Green supply chain management: Assist suppliers in low-carbon transformation and reduce overall compliance risks. 4. Actively participate in the formulation of industry standards: Participate in the formulation and revision of low-carbon standards in the domestic and international battery industry by working with standardization organizations and industry organizations home and abroad, such as China Electronics Standardization Institute, China Automotive Standardization Research Institute, Global Battery Alliance, etc.

Transition risks			Solutions
Technical risks	Risk Descriptions Risks of depreciation of existing technologies or assets due to the fast innovation and popularity of low-carbon technologies Influence on Business 1. Change of technical route: The competitive technologies featuring higher energy density, lower cost or more environmental protection may cause certain impact on the existing production line once they are created. 2. Pressure on R&D input: The R&D input must be intensified continuously to seize the leading technical status; otherwise, products will be eliminated by the market.	Financial Influence Higher costs and lower profitability Severity of Influence Medium Period of Influence Medium and long term	1. Increase R&D input and diversify technical routes: Continuously invest in the R&D of new generation of technologies such as all solid state, sodium ion, and lithium manganese iron phosphate, and reduce dependence on a single technical route. 2. Promote the flexible transformation of production lines: Make the production lines support the production of products with different specifications and chemical systems, in order to satisfy the technological iteration requirements quickly.
Market risks	Risk Descriptions Risks of demand change and income fluctuation caused by the change of consumers' preference, supply chain fluctuation and social norms Influence on Business 1. Demand fluctuation: Clients and consumers prefer green brand and vehicle manufacturers gradually pose stricter requirements for carbon footprint. Failure to satisfy their requirements may lead to order loss. 2. Raw material price: The green transformation exerts influence on the production cost of key metal raw materials, such as lithium, cobalt, nickel, resulting in more frequent fluctuation of supply price. 3. Financing cost: Enterprises with poor ESG performance may face higher financing cost.	Financial Influence Higher costs and lower profitability Severity of Influence Medium Period of Influence Medium and long term	1. Build a green brand and transparent supply chain: Proactively disclose ESG information and product carbon footprint, satisfy downstream clients' and consumers' green needs and enhance brand value and image. 2. Deepen strategic cooperation with customers: Sign long-term supply agreements with mainstream downstream enterprises in the industry chain, to, jointly develop low-carbon battery products, and precisely focus on the demand in the future. 3. Strategic reserve and recycling of raw materials: Stabilize raw material supply and curb price fluctuations by investing in upstream raw material suppliers, establishing a key material recycling system, etc. 4. Enrich green financing channels: Optimize financing structure, choose green financial products (such as green bonds, sustainable development loans, sustainable development-related loans, etc.), and reduce capital costs.

Transition risks		Solutions
Reputation risks Risk Descriptions Risks of negative comments from clients and investors by the actions deemed as a failure to address climate change effectively Influence on Business 1. Influence on brand image: Any report on the too high energy consumption and non-compliance with the environmental protection requirements may influence the cooperation with high-end clients and even affect terminal consumers' choices. 2. Investor relations (IR): ESG investors may reduce the stocks they hold, influencing corporate valuation.	Financial Influence Lower profitability Severity of Influence Medium and low Period of Influence Short and medium period	1. Strengthen ESG communication and information disclosure: Regularly release high-quality ESG related reports, and proactively disclose the Company's progress in carbon reduction and environmental protection via different ways, such as investor days, industry exhibitions, and social media. 2. Establish a stakeholder communication mechanism: Regularly communicate with investors, customers, etc., give a reply on their concerns and foster a responsible corporate image.
Liability risk Risk Descriptions Potential legal litigation, compensation claims, regulatory penalties, or reputational damage due to failure to adapt to climate change mitigation policies, technical standards, or changes in market expectations Influence on Business 1. Pressure on law and compliance: Any breach of environmental policies and regulations may lead to high penalties, etc. In addition, patent lawsuits related to low-carbon technologies with rivals may be intensified, resulting in huge claims and operational disruptions. 2. Tense supply chain relationship: The chain owner enterprise may set environmental goals for suppliers, causing extra costs for these suppliers. Any improper management may lead to tense supply chain relationships and even affect the stability of raw material supply. 3. Market admittance and competitiveness: The EU and other markets are building "green barriers". Any enterprise whose product fails to meet their strict carbon footprint requirements may face certain problems in overseas strategy and global layout. 4. Financial and reputational damage: Legal litigation, technological transformations for satisfying the compliance requirements, and supply chain management investments directly increase financial burdens. In addition, any legal disputes or negative news related to environmental commitments may damage the Company's brand image, finally affecting investors' confidence and market share.	Financial Influence Higher costs and lower profitability Severity of Influence Medium and low Period of Influence Short and medium period	1. Strengthen the construction of compliance system and internal audit: Ensure that the Company's operations fully comply with relevant laws and regulations with regard to environmental protection, safety, etc., and conduct regular internal audits to avoid the risks of violation. 2. Build intellectual property strategies: Actively apply for core patents, establish patent pools, respect others' IPRs and avoid patent litigation risks. 3. Systematically incorporate ESG requirements into contract management: Clearly define both parties' rights and obligations in environmental and social responsibilities in the contracts concluded with clients and suppliers.

To understand the possible financial influence of physical and transformation risks on the Company in the short, medium, and long term more specifically and deeply, the Company set 2024 as the base year, and Jiangsu Base as the object on the basis of comprehensive qualitative analysis, for quantitative analysis of climate change risks.

In terms of physical risks, the Company built a quantitative model for physical climate catastrophe risks based on the coupling of the three elements of "Hazard - Exposure - Vulnerability" using the catastrophe risk model framework. By comprehensively considering the extreme rainfall in Jintan District, Changzhou City under different recurrence periods, drainage capacity of the base park and the characteristics of lithium battery enterprises, the Company systematically calculated the asset impairment risks faced by the base buildings, key equipment, commodities, and business interruption under the influence of flood disaster caused by extreme rainfall in the current baseline scenario. The table below shows the extent and changes of asset losses that the Jiangsu Base may suffer under 5 different return periods of rainfall from 10 to 500 years, as well as the proportion of each risk exposure.



Climate Risks measured by asset loss under Baseline Scenario

Return Period (T)	Building	Equipment	Commodity	Business Interruption	Level of Loss
10 years	18.95%	77.79%	0%	3.26%	●●●○○
20 years	17.78%	78.93%	0%	3.35%	●●●●○
50 years	16.18%	78.96%	1.49%	3.37%	●●●●○
100 years	15.08%	77.68%	3.90%	3.35%	●●●●●
500 years	13.13%	75.20%	7.95%	3.71%	●●●●●

The precision equipment is highly sensitive to water vapor and submerged depth so the key equipment assets show a dominant loss proportion in all simulations (risk exposure above 75% continuously), constituting the main body of risk exposure. In addition, as for the annualized average loss (AAL) of the Jiangsu base, it accounts for about 1.18% of the base's total fixed asset value, according to the calculated results.

Furthermore, we introduced the climate scenario data from the CMIP6 and selected and set three emission pathways (SSP1-2.6, SSP2-4.5, and SSP5-8.5) (i.e. scenarios; see the table below for brief descriptions).

Physical Scenarios	Descriptions
SSP1-2.6	Based on the Sustainable Shared Socioeconomic Pathways (SSP1), net zero emissions can be realized around the middle of this century by reducing carbon dioxide emissions dramatically. On the basis of the above, the radiative forcing remains at 2.6W/m² by 2100 stably, and the global temperature rise is controlled in around 1.8℃ low greenhouse gas emission scenario by the end of this century.
SSP2-4.5	Based on the Moderate Development Shared Socioeconomic Pathways (SSP2) in social, economic, and technological trends, the greenhouse gas emissions will drop slowly after reaching their peak in the middle of this century and by 2100, the radiative forcing will remain at 4.5 W/m² stably; the global temperature rise is expected to push to a moderate emission scenario of approximately 2.7℃ by the end of this century.
SSP5-8.5	Based on the Shared Socioeconomic Pathways (SSP5) that realizes fast economic growth by mainly relying on fossil fuels, the greenhouse gas emissions will continue to rise in the 21st century, making the radiative forcing reach 8.5W/m² by 2100. The global temperature rise is expected to push to a very high greenhouse emission scenario of around 4.4℃ by the end of this century.

Based on the above scenario combinations, we simulated the AAL ratios for 2030 and 2050 under each scenario. See the table below for details.

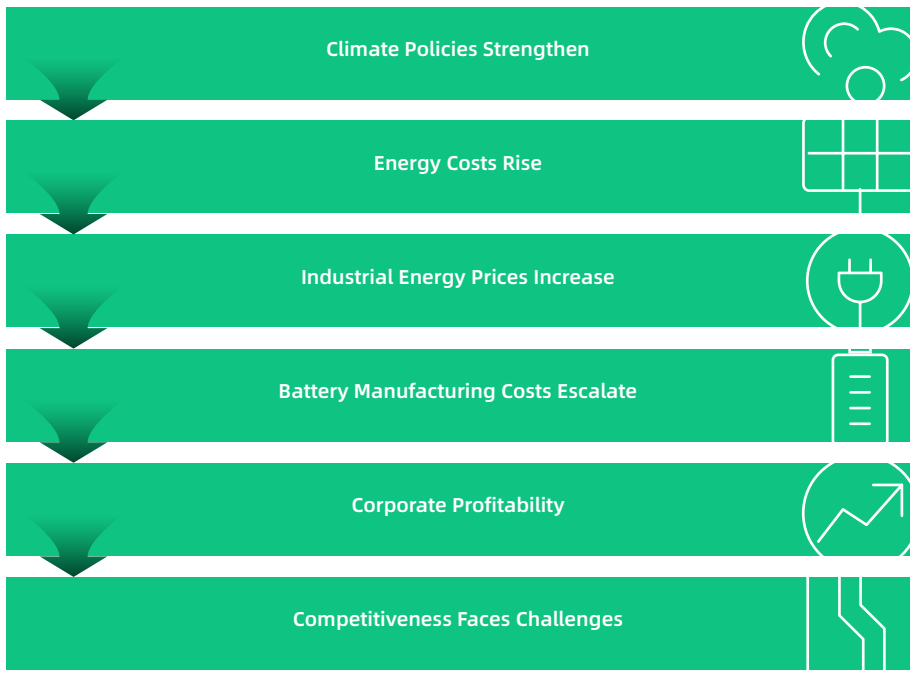
Prediction of AAL Under Different Climate Scenarios

Baseline: 2024

Scenario	Year	Increase Compared with 2024
SSP1-2.6	2030	+0.85%
	2050	+5.92%
SSP2-4.5	2030	+2.34%
	2050	+6.78%
SSP5-8.5	2030	+3.35%
	2050	+6.94%

The quantitative results show significant "loss saturation" and high resilience characteristics. Even under the high emission scenario (SSP5-8.5) in 2050 when the climate pressure is the most severe, the AAL of Jiangsu Base increases by 6.94% only compared to the baseline. This limited increase implies that the base's existing high standard disaster prevention system can effectively mitigate the destructive power of extreme weather factors, and keep the overall risk exposure within a relatively controllable range even under the most unfavorable external environment.

In terms of transition risks, we used energy prices as the key core element, to review the risk transmission mechanism and analyze the risk transmission path. Firstly, the climate policies which become stricter gradually drive the increase of energy production cost; secondly, power suppliers transmit the increased costs to power users in the form of electricity price, thereby further increasing the price of industrial electricity. Facing a higher energy price, the industrial enterprises bear a higher production cost of industrial products; finally, the industrial enterprises face greater challenges in profitability. To conclude, the risk transmission mechanism of transformation can be summarized as follows:



We have calculated the energy costs (including electricity, natural gas and diesel) of Jiangsu Base in 2024 and used it as a benchmark to evaluate the changes of Jiangsu Base's energy costs under different climate scenarios. In the process above, the Company made quantitative analysis of transformation risks based on the three most typical climate scenarios from the International Energy Agency (IEA), including the Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), and Net Zero Emissions (NZE). See the table below for details.

IEA's Climate Scenario and Analysis on Their Applicability for the Company

Scenarios	Core Implications	Key Assumptions	Analysis on the Applicability for the Company
Stated Policies Scenario，STEPS	Mild stress scenario, reflecting the continued impact of the existing policies, depicting a "step-by-step" transformation path.	The specific energy and climate policies having been officially legislated or promulgated by each country as of the time of analysis are considered only. The specific technical evolution speed is based on the current trend and no additional new climate targets are set.	Applicable to mild press analysis. Under such scenario, the reference is conservative and the energy price fluctuates in a relatively mild manner. It can be used for testing the potential impact of energy costs on the Company under minimal transformation effort; represents the risk level of "business as usual".
Announced Pledges Scenario，APS	Moderate stress scenario. It is assumed that various countries have fully realized the climate goals they declare (such as the commitment on "carbon neutrality") and speed up the transformation process.	It includes the Nationally Determined Contributions (NDCs) submitted by all countries under the United Nations Framework Convention on Climate Change (UNFCCC), as well as announced commitment on long-term net zero emission. More proactive policies and faster technological deployment are needed.	Applicable to the test of potential real-life pressures. This scenario is closer to the future as specified by political commitments of various countries. The carbon price emerges along with the acceleration of energy transformation. It is used for assessing the Company's energy cost pressure under the reasonable expectation of stricter policies. It is the core test scenario with the highest likelihood of occurrence.
Net Zero Emissions by 2050 Scenario，NZE	Severe stress scenario, i.e., 1.5℃ scenario, which is sourced from the core revision of the Paris Agreement. It describes the path for achieving net zero energy related carbon dioxide emissions all over the world by 2050 and aims to control global temperature rise within 1.5℃ .	It is assumed that all countries worldwide take extremely proactive and coordinated actions, including large-scale carbon pricing, rapid promotion of disruptive technologies, rapid improvement of energy efficiency, and substantial changes of energy behaviors.	Applicable to extreme stress test. In this scenario, the energy price, especially fossil fuel price, will soar in the early stages of transformation due to carbon costs. It can be used for assessing the Company's financial changes under the impact of most severe and disorderly transformation.

After determining the climate scenario, we further simulated the specific changes in energy prices under different pressures by virtue of the historical data of electricity prices in Jiangsu Province, IEA related datasets and energy price prediction model. We also conducted transformation risk pressure test by considering the factors such as technological progress and cost shifting, and finally output the quantitative results.

The energy price rise, as the most direct channel for the transmission of climate transition risks, brings significant downward pressure on the Company's operating costs. For example, in the IEA NZE, the extreme case of price rise is considered only, and the energy consumption cost of unit product may increase by 26.62% by 2030, highlighting the sensitivity of energy costs. In 2050, the electricity prices will fall due to the popularization of renewable energy, but natural gas price will rise continuously, making the increase of energy consumption costs of unit product still above 20%. Furthermore, technological progress and cost pass-through play a key role in curbing the energy price rise and could alleviate, offset, and even reverse the negative financial influence.

Risk and opportunity coexist, which also applies to climate change. During the process of climate risk identification, we also comprehensively reviewed and defined the opportunities brought by risks, besides focusing on the risks.

Changes of Energy Consumption Cost of Unit Product under Different Climate Scenarios

Climate scenario	Target year	Change in energy consumption cost of unit product compared with 2024		
		Energy price rise	Energy price rise + technological progress	Energy price rise + cost pass-through
STEPS	2030	+6.16%	-16.89%	+1.23%
	2050	+13.91%	-20.99%	+2.78%
IEA APS	2030	+13.31%	-11.30%	+2.66%
	2050	+9.38%	-24.13%	+1.88%
IEA NZE	2030	+26.62%	-0.88%	+5.32%
	2050	+22.64%	-14.93%	+4.53%

Identification of Climate Change-related Opportunities (short term: 1-3 years; medium term: 4-9 years; long term: 10-30 years)

Market		Solutions
Opportunity Descriptions Under the context of "carbon neutrality and carbon peak", the demand scale of the Company's industry grows Business Influence 1. Emerging business growth points: Batteries with a high energy density is required in the new scenarios such as low-altitude economy, which brings new growth points for the Company's market. 2. Energy structure optimization: Power battery is used as the source of electricity and power in the ocean and inland shipping industry to replace fossil fuels; therefore the industry above is also within the scope of the Company's target markets. 3. Expansion of energy storage market: Energy storage stations are required for intermittent energy sources such as PV and wind power, which promotes the expansion of the energy storage battery market.	Financial Influence Higher income Severity of Influence High Period of Influence Long term	1. Actively explore the business in emerging market: Set up a team to conduct market research, product definition, and customer development for emerging markets such as low-altitude economy, ship power, and new energy storage. 2. Establish strategic cooperation with scenario partners: Deepen cooperation with shipyards, energy storage power station operators, etc. to jointly define product standard, and occupy a larger market share. 3. Formulate differentiated market strategies: Bring forth customized product solutions based on the specific requirements for battery performance and cost in different application scenarios, to meet customers' need.

Products and services		Solutions
Opportunity Descriptions As an energy carrier, battery plays a key role in comprehensive low-carbon transformation of the whole society with wide application range and huge incremental space Business Influence 1. Development of the NEV market: The NEV market is still growing, contributing to more demands on power battery. 2. Great potential of renewable energy market: Huge demand for products and services in the renewable energy market.	Financial Influence Higher income Severity of Influence High Period of Influence Long term	1. Accelerate the commercialization of high-value products: Continuously promote the research and mass production of the batteries featuring high safety, high energy density, and ultra-fast charging speed, to satisfy the demand of high-end NEV market. 2. Deploy full life cycle services: Make business layout in such aspects as battery leasing, hierarchical utilization, recycling and regeneration to create the second growth curve. 3. Create the "product+service" model: For example, the integrated solution of "battery supply + energy storage system management" can be provided for clients to enhance customer loyalty.

Resource efficiency		Solutions
Opportunity Descriptions Address Climate Change in a systematic and efficient manner, accelerate the digital transformation of enterprises, strengthen supplier collaboration management mechanisms, finally improving the use efficiency of eco-friendly resources Business Influence 1. Lower production and operation costs: The Company can effectively reduce production and operation costs by optimizing energy consumption management during production continuously through digital intelligence transformation. 2. Complete supplier management mechanism: Consolidate and improve upstream and downstream collaboration mechanisms in the process of greenhouse gas emission management throughout the entire lifecycle.	Financial Influence Lower cost Severity of Influence High Period of Influence Medium and long term	1. Implement digital energy management system: Monitor and optimize the energy and material efficiency of the entire plant area in real time by virtue of such technologies as AI, IoT, big data and cloud computing, explore the potential for resource conservation, and reduce energy consumption and waste generation. 2. Promote the construction of green supply chain: Upgrade the supplier management mechanism and build a full value chain climate cooperation platform.

In terms of product carbon footprint management, the Company has continuously deepened the construction of carbon footprint management system, which covers the whole lifecycle of products, strictly complies with the international standards and best practices, systematically quantifies greenhouse gas emissions in various links such as raw material, production, transportation and distribution, product use, and waste disposal, and accurately identifies the links with high environment impact. In particular, the Company has established in-depth cooperation with some clients on the carbon footprint management in the link of product use and waste disposal.

Within the reporting period, the Company realized substantial achievements in product carbon footprint accounting and certification. To be specific, the Company obtained 3 new ISO14067 product carbon footprint certificates, which cover not only 2 core battery cells but also 1 anode material produced by our own material factory. In addition, to comply with the stricter green compliance requirements for export business, the Company strengthens key work deployment as per the relevant requirements of the EU Battery Regulation. Within the reporting period, the Company promoted product carbon footprint accounting and compliance early demonstration for the products exported to the EU countries continuously with the demonstration coverage rate above 60%.

In the future, the Company will further strengthen the foundation of product carbon footprint data throughout the entire lifecycle, and continuously improve the accuracy, consistency, and traceability of the data.

With regard to internal carbon pricing, the Company deeply recognizes that it acts not only as a critical tool for quantifying climate-related risks and opportunities, but also as a core economic lever to accelerate the low-carbon transition of the whole society and support the Company in fulfilling its climate targets. Based on this consensus, the Company has gradually initiated the exploration and practice of internal carbon pricing.

During the Reporting Period, the Company took the lead in introducing the shadow price mechanism, which serves as a virtual benchmark for evaluating climate-related costs and benefits. In decision-making processes including major project investments, technological transformation and equipment procurement, the Company incorporates shadow costs of carbon emissions to materialize and quantify potential climate risks and emission reduction benefits. This practice effectively steers capital towards low-carbon and zero-carbon sectors, and enhances the scientificity and accuracy of green investment decisions.

Looking ahead, building on the existing application experience of the shadow price mechanism, the Company will continuously research and explore pathways to implement the internal carbon pricing mechanism at deeper levels and across broader business scenarios. It will further refine climate-related financial analysis tools, and strongly safeguard the Company's high-quality green and low-carbon development via economic instruments.

Target and Progress

By actively responding to China's strategy of "carbon neutrality and carbon peak", the Company has promoted its climate goal in a down-to-earth manner —— "Net-zero in core operation by 2030 and net-zero in value chain by 2040". To realize the goal above, the Company has made efforts in 7 core directions simultaneously, including low-carbon product development, full lifecycle carbon footprint management, energy efficiency improvement, clean energy consumption, low-carbon logistics, recycling, and supply chain decarbonization.

The Company has strictly verified the greenhouse gas emission within the reporting period by a third-party professional organization as per the ISO14064 standards, and obtained relevant certificates, which cover all battery production bases. According to the verification results, the emission within the Company's Scope 1, Scope 2 and Scope 3 rises differently along with production expansion, reaching 366,318.51, 1,246,250.55, and 6,706,955.18 tCO2e, respectively. However, the Company's greenhouse gas emissions intensity still drops significantly since the first disclosure year and reached a lowest value of 13.90 kg kgCO2e/KWh in 2025, with YoY decrease of 25.31%.

Issue	Target	Progress
Address climate change	Net-zero in core operation by 2030 Net-zero in value chain by 2040	The Company's greenhouse emission intensity in 2025 was 13.90 kgCO2e/KWh, 25.31% lower than last year

Greenhouse Gas Emission in 2023-2025

Scope	Unit	2023	2024	2025
Scope 1	tCO_2e	307,488.75	279,315.86	366,318.51
Scope 2	tCO_2e	651,782.46	870,509.93	1,246,250.55
Scope 3	tCO_2e	/	3,812,842.27	6,706,955.18
Greenhouse gas emission intensity[1]	$kgCO_2e/KWh$	23.11	18.61	13.90



[1]Calculation scope of greenhouse gas emission intensity: Scope 1 and 2

2.2

Environmental Compliance Management

Governance

The Company has improved its environmental management system continuously. It has established the Environmental Protection Committee, sets key performance indicators for environmental protection at the beginning of each year and ensures the effective implementation of its goals by executing the monthly tracking and reporting mechanism. Each production base strictly abides by laws and regulations on environmental protection, and fully integrates them into their daily operation and management; regularly carries out environmental factor identification, evaluation, and control work as scheduled. The Group's Environmental Safety Department supervises and audits the operation status of each base irregularly to ensure the environmental factors are identified accurately and that management measures are scientific and effective. To strengthen the overall sense that "everyone is responsible for environmental protection", the Company has set up environmental protection signs and promotional labels in the factory area, and organized environmental protection special education activities in such forms as offline training and online knowledge lecturing, with a view to continuously improving employees' environmental awareness and professional ability, and ensuring the continuous and effective operation of the environmental management system.

Within the reporting period

the Company had no any environmental pollution accidents, run all environmental facilities stably, and its normalized management system of hazardous waste was standard and in order and various pollutants were discharged in compliance with standards. At present, the ISO 14001 environmental management system certification rate of the Company's all battery production bases reached 100%, including Changzhou Base, Xiamen Base, Wuhan Base, Chengdu Base, Hefei Base, Meishan Base and Jiangmen Base.

Strategy

The Company takes "zero accident, zero pollution, respect for life and shared development" as its environment, occupational health and safety (EOHS) management policy and in accordance with relevant laws and regulations on environmental protection, such as the Environmental Protection Law of the People's Republic of China, Ecological Environment Standard Management Measures, has formulated and issued the Management Manual of Environmental and Occupational Health and Safety, which serves as the programmatic document of CALB's environmental management system. It promotes the standardization and normalization of the environmental protection management system from various aspects such as mechanisms, policies, process management, supervision and inspection.

The Company has established a systematic pollution reduction practice of "Reduction at beginning - Process control - Offset in the end", promoting circular economy practices from different perspectives, such as product design, production and manufacturing and end recycling, consolidating industrial foundation with technological innovation, fulfilling green commitments with life cycle responsibility, and working together with partners from all walks of life to create a better sustainable future.

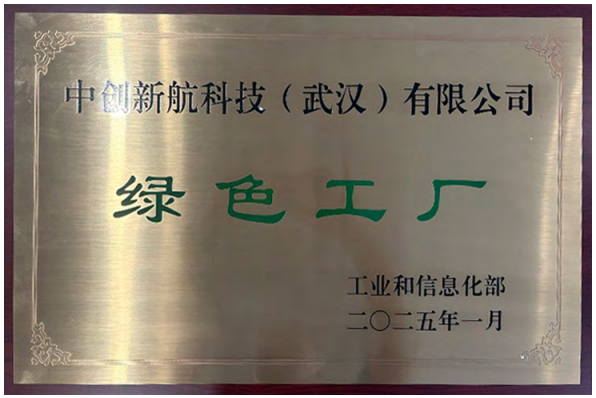
After systematic reduction at the beginning, recycling, and standardized management of solid waste, Wuhan Factory officially passed the evaluation and won the title of "Zero-waste Factory" in Wuhan City.



Management of Impacts, Risks and Opportunities

Resources Management

The Company always adheres to the concept of "source control, energy conservation and consumption reduction and sustainable development", integrated it into production and operation activities, improved its capacity of energy conservation and emission reduction management continuously and endeavored to build a green factory.



Energy Management

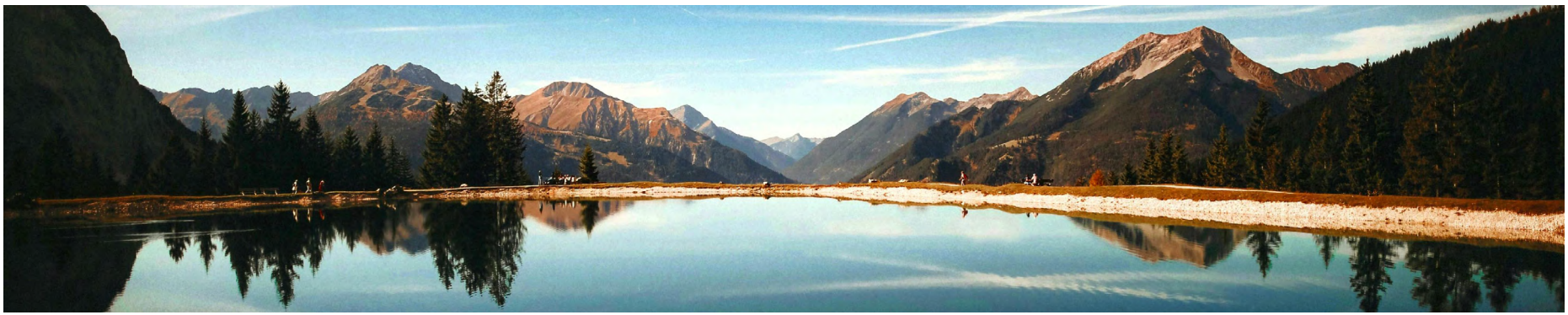
In accordance with the relevant laws, regulations, and standards such as the Energy Conservation Law of the People's Republic of China, the Requirements and Guidelines for Use of Energy Management System, and the Energy Management System Certification Rules, the Company has established the energy management system, formulated and issued the Energy Management System Manual, established its internal energy-saving and consumption reduction system, formulated the Management Measures on Energy Conservation and Consumption Reduction, and the SOP for Energy Consumption of High Energy Consumption Equipment. It actively promotes energy-saving and efficiency improvement measures in the production and manufacturing process, and comprehensively promotes the efficient utilization of energy; increases its investment in renewable energy continuously, contributing to the decrease of energy consumption intensity by 24.09 % in 2025 compared with the previous year.

The Company has established a sound energy management system. In particular, its new clean energy projects such as distributed PV and biomass boilers, can reduce the purchased volume of both electricity and natural gas. It also takes various technical and management energy-saving measures to reduce energy consumption. The Company is establishing its energy target of reducing the comprehensive energy consumption of unit products year by year and corresponding supervision and assessment systems.

Within the reporting period, Changzhou Base, Wuhan Base, Chengdu Base and Jiangmen Base passed the GB/T23331-2020/ISO 50001:2018 energy management system certification. According to the Company's planning, all bases will pass the GB/T23331-2020/ISO 50001:2018 energy management system certification in the next three years.

The Company has achieved remarkable outcome in green manufacturing and sustainable development: Its Jiangsu Base and Wuhan Base obtained the national level green factory certification, and its Jiangmen Base was granted the title of "Provincial Green Factory", all of which imply its comprehensive strength in environmental management, energy efficiency optimization, and ecological design.

In 2025, the Company organized a total of 38 environmental energy trainings, which involve 31,637 participants. The training contents are focused on the classification of energies in different forms, such as water, electricity, gas and oil, energy-to-standard coal coefficient, energy performance index calculation method, technical energy-saving and energy-saving management measures. After training, all employees have improved their energy management awareness and level.



Energy Conservation and Consumption Reduction

The Company has continuously applied the energy-saving, consumption reduction and renewable energy means, including:



1 Check energy-saving details to find loopholes; reduce costs, improve efficiency and lower consumption

The Company continuously checks the energy-saving details. By finding the loopholes (such as leaks, inefficient equipment, and management loopholes) through checks, the Company could directly reduce the consumption of water, electricity, and gas.

2 Upgrade energy management system

The Company has established the energy management system, which upgrades the traditional energy-saving work from "manual inspection and experience-based judgment" to "digital perception and intelligent decision-making".

3 Multiple confirmation of energy system health

The Company's each base organizes internal audit and management review of the energy management system once a year, and the designated third-party unit issues an annual energy efficiency diagnostic report.

4 Monthly check by the Company's energy consumption group

The Company's energy consumption group diagnoses the economic running status of equipment on a monthly basis, regularly collects and analyzes energy consumption data, shares excellent cases, and improves the efficiency of energy and resource utilization.

5 Waste heat recovery and utilization

The Company has recovered and utilized the waste heat from coating drying and boiler flue gas, contributing to significant energy-saving effect. The Company has introduced new technologies, processes, and equipment in succession, and carried out special energy-saving and consumption reduction activities, which cover the energy conservation and efficient operation of boilers, air compressors, and refrigeration systems, energy efficiency improvement of power systems, efficient humidity management, lighting optimization, etc. to save energy and reduce consumption.

6 Use renewable energies continuously

Within the reporting period, the Company's PV power generation installed capacity that was put into operation gradually reached 83MW, an increase of 84.4% compared with last year and the annual power generation is expected to be about 86,057 MWh; the Company's PV power generation installed capacity in process is 18MW and is expected to generate electricity of 19,358 MWh per year. In the future, the Company's total PV power generation installed capacity will reach 138MW and the annual total power generation will reach 139,751 MWh according to the planning.

7 Improve the proportion of green electricity

The Company has constantly increased the proportion of green electricity, which does not produce greenhouse gas during the power generation process and plays an essential role in replacing fossil fuels and reducing electricity emissions from the source. To reduce greenhouse gas emissions, the Company plans to gradually increase the proportion of green electricity, which will account for 22% in 2026, 67% in 2028, 80% in 2029, and 100% in 2040.

8 Manage energy-saving measures

Control the environmental area: Cancel the requirements for constant temperature management for equipment rooms and some auxiliary rooms, focus on maintenance or technical upgrades, implement separate line management, reduce the constant temperature environmental area, so as to finally lower energy consumption. Fine lighting management: Turn off 80% of the lights along corridors, turn off the area lights upon production suspension, and turn on/off the street lights at regular intervals, to reduce energy consumption by reducing the amount of lights and lighting period. Process parameter adjustment: Improve the winding and assembly workshop from 20% to 30% properly, to reduce the number of dehumidifiers that need operating. Adjust the outlet temperature of the ice machine from 6℃ to 7℃ in summer and from 7℃ to 10℃ in winter. Adopt differentiated management for warehouses from constant temperature mode by dropping the original low value from 26℃ to 13℃ and increasing the high value from 26℃ to 31℃ , in order to reduce energy consumption. Equipment efficiency improvement: Close the chemical storage area by 10% through reducing the re-sizing times, reduce the daily coating breakage rate, change the hot roller of the roller press to a cold roller, and implement centralized drying furnace production when the output decreases, thereby improving equipment efficiency and reducing energy consumption.

9 Technical energy-saving measures

Control the air compressor and ice machine systems centrally, ensure that the output (air pressure, temperature) remains stable in the optimal range through intelligent scheduling (such as automatically adjusting the on/off sequence of equipment, balancing the load of multiple devices), and save energy while improving production stability and environmental comfort. Media substitution: Composite slurry CDA replaces nitrogen gas, and a single injection of CDA replaces nitrogen gas, to significantly reduce the power consumption at the gas preparation end.

10 Application of biomass boiler projects

The biomass project can release heat via the direct combustion technology of agricultural and forestry biomass waste in order to supply heat. The project is constructed by fully complying with the basic national policies on resource conservation and environmental protection. A long-term mechanism for the comprehensive utilization of agricultural and forestry biomass resources is gradually established through the rational use of biomass resources in multiple ways and at multiple levels. The biomass thermal energy conversion technology can replace natural gas by biomass energy efficiently and simply.

Energy Consumption in 2023-2025 [1]

The main types of energy used by the Company include electricity, natural gas, outsourced steam, and compressed air, of which, the direct energy includes natural gas while indirect energy includes electricity, outsourced steam, and compressed air.

Indicators	Unit	2023	2024	2025
Total amount of direct energy consumption	MWh	1,384,332.70	1,334,012.05	1,670,647.77
Total amount of indirect energy consumption	MWh	1,289,917.42	1,613,468.50	2,531,083.13
Total energy consumption	MWh	2,765,280.07	2,947,480.55	4,201,730.90
Energy consumption intensity	MWh/GWh	66,618.93	47,717.94	36,221.81

[1] Direct energy consumption (MWh) = Annual consumption of natural gas (m^3)* 32.2386/3600

Indirect energy consumption (MWh) = Electricity (MWh) + outsourced steam (MWh) + outsourced compressed air (MWh)

Electricity (MWh) = Annual consumption of electricity (mains supply + PV) (kWh)/1,000

Outsourced steam (MWh)=Outsourced steam (t) * 2.780/3600

Outsourced compressed air (MWh) = Outsourced compressed air (m^3) *1.17*10000/3600

Output = Annual output (GWh)

Energy consumption intensity (MWh/GWh) = (direct energy consumption + indirect energy consumption) (MWh)/output (GWh)

Water Resource Management

With focus on the efficient utilization and sustainable management of water resources, the Company has improved the wastewater reuse rate by establishing clear water-saving goals and a systematic management system, and through source control and end treatment; it also introduces new water-saving equipment and water resource recycling technologies, effectively reducing unnecessary consumption of water resources and significantly improving the water use efficiency in the whole process.

The Company has established and implemented the long-term mechanism for water quality safety and facility maintenance, tested the performance of production water equipment regularly and monitored the water quality comprehensively, in order to ensure the safety of drinking water for employees and health of hygiene facilities. At the same time, through continuous hygiene and health promotion programs, the Company tries to enhance employees' awareness of health and environmental protection, and strive to create a safe, healthy, and harmonious working environment for all of them. The Company will further expand its achievements in water-saving management and urge all production bases to comprehensively achieve standardized management and efficient utilization of water resources.

In strict accordance with relevant laws and regulations such as the Water Law of the People's Republic of China and the Regulations on Water Conservation, The Company has established a water-saving management group and formulated many water-saving mechanism management documents, such as the Management Measures for Water Conservation, the Management Measures on Energy Conservation and Consumption Reduction, and the Detailed Rules for Energy Consumption Management in Public Areas, improved the water metering, actively carried out water balance testing, and implemented planned water use and quota management systems. Within the reporting period, the Company's all water use indicators met the relevant requirements of the government's water conservation management authorities.

The Company strictly implements the planned water use system, submits the annual water use plan and annual use report to the water administrative authorities on time and ensures that all of its water use indicators meet the government authorities' requirements. The Company is establishing the water-saving target of reducing the comprehensive water consumption of unit product year by year and the corresponding supervision and assessment system; organizes regular water-saving training to demonstrate the water use and water-saving measures in different aspects for its employees, and publicize the water-saving behaviors among employees, in order to enhance their water-saving awareness and management level.

As of the reporting period, Changzhou Base won the honorary title of "Water-saving Enterprise in Changzhou City". The Company will further expand its water-saving management achievements and urge all of its production bases to realize standardized management and efficient utilization of water resources.



Water Resource Consumption in 2023-2025 [1]

Indicators	Unit	2023	2024	2025
Total water intake	m^3	4,942,729.32	6,272,399.35	8,791,250.00
Total water consumption	m^3	4,085,828.67	5,491,219.83	7,690,821.73
Total water consumption intensity	m^3/GWh	98,432.54	88,899.55	72,542.91

[1] Total water withdrawal (m^3) = Amount of tap water purchased by the Company per year (m^3)

Total water consumption (m^3) = Total water withdrawal (m^3) - Wastewater emissions (m^3)

Output = Annual output (GWh)

Water consumption of unit product (m^3/GWH) = (Total water withdrawal - Total discharged water) (m^3)/annual output (GWH)

Chemical Management

The Company has formulated and strictly implemented the Chemical Management Regulations in accordance with relevant national laws, regulations, and standards, in order to strengthen the safety control of chemicals throughout their lifecycle and ensure the safety of personnel and the environment. The file covers many different links, such as procurement, internal transportation, storage, use and disposal of chemicals, with a view to preventing risks such as fire, poisoning, corrosion, leakage, and environmental pollution from the source, and effectively protecting the health of employees and the ecological environment.

The Company has fully introduced emergency ventilation systems in chemical storage areas to effectively prevent safety accidents such as fire, explosion, poisoning and leakage; established unified acquisition ledger for various kinds of chemicals, the contents of which include the acquisition time, personnel, and purpose in order to facilitate traceability. It also implements stricter "double person double lock" and dedicated management system for hazardous chemicals. For gas cylinder chemicals, the Company has formulated the Standard for the Storage and Use Management of Gas Cylinders, which explicitly specifies the storage, use, and recycling processes. All chemical management documents and safety data sheets (MSDS) are posted in relevant eye-catching areas to ensure easy accessibility. At the same time, the Company provides compliant personal protective equipments (PPEs) for employees who need to contact chemicals as per laws, implements regular job rotations, and conducts routine special training, assessments, and on-site inspections to continuously improve employees' skills of safety operation and emergency response. In addition, the Company regularly organizes leak emergency drills for the shifts accessing highly risky chemicals, to test the effectiveness of training through drills, and enhance employees' risk awareness and emergency response level.

In 2025, the Company organized 32 specialized trainings on chemical safety management, involving a total of 38,142 participants. The contents of these trainings include the management in the whole process, such as procurement of toxic and harmful substances and injection control, use and process control, transportation and transfer management, and waste disposal. Through these trainings, the employees have greatly improved their awareness and ability of managing toxic and harmful substances independently. Through effective management and control, the Company had no acute accidents such as fire, explosion and poisoning, thus safeguarding the health and safety of all personnel.

Within the reporting period

Neither the Group nor its bases had the incidents of chemical loss or theft, safety or environmental accidents caused by improper chemical management. Each base run the management system effectively.

Environmental Emergency Management

The Company deals with the emergency rescue against sudden environmental pollution accidents on the principle of "people-oriented, prevention first; unified leadership, classified management, graded response; scientific response, efficient disposal".

People-oriented, prevention first

Strengthen the monitoring, surveillance of and supervise and manage the environmental accident hazards, establish environmental accident risk prevention system, make prevention actively, ensure timely control, eliminate hidden dangers, improve the comprehensive management and emergency response capabilities of sudden environmental pollution accidents in the whole process, avoid or reduce the occurrence of sudden environmental pollution accidents as much as possible, eliminate or mitigate the medium and long-term impacts caused by environmental pollution accidents, and safeguard public health and the safety of people's lives and property with the greatest efforts.

Unified leadership, classified management, graded response

Accept the guidance from government's environmental protection authorities and make the Company's emergency response system against sudden environmental pollution accidents an integral part of the regional system. Strengthen cross-departmental collaboration and cooperation within the Company and enhance rapid response capabilities. Implement classified management based on the characteristics of environmental pollution caused by different pollution sources, fully leverage the professional advantages of departments, and take measures based on the scope of harm and social impact caused by sudden environmental pollution accidents.

Scientific response, efficient disposal

Prioritize personal safety and health in accident rescue operations. On the basis of proper personnel protection, take scientific and reasonable methods, handle emergencies in a quick, orderly and efficient manner, control, reduce and eliminate environmental hazards, minimize casualties, economic losses as well as accident loss. In 2025, the Company organized 38 trainings sessions themed by environmental protection and energy. The trainee representatives further gave trainings on the shifts, which cover 31637 trainees accumulatively. The training contents are focused on the classification of energies in different forms, such as water, electricity, gas and oil, energy-to-standard coal coefficient, energy performance index calculation method, technical energy-saving and energy-saving management measures, types, sources and calculation methods of greenhouse gases. After training, all employees have improved their energy management awareness and level.

Pollution and Waste Management

The Company determines the location, frequency, and factors of exhaust gas monitoring for this project in strict accordance with relevant national, local, and industry laws, regulations and standards, such as the Integrated Emission Standard of Air Pollutants (GB16297-1996), Emission Standard of Air Pollutants For Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014), Emission Standards for Pollutants from Battery Industry (GB30484-2013), Integrated Wastewater Discharge Standard (GB8978-1996), Self-monitoring Technology Guidelines for Pollution Sources – General Rules (HJ819-2017), Technical Specification for Application and Issuance of Pollutant Permit Battery Industry (HJ967-2018), and Self-monitoring Guidelines for Pollution Sources - Thermal Power Generation and Boiler (HJ820-2017); carries out pollution prevention and control and waste management work systematically. According to the Management Regulations of Three Wastes and Noise, the Company controls wastewater, exhaust gas, solid waste, and noise generated by operation in the entire process, so as to ensure that various environmental management activities are carried out efficiently and in order.

The Company checks and maintains the environmental facilities regularly in order to ensure the stable and compliant emissions of pollutants, and the continuous and stable operation of these facilities. At the same time, according to the requirements of pollutant discharge permit management, the Company hires qualified third-party test agencies to regularly monitor the pollutant discharge status and submit the pollutant discharge permit execution report to the responsible authorities.

Within the reporting period

The Company had no any incidents, such as non-standard discharge of pollutants or illegal disposal of wastes. The overall environmental management performance met regulatory requirements, and the system run effectively and reliably.

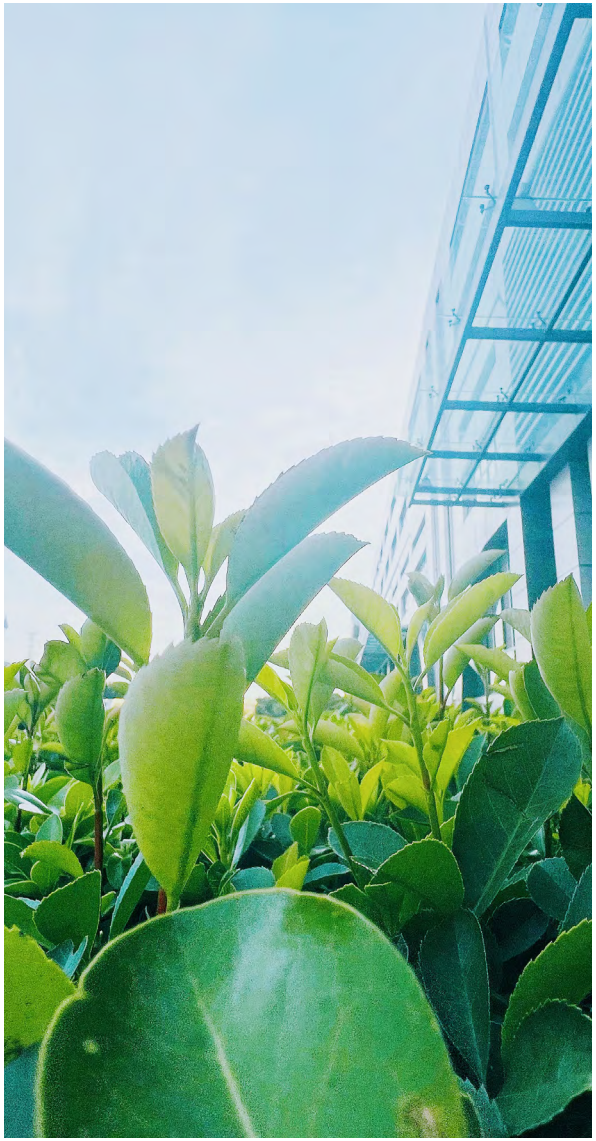
Exhaust Gas Management

The Company's exhaust gas is mainly generated by the production exhaust gas generated by production equipment as well as the boiler combustion exhaust gas generated by boilers. The Company discharges various types of pollutants as per relevant national, local and industry pollutant emission standards strictly; checks and maintains the exhaust gas treatment facilities and equipment regularly to ensure their status. At the same time, online exhaust gas monitoring equipment is installed at the main exhaust gas discharge outlets to monitor the exhaust gas emission in real time. The Company also entrusts third-party agency to regularly detect the Company's exhaust gas emission.

The Company's exhaust gas contains non-methane hydrocarbon, hydrogen fluoride, ammonia, hydrogen sulfide, odor concentration, nitrogen oxides, sulfur dioxide, particulate matter, smoke blackness, but does not contain persistent organic pollutants such as mercury, polycyclic aromatic hydrocarbons, polychlorinated biphenyls, hexabromobiphenyls, etc. The gas above mainly includes the coating and drying exhaust gas, injection exhaust gas, battery drying exhaust gas, dismantling exhaust gas, NMP storage tank exhaust gas, and boiler exhaust gas, of which, the coating and drying exhaust gas is discharged via exhaust pipe in line with the standard after treatment via "waste heat recovery + secondary water spray (direct cooling absorption tower+tail gas scrubbing tower)+circulating return air device" ; the injection exhaust gas, dismantling exhaust gas and NMP storage tank exhaust gas are discharged in line with the standard via exhaust pipe after treatment via "spray+dehumidification+activated carbon adsorption" device; the battery drying exhaust gas is discharged via exhaust pipe in line with the standard after treatment via the "two-stage water spray (direct cooling absorption tower+tail gas scrubbing tower)" device; the exhaust gas from natural gas boiler undergoes low nitrogen combustion treatment technology and is discharged after meeting the standards.

The Company has established the operation management system for exhaust gas facilities, according to which, the exhaust gas treatment facilities must be turned on before the production equipment is started, and cannot be turned off until the production equipment is stopped. If the facilities need stopping due to accidents or equipment maintenance, report to the local ecological environment management authority as soon as possible. Spot check the exhaust gas treatment facilities every day and record relevant data truthfully; in particular, check for the key parameters such as temperature, pressure, pH, and whether the equipment is operating normally. Report the abnormality upon discovery and ask professional equipment management personnel for repairing. Regularly maintain the equipment, and ensure the records are complete, standard and traceable.

Category of Exhaust Gas	Main Pollutants	Governance Measures
Production exhaust gas	Volatile organic compounds (VOC)	Exhaust gas collection, spray and activated carbon filtration
Boiler exhaust gas	Sulfur dioxide	Low-nitrogen combustion
	Nitrogen oxides	
	Particulate matters	



Data of Exhaust Gas Emission in 2023-2025

Indicators	Unit	2023	2024	2025
Emission amount of VOC	t	14.87	31.88	31.45
Sulfur oxides	t	4.03	7.26	6.69
Nitrogen oxides	t	38.78	71.47	78.17
Particulate matters	t	7.12	4.66	6.02
Total emissions of exhaust gas	t	64.80	115.27	122.34

Wastewater Management

CALB carries out rainwater and sewage diversion management. On the basis of the specific variety of products in each base, the Company adopts different wastewater treatment processes to treat the production wastewater, which, once treated, can be reused. Online wastewater monitoring facilities at the main sewage outlet of the factories can be used for monitoring the pollutant discharge in real time. CALB has entrusted third-party agencies to regularly detect wastewater and rainwater pollutants to ensure that all kinds of pollutants were discharged up to standard. Execution reports are also prepared and announced to the public.

The cleaning wastewater of the Company's anode equipment (ternary) and laboratory wastewater are collected through a dedicated wastewater collection pipeline and sent to a heavy metal wastewater treatment station for treatment, which consists of primary chemical regulation sedimentation tank+advanced oxidation (Fenton)+secondary chemical regulation sedimentation tank+biochemical reaction+MBR membrane+RO reverse osmosis+MVR evaporation. All treated wastewater is reused for cleaning the ternary lithium anode equipment instead of being discharged to the outside.

Data of Wastewater Emission in 2023-2025

Indicators	Unit	2023	2024	2025
Total discharged water	t	856,901	781,179.52	1,100,428
Chemical oxygen demand (COD)	t	19.81	28.18	25.13
Ammonia nitrogen	t	0.96	5.06	2.45
Biological oxygen demand (BOD)	t	1.19	4.75	6.49

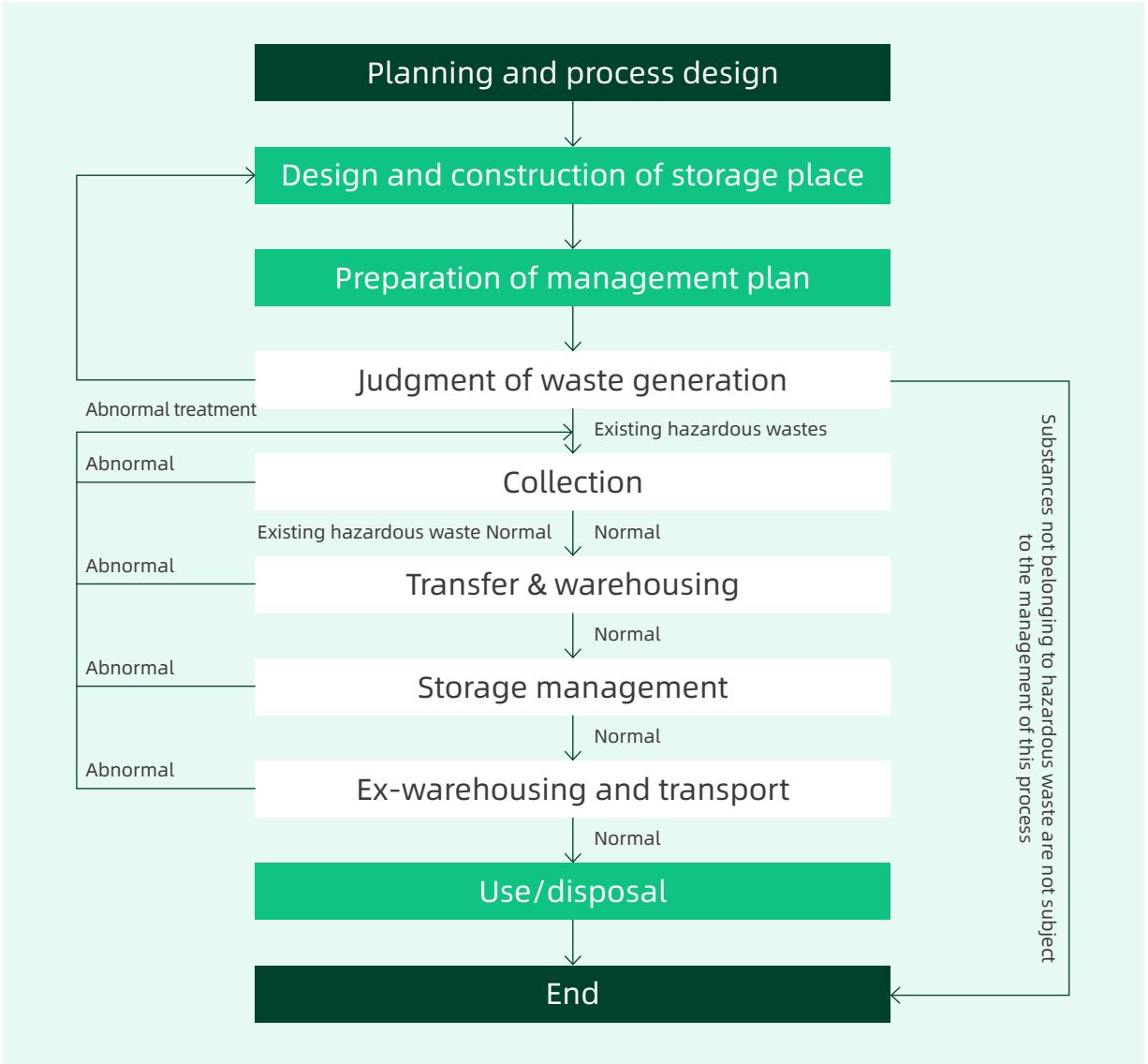
Waste Management

According to relevant laws and regulations, such as the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes and Pollution Control Standard for Hazardous Waste Storage, the Company has established standard temporary storage rooms for general solid wastes and hazardous wastes, and designated a special person for the warehousing and ex-warehousing management and record of hazardous waste.

According to the Directory of National Hazardous Wastes, the Company has formulated and implemented the Classification List of Solid Wastes to manage the solid wastes by classification. The Company stores the hazardous wastes in different zones by their variety and characteristics. In the storage area, both the ground and dado are made of anti-corrosion and anti-seepage materials and leak interception, diversion, and collection facilities are set to avoid the risks of leakage and diffusion.

The flow chart of hazardous waste disposal is as below:







Within the reporting period, the Company entrusted eligible third-party agencies to handle and dispose of both general solid waste and hazardous waste, with a disposal rate of 100%. The Company implements closed-loop management of hazardous wastes in the whole process ranging from generation, temporary storage to transportation and run the standard management system for hazardous waste effectively. The Company's waste recycling rate reached 79%, and the amount of hazardous waste generated increased, with the density 34.47% higher compared with last year. The increase above is mainly ascribed to the increase of IBC tanks. The density of harmless waste generated decreased by 8.16% compared with last year. The comprehensive utilization of resources and environmental performance improved continuously.

The Company's solid waste mainly includes household waste, general solid waste, and hazardous waste, of which, the household waste was transported and disposed of by the environmental sanitation authorities, the general solid waste is temporarily stored in a solid waste warehouse and regularly recycled and disposed of by a third-party agency; the hazardous waste is temporarily stored in the hazardous waste storage room and regularly handed over to eligible third-party agency for disposal. The Company disposed of the solid waste properly instead of discharging it externally and realized 100% disposal of general and hazardous wastes in line with the requirements.

Data of Waste Emission in 2023-2025

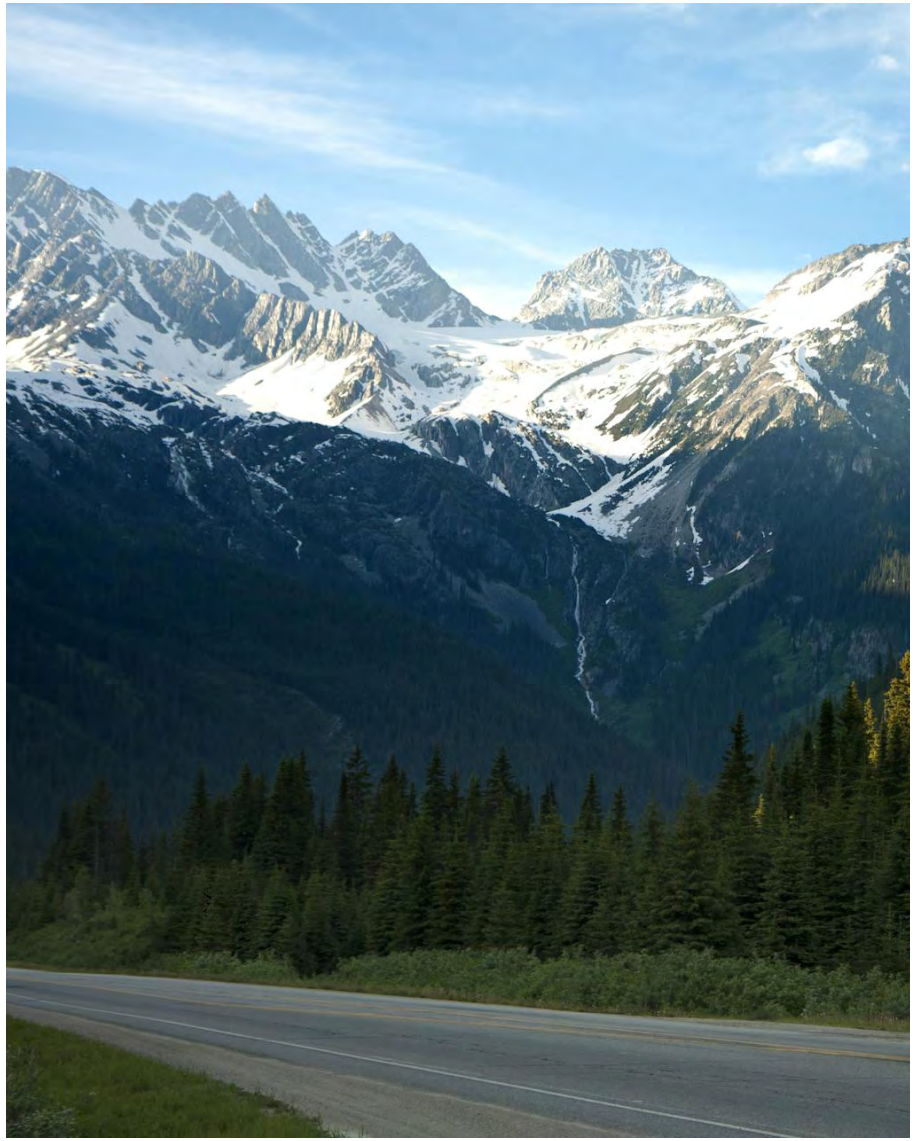
Indicators	Unit	2023	2024	2025
Total emissions of waste	t	42,294.86	44,269.97	79,174.21
Total recycled amount of waste	t	31,168.28	37,504.77	62,562.27
Waste recycling rate	%	73.69	84.72	79.02
Total amount of hazardous waste	t	7,771.58	2,845.14	7799.40
Amount of hazardous waste disposed	t	7,771.58	2,845.14	7,799.40
Density of hazardous waste generated	t/GWh	190	50	67.24
Total amount of non-hazardous waste	t	34,523.28	41,424.83	71,374.81
Density of non-hazardous waste generated	t/GWh	830	670	615.30
Non-recyclable waste	t	3,355.00	3,920.06	7,512.14
Recyclable waste	t	31,168.28	37,504.77	63,862.68

Noise Management

The Company's noise is mainly generated by production equipment and power facilities in workshops. The production equipment is installed in the production workshop, and the power facilities such as boilers in specialized structures. The equipment and facilities come with low-noise equipment, basic shock absorbers and silencers. The measures such as integrated soundproof enclosures, wall sound insulation, etc. are taken for relevant structures to reduce noise. At the same time, the Company organizes regular maintenance of equipment and facilities to avoid abnormal noise.

The Company has taken the following effective measures to minimize the influence of noise on its employees:

Transmission path control	The Company sets up independent soundproof rooms for high noise equipment (such as air compressors, ice machines, boilers), to completely separate the rooms from employees' operation area. For equipment and pipelines that generate vibration, the Company adopts damping wrapping and soft connections to block noise transmission.
Source control	When purchasing new equipment, the Company lays special emphasis on the low noise features and prioritizes those that basically generate no noise; at the same time, the Company maintains the equipment regularly, updates worn parts in a timely manner, installs shock-absorbing bases on or applies lubricants to the equipment.
Noise detection at the factory boundary	Each production base conducts round-night monitoring of the noise at the factory boundary every quarter, and the monitoring results all meet the standard requirements.



Green Operation

Green Office

Upholding the "green and low-carbon" concept, the Company tries to create low-carbon office environments, lead a new trend of green and low-carbon office, contributing to the sustainable development of the whole society and a better tomorrow for humans.

Green Labs

The Company has improved its R&D efficiency continuously, developed efficient and energy-saving laboratory equipment technology and introduced cutting-edge technologies such as charge-discharge power balance control and one to many design of refrigeration units, contributing to the significant energy-saving effect of products according to the test results.

Promote Information Office

The Company has reduced energy consumption by setting up the modular data center, using paperless and virtual office mode, promoted information-based office, cultivated employees' awareness of conservation, and encouraged employees to work and travel in an eco-friendly manner.

Virtual office

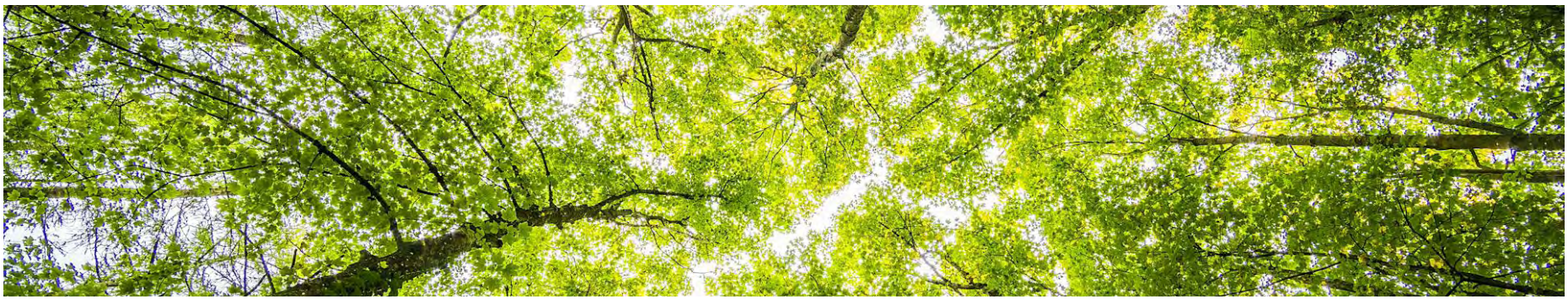
In 2025, the Company realized its energy-saving and emission reduction goal through desktop virtualization projects. To be specific, the annual electricity consumption of thin client machines (login terminals for virtual desktops) dropped from 10,512,000 kWh to 5,969,200 kWh compared with the traditional PCs, a 43.22% decrease in electricity consumption. The annual cumulative surplus electricity bill was RMB 4.5428 million (in RMB below), and the annual cumulative reduction in carbon dioxide emissions was 2,634,824 KG. In addition, it also reduced carbon dioxide emissions significantly by integrating servers through virtualization technology.

Paperless office

To promote the concept of "low-carbon office" and improve office efficiency, the Company promotes paperless office. It, through information systems (including MES document inspection and OA office system), spot checked and approved various business processes in production, reducing the management and printing costs dramatically. Since its use in 2023, a total of 13,199 types of documents were completed online, saving more than 88,400 pieces of printing papers, about RMB 530,000 costs and 21,632 hours (832 person-days) and reducing carbon dioxide emissions by approximately 88,444.24 kg.

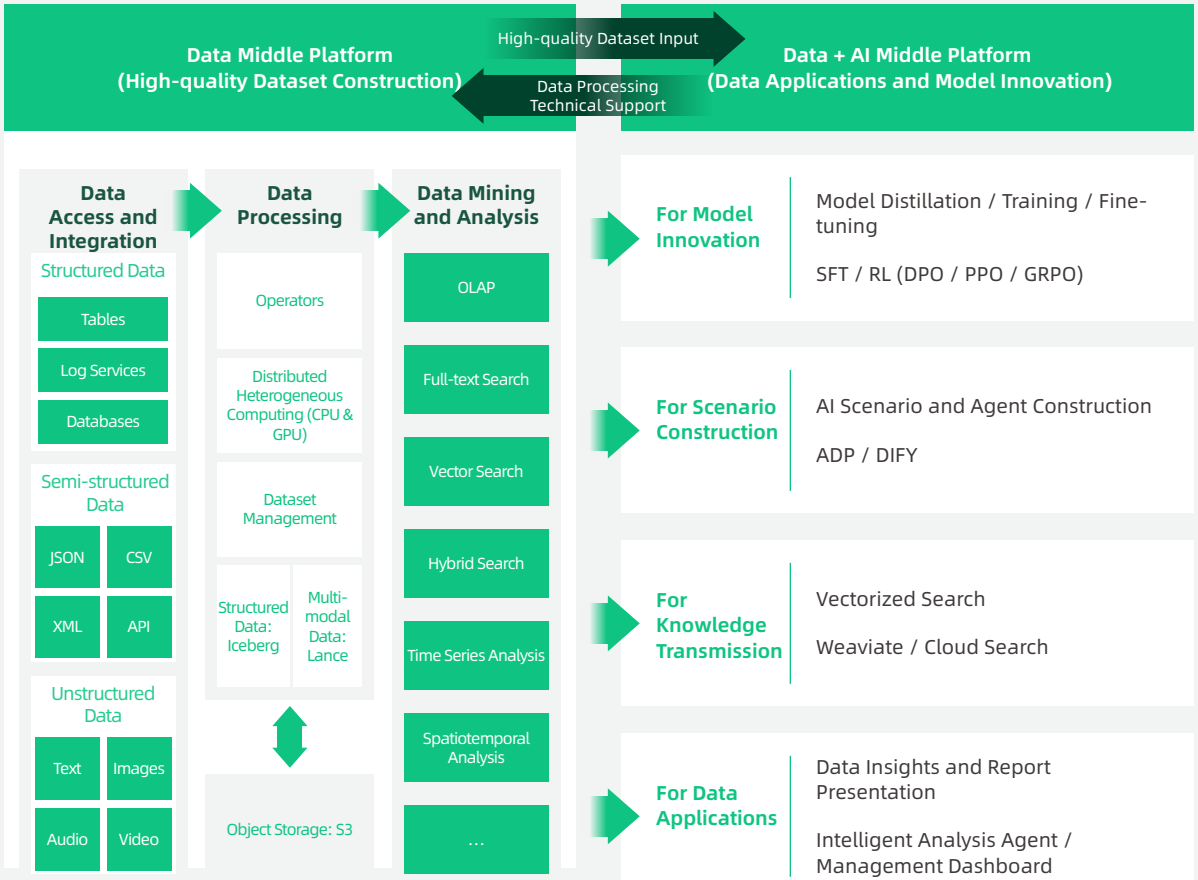
Modular data center

The Company has set up modular computer office and green data center; adopted efficient air conditioning system, planned the layout of computer office scientifically and reasonably, fully utilized the natural conditions, and accurately controlled the environment of computer office. Compared with the traditional computer office, the modular design could isolate cold and hot airflow through the sealed channel. The chilled water level air conditioner can save energy consumption by cooling and transferring heat nearby by more than 25%. In 2025, the Company saved energy consumption costs of RMB 1.8393 million and reduced carbon dioxide emissions by 1.067 million kg. In the future, the Company will build and optimize sustainable green data centers continuously to further improve energy efficiency.



Artificial intelligence (AI)

In 2025, the Company improved the application system of big data and AI technology, and implemented the "big data + AI" in-depth integration strategy, which plays a crucial role in driving the Company's transformation into "intelligent manufacturing"; the Company could satisfy the needs of core businesses, large models and diversified AI capabilities, and promoted the transition of AI technology from single point breakthroughs to large-scale implementation. It has also implemented intelligent AI applications such as defect detection, process optimization, and contract approval and will further improve yield, overall efficiency and product popularity.



■ "Big data + AI" diagram

Low carbon reuse

In 2025, the Company renovated and recycled a total of 1,692 computers in order to reduce electronic wastes. These computers are mainly the damaged ones from former and in-service employees, and will be modified before reuse.

Promote energy-saving measures

The Company has posted energy-saving slogans near the air conditioners and light switches, and indicated the optimal air conditioning temperature and the tips of "Turn off the Light When Leaving". At the same time, it offered energy-saving awareness training for employees and property management personnel so that they could control air conditioning temperature and lighting according to their needs, in order to save energy and reduce emissions.

Post water-saving signs

The Company posted water-saving signs in the pantry and toilets to improve employees' awareness of water conservation.

Advocate green travel

The Company encourages employees to commute between work and home by walking or cycling in priority; provides shuttle bus services as well as free charging services for NEVs for them.

Green Packaging

Upholding the concept of "green packaging", the Company plans and manages the entire packaging process by focusing on lightweight, recyclability, and renewable degradation.

In the field of transportation, the Company has fully introduced universal metal/plastic recycling packaging following the "green transformation" principle, finally updating the packaging mode systematically. As of now, the annual usage of this type of circular packaging has exceeded 13,800 t, covering the entire process from component production, warehousing and transportation to terminal delivery.

As for commercial storage, the Company attaches great importance to the recycling of wooden paper packaging. Through technological upgrading and model innovation, it has established a closed-loop system of "recycling - sorting - repair - reuse" and the amount of use wooden paper packages decreased by over 40% compared with last year. As for technological innovation, the Company increased its investment in the R&D of new biodegradable packaging materials continuously and certain achievements have been made at present.

In the future, the Company will further deepen its green packaging strategy, and following the idea of "whole lifecycle management", expand the application scope of recycling packaging. It will also strengthen the training on employees' awareness of green packaging, and foster the atmosphere of full participation and promotion of green packaging. The Company will also actively urge the upstream and downstream partners to advocate the green transformation of packaging, and build a sustainable development ecosystem with industry chain synergy.

Annual usage of universal metal/plastic recycling packaging has exceeded

13,800 t

Green Logistics

In terms of factory logistics, the Company continuously promotes the upgrading of production line logistics technology and mode innovation in order to realize "automation, low-carbon and efficiency"; it builds a green and efficient production internal circulation system. Within the reporting period, leapfrog improvement was made to the logistics automation rate of the new production line.

In terms of energy-saving renovation of conveying equipment, the Company takes the lead in introducing heavy-duty electric rollers in bulk in the industry, to replace the conventional motor drive systems, which are featured by high energy consumption, high maintenance costs, and loud noise. The new roller is integrated with motor, reducer and drum with many advantages such as high efficiency, energy conservation, stable running and easy maintenance. As for control, the Company adopts intelligent control algorithms to adjust motor running status based on the specific load, thus greatly reducing the consumption of no-load power. As the test results go, compared with traditional conveying schemes, the electric roller scheme can reduce electricity consumotion by approximately 426,888kWh.

The innovative pilot and mass promotion of chemical material supply models are the typical breakthroughs in the green transformation of factory logistics. Compared with the original transportation mode, i.e., the cold chain trucks and stainless steel drums, the Company chose the new transportation solution of tank trucks and storage pipes, which brings extraordinary advantages in such links as energy conservation and emission reduction, packaging waste reduction, prevention of liquid leakage and pollution. It finally saves supply chain costs and relieves the burden of environmental protection.

External logistics plays a key role in carbon emissions in the supply chain. CALB promotes the construction of green transportation network continuously by increasing loading rate, optimizing routes and promoting new energy transportation tools, in order to realize the low-carbon goal. By leveraging the logistics big data platform, the Company has reviewed and optimized its delivery route comprehensively. By combining overlapped routes, adjusting distribution nodes, and adopting direct transportation, the Company further increases the loading rate of land transportation in various fields above 98.5%, and reduced the transportation distance by more than 200,000km. The route optimization not only improves the delivery time of goods, but also effectively reduces energy consumption and carbon emissions during transportation.

As for the promotion of new energy transportation tools, the Company actively establishes pilot projects for electric heavy-duty trucks and railway transportation, trying to explore new paths for green transportation. In the future, the Company will, by following the long-term goal of "carbon neutrality", continuously deepen the construction of a green logistics system, and comprehensively promote the low-carbon and intelligent development of logistics links from factory logistics to external logistics, and from technological innovation to industrial chain collaboration.

Loading rate of land transportation in various fields above

98.5%

Reduced transportation distance by more than

200,000 km

Circular Economy

Under the context of the global energy transition and dual carbon goals, the sustainable development of power battery industry really matters in the industry. With a forward-looking layout, the Company has built a closed-loop system that runs through the entire life cycle of batteries. On the basis of in-depth collaboration with battery recycling "whitelist" enterprises and upstream raw material suppliers of lithium batteries, the Company has broken through the traditional linear consumption mode of "resource exploitation – production – waste disposal" thoroughly and realized the systematic circular loop from the raw material end to the recycling and regeneration end. The Company entrusts eligible third-party waste disposal agencies to recycle the key metals efficiently using the directional recycling technology and high-temperature metallurgical processes. At present, the recycling rates of nickel, cobalt, manganese, copper, and aluminum are ≥ 98.5% while that of lithium is ≥ 85%, far exceeding the recycling rate requirements of 90% for cobalt, nickel, copper, and 50% for lithium until 2027 in the EU Battery Regulation. At the same time, the Company hands over the non- recyclable waste to power plants for incineration and energy recycling; establishes recycling and purification systems for some chemical solvents, which has basically realized self-sufficiency at present.

Recycling rates of lithium

≥ 85%

Recycling rates of nickel, cobalt, manganese, copper, and aluminum

≥ 98.5%

Objective and Progress

Issues	Objective	Progress
Water resource management	All production bases pass authentication of water-saving enterprise in the next 3 years	Various bases check leakage and venting and monitor water consumption regularly, manage water consumption based on data and make constant improvement. The water consumption of unit product decreased by approximately 19.67% compared to the first half of the year
Energy management	100% authentication of ISO50001 energy management system Energy consumption intensity decreases by 46% by 2030 compared with 2024	Jiangsu Base, Wuhan Base, Xiamen Base, Chengdu Base and Jiangmen Base have obtained the certification. The energy consumption intensity decreases by 24.09% in 2025 than last year



2.3 Biodiversity

The Company has incorporated biodiversity management into the scope of natural capital related risk management, actively tried to minimize the impact of various production and operation activities on the natural environment, and made disclosure by referring to the Recommendations from the Taskforce on Nature-related Financial Disclosure (TNFD).



On the basis of the former ESG governance structure, CALB has further defined the management duties of nature-related issues at different levels:

Board of Directors	The Board of Directors, as the highest body responsible for natural capital management, is responsible for supervising the management strategies of climate and nature related issues, policies and guidelines, objectives and indexes, action plans, risk management, etc. The Strategy and Sustainable Development Committee under the Board of Directors is responsible for specific matters related to natural capital management and reporting to the Board. To be specific, the Committee is responsible for reviewing the Company's dependence and impact on natural capital, identifying both risks and opportunities, evaluating the results and resource allocation; supervising the natural capital management, reviewing and deciding management strategies, target indicators, and work plans; reviewing the annual natural capital management results and reporting to the Board of Directors.
ESG Executive Committee	As the organization responsible for guiding and supervising the natural capital work, the ESG Executive Committee mainly provides resource support for reviewing the Company's dependence and impact of natural capital, identifying and evaluating risks opportunities; supervises natural capital management, submits and reports management strategies, target indicators, work plans, and annual natural capital management results to the Strategy and Sustainable Development Committee under the Board of Directors.
Climate and Nature Group	The Climate and Nature Group, which centrally manages the natural capital work, is mainly responsible for organizing various bases to evaluate the dependence and impact of natural capital, identifying risks and opportunities; coordinating natural capital management work, making planning on the natural capital management strategies, formulating relevant target indicators and work plans; guiding the natural capital management practices of each base, regularly tracking the progress of natural capital management work in each base, summarizing the Company's annual natural capital management results, and reporting them to the ESG Executive Committee.

In 2025, CALB formulated the Natural Capital Management Procedure, which normalizes the Company's natural capital management in order to identify, evaluate and manage the dependence and impact of nature in the Company's business activities, to prevent major natural related risks, and to seize nature related development opportunities. As explicitly required by the Company, each base should evaluate the dependence and impact of their region and business activities on nature each year, and identify annual natural related risks and opportunities based on the evaluation results. The Climate and Nature Group under the ESG Executive Committee should summarize the major nature related risks that have been identified and evaluated and opportunities, and submit them to the Company's departments responsible for risk management; formulate management strategies and key action plans against the annual nature related risks and opportunities, set annual management goals and monitoring indicators. After the management strategy, action plan, and target indicators are approved by the Strategy and Sustainable Development Committee under the Board through review, the Climate and Nature Group will promote and track the implementation of these requirements in each base and provide resource support and timely guidance at the same time.

Evaluation on the Dependence and Impact on Nature

CALB evaluated the dependence and impact on ecosystem focusing on the footprint of the whole value chain business using ENCORE[1] tool. The evaluation above covers many different links such as raw material exploration, production and manufacturing, product delivery and recycling. A thermodynamic chart is formed through industry mapping and level queries to identify the regions with most risks, as shown in the table below:

Dependence			
Extremely high	Exploitation and processing of raw materials in upstream Precipitation pattern regulation service, water purification service	Battery manufacturing in midstream /	NEVs, energy storage and battery recycling in downstream Global climate regulation service, solid waste remediation service
High	Exploitation and processing of raw materials in upstream Water provision service, global climate regulation service, water flow regulation service and flood regulation service	Battery manufacturing in midstream /	NEVs, energy storage and battery recycling in downstream Flood regulation service
Medium	Exploitation and processing of raw materials in upstream Other regulation and maintenance services provided via atmospheric and ecological system dilution, storm regulation service, soil and sediment maintenance services	Battery manufacturing in midstream Water resource supply service, precipitation mode regulation service, water flow regulation service, rainstorm regulation service, flood regulation service, water purification service	NEVs, energy storage and battery recycling in downstream Water resource supply service, local (micro and meso) climate regulation service, noise reduction service, other regulation and maintenance services provided through atmospheric and ecosystem dilution, precipitation pattern regulation service, water flow regulation service, rainstorm regulation service, soil and sediment conservation service, water purification service

[1]ENCORE is an online natural capital risk assessment tool developed by organizations such as the World Conservation Monitoring Centre, in order to help financial institutions and enterprises identify their dependence and impact on nature, and assess the risks and opportunities associated with nature.



Impact			
Extremely high	Exploitation and processing of raw materials in upstream Generation and discharge of solid waste, discharge of toxic pollutants into soil and water, interference (such as noise and light), and freshwater surface area	Battery manufacturing in midstream Interference (such as noise and light)	NEVs, energy storage and battery recycling in downstream Interference (such as noise and light)
High	Exploitation and processing of raw materials in upstream Emission of greenhouse gas and non-greenhouse gas pollutant, exploitation of other non-biological resources	Battery manufacturing in midstream toxic pollutants into soil and water	NEVs, energy storage and battery recycling in downstream Emission of greenhouse gas, land utilization area, discharge of toxic pollutants into soil and water, interference (such as noise, ray of light)
Medium	Exploitation and processing of raw materials in upstream Land utilization area, water consumption	Battery manufacturing in midstream /	NEVs, energy storage and battery recycling in downstream Emission of non-greenhouse gas pollutants, generation and discharge of solid waste, water consumption, seabed utilization area, introduction of invasive species

Management of Nature-related Risks and Opportunities

The Company's nature-related risks are stemmed from its dependence and impact on the ecosystem, and closely related to the ecosystem service functions and composition of the region where the Company runs its business. We further established the corresponding indicator levels for nature related risks and impacts/dependence using the cies based on the WWF BRF assessment tool, and then obtained the quantitative assessment results for nature related risks by scoring the impact and dependency. According to the results, there are 7 potential biodiversity risk categories altogether in the battery industry, including 4 types of physical risks and 3 types of reputation risks. To be specific, the reputation risk assessment indicators are generally at a moderate or below level, while a majority of the physical risk assessment indicators at a moderate or below level, while a small portion at a high or above level. In particular, the industry highly depends on water resource and the pollution generated by business activities has a significant impact on the environment.

The evaluation above was also made for various bases using the same method. As the evaluation results say, both Jiangsu Base and Xiamen Base pose higher environmental and physical risks than others. Accordingly, the Company has identified and improved the following potential natural related risks, and analyzed their impact on the Company's business and finance to actively take corresponding solutions.

Identification of and Respond to Nature-related Risks

Physical risks		Solutions
Acute risks Descriptions The regulatory function of ecosystem becomes weaker, and extreme weather events such as typhoons, heat waves, floods, etc. occur frequently Business Influence Supply chain interrupts, normal business activities are affected, and business processes are interrupted due to employees' physical discomfort during work	Financial Influence Higher operating costs, asset depreciation Range Short, medium and long term	Adjust production and work plans in time based on weather forecast, formulate emergency response procedures against extreme weather, and establish a supply chain business continuity management mechanism
Chronic risks Descriptions The regulatory function of ecosystem is out of balance, water purification capacity and pollutant digestion capacity become weaker, and soil quality is lower Business Influence Production water cannot be guaranteed, the demand for pollutant disposal capacity becomes higher and land use has become difficult	Financial Influence Higher operating costs, lower operating incomes, asset depreciation Range Medium and long term	Improve water resource utilization rate, discharge wastewater after meeting the requirements through treatment; strengthen ecological monitoring of sewage outlets and surrounding areas.
Transition risks		**Solutions**
Policy risks Descriptions The government implements stricter environmental policies and strengthens regulation, such as higher requirements for environmental assessment, use of ec-friendly design and increase of use rate of recycled materials. Business Influence Higher compliance cost	Financial Influence Higher operating cost, lower operating income and profit Range Medium and long term	Dynamically monitor the latest environmental policies in various regions and improve production and operation models in advance to meet regulatory requirements.

Transition risks			Solutions
Market risks	Descriptions Customers and investors strengthen their attention to the Company's biodiversity conservation issues, and make requirements for the Company's products, raw material usage, and manufacturing base location selection. Business Influence Higher raw material procurement cost, engineering construction fee and product certification cost	Financial Influence Higher operating cost, lower operating income and profit; lower financing amount Range Short, medium and long term	Actively adapt to the latest market trend and respond to green demands from customers and investors; increase R&D input to enhance product sustainability.
Technology risks	Descriptions Alternative products or services help promote the reduction of impact or dependence on nature, creating a certain competitive threshold. Business Influence Adopt leading technologies in the industry to reduce resource dependence and minimize environmental impact, forming certain green competitive barrier and seizing market share of the Company	Financial Influence Lower sales income and operating income Range Medium and long term	Track the environmental footprint of products, increase product R&D input, reduce resource waste, improve resource recycling efficiency, reduce total pollutant emissions, and enhance product sustainability.
Reputation risks	Descriptions Reputation damage caused by the Company's failure to take proactive ecological protection measures or violation of environmental compliance requirements. Business Influence Less orders from clients; less investment or even withdrawal by investors.	Financial Influence Higher operating cost, lower operating income and financing amount Range Short, medium and long term	Strictly abide by laws and regulations, and dynamically monitor the pollution discharge situation of the Company's each base; actively cooperate with environmental protection public welfare organizations on environmental protection activities.
Liability risks	Descriptions Regulatory bodies or local non-profit organizations impose administrative penalties or file lawsuits against the Company's environmental violations Business Influence Reputation loss and punishment by regulatory bodies	Financial Influence Higher operating cost and lower operating income Range Short, medium and long term	Strictly abide by laws and regulations and ensure full compliance with local environmental policies and regulations; actively communicate with local stakeholders and respond to their relevant demands.

CALB has also actively identified nature-related opportunities and their influence, and formulate the following solutions.

Table x Identification and Respond to Nature-related Opportunities

Commercial performance			Solutions
Market	Descriptions Follow customers' latest demands on green products, actively develop products that meet consumer expectations, explore the market in advance, and win market share. Business Influence Larger product market share, higher competitiveness in terms of eco-friendly product	Financial Influence Higher operating income Range Medium and long term	Actively adapt to the latest market trend and respond to customers' green needs; enhance product sustainability and establish an eco-friendly product image by reducing carbon footprint and increasing the proportion of recycled materials.
Resource efficiency	Descriptions Resource efficiency By strengthening its own operations and supply chain management, avoiding or reducing the impact and dependence on nature, and improving operational efficiency. Business Influence Lower consumption of production resources and raw material procurement cost	Financial Influence Lower operating cost, higher operating income Range Short, medium and long term	Reduce the consumption of natural resources, enhance resource recycling and utilization, and business efficiency by optimizing process and improving process efficiency.
Product and services	Descriptions Enhance product sustainability and reduce the environmental footprint of products and services through technological innovation. Business Influence Higher R&D input and certain competitiveness of green products	Financial Influence Higher operating income Range Short, medium and long term	Increase R&D input, improve product sustainability, and if possible, carry out environmental declaration certification for some products..
Capital flow and financing	Descriptions Obtain more financing opportunities by improving nature-related adverse impacts and actively carrying out projects for expanding the nature-related active impacts. Business Influence More innovative financing opportunities such as biodiversity and finance, lower financing cost	Financial Influence Higher financing amount Range Short, medium and long term	Establish a green/sustainable financing framework, focus on innovative financing methods such as biodiversity finance, and seek sustainable financing opportunities.

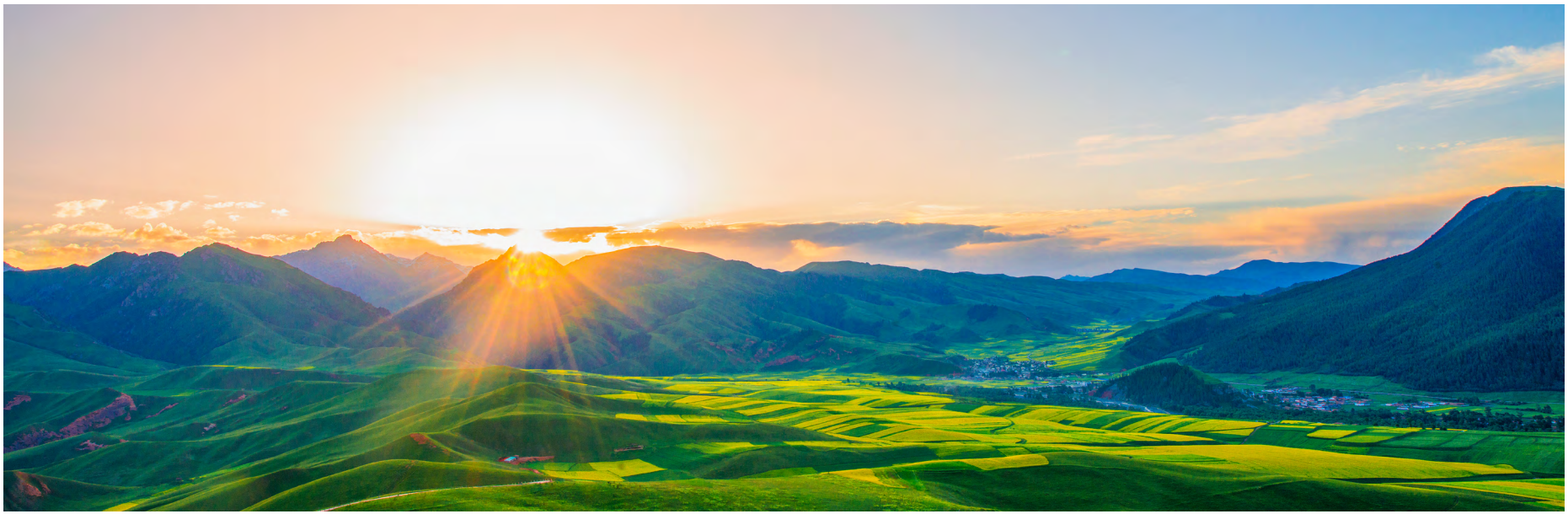
Commercial performance			Solutions
Reputation capital	Descriptions Win the trust and praise from stakeholders by ecological protection and biodiversity risk control. Business Influence More positive public opinions which promotes the business development at a faster speed	Financial Influence Higher operating income Range Medium and long term	Actively disclose information related to the Company's sustainable development, respond to the concerns of various stakeholders, and implement improvement measures.

Opportunities of sustainable development performance			Solutions
Sustainable utilization of natural resources	Descriptions Replace natural resources by recyclable raw materials and improve resource utilization efficiency. Business Influence Lower raw material procurement cost	Financial Influence Lower operating cost, higher operating income Range Short, medium and long term	Improve production methods or optimize product design to increase the utilization rate of renewable resources and the comprehensive utilization rate of waste.
Ecosystem protection, restoration, and regeneration	Descriptions Support the activities for the protection, regeneration or restoration of habitats and ecosystems, and improve sustainable development performance. Business Influence Foster closer relationships with local communities, avoid conflicts with local communities and Indigenous peoples, and support the smooth development of local operations.	Financial Influence Higher operating income Range Short, medium and long term	Actively communicate and cooperate with local communities, non-profit organizations, and other stakeholders to strengthen the ecological protection of the regions where the Company runs its business.

Biodiversity Metrics and Targets

The Company actively responds to the global consensus reached in the Kunming Declaration and gives firm support for the magnificent goal set in the Kunming-Montreal Global Biodiversity Framework (hereinafter referred to as "the Kunming – Montreal Framework"). On the basis of our in-depth understanding that a healthy ecosystem and rich biodiversity are the cornerstone of a company's long-term stable operation, we have fully integrated biodiversity conservation into our company strategy and taken it as a key dimension of comprehensive risk management. By actively identifying, assessing, and managing the nature-related risks and impacts in operations and supply chains, we commit to implement the global framework requirements through practical actions, curb biodiversity loss, and promote harmonious coexistence between humans and nature through responsible business practices. We also set the metrics and targets below in order to transform the commitment above to explicit management measures and action paths.

Issues	Direction	Targets	Type of Targets
Biodiversity	Avoid setting any new production base in the regions rich in biodiversity	100% new production bases are not in the regions sensitive to biodiversity	Medium and long term
	Prevent production and operation activities from exerting significant influence on the local biodiversity	100% production bases have no events exerting significant influence on biodiversity	Medium and long term
	Proportion of suppliers completing biodiversity risk assessment	100% core suppliers have completed the biodiversity risk screening assessment	Medium term



SOCIAL



70 Product Quality and Safety
81 Supply Chain Sustainability
88 R&D and Innovation
95 Employee Rights and Development
103 Occupational Health and Safety
107 Social Welfare

3.1

Product Quality and Safety

Governance

CALB has set up the Quality Committee, which is mainly responsible for the top-level design of quality planning, control of quality performance objectives, and management of important quality issues. In the committee, the Vice President in charge of quality serves as the director, relevant executives of the Company as members, and the Quality Manager as the secretary. The Company has also established the Quality System Department and Product Safety Department, both of which are the full-time departments responsible for product quality and safety, and are responsible for the construction and operation of the Company's quality system, management of product quality and safety, implementation of the Company's product quality and safety responsibilities, and prevention of product quality and safety risks.

Strategy

CALB firmly upholds the quality principle of "eliminating defect, creating value and winning respect" and the policy of product quality management in the entire life cycle so as to finally supply high-quality and reliable products to customers. The Company provides complete product solutions and full lifecycle management for the new energy full scenario application market represented by vehicles, ships, and energy storage; has created the quality management model with CALB characteristics, realizing the profound transformation from "complying with standards" to "creating values". Duly established focusing on the "three in one" innovation ecosystem (thinking innovation, technological innovation, and management innovation), the model creates an agile network organization, promotes the consistency of quality standards in upstream and downstream, data exchange and responsibility sharing, drives the overall upgrading of the quality capability of the entire industry chain, and forms a systematic organizational efficiency.



Management of Impact, Risks and Opportunities

Quality Management System

By adhering to the idea of "satisfying customers' needs and expectations", the Company has established an all-round quality management system, which covers the whole process from design to after-sales services, and formulated system documents such as the Quality Manual and Target Performance Management Procedure according to IATF16949 (International Automotive Task Force 16949) and ISO9001: 2000 quality system. The quality system documents were planned based on four business sectors. A total of 36 system documents were added and 30 optimized in 2025. The IATF 16949 system for Chengdu Pilot Test, Jiangsu Pilot Test, and Jiangsu Innovation Center was included in the 2025 Quality Manual. The EVTOL aviation system was established, and quality manual, procedure document and management measures were formulated since 2025 in accordance with AS 9100D: 2016 standard.

In 2025, the quality system internal audit team audited the Company's joint-stock company, Jiangsu Central Research Institute, and various bases in accordance with quality system standards, organized rectification of non conformities and made special review on the suggested organizations.

The Company adopted the scientific quality management model to ensure the quality control of the entire chain throughout the product lifecycle; breaks down the "zero defects" quality objective step by step, and drove the running efficiency of product management process by taking quality objective as the guide, and information system as support through cutting-edged technologies and data analysis.

On the basis of our full understandings on the industry's characteristics, we are committed to pursuing quality management innovation, follow the thinking of "starting from the very beginning", and continuously deepen the standardization reforms. We have established the management process standard and enterprise technical standard, which meet industry requirements and typically reflect our characteristics.

Running of Quality System

The company attaches great importance to the construction of the quality management system, strictly complies with laws and regulations such as the "Product Quality Law of the People's Republic of China", and has completed the quality system certification in accordance with standards such as ISO9001:2015, IATF16949:2016, QC080,000:2017, AS9100D:2016 and the requirements of the company's "Quality Manual". The bases in Jiangsu, Xiamen, Wuhan, Hefei, Chengdu, Meishan and Jiangmen have passed the dual system certifications of IATF16949:2016 and ISO9001:2015. Among them, the bases in Chengdu and Jiangmen have also passed QC080000:2017 system certification which fully demonstrated the company's professionalism and comprehensiveness in quality control, laying a solid foundation for product quality.





Improvement of Quality Culture Awareness

To ensure the Company's quality management and business development, all staff shall abide by the quality principle of "eliminating defect, creating value and winning respect", follow the high-quality eliminating-defect criteria, and seek for the craftsmanship of pursuing excellence; implement scientific quality management method, and improve product service, process and system quality constantly; update technology to drive quality prevention, support the creation of quality value within the whole life cycle digitally and share value within the whole industry chain; maximize value with high-quality products and services, win the respect of stakeholders such as employees, clients, suppliers, etc. and make a big difference! CALB improves the quality management system and implements quality accountability system. By the full involvement of the staff, and standard management, CALB carries out quality planning, control and improvement, and fosters the cultural atmosphere of constant quality improvement to encourage each employee to participate in improvement and solve problems by pooling the wisdom of all.



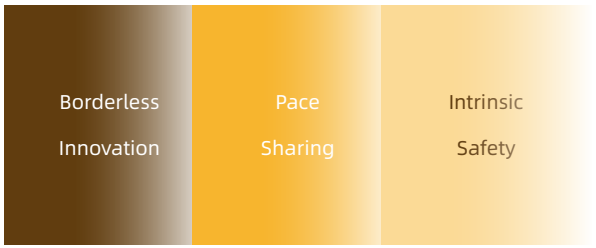
The Company has established a set of sound cultural atmosphere of constant improvement based on technological innovation, product quality improvement, lean production improvement, safety management assurance, and quality system upgrading, in hope for improving product quality, reducing costs, enhancing customer satisfaction and organizational performance, injecting vitality and motivation into our sustainable development. By 2025, the Company finished more than 10 internal and external quality trainings, 20 quality related process technology research projects, 35 QCC improvements and improved 5,460 proposals; actively organized company level monthly review and improvement stars, and participated in external competitions with excellent QCC projects



Excellent Performance Management

The Company promoted the management mode of excellent performance continuously according to GB/Z 19579-2012 Guidelines for the Criteria of Performance Excellence and GB/T 19580-2012 Criteria for Performance Excellence, so as to guide the organization to strengthen its strategy implementation capability, improve products, service and quality, help the organization with management improvement and innovation, improve the organization's total performance and management level comprehensively, and boost the organization's long-term success. Through evaluating the organization's self-maturity, the Company confirmed its gap with benchmarking enterprises, and incorporated the concept and evaluation index of performance excellence with the realities of the Company's overall quality management, so as to realize constant improvement and pursuit of excellence.

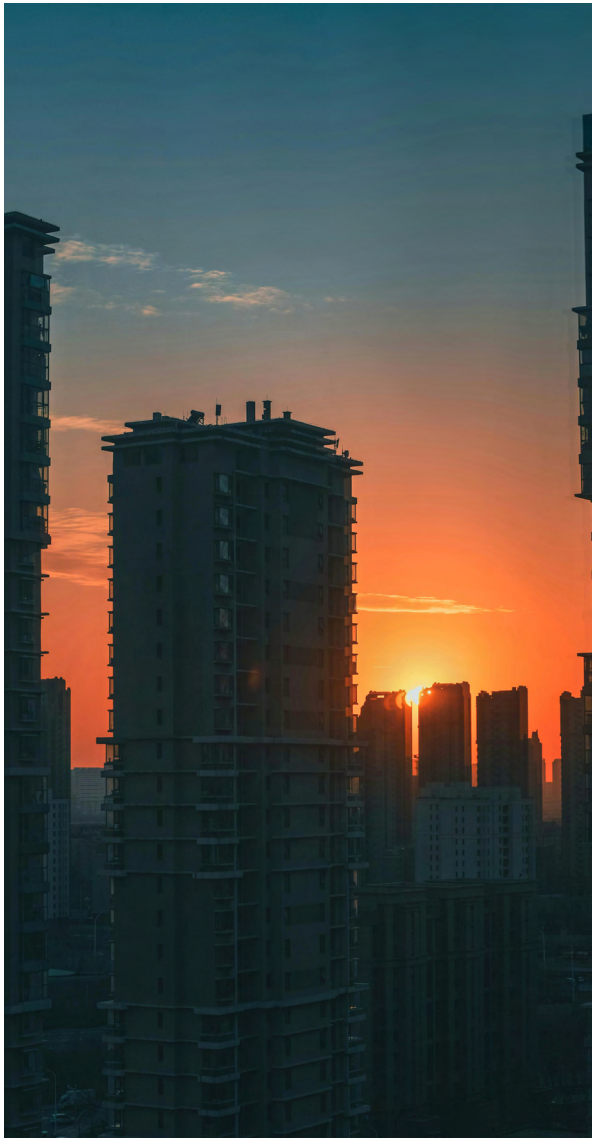
Following the quality management model of "borderless innovation · pace sharing · intrinsic safety", the Company has finished its profound transformation from "complying with standards" to "creating values". Duly established focusing on the "three in one" innovation ecosystem (thinking innovation, technological innovation, and management innovation), the model creates an agile network organization, promotes the consistency of quality standards in upstream and downstream, data exchange and responsibility sharing. CALB has established an efficient collaborative system covers every part within the scope, determined the common goals, implemented PDCA closed-loop management in a three-dimensional network, realized efficient collaboration through "pace sharing", continuously consolidated the safety for the entire product lifecycle, and ultimately empowered the market with excellent products and services, realizing customer value. Thanks to the promotion and practice of this model, CALB ranked first in the industry in terms of growth rate, driving the upgrading of the overall quality capacity in the entire industry chain and forming a systematic organizational efficiency



By deeply coupling multiple links in the upstream and downstream of the industry chain with the talent development system, AI digital intelligence, diverse application scenarios, and green zero carbon, CALB finally established a composite ecosystem, which supports self-cycle, coordinated evolvement and value co-creation, to realize the "ecological integration" with the power battery industry chain, and lead the high-quality, sustainable, and healthy development of the industry chain.

In 2025, the Company won the honor of "Jiangsu Provincial Governor's Quality Award".



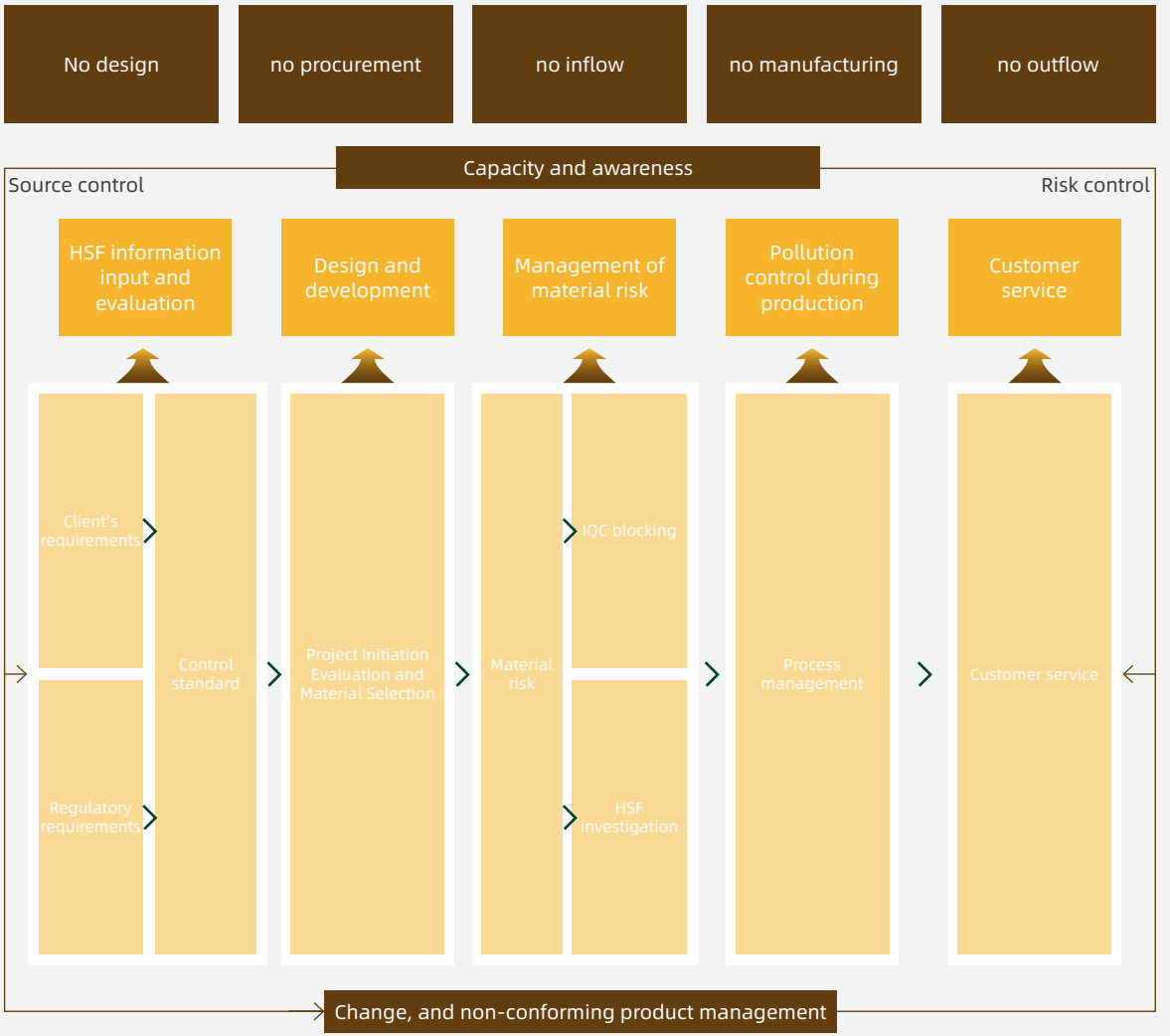


Management of Product Health and Safety

Management of Hazardous Substances

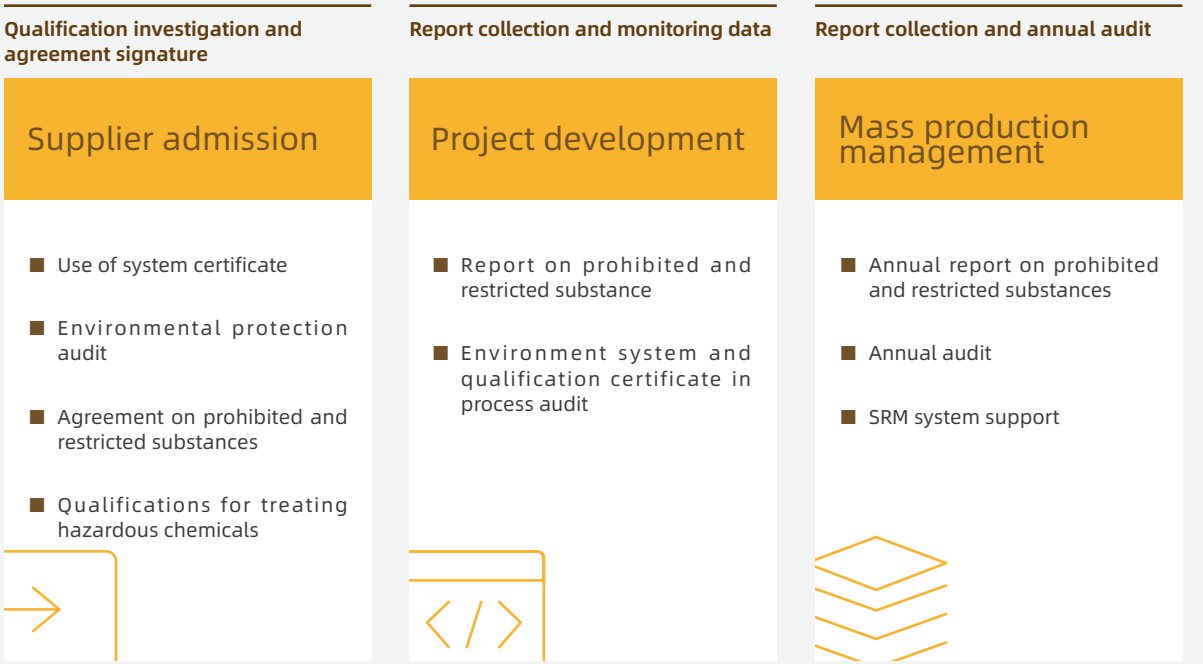
The Company has introduced the QC080000 management system into its Chengdu Base and Jiangmen Base. Under the HSF general policy of "green production and sustainable development" and the principle of "no design, no procurement, no inflow, no manufacturing and no outflow", the Company controls each link strictly and has established the hazardous substance control system, which is guided by the Hazardous Substance Process Management Procedure and supported by the Q/CALB 0107001-2025 Prohibited and Restricted Substance Requirements enterprise standard and a series of hazardous substance management system documents; integrated the hazardous substance management into the entire process of product development, new material development, and product realization. By taking product development and implementation as the main line, the Company focuses on the source and risk control, establishes the whole process closed loop from the identification, breakdown and transmission of clients' requirements and legal and regulatory requirements, to the establishment of control standards, acceptance and labeling of the compliance of hazardous substances in raw materials and products, and the management of changes and non-conforming products. The Company's IT-based business process for hazardous substance attributes (TC&SRM system) can effectively ensure the achievement of the Company's health and safety product goals.





■ Control over hazardous substances

Control over harmful substances in the supply chain:



Before introducing suppliers, CALB will audit their quality management system and environmental protection system, and include the suppliers into the resource pool after confirming the compliance of their systems with standards. For the suppliers of chemical production and hazardous waste disposal, the Company will first confirm their relevant chemical management system and qualifications for hazardous chemical disposal. The Company also signs the Letter of Commitment on Prohibited Substances and Quality Assurance Agreement with suppliers to ensure the safety and stability of product quality.

The R&D team collects reports on prohibited substances from suppliers at the early stage of each project. After mass production, the SQE team manages suppliers' hazardous substance reports and RoHs reports through the online SRM system for annual collection and updating. For the suppliers of mass production and supply for the Company, CALB intensifies the management via annual and irregular audits and stresses the contents regarding safety and environment during the audit process; evaluates suppliers' performance based on their supply performance, including the timeliness of environmental protection materials submission, environment & quality, etc.; implements one-vote veto system against the suppliers with environmental protection problems. In the full cycle management of suppliers, the Company concerns the environmental protection and hazardous chemical management to ensure product health and safety.

Product Safety and Reliability

Product Safety

On the basis of its full understanding that product safety is the primary performance and core value of the product, CALB takes product safety as the lifeline and insurmountable bottom line of its survival and development faithfully. As for organization and system guarantee, the Company has established an independent product safety department that reports directly to the top management and is responsible for the Company's safety strategy, technology R&D, and management system construction centrally. Upholding the concept of "source control, design first", the Company systematically identifies and strictly defines all design points, key parameters, and potential defects that may affect safety throughout the entire process of product design, material selection, production, and even customer use in the early stage of product planning. As for production, the Company has introduced many cutting-edge technologies such as online CT detection, high-precision CCD visual recognition, and all-round foreign object detection, and achieved millisecond level capture, precise elimination, and timely prevention of various defects in the process using intelligent big data algorithms and battery health diagnosis equipment.

Product Reliability

Product reliability plays a fundamental role in customer trust and sustainable development. Therefore, the Company has established the Product Reliability Department, which further transforms work emphasis from "risk identification and quantitative evaluation improvement" to "predictive design and value maximization" by continuously running and optimizing the reliability prediction software system developed independently. It also deeply integrates the failure mechanism models obtained from the laboratory, production process parameters and a large amount of market operation scenario data, deepens the application of data models, and establishes a reliability engineering system covering the entire chain of R&D, manufacturing, and operation

Battery Health Management

The battery health management is critical to maximizing the full lifecycle value of batteries and practicing circular economy. In 2025, the Company's battery life management technology department further expanded its management scope from "operation and maintenance" to the full chain data loop of "R&D, manufacturing, use, and after-sales"; it evaluates the battery health scientifically via sampling and calibration. The Company endeavors to ensure safety, improve energy efficiency, and extend the battery value cycle through accurate health status assessment and prediction.



Product Quality Verification and Nonconforming Product Management

The Company has established a quality inspection system covering the whole process from raw materials to finished products, as well as a closed-loop management mechanism for non-conforming products, so as to ensure product reliability and downstream application safety, and promote the sustainable development of the new energy industry chain.

Product Quality Verification

Strict testing of raw materials	The Company controls quality upon arrival of raw materials, and finishes the whole process from arrival to warehousing test of raw materials automatically. Upon arrival, raw materials will undergo automatic test and both test items and methods are automatically determined. The dual control of "supplier access audit+batch full item inspection" is implemented, and the entire process is finished based on information technology to ensure the quality of all raw materials is within control. Test coverage: 100% full inspection of key raw materials (anode/electrolyte/separator) in the whole batch.
Real time production monitoring	Automated monitoring is used for monitoring the current or previous process in the production process from battery cells, modules to removal of pack finished products from the production line. Judgment is also made automatically. Parameters can be monitored in real time and data can be tracked by leveraging the MES manufacturing system. At the same time, relevant workers are responsible for the first patrol check of equipment parameters, error prevention verification, and boundary detection verification to ensure process detection capability. Number of process quality control points: 3,600+ unit cells, 500+ modules and 1,200+ PACKs.
Comprehensive performance testing of finished products before delivery	The Company has established the electrical performance+safety+reliability" detection system and the coverage rate of finished product sampling reaches 100%. Any product failing to pass testing cannot be delivered. The test covers many aspects, including appearance, size, performance, safety, etc. to ensure that the product meets design requirements and customers' quality standards. All batch testing data is systematically archived.

Closed-loop Management Mechanism of Nonconforming Products

Full process identification and isolation process. The Company has established the "automatic detection+manual review" mechanism in order to identify non-conforming products and ensure that non-conforming products can be discovered and isolated as early as possible. System automation isolation settings and disposal are also used.

1 Identification

Batch No., process, responsible person, etc. of the suspected non-conforming products are marked through 3-level identification network, which includes automatic screening by online detection equipment (such as cells with abnormal voltage and non-standard internal resistance), manual inspection during patrol check process (such as appearance scratches and assembly defects), and comprehensive verification of finished product tests. The information above is also managed systematically;

2 Isolation measures

Non-conforming products can be immediately transferred to specific isolation area, are marked with red warning sign and managed according to the principle of "double person double lock". They are separated from conforming cells. At the same time, the quality management system synchronously inputs the information of non-conforming products, generates a unique traceability code, and links the whole chain of "raw material batch - production equipment - operator - test data".

3 Graded disposal and resource utilization

The Company has prepared the Nonconforming Product Management Procedure and the Management Procedure of Nonconforming and Corrective Action, reviews non-conforming products comprehensively based on procedure documents and management mechanisms, disposes of them differently based on the severity of nonconformity, and focuses on both quality safety and resource recycling. The harmless disposal rate of severely non-conforming products is 100%.

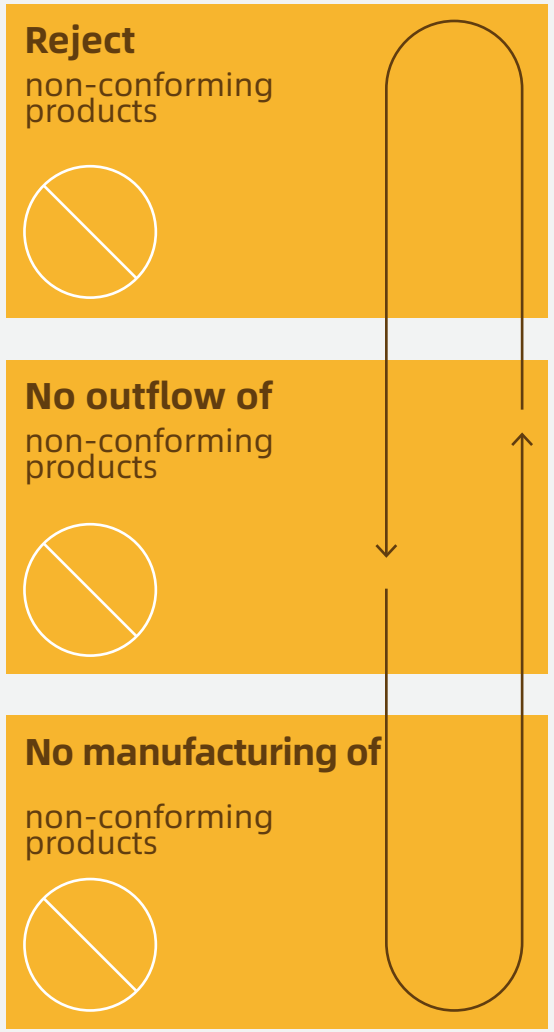
4 Root cause analysis and long-term improvement

For non-conforming products or typical quality problems, the Company explores the root cause using "5Why analysis method+fishbone diagram", 8D, etc., forms the Quality Problem Traceability Report, and proposes preventive, improvement and optimization measures. The Company also reviews the standards at regular interval.

5 Commitment and goal of continuous improvement

The Company will improve product quality/work quality by upholding the quality policy of "eliminating defect, creating value and winning respect" and craftsmanship spirit of "pursuing excellence" according to the high-quality zero defect standards and scientific quality management methods; technology upgrade drives quality problem prevention, digitalization supports full lifecycle quality management.

Implement "Three Do-nots in Leaving Off" principle in production management



Product Recall

In response to product recall and quality and safety issues, CALB has formulated relevant procedures and documents, and has prepared different response processes for different projects. In case of any accidents related to product quality and safety, procedures for handling major crises in the Company are followed.

Crisis feedback

The crisis is reported to the head of the crisis handling team (usually the vice president of the Company) within half an hour of the crisis, and the crisis handling procedures are initiated

Crisis management

The crisis handling team holds a crisis-specific meeting within one hour of the initiation of the crisis handling procedures to complete the preliminary investigation of the cause of the accident and formulate a temporary handling plan.

Summary and rectification

After the crisis event occurred, the after-sales quality department organized the analysis of the root cause within twenty-four hours, completed the writing of the analysis report within five days, including the root cause analysis, risk assessment, rectification measures, etc., and the responsible department organized the implementation of rectification measures to avoid the problem happening again.

Customer Service Management

By adhering to the concept of customer orientation, CALB fully understands the feedbacks and demands of customers, devotes itself in constructing firm customer relationship through diversified channels. Based on the strategic theme of "Understanding customers" and "Keeping close to customers", CALB understands the customers' demands in depth, to provide customized and high-competitiveness product solutions, and establishes the close-distance high-quality service system with win-win situation for car enterprise and battery factories.

Responsible Marketing

The Company is dedicated to maintaining a marketing environment with fair competition, protecting customers' rights and interests and supplying superior products and service. In the marketing and brand publicity activities, the Company always adheres to the honest, transparent and responsible attitude, and strictly obeys the domestic laws and rules such as the Anti-unfair Competition Law of the People's Republic of China and the Advertising Law of the People's Republic of China as well as the relevant international regulations such as Anti-trust Act. Within the reporting period, the Company carried out special training on laws and rules concerning sales, copyright, etc. to marketing, brand operation personnel, etc., and established the assessment mechanism on the compliance of publicity materials, so as to effectively prevent the compliance risk of marketing publicity. Within the reporting period, the Company's major deviation of marketing is zero.

Customer Relationship Management

Customer Satisfaction

The Company has formulated the complete Management Procedure on Customer Satisfaction and carries out satisfaction research to customers for every 6 months to fully know customers' needs and expectations; CALB attaches great importance to the information on customers' satisfaction with products, services, etc., analyzes the deficiency in various customer-related work seriously based on the feedback from customers, actively proposes improvement schemes and promotes their implementation, so as to enhance the level of customer satisfaction. The Company has established the customer follow-up visit mechanism, listens to customers' ideas and exchanges with them on a monthly/quarterly basis based on project requirements from aspects such as big data docking, reports of market quality performance, cooperation and exchange on after-sales service and customer relationship maintenance; collects, reviews, makes deep analysis on customers' appeal and suggestions, carries out special rectification, and makes sure the improvement effect in next satisfaction research. The Company can enhance its brand influence by constantly improving its management ability on core quality in aspects such as product R&D, manufacturing, process control and customer service.

Customer Satisfaction Data in 2023-2025

Indicators	2023	2024	2025
Score of customer satisfaction	95.3	93.4	94.8

Confidentiality of Clients' Information

CALB strictly abides with the confidentiality agreement with customer, clarifies the importance of employees' confidentiality awareness in the Business Secret Management Procedure, demands the business-related employees to participate in the training on information confidentiality, and sign confidentiality agreement with customers and suppliers respectively. CALB has taken specific information protection measures for customer data, to avoid information interaction between different projects.



After-sales Services

To strengthen its core competence, constantly improve customers' satisfaction, loyalty and dependency, the Company founded an independent after-sales department, which consists of over 30 well-experienced technical support engineers and over 50 technical experts. Meanwhile, the Company has also set up over 80 service outlets worldwide quickly based on marketing vehicle distribution and fault rate, all of which have clear function, rich experience, fully-equipped instrument. On the basis of the after-sales service concept of "Leading Technology, Reliable Quality, Satisfied Customers", the Company makes every effort to establish a domestic leading after-sales service system in order to best serve customers.

In terms of customer service, the Company has prepared many mechanism documents such as the Warranty Management Procedures and the Management Procedures on Customer Service, and specified the process of warranty service in the product life cycle in a standard manner. CALB formulates standard after-sales service schemes according to different market fields on the basis of identifying and satisfying customers' diverse needs, identifying relevant laws and regulations and the requirements for warranty by such stakeholders fully; posts product labels as per the requirements for product health and safety as well as clients' requirements. Besides the basic "three guarantees", the Company can also provide services of different forms, such as technology consulting, technology training, on-site follow-up support, active inspection of products, complaint claim, customer follow-up visit and product recycling. Meanwhile, the Company also provides customers with multiple kinds of paid services, such as warranty renewal, procedure updating, equipment lease, sales of products and services, and informs the price explicitly before providing services to ensure public and reasonable charging.

In terms of customer complaint handling, CALB has established effective customer complaint handling mechanism, to respond to customer's appeals within 30min, arrive at site within 2h, recover the general faults within 8h, and troubleshoot serious problems within 72h. Its specially-assigned persons are responsible for organizing the responsible department to conduct objective analysis and effective rectification, and improving the closed-loop management procedure on customer complaint problems. To avoid the reoccurrence of problems, the Company has set up a special horizontal development team, which finishes the horizontal development among the production lines of plants with historical lessons, and monitors and supervises the effective implementation of horizontal development. The Company's function group is responsible for preparing the list of preventing historical problems, boosting the completion of design association and optimal close-loop of development end, and improving the quality of products constantly.

In 2025, CALB received 85 customer complaints, all of which were solved. Based on rapid and professional response, problem analysis and improvement, CALB is highly accepted by customers. For instance, it won the "Quality Pioneer Trophy" at the QCC improvement event held by Leapmotor in 2025; "golden award", the highest award, in the 2025 "Pengyi Cup" Supply Chain Partner QCC Improvement Activity organized by Xpeng Motors. CALB is also the one and only supplier winning the highest award for four consecutive years.

To better grasp customer satisfaction with product quality and services, continuously improve the quality of both products and services, and enhance customer satisfaction, the Company has established the customer follow-up visit mechanism, listens to customers' ideas and exchanges with them on a monthly/quarterly basis based on project requirements from aspects such as big data docking, reports of market quality performance, cooperation and exchange on after-sales service and customer relationship maintenance; collects, reviews, makes deep analysis on customers' appeal and suggestions, promotes internal improvement in order to improve its brand influence. In 2025, the Company completed 200 customer follow-up visits and achieved a satisfaction rate of 98% among the customers that it replied to.

In the future, the Company will further increase its input in the construction of after-sales service system, information construction of intelligent service and network layout of global service, so as to bring customers excellent experiences and set a typical example nationwide in terms of advanced services

Objective and Progress

Issues	Objective	Progress
Quality management system	Stable operation, 100% authentication of QMS for qualified production base	All production bases (Jiangsu Base, Xiamen Base, Wuhan Base, Hefei Base, Chengdu Base, Jiangmen Base and Meishan Base) have passed TUV Rheinland ISO9001/IATF16949 certification; the system runs effectively AS9100D is successfully introduced to low-altitude flight business
Total quality management	Skilled in business, quality system and tools	Trainings planed based on the objective deviation throughout the whole year; external training: 10 special quality trainings covering the Group + Business Division + Various bases Internal training: Over 10 special trainings regarding system process, failure analysis, etc. involving more than 2,000 persons The Company completed 35 QCC/6Sigma improvement items in the whole year. A total of 5,460 improvement proposals were filed by the Group in 2025, reducing the defect rate, ensuring product quality and further promoting the practical application of quality tools Client QCC honor, the golden award of the 4th "Pengyi Cup" Supply Chain QCC Improvement Activity organized by Xpeng Motors
After-sales services	100% closing of customer complaints	The Company's closing rate of customer complaint in 2025 was 100%
	Timely response to after-sales services	Differential objectives have been set based on the service characteristics of different business fields; resources are also allocated to satisfy clients' requirements Passenger vehicle: Response within 30min, scheme proposal within 8h, re-delivery of faulty vehicle within 24h Energy storage: Response within 30min, proposal of temporary scheme within 8h, proposal of problem closed loop measures within 5D Light commercial vehicle: Response within 30min, scheme proposal within 8h, re-delivery of vehicle within 24h Heavy commercial vehicle: Response within 10min, arrival at site within 2h and vehicle recovery within 24h Ship: Response within 30min, scheme proposal within 16h and troubleshooting and re-delivery within 48h

3.2

Supply Chain Sustainability

Governance

The Company has established a professional procurement organization, which is fully responsible for supplier resource pool planning, new resource development, supplier lifecycle management, and supply assurance work, covering key processes such as supplier inspection, audit certification, import and landing, risk assessment, etc.

Under the overall guidance of the Climate and Nature Group under the Strategy and Sustainable Development Committee, the Company has established a dedicated sustainable supply chain management team, which is responsible for the implementation of supply chain sustainable development strategies, including the core tasks such as supplier ESG data collection and accounting, on-site audits, and sustainability training and empowerment. At the same time, the Company has formulated and strictly implemented a series of rules and regulations such as the Supplier Management Procedure, Supplier Performance Management Measures, and Responsible Mineral Management Measures. Through cross departmental collaboration and institutionalized management, the Company improves its supply chain management system continuously, empowers suppliers to reduce sustainable development risks, and promote the green transformation of the supply chain.

Strategy

Upholding the core supply chain policy of "fairness, mutual trust, win-win, taking social responsibility and leading green development", the Company is committed to establishing long-term cooperation relationship with its suppliers on win-win principle. Through institutionalized training, technical exchanges, and performance incentives, it has continuously enhanced the sustainable development capabilities of suppliers and jointly built a safe, resilient, and green industrial ecosystem with the suppliers.

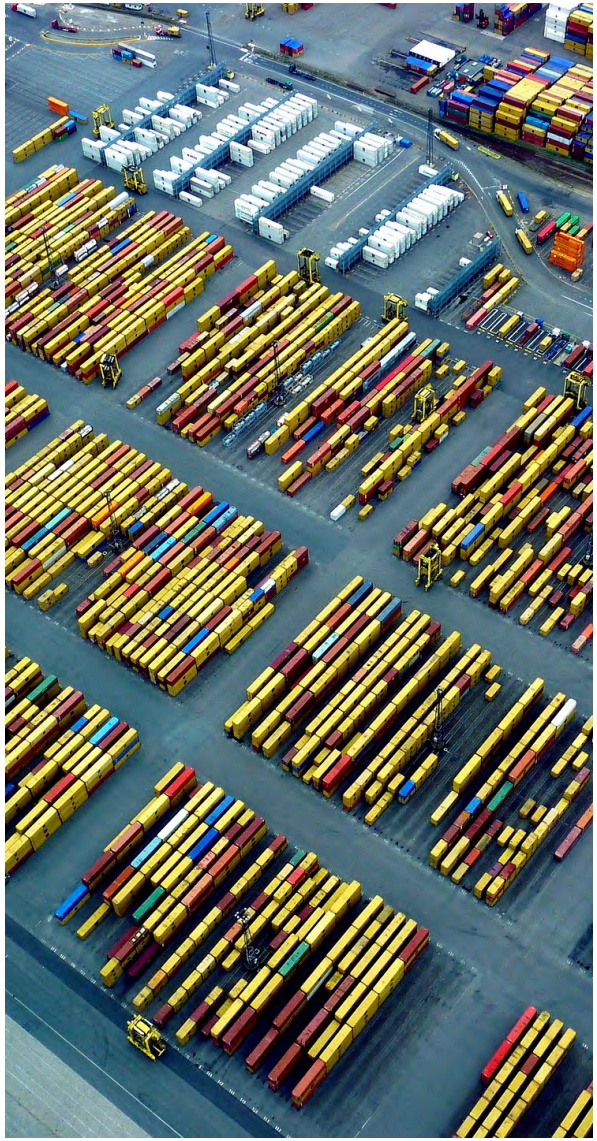
Management of Impact, Risks and Opportunities

Supply Chain Resilience

The Company has established a fully closed-loop supplier management process of "Admission - Fixed-point - Performance - Elimination" to ensure that supplier quality and sustainability meet its development requirements. According to the Company's Supplier Management Procedure, suppliers can be mainly divided into three types: production material suppliers, non-production material suppliers, and equipment suppliers. The main components of batteries and key components that affect performance in production materials are defined as Class A materials while the rest as Class B materials. As of the end of 2025, CALB had a total of 556 suppliers, of which 99% were from China. With the construction of the Company's European factory, 18 suppliers of 10 types of materials have been promoted and planned to support localized production and delivery in Europe, meeting 70% of the European customers' demand for the localization of raw materials and further enhancing the resilience and response efficiency of the global supply chain.

In the risk identification process, the Company identified potential risks such as supplier product carbon footprint, carbon objective, source of mineral resources, compliance of harmful substances, delivery interruption, etc. through multiple channels such as SRM system data monitoring, supplier annual audits, and industry policy tracking, and took targeted control measures.

CALB total suppliers	Proportion of domestic suppliers
556	99%



Supply Quality Management

Quality Digitalization

By combining the Company's business classifications and difference of application fields, the Company has optimized the management of vehicle-mounted and energy storage raw materials suppliers and management standard of project raw materials and intensified the management of supplier quality capacity; optimized the SRM system platform and reduced the management costs effectively by information transmission and management of supplier online platform. In 2025, CALB optimized the functional modules such as supplier quality and qualification rate analysis, supplier performance management, supplier audit management, supplier prohibited substances, supplier CPK data delivery, supplier 8D report and supply change management. Based on the auto calculation, summary, evaluation and digitalization, the system greatly improves the quality management efficiency of supply chain, precisely detects the problems, and provides the prevention and response solutions, to guarantee stable quality of raw materials.

Data analysis and rectification	Performance evaluation	Closed-loop review
Perform online management according to incoming materials from suppliers and online nonconformity; SQE performs cause analysis and rectification according to problem spots and 8D logic of suppliers; Implement control according to short and long-term measures formulated by suppliers, confirm the effectiveness of measures, complete close-loop management of supplier quality problems.	Supplier's performance assessment shall be carried out comprehensively from 4 dimensions, i.e. technology, quality, delivery and costs. The aforesaid assessment can be further divided into monthly assessment, semester assessment and yearly assessment. Assessment should be performed according to the Supplier Performance Management Measures; Give extra support to suppliers with excellent performance; For suppliers failing to pass quarterly/annual assessments, suspend the development until they are obsoleted.	Formulate the annual review plan for suppliers based on the supplier's daily performance, importance of supplier's materials and supplier risk degree; Track the completion of plan in real time according to the supplier's annual review plan, upload the review report and review the rectification of problems; Confirm whether the supplier reviews are executed in strict accordance with plan, to ensure that supplier risk can be controlled.

"Skill inheritance, experience sharing"

In 2025, our procurement group implemented the 2025 Engineer Forum, where engineers shared the classic cases of supplier management in the fields that they are familiar with and good at, exchanged experiences, learnt from each other, and finally realized further personal improvement. In 2025, the Group held a total of 25 forums, with around 60 participants per session and a total of over 800 person-times. The training coverage rate for supplier quality management personnel is 98%. The forum is focused on four themes: Product/process, quality tools/documents/systems, working methods and lessons. Two to three themes were selected for sharing every month, to consolidate the knowledge structure of individuals, strength individual management ability, improve the overall work efficiency of the team and construct the inherent knowledge base of the team.



Supply Chain ESG Management

The Company has formulated the Supply Chain Sustainable Development Policy which was also disclosed on its official website, and mainly supervises and continuously evaluates the management of supplier corporate social responsibilities from the aspects of business ethics, environmental protection, human rights, biodiversity, etc. In the initial stage of supplier introduction, the Company included the corporate social responsibility section in the key evaluation scope, carried out ESG audit evaluation by referring to the Management Measures of Supplier Audit and synchronously incorporated it into the audit scoring system; it encouraged suppliers to promote the ISO series system certification, and prioritizes the suppliers with excellent performance in the bidding of new projects and increases the quantity of goods ordered from them appropriately. As of the end of the reporting period, 100% of the Company's main material suppliers signed the Agreement on Corporate Social Responsibility and the Company completed annual on-site audits of all key material suppliers.

- For potential suppliers, the Company evaluates whether they have ESG risks, such as commercial ethics, human rights risks, environmental protection risks, biodiversity risks, etc. based on the List of Supplier CSR Review, Supplier Survey Report, SAQ Questionnaire, etc.
- As for the problems confirmed through audit, suppliers shall prepare a corrective plan and finish rectification within the time limit to form a closed loop;
- As for the supplier meeting ESG red line, the Company will stop developing it immediately;
- Before approval, the Company will sign the CSR Agreement with the supplier; sets ESG annual site audit requirements for the key material suppliers.

- Develop ESG annual on-site audit plan for key material suppliers;
- Perform online and on-site carbon emission data accounting and confirmation for key material suppliers based on customer and internal and external certification requirements;
- Cooperate with customers to trace the batch and business flow documents based on the requirements of the EU and US regulations;
- Conduct online and on-site responsible mineral due diligence audits to Level 1 and 2 key material suppliers.

Training for Empowering Supply Chain

To strengthen the construction of ESG capabilities in the supply chain, the Company organized ESG empowerment trainings continuously, both online and offline. The training content systematically covers core dimensions such as human rights protection, diversity and inclusiveness, occupational health and safety (OHS), environmental protection and business integrity. It helps suppliers deeply understand the importance and implementation path of ESG management through many different ways, such as policy interpretation, case analysis, drill, etc. In addition, the Company also provides carbon management training to suppliers by entrusting a professional third-party agency. In August 2025, the Company offered training on Supply Chain Carbon Management for suppliers in partnership with a third-party agency, with a coverage rate of 100% for key material suppliers. At the same time, it shared the basis and methods for setting carbon targets with suppliers, and informed them of the preset carbon targets. The Company conveyed its supplier carbon targets to its partners again through the Global Partner meeting held in Hefei in November 2025, in order to help realize the Company's dual carbon goals and explore the overseas markets.

The Company attaches great importance to the cultivation of ESG literacy for the procurement staff and has built a multi-level training system covering all aspects. On the one hand, it organizes procurement staff to participate in the special training to enhance their ESG awareness in the supply chain. With the main contents including identifying, assessing, and responding to ESG risks throughout the entire lifecycle of the supply chain, the training could help procurement staff accurately grasp customers' core demands in green procurement, social responsibility, etc. So far, the coverage rate of procurement staff participating in the training has reached 95%. On the other hand, CALB promotes the procurement team to participate in customer ESG training, systematically learn professional contents such as customer ESG management system construction and compliance operation standards, so that the procurement staff could transform ESG indicators into practical evaluation dimensions in supplier selection and cooperation processes, and that the supply chain sustainable development risks can be controlled from the source. In terms of compliance management, the Company strictly implements the sunshine procurement commitment mechanism, and 100% procurement staff signed the Letter of Commitment on Sunshine Procurement, which explicitly specifies the code of conduct for practice integrity and accountability mechanism. In addition, the Company has incorporated ESG performance into the performance management of its procurement staff. Through three major measures, such as linking ESG performance with employee assessment, establishing a full process supervision system, and empowering information traceability methods, the Company has created a procurement management model that combines sustainability and compliance, laying a solid foundation for its high-quality development in the supply chain.

Procurement staff signing rate of Letter of Commitment on Sunshine Procurement

100%

Procurement staff participation coverage rate of supply chain ESG awareness enhancement training

95%

Due Diligence of Supply Chain

In 2025, the EU released and implemented the Corporate Sustainability Due Diligence Directive (CSDDD). Under such context, the Company responded to the international compliance requirements quickly and pushed the due diligence work for supply chain sustainability to a higher scale. On the one hand, the Company organized rounds of in-depth communications and thematic exchanges with suppliers on the core terms, compliance requirements, and potential impacts of the CSDDD, and helped suppliers accurately grasp the connotation of the CSDDD and make layout on the compliance response strategies in advance in such forms as online seminar, offline special interpretation meeting, etc. On the other hand, the Company launched a special audit for the upstream key raw materials and established a joint audit team composed of ESG experts, procurement specialists, and quality control personnel. Through on-site verification, data verification, interview research, etc., the Company comprehensively evaluated the sustainable development practices of key raw material suppliers, and laid emphasis on the core issues such as environmental impact, labor rights protection, and supply chain transparency in the process of raw material mining.

On the basis of the above, the Company and its suppliers organized in-depth discussions and collaborations around sustainable development due diligence and information disclosure plans from many different dimensions. Both parties reviewed the key indicators and implementation process of due diligence, formulated personalized due diligence plans, clarified the content, frequency, and standards of information disclosure, and established a normalized communication and feedback mechanism. Through a series of measures, the Company has not only effectively improved its ESG management and compliance capabilities in the supply chain, but also established strategic partnership with suppliers on the principle of mutual benefits and win-win, laying a solid foundation for realizing the Company's long-term sustainable development.

Management of Supply Chain Appeal

To strengthen the social responsibility management of supply chain enterprises and promote the compliance and sustainable development of the supply chain ecosystem, the Company has opened a dedicated email for supply chain appeal opinions (CALB-CSR@calb-tech.com), which serves as the very official channel for suppliers to feed back the corporate social responsibility management and supply chain compliance related issues.

The email is used for creating a fair and transparent communication bridge between the Company and its suppliers, receiving suppliers' appeals and suggestions regarding the implementation of corporate social responsibility management standards and supply chain compliance requirements in the cooperation process. Suppliers could send their feedbacks via the email, whatever the issues about social responsibility assessment indicators, confusion in compliance process execution, or constructive suggestions for optimizing supply chain management.

The Company has established a strict appeal response mechanism to ensure the timely and professional treatment of each feedback. Within 10 working days upon submission, the relevant appeals and suggestions will be accepted, verified, and responded to by the Company's supply chain social responsibility management special team, the members of which are from the Legal Department, Procurement Department and Social Responsibility Management Department with rich industry experience and professional knowledge. The team could evaluate feedback issues from multiple dimensions to ensure the accuracy and fairness of responses.

Supply Chain Appeal Opinions Mailbox

CALB-CSR@calb-tech.com

The effective operation of this mechanism not only provides a way for suppliers to express their appeals but also drives the optimization of the Company's supply chain management. With these feedbacks from suppliers, the Company can promptly identify loopholes and deficiencies in supply chain management, adjust social responsibility management standards and compliance processes flexibly, and enhance its own supply chain supervision capabilities. At the same time, suppliers can also better know the corporate social responsibility and compliance requirements and strengthen their compliance awareness and management capabilities while submitting their appeals and suggestions, to achieve two-way improvement in supply chain supervision, right safeguarding, etc. with the Company.

In the future, the Company will further optimize this appeal and communication mechanism, expand feedback channels and improve response efficiency; work together with suppliers to build a healthier and more sustainable supply chain ecosystem.



Supply Chain Management

Within the reporting period, the Company made a survey on the carbon management capability against 23 main material suppliers, including their carbon management capabilities, green power and recycled materials, and exchanged with them on the survey results on site or online; drew the carbon targets and green power resource maps for main material suppliers. In addition, we have completed the collection, accounting, and modeling of carbon emissions data for 83 raw materials. In addition to accounting for real scene data, the Company actively promotes ISO14067 product carbon footprint certification against the upstream key raw material suppliers, providing objective information support for formulating emission reduction targets and implementation plans. As of the end of 2025, more than 40% of main material suppliers had completed third-party certification.



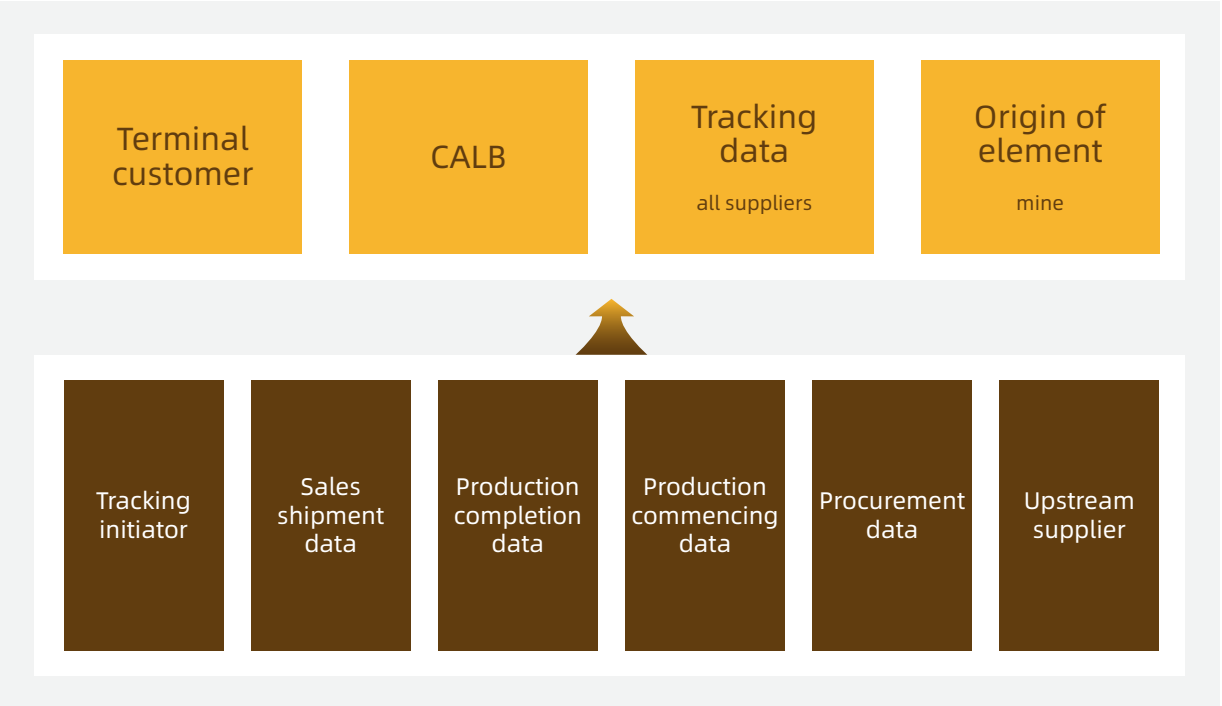


Supply Chain Tracking

The Company builds and improves the supply chain compliance system that covers the entire chain continuously. Within the reporting period, the Company carried out supply chain traceability against the mass production projects of power and energy storage systems, both internally and externally, in accordance with the laws of the US and the EU. It implemented full process data tracking for production nodes within the Company, and externally, extended the traceability system extends to upstream suppliers and traced the core raw materials based on transaction and material flows. As a result, the Company's supply chain transparency and traceability have been improved constantly through closed-loop integration of internal and external data.

Responsible Mine Due Diligence Management of Supply Chain

Within the reporting period, the Company traced the whole process in the whole batch based on the mass production power project; tracked the transaction business flow of key raw materials in the energy storage projects, to inspect the possible compliance risks of upstream suppliers and minimize the adverse influence of raw materials on both the environment and the society.



On the basis of the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains, OECD Guidelines and Dodd-Frank Act, the Company performed risk identification and control to the key minerals procured, such as lithium, nickel, cobalt, copper, natural graphite, mica, etc.

The Company has formulated the Administrative Measures for Procurement of Responsible Mineral Procurement to carry out investigation and risk identification to the mineral supply chains such as lithium, nickel and cobalt; strengthens the control and tracking of minerals, to ensure that the Company's procurement of raw materials is transparent and compliant. It has publicized and transferred the due diligence management policy of responsible mineral supply chain to all suppliers, demanded the suppliers to sign on the agreements such as Guideline for Responsible Mineral Procurement and master the relevant policies before entering the list of qualified suppliers; uses RMI's standard template EMRT2.1 to conduct traceability checks on key minerals within the system.

Within the reporting period, a total of 10 suppliers were traced for four key minerals (Li, Ni, Co, Cu).

In addition to the evaluation and review of Level 1 suppliers, the Company actively reviews the qualification of potential upstream Level 2 mineral suppliers and due diligence of sustainability and compliance. Within the reporting period, the Company and upstream refineries interpreted the EU Battery Regulation in depth, discussed about the difficulties and pain spots in the existing two-party and third-party due diligence review and fulfilled the social responsibilities as a leading battery enterprise in the industry. The Company has completed the on-the-spot due diligence to the upstream refineries (lithium carbonate & lithium hydrate), to ensure the compliance, transparency and traceability of upstream key minerals.

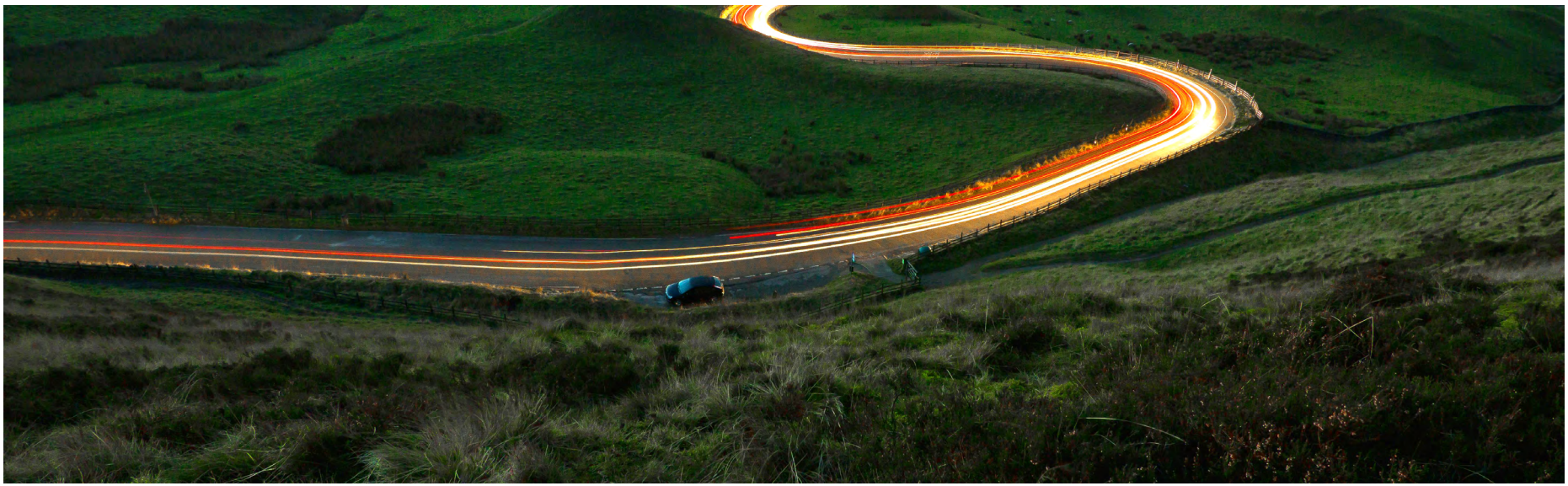
Type of Raw Materials	Evaluation Results	Result of Third-party Certification
Ni	Conforming	RMI
Co	Conforming	RMI
Li	Conforming	Under evaluation

The Company participated in the 2025 International Forum on Sustainable Mineral Supply Chains organized by RCI actively and became the council member of the Responsible Critical Mineral Initiative (RCI).



Objective and Progress

Issue	Objective	Progress
Supplier ESG management	100% signing of supplier CSR Agreement	Main material suppliers 100% signed the CSR Agreement
	100% annual field review to key material suppliers	In 2025, the Company carried out on-site audit of 41 suppliers, which cover all key material suppliers.
	Complete field due diligence audit to Level 1 and 2 suppliers of key mineral raw materials	In 2025, the Company revised and issued the Procurement Criteria of Responsible Mine, formulated the annual audit plan of key mine suppliers and included it into the Management Measures of Supplier Audit
Construction of supply chain capacity	Improve the sustainable development capability of enterprise and suppliers comprehensively	In October 2025, the Company offered training on the Supply Chain Carbon Management together with the third-party agency with the coverage rate of key material suppliers reaching 100%.



3.3

R&D and Innovation

Governance

The Company has established a comprehensive and efficient product R&D and technology innovation governance system, and the CEO is responsible for overall planning of the Company's product and technology development strategy. The Company has established organizations for material research, battery cell research, advanced battery research, battery system research, and battery life management, with senior experts in various fields serving as leaders. The Company has established a comprehensive technical evaluation system, regularly conducting evaluations and optimizations around various technical fields to ensure the leadership of product and technology development plans, and actively promoting the transformation of advanced technological innovation achievements.

Strategy

"Innovation" plays an essential role in CALB, which takes "product and technology leadership" as one of its four development strategies. It lays special emphasis on independent R&D and technological innovation, encourages its staff to make innovation actively and tries to create the scientific research atmosphere featuring "openness, sharing, truth seeking and innovation"; provides the innovation mechanism and platform and fully stimulates the innovation awareness of all staff; The Company has cultivated a professional and efficient R&D team with solid technical strengths, which focuses on product development, basic technology research, and manufacturing engineering development, as well as an elite team consisting of national S&T major project evaluation experts, provincial academic and technical leaders, overseas PhDs (post-doctoral talents), provincial high-level talents, entrepreneurship and innovation talents, young top talents, entrepreneurship and innovation PhDs, municipal top talents, outstanding youths, and outstanding experts, which could provide strong talent support for the Company's continuous innovation and development.

The Company innovates material technology, structural technology, manufacturing technology, system technology, etc. continuously, which implies its efficient, systematic and powerful underlying technology innovation capabilities. It has proposed the innovative development core concept of "extreme balance between energy and resources, energy and safety, and high integration of design and manufacturing" and established an extremely efficient R&D system, which is also leading in the industry. Thanks to its strong R&D team and R&D capabilities, CALB has made technological breakthroughs in the field of lithium battery technology and innovation constantly, laying a solid foundation for the Company's leading product strength and large-scale intelligent manufacturing capabilities.

innovative development core concept
Extreme balance between energy and resources, energy and safety, and high integration of design and manufacturing

Management of Impact, Risks and Opportunities

As a global leading battery expert, CALB endeavors to build a comprehensive energy operation system, and to provide complete product solutions and full lifecycle management services for the new energy full scenario application market. In terms of technological innovation, following the idea of high-pressure, high manganese, cobalt free, and solid-state technologies, it has built an efficient R&D system, and made breakthroughs continuously in such aspects as materials, structures, manufacturing, and digital intelligence.



Continuous Product Innovation

In 2025, the global low-carbon energy transition accelerated across the board, with the installed capacity of renewable energy expanding steadily. The EV batteries and energy storage sectors grew rapidly in tandem, with multiple technological roadmaps advancing in parallel and working in synergy, providing solid support for the global green and low-carbon development and energy transformation. Meanwhile, emerging markets such as maritime, low-altitude, and robot developed rapidly.

EV battery sector

The continued increase in demand of the global new energy vehicle market served as the core engine driving the growth of the EV battery industry. According to SNE Research, global sales of new energy vehicles reached 21.47 million units in 2025, representing a year-on-year increase of 21.5%; global EV battery installations amounted to 1,187GWh in 2025, representing a year-on-year increase of 31.7%.

As the world's leading new energy vehicle market in terms of scale, China's industry scale continued to expand, effectively promoting the rapid development of the EV battery industry. According to data from the China Association of Automobile Manufacturers, sales of China's new energy vehicles reached 16.49 million units in 2025, representing a year-on-year increase of 28.2%. Sales of new energy vehicles accounted for 47.9% of total sales of new vehicles, of which sales of new energy commercial vehicles reached 954 thousand units, representing a year-on-year increase of 65.5%. According to data from the China Automotive Battery Innovation Alliance, cumulative EV battery installations in China reached 769.7GWh in 2025, representing a year-on-year increase of 40.4%. According to SNE Research, electric vehicle sales in Europe reached 4.257 million units, representing a year-on-year increase of 34.9%, accounting for 19.8% of the global market.

Energy storage sector

Driven by the low-carbon transformation of global energy and the rapid growth in power demand of high energy-consuming sectors such as AI and data centers, the demand of global energy storage market has grown rapidly. According to InfoLink, cumulative global shipments of energy storage cells reached 612.39GWh in 2025, representing a year-on-year increase of 94.59%, of which cell shipments in overseas market reached 299.79GWh, accounting for approximately 49.0% of the total market.

In the Chinese market, energy storage transitioned from policy-driven to value-driven growth, with application scenarios expanding. According to statistics from the China Energy Storage Alliance, by the end of 2025, the cumulative installed capacity of new-type energy storage projects in China reached 144.7GW, representing a year-on-year increase of 85%, surpassing the 100GW mark for the first time. The installed capacity of new-type energy storage projects newly put into operation in 2025 reached 66.43GW/189.48GWh, with year-on-year increases of 52% and 73% in power scale and energy scale, respectively. In 2025, the overseas energy storage market experienced overall high-speed growth. The U.S. market continued to be driven by supportive policies, with numerous large-scale energy storage projects being implemented. The European market saw simultaneous expansion in residential storage and grid-scale storage, with an increased share for long-duration energy storage. Emerging markets such as the Middle East and Southeast Asia experienced rapid growth, becoming core drivers of new increments.

Case

CALB supplies high-performance energy storage cells for Africa's largest standalone energy storage system project

CALB supplies high-performance energy storage cells the 153MW/612MWh Red Sands Battery Energy Storage Project in South Africa, the largest standalone energy storage system project in Africa. It has realized volume production of and launched the 314Ah Gen2 ultra-long cycle energy storage battery cell all over the world. Thanks to the "ZHIJIU" battery technology, it has broken through the key performances such as long cycle, high energy efficiency, and high safety and reliability, and can satisfy the strict international safety standards and application environment requirements such as GB/UL/IEC, ensuring safety, reliability and sustainability for clients.

Emerging Markets

Driven by the dual imperatives of emissions reduction in global shipping industry and China's "dual carbon" goals, ship electrification is entering a strategic window period of rapid development, regarded by the industry as the "third growth pole" for EV batteries. In the Chinese market, national and local governments have intensively introduced policies providing comprehensive support for electric vessels, spanning technical specifications, policy support, and operational incentives. In the international market, the EU Fuel Maritime Regulation and the ES-TRIN technical standards for electric vessels officially took effect in 2026, opening up space for large-scale application in the European electric vessel market, while demand for port equipment in North America and offshore shipping in Asia has surged, leading to a continuous increase in the number of electric vessels in operation globally.

In 2025, the low-altitude industry in China has made positive progress, with accelerated breakthroughs in technological equipment and expansion of diversified application scenarios, officially marking the inaugural year for the low-altitude economy to reach trillion-yuan scale. As a core component of the low-altitude industry, EV batteries address the key technical challenges of payload capacity, flight duration, and safety for low-altitude flight. Battery companies and original equipment manufacturers are jointly promoting the implementation of aviation-grade standards, with multiple technologies advancing in coordination to drive the rapid development of the low-altitude industry. Furthermore, the robot industry is at a critical turning point, transitioning from "technological validation" to "mass production," with the market showing a trend of explosive growth.

Case

CALB supplies high-performance power battery system for the transportation electrification in Lijiang Scenic Area

CALB has basically completed the transportation electrification project of Guilin Lijiang Scenic Area, which brings another green benchmark to the ecological protection of the scenic area. CALB supplies the high-performance power battery system for the transportation electrification in Lijiang Scenic area, which is the water electrification project with the largest single scale in China at present, safeguarding the green waters and mountains of the Lijiang River.



R&D Technology Innovation

By leveraging the mechanism of action of electrolyte in lithium-ion batteries, the Company has innovatively developed high-throughput validation tools for bulk and interface/interfacial properties, with which, it efficiently develops new electrolyte materials. The existing advanced R&D achievements have been used in the mass production of the Company's iron lithium long-life energy storage products and iron lithium ultra-fast charging products. The data accumulated during development can quickly form a highly reliable database, facilitating the construction of digital model, and achieve digital development of electrolyte new materials together with simulation.

Based on the material intrinsic property database and the electrode processing characteristic database, the Company has built and continuously improved the digital design platform for battery cells using the electrochemical thermal coupling simulation mechanism model. By leveraging the digital design platform for battery cells, the Company is developing its first ultra charged lithium iron battery cell, supporting the design of the next generation of flash charging products, and safeguarding the fast charging capabilities for commercial products comprehensively. The Company actively promotes the dismantling and high maintainability design of lithium batteries, optimizes product structure and maintenance system, extends battery life, recycle resources efficiently and fulfills the responsibility of green, low-carbon and sustainable development. In the future, the Company will improve the intelligent platform for battery cell design continuously, reduce system and design R&D trial resources and energy consumption, improve R&D efficiency and save development costs, realizing leading product advantages and rapid implementation of product upgrades and iterations.

Product Safety and Reliability

The Company has established a battery life management organization, which is responsible for safeguarding the safety and reliability of batteries in the whole life cycle, and maximizing the value of battery energy. CALB has also established and continuously improved its product safety and reliability management system, formulated and strictly implemented systems such as the Product Safety Management Procedure, Product Reliability Management Measures, Product Development Management Procedure, Management Measures of Product Development Project Mileage Acceptance, Special Characteristics Management Measures, Product Recycling Management Procedure, etc., forming a management process covering the entire life cycle of product design and development, manufacturing, delivery and use, as well as an effective mechanism of goal setting, risk identification and management, performance evaluation and continuous improvement.

1. Learn the sources of product safety and reliability risks, and failure mechanisms through in-depth study on the mechanism

2. During the product initiation phase, confirm the safety and reliability objectives of the product, identify potential risks, and bring forth a critical action plan

3. During product development, test product function, safety and reliability, and compliance with hazardous substances at different design and development stages in line with the product safety and reliability objective, in order to eliminate potential health and safety risks to users and ensure the safety and reliability objective is reached before entering next stage

4. Develop battery health diagnosis technology and products, conduct intelligent diagnosis and analysis of product manufacturing and service processes, and achieve timely detection of potential defects and prevention of latent faults in products

Product safety

Through in-depth research on product safety mechanisms and development of advanced safety evaluation technologies, the Company has conducted effective safety design against products and comprehensive safety test and validation. It has also developed intelligent big data algorithms and battery health diagnostic equipment to detect potential defects and prevent latent faults in time.

Product reliability

The Company has established a reliability working system, reliability model through mechanism research, reliability experiments and analysis, to identify and quantitatively evaluate the reliability of components and products, and propose improvement measures. The Company has independently developed a reliability prediction software system, which realizes standardized management and modeling application of reliability data in product R&D, manufacturing, operation and maintenance, ensuring the achievement of reliability goals and continuous improvement of reliability performance.

Battery health management

The Company has deeply integrated the failure characteristics, mechanism models, scenario data, defect features, etc. of battery design and R&D, production, operation management, and after-sales maintenance to achieve quantitative analysis, prediction, and management of product reliability. Its mechanism for battery health inspection, evaluation, and calibration can evaluate battery health comprehensively and accurately and improve the ability to maximize the value of battery energy constantly.

AI Digitalization

In 2025, CALB deepened its core development concept of "high integration of design and manufacturing" and firmly promoted the upgrading of its intelligent manufacturing system, which is driven by digital intelligence and led by green and efficient principle. In 2025 we made systematic progress and quantifiable benefits in such aspects of intelligent manufacturing, green and low-carbon manufacturing, and digital efficiency by deeply integrating industrial Internet of Things (IoT), artificial intelligence (AI) and core process innovation, making great contributions to the high-quality and sustainable development.

As for intelligent manufacturing, the Company tries to realize "zero defects" and promotes the transformation of quality control from single point monitoring to full process closed-loop control. Through online monitoring technology for electrode thinning, it has realized the linked adjustment between coating and rolling, ensuring the consistent precision of electrode manufacturing. The comprehensive application of high-speed rolling and slitting closed-loop technology has improved the thickness control accuracy by 50% and also enhanced the critical process capability (Cpk) dramatically. As for welding, the Company's integrated multi-dimensional intelligent detection system can realize precise control of the melt depth at ± 0.1mm and real-time self-adjustment. The intelligent assembly coupling system can optimize the die-cutting parameters automatically through real-time data calculation, helping increase the production line yield by 2% and continuously consolidating the foundation of manufacturing quality.

In terms of green and low-carbon manufacturing, CALB endeavors to make breakthroughs on energy efficiency from the process and equipment architecture. The brand new integrated charging and discharging AIO that the Company applies in the key formation process is in integrated and "self heat insulation" design, helping reduce the operating energy consumption of the process by about 40%. The new solid-state electronic transformer (SST) power supply technology has not only increased the energy conversion efficiency to over 95% but also optimized the cost of infrastructure construction significantly. As for spraying, the Company established the efficient material recycling and circulation system, which increases the comprehensive utilization rate of the coating by more than 40%, effectively reducing resource consumption and waste emissions, and systematically fulfilling the idea of green manufacturing.

As for digital efficiency improvement, the Company focuses on data connectivity and intelligent decision-making, and drives the continuous optimization of manufacturing processes. It has fully upgraded the intelligent formation test and control platform, which has achieved seamless interconnection and intelligent scheduling of production data among different bases. The extensively applied G2 AI capacity prediction technology has shortened the constant volume testing time to less than 1 hour and improved process efficiency by over 50% with high accuracy of ± 0.5%. The innovative low order DCR fitting testing technology replaces traditional processes with digital models, reducing testing time by 75% and improving both the overall operational efficiency and green standards.



Industry-University-Research Cooperation

With great importance attached to industry-university-research collaborative innovation, the Company has established the collaborative model of "project tackling+platform co-construction+talent linkage" in partnership with the top scientific research teams of many domestic prestigious colleges and universities, in order to dock with the core technology R&D and implementation of power batteries accurately, consolidating the Company's technological innovation and sustainable development. At the same time, it cultivates R&D talents through the cooperation platform, participates in the formulation of industry standards, and strengthens its technological discourse power. The in-depth industry-university-research cooperation complies with the ESG green innovation and talent development goals, effectively supports the Company's technological upgrading, industry empowerment, and green low-carbon development, and assists the Company in taking the lead in the new energy battery field in terms of both technology and profitability.

In-depth cooperation of the top teams breaks through the bottleneck of key technologies

CALB has established in-depth cooperation with the team from Tsinghua University, to work together on such fields as the safety management of power batteries, solid-liquid hybrid batteries high in both energy and safety, etc. Both sides carried out four core research projects together, and the relevant achievements provide strong support for breakthroughs in high specific energy battery technology. CALB works with the core scientific research team of Nanjing University of Aeronautics and Astronautics to promote the R&D of high-energy solid-liquid hybrid batteries and high specific energy solid-state batteries, leads the Talent Joint Tackling Project of Jiangsu Province to empower both technology R&D and talent cultivation; it also works with Shenzhen University of Technology and the academician team of Shenzhen Institutes of Advanced Technology, Chinese Academy of Sciences to deepen the innovation of power battery materials and structure, and improve the energy density and cycle life of batteries, laying a solid foundation for the breakthroughs in key technologies such as silicon-based all solid state batteries. The electrode structure stability is improved by 50% with relevant technologies. After 4,000 cycles of 1C, the capacity retention rate could reach 82%, and the energy density exceeds 420Wh/kg, which means a leading status in the industry.

The outstanding achievements of project breakthroughs accelerate the transformation of technical and technological achievements

The horizontal projects include such core areas as power battery safety, solid-state battery technology, and material innovation. Some projects have been delivered in stage and also optimized and iterated based on the industry realities. The vertical projects are major projects, including the national key R&D program and the special project of the MIIT and mainly targeted at such domains as the safety of high specific energy batteries in the whole life cycle, the construction of IPRs for solid-state batteries, etc. Some projects will be accepted to promote the transformation of the scientific and technological achievements from laboratory to industrialization, supporting the Company's mass production of 800V 5C medium nickel high-voltage batteries, and the execution of engineering machinery CIR3.0-GL platform products, etc., and boosting the green transformation of the industry.

Co-construction of innovation platform to consolidate coordinated development

CALB works with universities and research institutes on the technology integration and industrialization verification in the fields of energy storage batteries, solid-state batteries, etc., and to jointly build an innovation platform. At the same time, it tries to promote industry standard collaboration and its technological discourse power in the field of new energy batteries. To comply with the national strategic layout in the new energy industry, break through the core technology bottleneck in the field of solid-state batteries, and promote the deep integration of industrial upgrading and scientific research innovation, the Company has officially joined hands with Shenzhen University of Technology to establish "Key Laboratory of Solid State Batteries of Jiangsu Province" with the joint efforts, in order to build a high-end innovation platform that integrates basic research, technological breakthroughs, achievement transformation, and talent cultivation, and assist Jiangsu Province in seizing the industrial high ground and fostering core competitiveness in the field of solid-state batteries. CALB builds a talent exchange and training carrier via the platform, works with colleges and universities to cultivate high-quality R&D talents, in order to support the construction of the Company's R&D team of over 4,000 members, and help realize the goals such as ESG "R&D talent cultivation", "ESG training of all staff", etc.

Synergistic Effect of Cooperation Value and ESG

First, technological empowerment, with a view to breaking through the core technical bottleneck of power batteries, improving technological layout, supporting the R&D of the products high in both energy density and safety, and multi-scenario applications, in different fields, including passenger car supporting facilities, commercial vehicle promotion, adaptation of eVTOL flight battery and electric ship expansion; it also complies with the concept of green and low-carbon development; second, talent support; by leveraging the scientific research strength of colleges and universities, the Company can cultivate talents with them to consolidate the long-term innovation foundation, help the Company gather high-end R&D talents, and strengthen the Company's scientific research strength. Third, ecological synergy. The Company joins hands with upstream and downstream scientific research resources in the industry chain to improve the innovation ecology of new energy batteries, boost the industry's technology upgrading, fulfil the Company's ESG strategic goal of "Green & Low-carbon, Empowering the World", support the Company's overseas market expansion and global production capacity layout, and improve its competitiveness in both profitability and technology.

IPRs

The Company follows the IP guidelines of "integration of three elements, empowering innovation, deep cultivation, and escort for development", insists on the IP high-quality development strategy, has in-depth integration between intellectual property strategy, and adheres to the working mode of "protection of R&D achievements" and "IP risk prevention and control". Taking high-quality patent layout as the core, we adopt a protection strategy for core technology with patents and trademarks as the driving force. And through the technical advantages brought by IP protection, the Company improves its core competitiveness, constructs a brand with sustainable innovation, and also provides strong support for the global market development of the Company.







IPRs Protection System

High-quality R&D Achievements Protection

Based on the CALB's long-term technological accumulation and continuous investment in technological innovation, we have conducted a comprehensive high-quality patent layout for innovative achievements. On the one hand, for leading technologies and products, CALB formulates a protection strategy for leading technologies and products, which starts from several points and gradually expands to cover upstream and downstream design and all kinds of variations in physical products, achieving comprehensive patent coverage for innovative achievements and gradually forming a patent portfolio layout network around the Company's leading technology and product advantages. On the other hand, CALB has built a defensive patent layout network based on its technology and the market trend. Through the protection of high-quality research and development achievements, the Company enhances its control over product-related technologies, improves its ability to resist intellectual property risks, and ensures a sustained competitive advantage in the market.

Through the above comprehensive, systematic and effective patent mining and layout, as of December 31, 2025, CALB had applied for over 6,000 patents. The patent layout covers various technical fields such as battery materials, battery structure, system integration, electrical circuits, battery management system, manufacturing process equipment, and battery recycling and regeneration, covering the entire battery industry chain.

In the field of core battery structural parts, the layout patents cover battery ultra-simplified top cover technology, "UP" cylindrical battery technology, One-Stop battery technology, etc., and an all-round patent protection network around core technologies and products has been formed around the world; meanwhile, the overall protection of patent and trademark dual-track drive is adopted for core technology, and the Company's core competitiveness is improved through the technical advantages brought by IPRs protection, to build an IPRs protection network centered on core technologies and products.

Efficient IPRs Management System

As the national enterprise with IPR advantages, CALB has established an efficient IPRs management system and passed the certification by the National Standard GB/T 29490-2023 Enterprise Intellectual Property Compliance Management System – Requirements. In 2025, it passed the evaluation of ISO 56005 Management Capacity of Innovation and IPRs, realized the management of IPRs in a "regulated, process-oriented and electronically-procedured" manner and established the mechanisms on IPRs management, review and reward to normalize IPRs management. The Company also motivates invention and innovation through a sound invention and creation reward system.

Obtained the certification by the National Standard GB/T 29490-2023 Enterprise Intellectual Property Compliance Management System – Requirements.

Passed the evaluation of ISO 56005 Management Capacity of Innovation and IPRs.

IPRs Compliance Review System

The Company is in the new energy field with fast development. We protect our own IPRs while respecting those of others while actively maintaining a fair, just and reasonable market environment. We actively carry out the IPRs risk reduction of products and technologies, and implement the IPRs compliance review throughout the entire production and operation process. Through the perfect product life cycle IPRs compliance review tracking mechanism, we ensure that IPRs compliance review is completed from product conception, design, trial production to mass production. At the same time, the Company carries out marketing IP compliance review and recognition, optimizes supplier access IP examination mechanism, realizes effective management of employee trade secrets and IPRs ownership, and ensures that intellectual property compliance review is fully controllable.

All-staff IPRs Action Plan

CALB's IPRs work has achieved inter-departmental collaboration around the two main themes of "protection of R&D achievements" and "IPRs compliance review", jointly protecting innovation and IPRs. In order to enable all employees to participate in the work of IPRs better, the Company has established a matrix-type IPRs training system to cultivate the IPRs development ability and awareness of all employees, targeting different business objects.

On the one hand, CALB has formed an IPRs team composed of lawyers, patent agents, and highly-educated composite elites with engineering and legal backgrounds by means of multi-dimensional approaches such as course training, experience sharing, and practical practice, which has the experience of IPRs practice and risk resolution, and provides protection for the Company's rapid global development.

On the other hand, CALB carries out IP knowledge popularization, business-related IP ability training and practical training to a variety of objects, such as R&D, procurement, marketing, etc., in order to introduce and popularize the knowledge of intellectual property rights and enhance the intellectual property awareness and business abilities of all employees, thus forming a culture of IPRs protection. In particular, a CPM (Chief Patent Manager) special training system is established for R&D personnel. After the practical training in the Intellectual Property Department, the R&D personnel return to their positions, and the awareness and ability of IPRs protection are permeated to the whole R&D team. In the future, the Company will adhere to the strategy of high-quality development of IPRs and provide strong support for its global development.

Objective and Progress

Issue	Objective	Progress
IPRs protection	Continuously strengthen the intellectual property layout in core technical fields, improve the patent quality and technology coverage depth, and construct the independent and controllable intellectual property system. Strengthen the competitive toughness of enterprise in new energy battery industry and promote the high-quality development of industry through global layout and forward-looking intellectual property strategy.	In 2025, CALB won the "Excellence Award" at the 25th China Patent Award, and was included in China's top 20 typical cases of patent industrialization promotion project of "Supporting One Thousand Enterprises with One Hundred Industry Chains" and the "2025 Green Technology Innovation Case". All the recognitions and honors demonstrate CALB's outstanding performance in IPRs.



3.4

Employee Rights and Development

Talent Development

Talent Strategy

CALB prioritizes the "culture and talent strategy" among its four development strategies, always adheres to the talent policy of "respecting and cultivating employees, and providing a development platform for ambitious and capable employees", and gradually makes its cultural concepts and core values deeply root in the mind of its employees, who reflect the concepts and values by behaviors; effectively guide the work and have implementation of culture. Plan and implement the Human Resources Development Plan according to the Company's "Energy +" development strategy and from the angle of "People orientation".

Talent Introduction

By adhering to the principles of fairness, justice and openness, the Company recruits senior technical and management talents from the society according to relevant recruitment regulations and based on its actual needs; recruits marketing, R&D and manufacturing technical talents from outstanding fresh graduates of undergraduate and above, to consolidate the Company's talent reserves and support the Company's talent strategy.

Talent policy
Respecting and cultivating employees, and providing a development platform for ambitious and capable employees

External Recruitment

CALB has established an efficient recruitment management platform to realize recruitment networking, visualization and process, and ensure that the recruitment information is transparent, fair and easy to obtain; the recruitment implementation process is controllable and the information can be queried; the recruitment evaluation mechanism is sound and the feedback is effective.

Recruitment information release: The Company releases all recruitment information to the public through major recruitment websites and the Company's recruitment official account. The information of the recruitment post includes but is not limited to the requirements for working experience, professional skills, academic qualifications, language, etc. The Company didn't release any discriminatory information such as gender and age restrictions.

Resume screening and interview arrangement: All candidates' resumes are used for internal communication only, and the recruitment HR sends the resume link to the designated mailbox of interviewer for screening through the recruitment system, and cannot send the candidate's resume files privately. Interviewers screen suitable candidates based on the requirements for post qualifications, and HR arranges online/offline interviews for candidates, and feeds back the results to the candidates in real time, accepts the fair and just supervision of candidates during recruitment process.

Offer issuing: The recruitment HR negotiates with the candidate who has passed the interview about employment details. After both parties reach an agreement, the recruitment HR collects relevant supporting information, such as background investigation, education certificate, past salary records, etc. on the basis of the candidate's consent and sends an offer to the candidate after confirmation after approval. The offer must include information such as the candidate's employment position, work place, salary setting, entry time and required preparation materials.

Internal Recruitment

The Company has established a comprehensive internal recruitment and job transfer mechanism, and grants the development opportunities to its employees in priority through an open and transparent selection process. Employees can decide whether to apply for the recruitment independently based on personal planning to realize win-win of personal value and company development, and ensure the access of sustainable development channel for outstanding talents.



Employee Rights and Interests Protection

The Company has always included the safeguarding of employee rights and interests in the core scope of sustainable development strategy, and abided by the local laws and regulations of the operation site faithfully. We comply with the relevant laws and regulations of the operating country or region strictly, such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Law of the People's Republic of China on the Protection of Women's Rights and Interests, the Trade Union Law of the People's Republic of China, and the Special Provisions on the Labor Protection of Female Employees; highlights the safeguarding of employees' rights and interests in the Employee Code of Conduct and relevant human resource systems; it also strengthens the employees' awareness and practice on right safeguarding continuously through systematic entry trainings.

For the purpose of creating an open, fair, and trustworthy working environment, the Company has issued the Management Measures of Employee Complaints, established diverse, smooth communication and complaint channels, and actively encourages its employees to make their voice heard when facing unfair treatment such as forced labor, discrimination, and harassment. The Company has a dedicated appeal processing window. Upon receiving an appeal, the appeal processing mechanism will immediately initiate internal verification procedures. Led by the Company's labor union department, the verification is carried out by a special verification team consisting of the personnel from related departments and HR Department in strict accordance with the Management Measures of Employee Complaints in order to investigate and verify the matters complained comprehensively, in depth and objectively. While initiating the verification procedure, the Company will strictly implement the relevant regulations on information confidentiality and internal control, and comprehensively isolate and control the personal information of the appellant, details of the matters appealed, and sensitive data during the verification process. The Company allows the core members of the special verification team to access relevant information within the authorized scope only, resolutely prevent information leakage or improper dissemination, and ensure that the claimant's legitimate rights and interests are not affected in any form. After verification, the special verification team will bring forth a formal verification report and handling suggestions, and formally report the handling conclusion to the appellant in writing.

Within the reporting period

The Company had no any incidents of child labor or forced labor, and maintained zero records of discrimination and harassment.

Prohibition of child labor employment

The Company prohibits the employment of any child labor and it checks candidate's valid identity certificate and personal information and asks their actual age during interview in order to avoid employing any child labor by mistake. In accordance with laws, CALB has formulated the Measures for the Administration of Child Labor and Juvenile Labor, which explicitly prohibits the employment of child labor and protects juvenile workers lawfully.

Free choice of employee

All employees voluntarily sign or terminate employment relationship with CALB, which cannot detain employees' identity documents and collect deposit from employees, and shall protect the rights and interests of employees to choose jobs freely.

Working hours

CALB has formulated Attendance Management Measures and Holiday Management Measures according to laws; respects employees' personal freedom and vacation rights, and prohibits forced labor. CALB provides employees with annual leave, sick leave, maternity/paternity leave, breastfeeding leave, marriage leave, funeral leave and other holiday benefits in strict accordance with national regulations.

Human treatment

The Company makes a stand against and prohibits any inhuman behaviors whatever the form, including violence, gender based violence, sexual harassment, corporal punishment, mental coercion, workplace bullying, illegal searches, public insults, and is committed to creating a respectful, trustworthy, safe and healthy working atmosphere.

Prohibition of discrimination

CALB adheres to a zero tolerance policy, and prohibits all discrimination and harassment behaviors based on gender, age, race, nationality, religious beliefs, or other personal characteristics. It upholds the principle of equal pay for equal work and is committed to creating a diverse, equal, and inclusive working environment.

Freedom of association

CALB respects the rights of each employee to voluntarily set up and join the labor union, and to engage in collective negotiation and peaceful assembly and their freedom to refuse to participate in such kinds of activities according to the Management Measures for the CPC Party, Trade Union and Youth League Members. Within the reporting period, the membership rate of the Company's employees joining in the labor union reached 100%.

Communication and complaint channels

- Special complaint hotline and mailbox.
- Set up the employees' wish wall in the living area (canteen and dormitory) and other densely-populated area, and arrange special personnel to collect employees' wishes and send them a reply regularly.
- Send a timely reply to employees' demands through enterprise WeChat.
- Regularly organize and convene the labor union conference, workers' congress and staff and employee symposium to listen to employees' opinions and pay attention to their needs.
- Various departments and managers at different levels communicate with employees irregularly based on their working performance and emotion to know their dynamics in time.

Employee Satisfaction Survey

To learn employees' ideological and working status in time, facilitate analysis and improvement and promote the Company's sustainable development, the Company investigated employees' satisfaction by issuing them questionnaire. On the basis of employees' feedbacks and by considering the Company's realities, the Company determines the improvement direction of various work in the future comprehensively, defines the departments responsible for rectification and organizes effective rectification in order to improve employees' satisfaction continuously. In 2025, the Company conducted a survey on corporate culture and vision, work objectives and responsibilities, salary and benefits, promotion and development, working relationship and working environment and atmosphere. The survey results showed that the satisfaction indicator of employees was 94%.

Satisfaction indicator of employees

94%

Salary and Welfare

The Company practices the core values of "sincerity, efficiency and win-win", implements the "culture and talent strategy" faithfully, endeavors to respect and cultivate talents, provides development platforms for ambitious and capable employees, and actively fulfils the corporate social responsibilities. CALB has established a sound compensation and benefits management system, which highlights both external competitiveness and internal fairness. Through an open and fair promotion mechanism, and based on employees' values, performance, competence, and development potential, the Company comprehensively evaluates their abilities and growth space, and achieve a coordinated match between talent and company development. CALB implements the salary adjustment mechanism that is competitive externally, fair internally, and balanced among individuals, in order to maximize the potential of both the team and individual employees. The Company distributes bonus reasonably based on the completion of company level business goals and department level performance goals, the achievements of labor costs in each system and performance contribution. CALB has optimized the hierarchical and classified talent incentive system constantly, and implemented differentiated incentive strategies for employees of different levels. In addition to regular salary and benefits, the Company provides equity incentive plans for its core backbone employees and employees in key positions, and indirectly shares the Company's development achievements through the special shareholding platform, linking employee interests and the Company's long-term value in depth. Through diversified incentive measures, the Company continuously enhances employees' sense of belonging, achievement, and honor, and achieves mutual growth between employees and the Company. It strictly abides by relevant national regulations and pays social insurance for employees on time, with a coverage rate of 100%, effectively safeguarding its employees' legitimate rights and interests.

Working hour management

In terms of working hour management, the Company implements standard working hour system and advocates for an efficient work mode. It allows the flexible office arrangement for some posts based on the business needs after approval. In case of arranging employees to work overtime beyond the standard working hours, the Company will strictly pay overtime compensation or arrange postponed rest for them in accordance with national regulations, fully safeguarding employees' right to rest and their rights and interests.

Transparent performance evaluation

To promote the shared development with its employees, the Company has established a transparent performance evaluation mechanism. It adopts the management procedure, which combines the Objectives and Key Results (OKR) and Key Performance Indicators (KPI). The quarterly and annual performance goals are jointly set by the superior leaders and employees. The assessment frequency is semi-annual review and annual overall evaluation. After the assessment results are confirmed by employees, the immediate supervisor conducts one-on-one feedback and interviews with the employees to clarify strengths and parts that need further improving and both sides then bring forth the personal development plans. The Company ensures it will inform the employees of the assessment results promptly and provides targeted training resources and job rotation opportunities based on the assessment results to help employees continuously improve their professional abilities.

Salary communication

In terms of salary communication, the Company emphasizes information transparency and accuracy and distributes the personal salary statement (electronic) to each employee through the internal office system "Bugu System" on a monthly basis. The statement explicitly contains the salary composition, performance bonuses, overtime compensation, and social security deductions, to make sure that the employees are clear about their own salary situation. Employees can query historical salary statements in real-time through the system, and if any questions, consult and verify with the HR Department at any time.

In strict accordance with relevant national regulations, the Company pays social insurance for employees on time, with a coverage rate of 100%, to safeguard employees' legitimate rights and interests. As for medical security, the Company pays basic medical insurance for employees in accordance with the law, to fulfill its corporate responsibility effectively, and safeguard the health of employees.

All-around Welfare Guarantee

Welfare allowance

- Pay employees with annual work allowance, transportation allowance and meal allowance;
- Assist employees in obtaining government talent policy subsidy and realizing self-development;
- Holiday activities, compensation activities in case of high temperature and yield increase;
- Provide employees with preferential car purchase benefits for supported models of the Company's products.

Medical service

- The Company has set up employee infirmary in Changzhou Base, Xiamen Base and Hefei Base to provide employees with timely and convenient medical services and professional health consultation services, in order to safeguard employees' physical and mental health.

Convenience canteen

- Each base has established its own staff canteen, which is convenient and spacious, near the production area, to fully meet the diverse dining needs of employees; convenience stores inside the canteen can satisfy employees' daily needs. The canteen regularly updates the dishes served (monthly and quarterly), and serves characteristic cuisine during important festivals and in specific seasons, and discounted seasonal dishes to ensure the safety and taste of employees' meals.

Warm accommodation

- Each base constructs employee dormitories near the production area to fully meet the employees' accommodation needs. The rooms are equipped with furniture and appliances, as well as 24-hour hot water, WiFi, etc. bringing comfortable and convenient living experience for the employees.
- The dormitory buildings are fitted with security systems such as access control (card swiping) system and integrated monitoring system to safeguard employees' living in all aspects. The supporting facilities such as canteens and employee service centers can provide one-stop living services such as catering, hairdressing, supermarkets, and express delivery, for the employees. The bases also plan the leisure and sports facilities such as gyms, badminton courts, table tennis courts, and basketball courts as well as ground and underground parking lots to meet employees' need for life, leisure, and travel and bringing a convenient and comfortable living environment in the park.

Traffic guarantee

- Complete commuting facilities, such as shuttle bus between home and workplace and in the park to ensure efficient daily traveling.
- Provide exclusive bus services for scenarios, including hometown return & return to work during the spring festival, large training, central business travel, to satisfy employees' traveling needs comprehensively.
- The special parking lots and charging piles for NEVs are planned in the Company's factory and dormitory areas to provide free charging services for employees' NEVs.

Care of employees' children

- Give special concerns for employees' family. Support employees' children to attend school nearby, and apply to the local government for degrees for eligible employees' children every year.
- Organize summer care activities for employees' children regularly and organize parents-child activities such as "CALB Parent-child Day" to care the growth of these children comprehensively and enable the employees to work contentedly and live happily.

Employee Diversity and Inclusiveness

CALB firmly believes that talent diversity drives the Company's continuous innovation and development. CALB does not discriminate employees whatever their gender, age, nationality, religious belief and other social or personal factors in any link such as talent introduction, salary and welfare, training and development. At the same time, the Company incorporates diversity requirements into new employees' training courses to enhance employees' occupational quality, stimulate team energy and inject strong power for its high-quality development.

Gender and Sexual Diversity

CALB has established the Women Workers' Committee of the Labor Union to actively promote gender equality and create a fair and inclusive working environment for safeguarding women's rights and interests.

Through the humanized maternity leave system, the Company helps female employees and their families to achieve a balance between work and family. It provides paid maternity leave, prenatal break, maternity leave and breastfeeding leave for female employees; provides paid paternity leave for male employees to share family responsibilities. The Company's office area at each base is equipped with a loving mother and baby room, with central air conditioning, sofa, disinfection cabinet, refrigerator, microwave oven and drinking water device, to provide a private, safe and warm space for pregnant and lactating mothers.

Ethnic Diversity

The Company actively implements the concept of ethnic unity and integration, and includes respect for diverse cultures and tolerance for ethnic differences into its business operations; lays special emphasis on creating an atmosphere of equality, unity, mutual assistance, and harmony within the Company, respects and supports the customs, habits, and cultural identity of employees from all ethnic groups. As of the end of the reporting period, the Company had employed a total of 527 employees from multiple ethnic minorities, including Hui, Tibetan, Bai, Ewenki, etc., accounting for about 4% of the total number of employees, and gradually building a diverse and integrated talent team.

Age Diversity

Age diversity and inclusive culture play a crucial role in driving the organization's sustained innovation and healthy development. The Company advocates for intergenerational knowledge inheritance and collision of thinking: The senior employees empower team growth with rich experience and industry wisdom, while young employees stimulate organizational vitality with innovative perspectives and cutting-edge insights, creating a learning and evolving workplace ecosystem through two-way interaction.

Employees by age



Under 30	30-50	Over 50
6,967	6,149	23
53.03%	46.80%	0.17%



Employment Security for the Disabled

The Company actively fulfills its social responsibility on the employment for the disabled and helps the disabled with deeds. It provides employment opportunities for the disabled through cooperation with disability federations in various regions. Within the reporting period, the Company employed a total of 83 disabled employees, contributing to promoting social stability and building an inclusive society.

Employee Care

The Company carries forward the culture of "struggling" with efforts, actively advocates the cultural concept of "working pleasantly and living happily", pays attention to employees' physical and mental health, provides various forms of cultural and sports activities for employees, and gives cultural care to them in all aspects and details, enhancing their sense of belonging, honor, and achievement, thereby stimulating their maximum potential and achieving win-win development with the Company.

Case

Annual commendation conference

The 2025 CALB Annual Summary and Commendation Conference was held in succession at various bases of the Company, and the Company's executives, as well as representatives from various business divisions, R&D system, manufacturing and operation systems, and platform systems, gathered together to recollect their efforts over the past year, and draw a new blueprint for the new year, to open a new chapter for the Company's continuous, healthy and high-speed development. At the conference, a group of employee representatives who have made outstanding contributions in various positions boarded the podium of glory.



Case

Wonderful activities at different bases

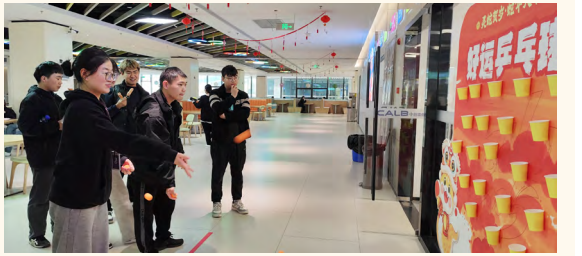
The Company's various bases held a series of contests, including basketball contest, football contest, badminton contest, table tennis contest, healthy running around the factory, fun sports games, etc. All contestants challenged themselves to unleash infinite possibilities. All of the participants embark on a new journey of pursuing dreams in these activities.



Case

A happy spring festival for employees working on duty during the spring festival

During the spring festival, the Company's various bases organized a series of caring activities for employees who work on duty, such as the tea parties, gift packages, lucky draws, red envelope walls, etc., so as to bring them a happy and peaceful spring festival.



Case

Awarding ceremony of "May Day Labor Medal"

During the Labor Day, the Company's various bases launched the "May Day Labor Medal" awarding activity, to honor individuals and teams who have made remarkable contributions to the Company's development by being persistent, striving for perfection, making improvement constantly and creating values, in order to vigorously promote the spirit of model workers and spread positive energy.



Case

Warm dormitory

Employee dormitory is constructed in each base, to meet the accommodation needs of employees. Rooms are uniformly equipped with cleaning supplies, furniture, household appliances and 24h hot water services. The security systems such as access control (card swiping) system and integrated monitoring system to safeguard employees' safety. Covering an area of 20,000m2, the canteen and the Employee Service Center in the dormitory area provide food, haircuts, supermarkets, express delivery and other supporting services, as well as recreational facilities such as gymnasiums, badminton courts, table tennis courts and basketball courts. Besides, it is equipped with above-ground and underground parking lots.



Case

Convenient canteen

Various bases' canteens have been put into use, which provide employees with a spacious and favorable dining environment, satisfy their more diversified dining demands. The convenience supermarket within the canteen satisfies employees' needs. The canteen updates dishes on a monthly and quarterly basis, and serves special food in important festivals and seasons. In particular, during important festivals, it serves discounted seasonal dishes and launches special activity schemes.



Case

New Journey for Children · Warm Summer Care Class

The Company held the "New Journey for Children · Warm Summer Care Class" summer class in July, so as to allow these children understand the working environment of their parents in CALB, and gain growth and happiness. Meanwhile, the Company solves the worries of employees that their children are unattended during holidays, and provides opportunities for families who can't take care of their children when they work in different places.



Case

Free shuttle bus

In addition to providing regular shuttle buses for employees to commute to and from work, as well as shuttle buses between parks, the Company also offers project-based car services for returning home and returning to work during the Spring Festival, large conference reception, training personnel, and business department bulk business trips for learning.

Case

Safeguard employees' health

The Company's Xiamen Base, Hefei Base and Changzhou Base have set up employee infirmary to provide employees with timely medical and health consultation services.

Case

Special care for female employees

With long-term importance attached to the female employees, the Company tries to create a favorable atmosphere of caring female employees, and effectively safeguard their rights and interests. For instance, the Company's various bases organize many different special activities for them on International Working Women's Day (March 8), such as the milk tea, illustrations, yoga classes, etc. A loving mother and baby room is set, which is furnished, with central air conditioning, sofa, disinfection cabinet, refrigerator, microwave oven and drinking water device, to provide a private, safe and warm space for pregnant and lactating mothers.



Employee Development and Training

With the aim of building a systematic talent development and training system, the Company upholds the concept of "creating a broad development platform for outstanding talents who dare to dream and innovate and with dreams", to support the implementation of business strategies and continuous improvement of employee capabilities. Guided by the business needs, the Company has established and continuously improved the 3-level training system (company level, departmental level and post level), which is focused on the precise identification of training needs, rapid allocation of resources, hierarchical implementation of courses, and scientific evaluation of effectiveness.

Systematic Training and Coverage of All Staff

The Company designs its annual training plan systematically based on its overall strategy, business planning, compliance requirements, and evaluation results of employee competency, and includes such plan into the management approval and supervision process. The training covers many different aspects, including onboarding guidance, pre-job training, on-the-job improvement, leadership training, academic education, skill assessment, and continuing education, to help with employees' constant growth and development.

As of the end of the reporting period, the Company's trainings covered a total of 168,020 person-times with a total training duration of 4,622,491 hours and an average of 27.51 hours per person. The employee training coverage rate was 100%, and the annual training investment was RMB 4.16 million.

Total annual trainings covered

168,020 person-times

Total training duration

4,622,491 hours

Average training hours per person

27.51 hours

Employee training coverage rate

100%

Annual training investment

RMB **4.16** million

Diverse Learning Methods and Platform Support

Based on the training objectives and the trainees' characteristics, the Company organizes trainings in different forms, such as internal face-to-face teaching by lecturers, self-study of high-quality courses, case study, quality expansion, book sharing, and skill competitions, to enhance the sense of participation and effectiveness of learning. The Company also promotes the "Lithium Knowledge Academy" digital learning platform within the whole Group, and integrates high-quality course resources both internally and externally to realize information management throughout the training process and ensure timely, standardized, and efficient learning.

Skill training case

Jiangsu Skills Competition. In order to promote the spirit of craftsmanship and promote the construction of skilled talent teams, Jiangsu Base organized a skill competition, which was attended by 80 elite athletes from various workshops. The competition contents include the measurement by micrometer, visual check of cutting and stacking, forklift operation skills, and visual check skills of sorting. The reward of more than RMB 30,000 was granted to the winners, in order to continuously deepen the training of skilled talents, and build a broader growth platform for employees.



Resource Integration and Key Empowerment

The Company has introduced external professional courses and lecturer resources continuously to meet the employees' needs for high-level development. Within the reporting period, the Company offered specialized trainings for the management and core backbone employees, such as AI development stage, enterprise application cases, aerospace system certification, DOE experimental design, APQP early product quality planning, etc. and promoted internal optimization and knowledge transformation by discussions after training.

Dual-channel Development and Long-term Incentive

The Company has established and improved the dual-channel career development system (management and professionalism) and tries to create an open, fair, just and caring development environment. Through systematic career planning, clear promotion mechanisms, and diverse growth platforms, it motivates employees to continuously unleash their potential and realize win-win with the Company. As for employee career development planning, the Company has established a special guidance mechanism, which helps employees determine a clear development goal and path through regular thematic dialogues.

The Company will optimize the talent development mechanism continuously, strengthen the construction of key talent teams so as to guarantee the talent support for its sustainable innovation and high-quality development.

3.5

Occupational Health and Safety (OHS)

Following the "win-win" core values, the Company always concerns employees' occupational health and safety and personal growth while developing its business. On the basis of the Company's clear occupational health and safety goal, the Group's environment and safety departments coordinate and organize risk identification and prevention control, continuously improve the safety management mechanisms and security measures, steadily enhance employees' safety awareness and ability, try to create a safe, healthy, and harmonious working and living environment for employees, effectively care for the physical and mental health of employees, and help the employees work happily and live a happy life.

The Company's various battery production bases have established and improved their occupational health and safety (OHS) management systems in accordance with ISO 45001 standards and the Group's unified management manual, and comprehensively identified, evaluated and effectively controlled the operation safety risks. Within the reporting period, all the battery production bases run stably and 100% passed the ISO45001 occupational health and safety (OHS) management system certification. Certified bases: Changzhou Base, Xiamen Base, Wuhan Base, Chengdu Base, Hefei Base, Meishan Base and Jiangmen Base, which indicates that the Company has reached an international leading level in the standardization and systematization of occupational health and safety management.

Within the reporting period

All the battery production bases run stably and 100% passed the ISO45001 occupational health and safety (OHS) management system certification.

Governance

Both the Group and its bases have established the Work Safety Committee, which is the top leading group responsible for occupational health and safety (OHS). To be specific, the committee is responsible for reviewing and publishing the Company's OHS-related policies, and making decisions on the specific issues. The Environment & Safety Department is responsible for safety supervision and management and designates a safety representative in each department to help with internal audit of work safety, to formulate the corresponding work safety management systems based on the department's realities and conduct regular work safety hazard inspections. The Company promotes the working principle of "taking charge of safety within the scope of job responsibility, managing safety besides business, and production" and systematically boosts the construction of work safety standard.

The Company has established a "four-level safety management grid" to clarify the safety responsibilities of the personnel at different levels within the grid and structured work lists, fully covering the safety management for the smallest production and service units on site.

In order to give full concerns on employees' physical and mental health, and work experience, the Company's comprehensive support department collects employees' opinions and suggestions on clothing, food, housing, transportation, work environment, labor protection, etc. at all times via the opinion collection system, holds irregular meetings; the Company's labor union coordinates resources and carries out closed-loop management.

Strategy

The Company always adheres to the work safety policy of "zero accident, zero pollution, respect for life and shared development", builds a systematic and standardized safety management system, and endeavors to create a healthy and safe working environment; improves the work safety measures constantly by establishing a sound safety responsibility system, strengthening full involvement and scientific management, in order to ensure the effective implementation of various safety management work. At the same time, the Company cultivates employees' awareness of safety and occupational health, makes the safety culture that "everyone is a safety officer" deeply root in employees' minds, and minimizes occupational health and safety risks, to best support the production and operation activities.

The Company strictly adheres to relevant laws and regulations such as the Work Safety Law of the People's Republic of China and the Law of the People's Republic of China on Occupational Disease Prevention and Control, formulates and implements the Regulations on the Equipment Safety Management, the Regulations on Occupational Health Management, etc., and builds a systematic OHS management framework. Under the overall leadership of the Company's Work Safety Committee, the Company prevents and controls the risks of occupational diseases comprehensively through mechanisms, scientific management, daily protection, and regular education and training, continuously promoting the improvement of occupational health management systems.

The Company has established the work safety management system covering the entire process, such as work safety responsibility system of all staff, rules and regulations, safety education and training, hidden danger investigation and governance, control over major hazard source, management of stakeholder safety culture construction, dual prevention mechanism, prevention and control of occupational disease hazard, emergency management system, accident investigation and analysis, and supervision and assessment.

Management of Impact, Risks and Opportunities

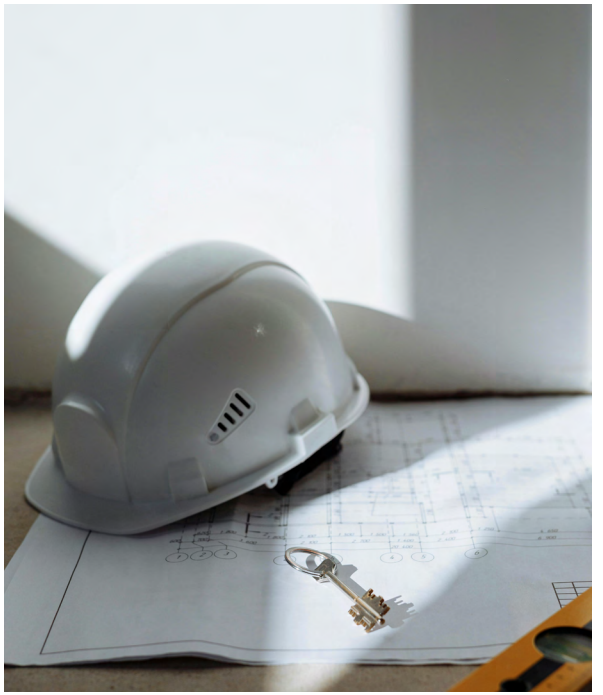
Management of Work Safety

The Company has established the dual prevention mechanism of hazard identification and hidden danger investigation. In 2025, it comprehensively identified and dynamically updated the hazards, risk points, and levels of various departments, and formulated the risk classification standards in accordance with regulations; formulated and implemented the corresponding control measures against various risks to control hazards and occupational health and safety risks systematically. CALB also drew the visual risk map, which clearly indicates the risk levels of each region, to improve the accuracy and management efficiency of risk prevention and control. To strengthen the risk prevention and control of the whole equipment process, the Company has formulated the Equipment Safety Management System, to control the entire life cycle of equipment in a standard manner, including design, installation, use, dismantling, modification, and scrapping. It focused on the critical stages of operation, used safety checklist analysis method, organized various departments to break down equipment risks in depth and make judgment systematically; finally, standardized operation guidelines such as risk notification, daily inspections, and maintenance are established, comprehensively ensuring the safe and stable operation of equipment.

In 2025, the Company assisted various bases in systematically reviewing and formulating the Database of Common Design Defect Risks to provide standardized safety technical guidance for the construction of new bases, in order to prevent similar safety risks from the design source and realize proactive prevention and system safety control of new projects.

The Company has formulated the Emergency Plan for Work Safety Accidents and the Emergency Plan for Sudden Environmental Incidents, both of which have been filed at the relevant government authorities. By taking the Emergency Management Manual that it formulated and issued as a guiding framework, the Company promotes the comprehensive construction of standardized emergency management systems in various bases. The manual clarifies the division of responsibilities and standardized response processes for each emergency stage, facilitating the systematic and standardized management for improving overall emergency response capabilities. At the same time, based on the actual operational risks in each production area, the Company has formulated and issued the Emergency Site Response Card and the Emergency Response Plan, and formulated annual emergency drill plans, based on which, it regularly conducted team, workshop, and factory level emergency drills.

In addition, according to the Regulations on Accident Management, the Company carried out accident investigation, analysis and horizontal experience sharing following the"Four Do-nots in Leaving Off" principle, improved the emergency mechanism constantly, ensured the closed-loop management of accidents and prevented the reoccurrence of similar accidents.



Contractor Safety Management

As for the safety management of construction cycle, the Company has formulated and implemented the EHS Management Regulations for Contractors, and strictly implemented the construction approval system and approval process of dangerous operation. The contractors strictly abided by the local laws and regulations on safety, environmental protection, occupational health, fire protection, construction, etc., as well as the Company's safety and environmental requirements. The Company's safety management personnel regularly organized safety inspections of construction site to strengthen safety regulation in the whole construction cycle and control construction risks.

Occupational Health Management

The Company systematically identifies the potential occupational hazards in various positions constantly and regularly declares the occupational disease hazard items. It also entrusts eligible test agency to monitor the noise, dust, radiation, and chemical toxins in places with occupational hazards at fixed sites and irregularly spot checks the occupational hazard factors in workplace. On this basis, the Company provides sufficient and standard PPEs (personal protecting equipments) for the employees in relevant positions, and ensures that employees correctly use and wear these PPEs through training, supervision, and inspection.

In terms of personnel management, the Company strictly implements the pre-job training mechanism and ensures that all employees in the posts exposing safety risks and occupational disease hazard receive 100% team-level safety training and pass assessments and work after they are confirmed fully understanding the job risks. In addition, the Company organizes regular occupational health examinations for employees in positions with occupational hazards, and has realized electronic and standardized management of occupational health monitoring records, significantly improving management efficiency and data accuracy.

To ensure the safety of employees' working environment, the Company has introduced occupational health protection facilities on the production site, such as dust prevention facilities, gas defense facilities, noise reduction facilities, etc. to directly eliminate or isolate the occupational hazards such as dust, toxins, and noise during production. It has also installed safety devices such as safety barriers, screen doors, and protective panels in areas with mechanical safety risks. At the same time, the Company strictly implements the management requirements for "six files" for occupational health, and continuously improves the content and dynamic update mechanism of the files. In each production workshop, the basic emergency supplies such as medical kits are available, providing timely and effective on-site rescue support for employees.



Publicity and Training of Occupational Health and Safety

With focus on the publicity and information transparency of occupational health and safety, CALB has set up "occupational health bulletin boards" and "team safety signs" in prominent locations of each factory area, to disclose the OHS systems, list of identified hazards, emergency plans, detection results of occupational disease hazard factors, etc., continuously improving employees' OHS awareness and self-protection ability.

The Company has introduced the professional mental health service mechanism, which is a key part in employee welfare. During the Occupational Disease Prevention and Control Promotion Week in 2025, the Company, together with the medical organizations, offered special lectures for management personnel, interpreted the new version of the Classification and Catalogue of Occupational Diseases and the main responsibilities of enterprises; it also integrates the occupational health and mental health care into the daily management of employees.

The Company will integrate the relaxation activities into daily work. For instance, based on the working characteristics of production workers, it arranged the psychological relaxation activities into breaks, achieving "micro rest"; organized employee fun sports events to combine sports and mental relaxation; invited senior psychological counselors to offer lectures and on-site consultations on mental health, share practical skills for working pressure management and emotion regulation.

The Company has deepened safety culture construction constantly, systematically built a safety capability assessment system that covers 6 aspects, including safety knowledge and skills, job risks and protection, safety red lines, accidents and emergencies, safety publicity and job responsibilities, and implemented the management requirements comprehensively from 5 links including publicity, training, assessment, supervision and improvement. CALB actively promotes the full responsibility mechanism that "everyone is a safety specialist", formulates and implements systematic safety training plan every year, carries out occupational health and 3-level safety training and various special safety education and trainings in order, strictly implements the pre-job safety training system, effectively improves employee safety skills, standardizes their operation behaviors and enhances their awareness of work safety. Within the reporting period, the Company organized a total of 208 specialized OHS trainings, covering production workers, team leaders, department heads, middle and senior management, etc. of 225,000 person-times accumulatively.

In addition, the Company actively organizes the publicity and education activities in various forms focusing on the themes such as "Occupational Health Publicity Week", "Safety Activity Month", "Fire Control Publicity Month", etc., including safety knowledge contest, evacuation drill, ERT contest, etc. to cultivate the favorable cultural atmosphere of full involvement, safety first and health care constantly.

Objective and Progress

The Company sets safety related key performance indicators at the beginning of each year and ensures the effective implementation of these indicators via monthly safety committee review mechanism. Within the reporting period, the Company's bases had no work safety accidents, or occupational diseases or suspected occupational cases and the OHS management yielded significant outcome.

Issue	Objective	Progress
Occupational health and safety (OHS)	100% passing rate of ISO45001 health safety system	All battery bases having been in operation have passed system certification
	Zero work-related deaths in all production bases	All production bases have no work injury and death accidents



3.6

Social Welfare

Public Benefit Activities

With the mission of "surpassing commerce, benefiting mankind", CALB, as a battery expert, empowers a better life for mankind with leading technology and products, actively fulfills its responsibility, becomes an implementer of public welfare and a disseminator of love and dedication, and helps the high-quality and sustainable development of society and economy.

Case

Take actions actively to support charity. The Company stays true to its original mission, makes contributions to the local economy actively. It signed a charity donation agreement of RMB 10 million with Changzhou Charity Federation. Each charity warms the hearts of those in need. The Company also donated RMB 50,000 in the "One-day Charity Donation" event in Jintan District.

Case

CALB donated HKD 5 million to the fire disaster in the Tai Po district of Hong Kong for emergency material assistance, resettlement of affected residents, and post disaster community recovery and work together with the local residents to overcome difficulties.

Case

The Company assumes corporate social responsibilities actively and also proactively organized and participated in activities to support the military and their families during key nodes, such as Army Day (August 1), such as donation of RMB 20,000. The Company was awarded the title of "Enterprise Loving the Country and Supporting the Military" in Jintan District.

Case

The Company has provided strategic support for the FSEC events for five consecutive years, making great contributions to promoting the development of NEV technology and cultivating talents in urgent need of innovation in the industry.



Case

The Company organizes the employees from its bases to participate in the voluntary blood donation activities to relieve the local seasonal blood supply pressure.



Employment Promotion

The Company has provided a great number of blue collar job opportunities in order to solve the employment problem in remote areas. In 2025, it offered many jobs for the migrant workers in Gansu, Guizhou, Yunnan, Sichuan, etc. and solved the employment problem for more than 1,200 person-times accumulatively. The Company has also signed university - enterprise cooperation agreements with Changzhou University, Hohai University, Changzhou Vocational Institute of Engineering, Sichuan Changjiang Vocational College, Chengdu Aeronautic Polytechnic University, Yibin Industry Polytechnic College, Zigong Vocational and Technical College, Meishan Vocational & Technical College, etc. In 2025, it provides more than 200 internship positions and more than 60 employment positions.

Rural Revitalization

Over the years, the Company has accurately docked with poverty-stricken areas such as Pujiang/Heishui in Sichuan province, Yongzhou in Hunan province, Tianshui in Gansu Province, Qiandongnan Miao and Dong Autonomous Prefecture of Guizhou Province, and carried out work such as helping agriculture, employment counseling and charitable donations to help rural revitalization.

GOVERNANCE

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4.1

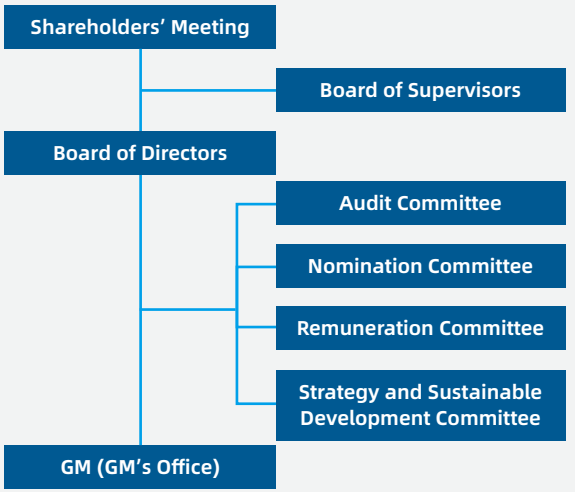
Governance of the Board of Directors

Composition of the Board of Directors

The Company has established the Board of Directors that is composed of 8 directors, including 2 executive directors, 3 non-executive directors and 3 independent non-executive directors. The Company has 1 chairman, who shall be elected and removed by more than half of all directors, with 3-year term of office, and may be re-elected if winning the election.

In accordance with the relevant laws and regulations of China, organizational bylaws, and listing rules, the Board of Directors delegates several duties to multiple full-time committees: The Audit Committee, Nomination Committee, Compensation Committee, and Strategy and Sustainable Development Committee.

Architecture of the Corporate Governance



Diversity of the Board of Directors

The Company has formulated and implemented the board's diversity policy to improve the effectiveness of the board of directors. In accordance with that policy, the Company's nominations committee would consider multiple factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and educational background, and length of service, when selecting candidates for the board of directors, striving to achieve the diversity of the board of directors. The nominations committee reviews the board's diversity policy and profile at least once a year to ensure the constant effectiveness and, when necessary, makes any required modification or suggests any related modification to the board of directors for deliberation and approval.

In 2025, the Company reviewed and revised the diversity objectives of the Board of Directors: (1) designate at least one female director; and (2) at least one third of the board members are independent non-executive directors. Within the reporting period, the Company added 1 female non-executive director after 1 independent non-executive director left office based on the diversity objective above. The Board of Directors has 4 female directors, accounting for 50%.

Indicators	Unit	2025
Number of board members	Person	8
Percentage of female members in the Board of Directors	%	50
Percentage of male members in the Board of Directors	%	50
Percentage of board members with professional knowledge (enterprise management, legal, financial, audit, risk control, ESG, etc.)	%	100

Type	Name	Gender	Professional capacity						Post in the Board of Directors			
			Legal	Finance	Financial Services	Risk Management	ESG	Corporate Management	Audit Committee	Nomination Committee	Remuneration Committee	Strategy and Sustainability Committee
Executive director	Jingyu Liu	Female	●	●	●	●	●	●		●	●	●
	Ying Dai	Male		●	●	●	●	●				●
Non-executive director	Jing Hu	Female		●	●	●		●				
	Jiancun Li	Male	●	●		●		●				
	Jieping Xie	Female		●	●	●		●				
Independent non-executive director	Susheng Wang	Male		●		●		●	●	●		
	Zetong Chen	Male	●			●		●	●	●	●	
	Wen Xiao	Female				●	●	●	●		●	●

The executive director receives remuneration in the form of salary and benefits in kind according the identity as an employee, including: Making contributions to the pension plan for the executive director according to the laws of China, and incorporating ESG and achievement of objectives on climate risk integrated into performance evaluation.

Non-executive directors do not receive remuneration from the Group. Independent non-executive directors receive corresponding remuneration in accordance with the relevant provisions of Director Service Contract.

Investor Communication

The Company highly values investor relations. Adhering to the "good faith, transparency, compliance, service" principle, it constantly intensifies the contact with investors, expands the capital market covered by the brand significantly, communicates on the Company's strategic planning, industrial development and performance effectively, promptly answer the concerned problems and doubts of the investors, and do everything to protect the lawful rights and interests of investors.

Information Disclosure

The Company discloses information promptly, accurately, completely in strict accordance with the relevant laws and regulations. Within the reporting period, the Company published 55 provisional announcements and 6 periodical announcements accumulatively; disclosed the issues that need to be submitted to the Company's general meeting of shareholders, Board of Directors, Board of Supervisors, etc. for deliberation, such as the Company's articles of association, related party transaction, major contract, etc., within the time and via the media and way specified in order to improve the Company's transparency of disclosure; and made reports to the securities regulatory authority, as required, not only to ensure the accuracy and fairness of disclosure but also effectively protecting the lawful rights and interests of the Company, investors, and other stakeholders.

Investor Relations Management

The Company has realized more active and broader communication and exchange with the investors by many ways, including roadshow, investigation, online and offline meetings, media interview, telephone, e-mail, etc. and actively participates in activities, such as strategic meetings, forums, etc. to exchange with the investors face to face, know about their needs and opinions actively, and have targeted communication and response. Within the reporting period, the Company made exchange with the investors 138 times, participated in the domestic and overseas investor communication activities for over 380 times and promoted nearly 20 domestic and overseas organizations to finish the coverage of the Company; formed dozens of analysis reports that show the Company's strengths and value potential, and received trust and praise from investors. In the meantime, it provided the information requested by the investors, by means of the special column and hotline for investor relations on the official website, for convenience of query and question-answering at any time, active in passing the Company's business condition and investment value to the outside investors, to promote the Company's high-quality development.

4.2

Risk Management and Internal Control

The Company establishes an organizational system of risk management and internal control and defines power and responsibility and level-to-level administration. The Board of Directors, as the highest body responsible for the Company's risk management and internal control operations, has established the Audit Committee responsible for managing the specific risks, and reporting to the Board of Directors; the Risk Control Department responsible for coordinating and managing the Company's risk management and internal controls under the Audit Committee's guidance, supporting and supervising risk management related work, and implementing risk management evaluations to help the Company maintain an effective risk control system. Various business divisions, manufacturing bases and departments (hereinafter referred to as "various units") serve as the first responsible unit for risk management, which are responsible for daily specific risk control work. The Group's functional departments formulate relevant policies, systems, and norms, guide their own risk management and internal control activities in related functions, and conduct daily monitoring.

Internal Control

The Company identifies internal and external environments from political, economic, social, technological, environmental, legal dimensions, analyzes risks and opportunities based on identified internal and external factors that may affect strategic direction, and formulates the corresponding risk management strategies; it also adjusts response strategies regularly based on the latest dynamics of risk environment to ensure the stability of its strategy development.

The Company has effectively realized its strategic goals that it set in 2025. It enjoys a sound internal control system of strategy management, scientific formulation process, proper monitoring, effective risk countermeasures and steady growth of business.



Management of Risks

The Company has established a systematic and effective risk assessment system; implemented risk management policies comprehensively in accordance with the Risk Management Procedure, including the risks that may arise in business processes such as procurement management, production management, and sales management. Based on the strategic goals and development plans and after considering the industry characteristics, the Company reviews and identifies the potential risks and opportunities of key business by collecting the risk management-related information, both internally and externally, information of stakeholders and ESG, updates its risk database, conducts regular risk assessments, and confirms whether effective control measures have been established against risks. The Company continuously improves risk related control systems and business processes to make risks within control.

The Company has formulated the countermeasures and preventive measures against the major risks identified by ESG issues:

Product lifecycle management risk: Advocate the concept of product lifecycle management, establish a full lifecycle management for products from R&D, production, sales, use, scrapping to recycling and reproduction, and meet customers' requirements for sustainable development.

Compliance risks of labor employment: Improve the management system for employee onboarding, employment and resignation as per labor laws and regulations; normalize the signing, performance, modification, and termination procedures of labor contracts to safeguard the legitimate rights and interests of workers.

Privacy and security risks: Formulate privacy protection policies and strengthen employees' awareness of personal privacy protection.

Objective and Progress

Issue	Objective	Progress
Risk management and internal control	Annual internal control evaluation has covered all bases in service	2025 annual internal control evaluation has included ESG issue-related risks in the evaluation scope and covered all bases in service.



4.3

Commercial Ethics and Compliance

Compliance Management

To ensure the Company's business operation is lawful and compliant, the Company regards business as the basis to obtain and study the updated laws and regulations, regulatory provisions, and industry standards at home and abroad and update the related internal systems accordingly in a timely manner. At the same time, the Company organizes the laws and regulations identification and compliance assessment work once half a year to assess the condition of implementation by each business division and the compliance with laws and regulations and to effectively reduce compliance risks. Within the reporting period, the Company roundly ensured the efficient and compliant business operation, surrounding contract management, compliance management, and lawsuit management



Contract management

Improve contract management platform, build contract AI system, review contract types, improve the standard contractual terms; pay close attention to material contractual risk terms in priority to improve contract review efficiency, and manage and control contract risks from the source.

Compliance management

Update and improve mechanisms by complying with the latest regulations in new energy industry home and abroad (such as environmental protection, safety, data compliance, etc.), and studying overseas industry regulations; integrate compliance requirements into various aspects such as business processes and product development. On the basis of the business development needs, the Company carried out special compliance work on trade secrets and overseas compliance, explored business thoroughly, and actively identified and prevented compliance risks. Starting from the business flow, the Company systematically carried out the effectiveness evaluation of its major systems/OA processes, simplified unnecessary links based on risk methods, and achieved a hierarchical control mechanism of "strict control of key links and authorization of non-key links".

Trade secret compliance

Make trade secret protection routinized, process-oriented, and automatic by means of institutional norms and technical norms. In the specific link of trade secret management and control, carry out round management and control from management of personnel, classified information, classified areas, foreign exchange and from training, examination, improvement, etc.

Overseas compliance

Focus on the compliance before the event, prevention during the event, control after the event, in which, the compliance before the event mainly includes compliance risk identification of data, manpower, construction project and environmental safety, identifying and judging overseas laws and regulations and providing professional legal solutions by combining the opinions from overseas professional lawyer teams.

Lawsuit management

Establish a dispute handling platform; follow the Administrative Measures for Significant Litigation Management to standardize the procedure of dispute handling; replay the details of dispute in a timely manner; keep perfecting internal management.

Compliance Training

The Company has strengthened the compliance awareness of all employees and practiced the concept of compliance; conducted special compliance training for different levels and different posts, set the compliance column in the enterprise WeChat and organized regular compliance publicity. Within the reporting period, the Company entrusted a third-party organization to offer training of the Conformity Assessment of EU Battery Law for the employees in key post, the Trade Secrets and Compliance Training for new employees and compliance trainings such as the Code of Enterprise Management for the directors and management; in particular, it organized four types of special compliance training covering sales management, procurement management, IPRs management and human resources management for new employees.



Integrity Management

The Company strictly observes the anti-fraud, anti-bribery, anti-money laundering, anti-monopoly laws and regulations of the PRC and other regions and countries where overseas businesses are operated, such as the Civil Code of the People's Republic of China, the Company Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and Anti-monopoly Law of the People's Republic of China. Foreign regulations are internalized. Taking "Integrity Development and Mutual Benefit" as its business ethics policy, the Company has improved the Employee Code of Conduct, the Administrative Measures for Anti-Fraud Management and the Compliance Manual to appoint the benchmark of staff behavior and establish and maintain high ethical standards. In 2025, the Company coordinated with the major clients with compliance and business ethics for over 10 times, and provided relevant documents based on their requirements, winning high praise from the clients.

The Administrative Measures for Anti-Fraud Management and Employee Code of Conduct mainly the key compliance and integrity areas, such as commercial bribery, unfair competition, and information security and explicitly specify the behaviors of both the management and employees in business activities, including the prohibition on benefit transfer, misappropriation of company assets and false advertising, respect for trade secrets and IPRs, fair treatment of partners, as well as the scope of application and implementation requirements of the guidelines. The Company strictly adheres to compliance management requirements and signs an integrity agreement with suppliers to jointly promote economic and clean governance, ensure that both parties and their employees are honest and abide by laws faithfully, prevent various improper behaviors, and jointly create a healthy business environment. At the same time, the Company conducted compliance training on business ethics in various forms, such as video lectures, offline training and special lectures, which cover a total of 21,865 person-times and effectively enhancing employees' awareness of compliance, such as anti-fraud and anti-bribery.

According to international requirements, the Company promotes the certification of both ISO 37001 (Anti-Bribery Management System) and ISO 37301 (Compliance Management System), strengthens corporate compliance governance, and enhances international competitiveness.

For sensitive transactions, we have established a full process closed-loop control system and strictly implemented the mechanism of interest conflict declaration and avoidance. We make sure all businesses involving related party transactions, abnormal fund transactions, or potential interest conflict undergo multi-level approval and independent compliance review to finally ensure the authenticity of the transaction background and fair pricing. We give "zero tolerance" towards any behavior in violation of regulations, and combine institutional constraints and technological prevention to effectively safeguard the legitimate rights and interests of the Company and stakeholders.

To strictly standardize the staff's professional behavior, urge the staff to strictly observe the relevant laws, industry norms and standards, professional ethics, and corporate bylaws, and prevent the behaviors that may harm the interests of the Company and staff, the Company establishes the Administrative Measures for Anti-Fraud Management to clearly define the system of reporting and investigation, sets up a special reporting channel for business ethics, keeps the reporter information secret strictly, and prohibits all kinds of retaliation specific to the reporter.

The Company's legal department is responsible for accepting complaints and reporting cases and conducting closed-loop disposal in various links, including case registration, investigation, execution, feedback, etc. Within the reporting period, there was not any corruption lawsuit happening to the Company.

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4.4

Information Security and Information Protection

Information Security Management

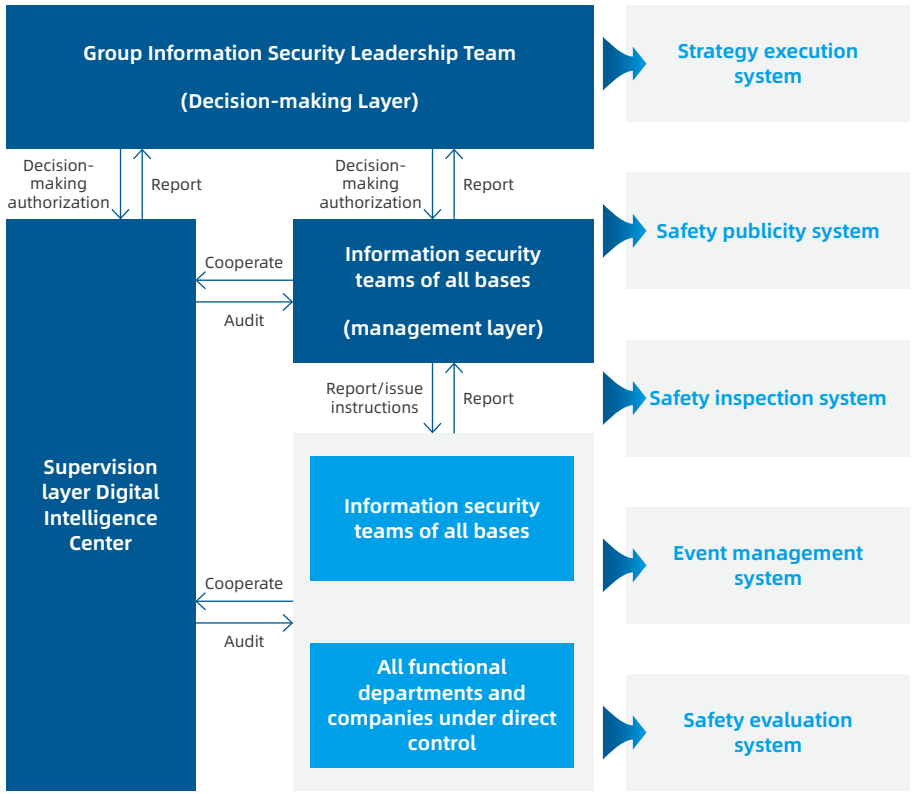
Governance

As for management, CALB integrates information security and development from a global perspective, makes management comprehensively from "every direction", ensures that each department and employee shoulder the responsibility, sticks to the bottom line of safety and compliance and tries to cultivate the systematic information security technology protection capability and a professional talent team; focuses on resource sharing and collaborative cooperation, efficiently integrates external forces, and enhances its own security strength. At the same time, CALB has established an overall management structure, which is coordinated and led by the Group's information security leadership group, promoted by the Group's data intelligence center, and consists of each branch's information security leadership group and each base's information security working group.

Taking information assets as the protected object, information security risk management as the means, and the physical security, operational security, network security, data security, personnel security, privacy compliance, etc. into account, the Company establishes the Procedure of Security Zone Management, Procedure of Information-based Terminal Management, Procedure of Network Security Management, Procedure of Supplier Information Security Management, Procedure of Information Security Event Management, Procedure of Access Control, etc. and added the Procedure of Threat Intelligence Management to improve the strategies and operational process of information security management and support realization of the information security strategic objectives. On that basis, it also takes a series of technical measures to ensure these management requirements can be effectively implemented.

As of the end of reporting period, the Company had maintained the effectiveness of TISAX (Trusted Information Security Assessment Exchange) report, and the business entity which runs maturely and enjoys the certification qualification had passed the supervision and review certification of ISO27001:2022: Information Security, Cybersecurity and Privacy Protection - Information Security Management Systems - Requirements, with the certification rate of 55.56% and also continuously passed the supervision and review certification of the Information and Industrial Integration Management System 2.0. It has been awarded with Industrial Control Information 3-star Enterprise Qualification and Level 3 Protection Authentication Qualification.

Organization Chart of Information Security Organization



Strategy

In accordance with the Data Security Law of the People's Republic of China, the Cybersecurity Law of the People's Republic of China, the EU's General Data Protection Regulation (GDPR) and other national and regional laws and regulations, as well as ISO27001: 2022: Information Security, Cybersecurity And Privacy Protection - Information Security Management Systems - Requirements, the Company establishes an information security management system, sets up an information security leading group centered on the Company's supreme leadership, and ensures the information assets and customer data security to the maximum through classified data management and strict policy implementation surrounding the "abide by laws and regulations; ensure information security; protect the interests of the Company and customers; win customer trust; fulfill social responsibility and obligation" information security policy.

Management of Impact, Risks and Opportunities

Information Security Supervisory Mechanism

In accordance with the information security management requirements, the Company has established a sound internal and external auditing system for information security and carried out an overall data security compliance assessment. In 2025, in addition to the self-organized information asset identification and security risk assessment activities, the Company also commissioned a third party to conduct risk security assessment on important information assets such as CRM, Intelligence Little e, Production MES big data AI, digital warehouse platform, etc., to identify related information security threats and risks, and introduce them into system platforms such as production threat detection, data encryption, data leakage prevention, privilege management, etc. to prevent data from unauthorized access, improper public disclosure, use, modification, damage or loss; it also deployed the Host Intrusion Detection System (HIDS) to ensure the stable operation of the system and the security of core commercial secrets. As to the base which passed ISO 27001 certification, the Company carries out comprehensive in-depth internal audit of information security management system once a year at least. In 2025, it carried out internal audit against all bases having passed ISO 27001 certification with the closing rate of audit issues of 100%.



Information Security Emergency Mechanism

The Company has established the information security incident management process. In terms of feedforward control, it establishes a threat intelligence collecting, analyzing, sharing, and linkage mechanism to reinforce and protect business information systems; in terms of in-process control, it optimizes the emergency plans and disposal mechanism for information security incidents and organizes special drills, such as anti-ransomware, to improve insiders' awareness of security and ability of emergency response; in terms of feedback control, it makes a benchmarking analysis of related trade cases and promotes the staff to study information security cases.

Security incident reporting path
Discoverer of the incident or weakness → information security officer of the department (responsible or obliged to study and judge the incident preliminarily) → Information Security Department → information security leading group.

Reporting channel for information security event
① Public mailbox; ② Operation and maintenance telephone; ③ Enterprise WeChat, telephone, or direct reporting in offline communication.

In addition, the Company also gives special concerns on the information security report from stakeholders via the commercial ethics reporting channel mentioned above centrally. Upon preliminary judgment of the report received and confirmation of responsibility with business department, the Company will make treatment via the internal reporting path program for information security incidents.

Training & Publicity

The Company has established the "classified and graded + drill" information security training & publicity mechanism, in order to enhance the staff's information security awareness. To be specific, the training content includes, but is not limited to, entry information security training for new employees, monthly "Mail - enterprise WeChat push" information security topic promotion, information security program trainings (e.g., anti-phishing E-mail program, supply chain safety program, safety event program, physical security program, etc.), covering all the staff and outsourcing personnel in key positions. The idea that "everyone is responsible for information security" has been a consensus among the whole staff of CALB. As of the end of the reporting period, the Company had conducted 11 regular safety education sessions and 13 early warning safety education sessions. The safety education covered 485,784 people, and 58,310 people received information security training. The coverage rate of the education was 100%, and the pass rate of the training assessment was 100%.

Privacy Protection and Compliance Management

The Company gives top priority to the personal information and privacy security of its staff and customers, strictly abides by the applicable laws and regulations, such as the Personal Information Protection Law of the People's Republic of China and the EU's GDPR, prepares and publishes personal privacy protection strategies, to clearly define the purpose, scope, and method of collecting, saving, and using the personal information of staff and customers on the "legal, legitimate and necessary" principle, and informs related parties of how to use and protect their personal information. The Company solemnly commits that it will take necessary technical and organizational measures to ensure the personal information provided by users are in a secure and controlled environment and prevent unauthorized access, use or disclosure, illegal change, and data loss. Moreover, it will try to take any other means and extra technical measures to protect the personal data provided by users from loss, misuse, change, and unauthorized access.

Data collection
Fully explain the purpose, method and scope of personal information processing before collecting personal information, and promise not to use user information for other undeclared purposes.

Data storage
Comply with relevant national laws, regulations and policy documents to protect personal information from unauthorized access, public disclosure, use, modification, damage or loss. Take reasonable data security protection measures, such as access control, minimizing authorization, using encryption algorithms for encrypted storage, and desensitizing sensitive personal information, to protect personal information and ensure data integrity and confidentiality.

Data transmission
Use strict data protection scheme. Use encryption technology for transmission encryption during data transmission, and desensitize sensitive personal information to provide early warning and emergency treatment for abnormal behavior.

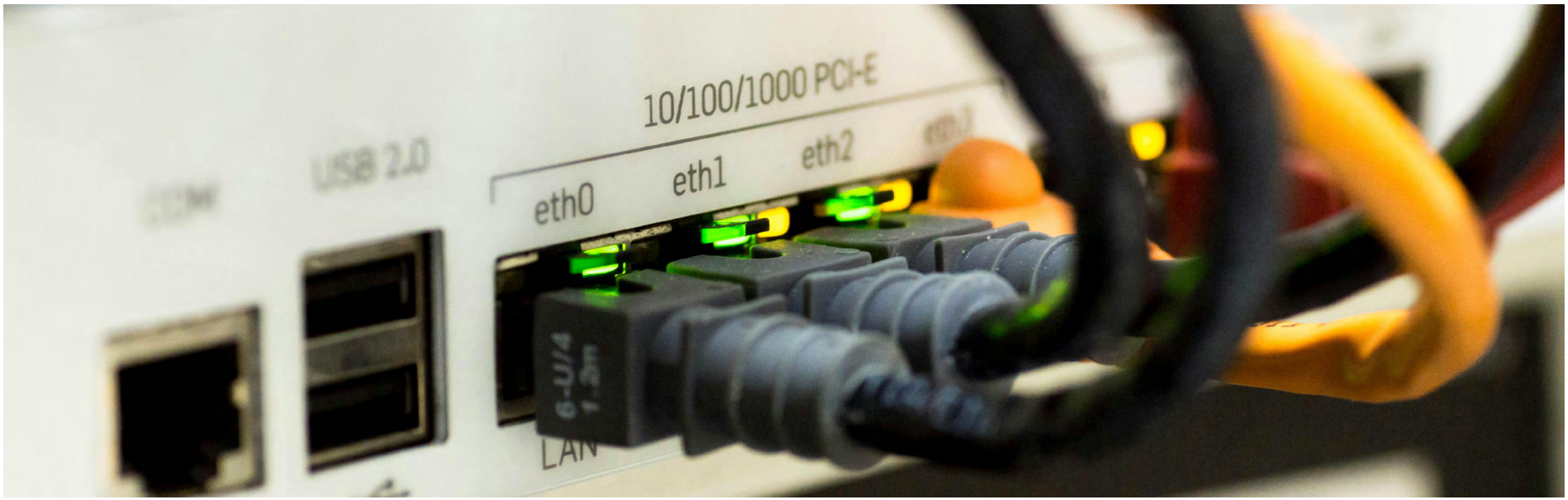
Data sharing
Carry out risk assessment and desensitization for data sharing activities prior to data sharing, define the data protection responsibility of data receiver through the contract to ensure that the risks after data sharing can be controlled.

Outbound transfer of data
When personal data have outbound transfer, carry out personal information protection impact assessment according to relevant laws, regulations, policy documents and standards, and take necessary protection measures of data outbound transfer, such as data outbound transfer security assessment and signing contracts of declared data.

Personal rights
Protect individuals' right to know, decide and consult, copy, correct, delete and withdraw their consent, and allow customers to restrict or refuse to handle their personal information. The customer cancels the authorization and prohibits the continued collection and use of personal information.

Objective and Progress

Issue	Objective	Progress
Information Security Management	By 2028, complete ISO27001 and Tisax information security management system certification of all production bases which have stable operation and have certification qualification	ISO27001certification: In 2025, the Company completed the system certification of Jiangsu Base, Xiamen Base and Jiangmen Base and plans to complete the system certificate of 6 bases (including Handan Base, Hefei Bas and Wuhan Base, etc) Tisax certification: 1. In 2025, the Company completed the system re-certification of Jiangsu Base and plans to complete the system certification of two bases (Jiangsu Base and Portugal Base) in 2027
Privacy Protection	Zero information security event such as data leakage or violation of privacy protection throughout the year	200 times of audit for personnel in key posts, no major information security event



Appendix

ESG Key Performance Table [1]

Disclosure Indicators			Unit	2023	2024	2025
Economy						
Revenue			RMB 10,000	2,700,589	2,775,153	4,440,007
Net profit			RMB 10,000	43,716	84,363	209,522
Taxes paid			RMB 10,000	80,488	63,893	51,458
Environment						
Emissions[1]	Atmospheric pollutants	Total amount of atmospheric pollutants	t	64.80	115.27	122.34
		Emission amount of VOC	t	14.87	31.88	31.45
		Sulfur oxides	t	4.03	7.26	6.69
		Nitrogen oxides	t	38.78	71.47	78.17
		Particulate matter	t	7.12	4.66	6.02
	Water pollutants	Total discharged water	t	856,901	781,179.52	1,100,428
		COD	t	19.81	28.18	25.13
		Ammonia nitrogen	t	0.96	5.06	2.45
		BOD	t	1.19	4.75	6.49
	Greenhouse gas emissions[8]	Scope 1 greenhouse gas emission[2]	Carbon dioxide equivalent (t)	307,488.75	279,315.86	366,318.51
		Scope 2 greenhouse gas emission[3]	Carbon dioxide equivalent (t)	651,782.46	870,509.93	1,246,250.55
		Scope 3 greenhouse gas emission[4]	Carbon dioxide equivalent (t)	/	3,812,842.27	6,706,955.18
		Scope 3 greenhouse gas downstream emission[5]	Carbon dioxide equivalent (t)	/	/	132,665.75
		Scope 3 greenhouse gas upstream emission[6]	Carbon dioxide equivalent (t)	/	/	6,573,408.12
		Greenhouse gas emission intensity[7]	Carbon dioxide equivalent / kWh (kg)	23.11	18.61	13.90

Disclosure Indicators			Unit	2023	2024	2025
Emissions	Waste	Total emission of waste	t	42,294.86	44,269.97	79,174.21
		Total waste recycled	t	31,168.28	37,504.77	62,562.27
		Waste recovery rate	%	73.69	84.72	79.02
	Hazardous waste[8]	Total hazardous waste	t	7,771.58	2,845.14	7,799.40
		Total hazardous waste disposed	t	7,771.58	2,845.14	7,799.40
		Hazardous waste per unit product	t /GWh	190	50	67.24
	Non-hazardous waste[9]	Total non-hazardous waste	t	34,523.28	41,424.83	71,374.81
		Non-hazardous waste per unit product	t /GWh	830	670	615.30
		Non-recyclable waste[10]	t	3,355.00	3,920.06	7,512.14
		Total non-recyclable waste of unit product	t /GWh	161.45	63.46	70.86
		Recyclable waste[11]	t	31,168.28	37,504.77	63,862.68
		Total recyclable waste of unit product	t /GWh	1,499.93	607.17	602.38
Resource use	Energy consumption[12]	Total direct energy consumption	MWh	1,384,332.70	1,334,012.05	1,670,647.77
		Total indirect energy consumption	MWh	1,289,917.42	1,613,468.50	2,531,083.13
		Total energy consumption	MWh	2,765,280.07	2,947,480.55	4,201,730.90
		Total consumption of renewable energy	MWh	/	229,682.80	217,837.43
		Energy consumption intensity	MWh/GWh	66,618.93	47,717.94	36,221.81
	Water resource consumption	Total water withdrawal	m^3	4,942,729.32	6,272,399.35	8,791,250.00
		Total water consumption	m^3	4,085,828.67	5,491,219.83	7,690,821.73
		Recyclable water amount	m^3	78,212.70	483,778.6	610,295.00
		Water consumption of unit product	m^3/ GWh	98,432.54	88,899.55	72,542.91
	Packaging materials used	Total usage of packaging materials	t	7,225.00	15,000.00	16,700.00
		Recycled packaging of mass-produced projects	t	7,000.00	12,000.00	13,800.00
		Recycling rate of mass-produced projects	%	96.89	80.00	83.00

Disclosure Indicators			Unit	2023	2024	2025
Environment Compliance	Number of major illegal environment and ecology events within the reporting period	/	Pcs	0	0	0
	Amount of penalty caused by major environment and ecology events	/	RMB 10,000	0	0	0
Environmental Protection Input	Environmental protection input	Total environmental protection investment	RMB 10,000	3,445.09	1,562.93	1,670.68
		Environmental protection training investment	RMB 10,000	6.14	6.00	0.00
		Number of environmental protection training people	Person-time	36,094	40,936	30,627
Social						
Employees	Total number of employees	/	Person	16,962	10,534	13,139
	Rate of labor contract signing	/	%	100	100	100
	Number of employees divided by different regions	Asia	Person	16,961	10,527	13,124
		Europe	Person	1	7	15
		Other overseas regions	Person	0	0	0
	Percentage of employees divided by employment types	Regular employees	%	84.04	97.96	78.16
		Probationary employees	%	15.96	2.04	21.84
	Percentage of employees divided by gender	Number of male employees	%	74.49	73.65	75.61
		Number of female employees	%	25.51	26.29	24.39
	Percentage of employees divided by age	Under 30	%	58.68	47.61	53.03
		30-50 (inclusive)	%	41.16	52.15	46.80
		Above 50	%	0.15	0.17	0.17
	Percentage of employees divided by level	Senior management	%	0.05	0.08	0.07
		Middle management	%	1.95	2.36	0.99
		Grassroots management	%	4.29	7.52	8.48
		Production line employees	%	98.01	97.56	90.46

Disclosure Indicators			Unit	2023	2024	2025
Employees	Proportion of executives divided by gender	Male executives	%	62.50	62.50	66.67
		Female executives	%	37.50	37.50	33.33
	Number of the management divided by gender	Male management	Person	939	931	1,114
		Female management	Person	126	118	139
Employee Attrition	Actual number of resigned employees	/	Person	15,424	6,941	2,433
	Attrition rate	/	%	48	39.72	15.62
	Percent of voluntary turnover	/	%	47.56	39.46	15.47
	Attrition divided by gender	Actual number of resigned male employees	Person	11,496	5,259	1,843
		Male attrition rate	%	48	40.38	15.65
		Actual number of resigned female employees	Person	3,928	1,682	590
		Female attrition rate	%	48	37.78	15.55
	Attrition divided by region	Attrition rate of employees from China region (including Hong Kong, Macao and Taiwan)	%	48	39.72	15.62
		Attrition rate of overseas employees	%	/	0.00	0
	Attrition divided by level	Senior management	%	0	0.00	0
		Middle management	%	26	8.46	7.52
		Grassroots management	%	30	18.60	8.51
		Production line employees	%	48	40.23	15.13
	Attrition by ethnicity	Han	%	47	39	14.32
		Minorities	%	54	35	20.05
	Attrition by age group	Under 30	%	51	45.67	16.31
		30-50	%	43	33.03	12.55
		Above 50	%	10	41.94	6.82

Disclosure Indicators			Unit	2023	2024	2025
Employee Career Development and Training	Person-times of trainees	/	Person-time	68,109	149,024	168,020
	Average number of hours each employee spent on training divided by gender and employee type[13]	Average number of training hours for employees	Hr	9.28	21.12	27.51
		Average number of training hours for male employees	Hr	10.09	21.29	26.38
		Average number of training hours for female employees	Hr	6.91	20.53	33.17
		Average number of training hours for senior management	Hr	20	12.25	7.71
		Average number of training hours for middle management	Hr	9.8	12.12	4.08
		Average number of training hours for grassroots management	Hr	10.28	13.15	9.17
		Average number of training hours for production line employees	Hr	9.25	20.72	29.21
	Percentage of employees divided by gender and employee types (e.g. senior management, middle management) who received training	Percentage of employees who received training	%	100	100	100
		Percentage of male employees who received training	%	100	100	100
		Percentage of female employees who received training	%	100	100	100
		Percentage of senior management who received training	%	100	100	100
		Percentage of middle management who received training	%	100	100	100
		Percentage of grassroots management who received training	%	100	100	100
		Percentage of production line employees who received training	%	100	100	100
	Staff career planning	Skill training times of employees	Time	683	868	1,410
		Percentage of employees who receive regular performance and career development assessment	%	100	100	100
		Percentage of employees who receive regular performance and career development assessment	%	100	100	100

Disclosure Indicators			Unit	2023	2024	2025
Welfare and Security	Rights and interests protection	Percentage of employees with five insurances and one fund[14]	%	100	100	100
		Customer satisfaction	%	94.30	94.10	94.00
		Percentage of employees participated in labor union[15]	%	100	100	100
		Number of child labor events occurring in the year	Time	0	0	0
		Number of interest conflict cases	Pcs	0	0	0
		Number of forced labor events occurring in the year	Time	0	0	0
Employee Diversity and Inclusiveness	Unadjusted average payment difference between men and women	/	%	0	0	0
	Number of employees from ethnic minorities	Proportion of female senior management	%	37.50	37.50	33.33
		Proportion of female middle management	%	11.83	11.25	21.05
		Proportion of female grassroots management posts	%	9.08	9.22	9.61
		Proportion of female employees related to STEM[16]	%	20.97	21.89	20.43
		Proportion of female employees in revenue generating department[17]	%	38.94	33.33	31.79
		Unadjusted average pay gap between male employees and female employees[18] (female/male)	%	0	0	0
		Number of employees from minorities	Person	848	470	527
		Proportion of minority employees	%	5	3.8	4
		Number of minority executives	Person	0	0	0
		Proportion of minority executives	%	0	0	0
		Number of minority non-management employees	Person	817	435	471
		Proportion of minority non-management employees	%	5.13	4.57	3.96
		Number of minority management	Person	31	35	56
		Proportion of minority management	%	2.91	3.33	4.47

Disclosure Indicators			Unit	2023	2024	2025
Employee Diversity and Inclusiveness	Prevention of discrimination and harassment	Number of employees who passed training on preventing discrimination and harassment	Person	32,386	33,796	21,865
		The number of incidents of discrimination and physical, psychological and verbal abuse reported in the workplace	Time	0	0	0
		The affected number of incidents of discrimination and physical, psychological and verbal abuse reported in the workplace	Person	0	0	0
Occupational health and safety (OHS)	Contractor work injury rate	Number of work injury accidents	Accident	0	0	0
		Total actual hours	Hour	0	0	0
		Rate of work injury accidents per 1 million working hours	%	0	0	0
	The number and rate of fatalities due to work	Number of deaths due to work injuries - Total	Person	0	0	0
		Rate of death due to work injuries - Total	%	0	0	0
	Number of workdays lost	Number of workdays lost due to work injuries-total	Day	785.86	1,185.94	1,143.69
	Rate of occupational injury accidents	Number of injury accidents	Accident	35	21	22
		Total actual working hours	Hour	83,506,835.46	97,992,034.08	102,035,010.52
		Rate of injury accidents per million hours worked	/	0.69	0.47	0.22
	Health and safety inspection methods	Expenditure on maintenance of production equipment and production safety	RMB 10,000	10,494.23	6,930.81	15,306
		Times of employee health and safety risk assessment	Time	133	125	136
		Times of security inspection	Time	2,333	3,215	2,390
		Number of employees participating in health and safety trainings	Person	168,783	239,690	225,008
		Coverage percentage of occupational health inspection	%	100	100	100
Supply Chain Management	Total number of suppliers in the supply chain	/	Supplier	599	631	556

Disclosure Indicators			Unit	2023	2024	2025
Supply Chain Management	Number of suppliers divided by region	Number of suppliers from China mainland	Supplier	595	626	549
		Number of overseas suppliers (excluding the suppliers from Hong Kong, Macao and Taiwan, China)	Supplier	4	5	7
	Number of supplies divided by nature	Number of Level 1 suppliers	Supplier	486	495	511
		Number of key suppliers among Level 1 suppliers	Supplier	50	58	66
		Number of key suppliers not among Level 1 suppliers	Supplier	4	5	5
Supply Chain Management	Supplier audited and assessed for environmental or social issues	Frequency of supplier audited and assessed for environmental or social issues	Time (s)/year	1	1	1
		Number of core suppliers audited and assessed for environmental or social issues	Supplier	29	29	41
		Percentage of core suppliers audited and assessed for environmental or social issues	%	100	100	100
	Suppliers audited on-site for environmental or social issues	Frequency of suppliers audited on-site for environmental or social issues	Time (s)/year	1	1	1
		Number of core suppliers audited on-site for environmental or social issues	Supplier	29	29	41
		Percentage of core suppliers audited on-site for environmental or social issues	%	100	100	100
	Formulate improvement items of social responsibility for suppliers	Number of evaluated or reviewed core suppliers who passed improvement action of corporate social responsibility	Supplier	29	29	41
		Percentage of evaluated or reviewed core suppliers who passed improvement action of corporate social responsibility	%	100	100	100
	Number of ESG training for suppliers	/	Time (s)/year	5	3	3
	Coverage rate of ESG training for suppliers	/	%	90	85	90
	Number of ESG training for procurement staff	/	Time (s)/year	3	3	15
	Coverage rate of ESG training for procurement staff	/	%	98	95	95
	Signature of the Code of Conduct of Suppliers	Number of core suppliers signing the Code of Conduct of Suppliers	Supplier	29	29	41
		Percentage of core suppliers signing the Code of Conduct of Suppliers	%	100	100	100

Disclosure Indicators			Unit	2023	2024	2025
Supply Chain Management	Contracts with environmental, labor and human rights clauses	Number of core suppliers signing contracts with environmental, labor and human rights clauses	Supplier	29	29	41
		Percentage of core suppliers signing contracts with environmental, labor and human rights clauses	%	100	100	100
	Due diligence for responsible minerals in the supply chain	Number of suppliers subject to due diligence for responsible minerals in the supply chain	Supplier	6	6	10
		Percentage of suppliers subject to due diligence for responsible minerals in the supply chain	%	100	100	100
R&D and innovation		R&D and innovation investment	RMB 10,000	99,196	141,761	214,256
		Number of the Company's licensed patents	Pcs	3,060	3,531	4,153
		Number of company valid patent applications	Pcs	1,111	1,011	2,018
		Number of company valid trademarks	Pcs	96	85	97
Customer service		Number of customer complaints	Complaint	38	37	85
		Number of complaint resolution rate	%	100	100	100
		Proportion of product recall due to safety and health reasons	%	0	0	0
		Customer satisfaction	Point	95.3	93.4	94.8
Social welfare		Amount of external aid and donations	RMB 10,000	188	192.5	808.33
		Volunteering hours	Hour	/	1,695	630
Governance						
Pluralism of the Board of Directors	Percentage of directors with relevant working experience in China	Board members with professional knowledge (corporate management, legal, financial, audit, risk control, ESG, etc.)	%	100	100	100
	Number of independent directors	/	Person	3	3	3
	Percentage of independent directors	/	%	37.5	37.5	37.5
	Percentage of directors by educational background	Master's degree and above	%	62.50	87.50	87.50
		Bachelor's degree	%	25.00	12.50	12.50

Disclosure Indicators			Unit	2023	2024	2025
Pluralism of the Board of Directors	Percentage of directors by educational background	Junior college	%	12.50	0.00	0.00
	Percentage of directors by gender	Female directors	%	12.50	37.50	50
		Times of board meeting	%	87.50	62.50	50
	Times of board meeting	/	Times	8	11	15
	Times of shareholders' meeting	/	Times	6	3	4
	Times of meeting of board of supervisors	/	Times	2	4	3
Commercial Ethics and Compliance		Number of operation outlets undergoing corruption risk assessment	%	100	100	100
		Number of corruption litigation cases	Pcs	0	0	0
		Number of transactions involving money laundering or internal transaction	Pcs	0	0	0
		Percentage of employees participating in commercial ethics and compliance training	%	100	100	100
		Percentage of board members participating in commercial ethics and compliance training	%	100	100	100
		Number of contracts terminated or not renewed with partners by corruption and illegal behaviors	Pcs	0	0	0
		Number of reports generated by reporting procedure	Pcs	0	0	0
		Number of litigations related to unfair compensation	Pcs	0	0	0
		Amount involved in litigation or significant administrative penalties due to the Company's unfair competition behavior	RMB 10,000	0	0	0
Information Security and Privacy	Information security training	Number of information security trainees	Person-time	35,738	43,361	58,310
	Due diligence of supplier information security	Scope of supplier signing confidentiality agreement	%	100	100	100
		Frequency of information security due diligence conducted for suppliers	Times/3 years	1	1	2
	Number of information security events	Number of recognized information security events throughout the year	Times	0	0	0



[1] Unless otherwise specified in the key performance statement, the statistical caliber of disclosure indicators shall be consistent with that of the annual report. The undisclosed data are represented by "/", for the disclosure range of ESG key performance indicator is expanded and some indicators are not disclosed in the previous year. The data in this table cover the Company's bases that run maturely and exclude the bases in process and under trial run as well as the companies purchased at the end of 2025. The emission disclosure index covers all mature domestic battery production bases.

[2] Sources of direct greenhouse gas emission in Scope 1 include natural gas, gasoline, diesel, fire-fighting gases, refrigerants, rust removers, industrial exhaust water and septic tank system.

[3] Sources of greenhouse gas emissions in Scope 2 include electricity.

[4] Sources of greenhouse gas emissions in Scope 3 include outsourced goods and services, capital goods, fuel and energy-related activities, upstream transportation and distribution, wastes generated in operation, business travel, employee commuting, downstream transportation and distribution, and downstream leased assets.

[5] Greenhouse gas downstream emission in Scope 3 includes downstream transportation and distribution, and downstream leased assets.

[6] Greenhouse gas upstream emission in Scope 3 includes upstream transportation and distribution.

[7] Scope of greenhouse gas emission intensity: Scope 1 and 2.

[8] Hazardous wastes include sludge, waste dimethyl carbonate, waste oil, waste chemical packaging, NMP waste liquid, chemical waste liquid, waste activated carbon, etc.

[9] Harmless wastes include waste materials, production wastes and industrial wastes.

[10] Non-recyclable garbage includes industrial garbage.

[11] Recyclable garbage includes recyclable production waste and waste materials.

[12] Energy consumption includes electricity (grid power, photovoltaic) and natural gas.

[13] The average training hours for employees = the total training hours /the number of people trained in this category

[14] The Percentage of employees with five insurances and one fund refer to the social insurance and housing accumulation fund paid by the Company for domestic employees as well as the commercial insurance purchased by the Company for overseas employees according to local regulations.

[15] Percentage of employees participated in labor union refers to the percentage of domestic employees participating in the labor union only.

[16] "STEM related positions" refer to the positions related to science, technology, engineering and mathematics. The scope of calculation for this year is the Company's technicians.

[17] The "revenue generating department" refers to the department that promotes the Company's revenue, which is different from administrative departments such as HR Department and IT Department. The scope of calculation for this year is the Company's sales personnel.

[18] Unadjusted gender salary difference does not cover the salary difference caused by working experience (year), post, contract type, post, etc.

Content Index Table of Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange

Part B: Compulsory Disclosure	
Contents of Compulsory Disclosure	Disclosure Position
Governance structure	Report standard
Reporting principle	Report principle
Reporting scope	Organization scope

Part C: [Comply or Explain] Articles		
	Main Scope, Layer, General Disclosure and Key Performance Indexes	Disclosure Position
	A Environment	
A1: Emissions		
General disclosure	The emission of exhaust gas and greenhouse gases, the discharge of pollutants into water and land, the generation of hazardous and non-hazardous wastes which lead to (a) policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Environment Compliance Management
A1.1	The types of emissions and respective emission data.	ESG Key Performance Table
A1.2	[Deleted on January 1, 2025]	
A1.3	Total hazardous waste produced (in t) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollution and Waste Management ESG Key Performance Table
A1.4	Total non-hazardous waste produced (in t) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollution and Waste Management ESG Key Performance Table
A1.5	Description of emission target (s) set and steps taken to achieve them.	Address Climate Change Pollution and Waste Management
A1.6	Descriptions of the method for treating hazardous and non-hazardous wastes as well as the goals of waste reduction and steps taken for realizing these goals.	Pollution and Waste Management
A2: Use of Resource		
General disclosure	Policies for the effective use of resources (including energy, water and other raw materials).	Resource Management
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Resource Management ESG Key Performance Table

Part C: [Comply or Explain] Articles		
Main Scope, Layer, General Disclosure and Key Performance Indexes		Disclosure Position
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource Management ESG Key Performance Table
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource Management
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Management
A2.5	Total packaging material used for finished products (in t) and, if applicable, with reference to per unit produced.	Circular Economy ESG Key Performance Table
A3: Environment and natural resources		
General disclosure	Policies to reduce the issuer's significant impact on the environment and natural resources.	Biodiversity
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Biodiversity
A4: Climate change		
General disclosure	[Deleted on January 1, 2025]	
A4.1	[Deleted on January 1, 2025]	
B Social		
B1: Employment		
General disclosure	The (a) policies about remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other treatment and benefits: and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Talent Development
B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	ESG Key Performance Table
B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Key Performance Table
B2: Health and Safety		
General disclosure	The (a) policies providing a safe working environment and protecting employees from occupational hazards, and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Talent Development - Occupational Health and Safety (OHS)
B2.1	Employee turnover rate by gender, age group and geographical region.	ESG Key Performance Table
B2.2	Lost days due to work injury.	ESG Key Performance Table

Part C: [Comply or Explain] Articles		
Main Scope, Layer, General Disclosure and Key Performance Indexes		Disclosure Position
B2.3	Description of the occupational health and safety (OHS) measures adopted and related implementation enforcement and monitoring methods.	Talent Development - Occupational Health and Safety (OHS) ESG Key Performance Table
B3: Development and Training		
General disclosure	Policies on improving employees' knowledge and skills in performing their duties. Description of the training activities.	Talent Development - Employee Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Key Performance Table
B3.2	The average training hours completed per employee by gender and employee category.	ESG Key Performance Table
B4: Labor Standard		
General disclosure	The (a) policies concerning the prevention of child labor or forced labor: and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Talent Development - Employee Rights and Interests Protection
B4.1	Description of measures to reviw employment practices to avoid child and forced labor.	Talent Development - Employee Rights and Interests Protection
B4.2	Description of steps taken to eliminate such practices when discovered.	Talent Development - Employee Rights and Interests Protection
B5: Supply Chain Management		
General disclosure	Policies on environment and social risks of management supply chain.	Supply Chain Sustainability
B5.1	Number of suppliers by geographical region.	ESG Key Performance Table
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Sustainability ESG Key Performance Table
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Sustainability
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Sustainability
B6: Product Responsibility		
General disclosure	The (a) policies on health and safety, advertising, labeling and privacy of products and services provided and remedies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Product Quality and Safety
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality and Safety ESG Key Performance Table

Part C: [Comply or Explain] Articles		
Main Scope, Layer, General Disclosure and Key Performance Indexes		Disclosure Position
B6.2	Number of products and service related complaints received and how they are dealt with.	Product Quality and Safety ESG Key Performance Table
B6.3	Number of products and service related complaints received and how they are dealt with.	IPRs Protection
B6.4	Description of quality assurance process and recall procedures.	Product Quality and Safety
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Service Management
B7: Anti-corruption		
General disclosure	The (a) policies on prevention of bribery, extortion, fraud and money laundering: and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Commercial Ethics and Compliance
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees Within the reporting period and the outcomes of the cases.	ESG Key Performance Table
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Commercial Ethics and Compliance
B7.3	Description of anti-corruption training provided to directors and staff.	ESG Key Performance Table
B8: Community Investment		
General disclosure	The policies on community participation to understand the needs of the community in which it operates and to ensure that its business activities will consider the interests of the community.	Community Participation
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community Participation
B8.2	Resources contributed (e.g. money or time) to the focus area.	ESG Key Performance Table

Part D: Climate-related Disclosure	
Governance	
Information on the governance bodies (which may include the Board of Directors, committees, or other equivalent governance bodies) or individuals responsible for monitoring climate related risks and opportunities	Address Climate Change
The role of the management in the governance processes, monitoring measures, and procedures used for monitoring, managing and supervising climate related risks and opportunities	Address Climate Change
Strategy	
Climate related risks and opportunities	Address Climate Change
Business model and value chain	Address Climate Change

Part D: Climate-related Disclosure	
Strategies and decisions	Address Climate Change
Financial status, financial performance and cash flow	Address Climate Change
Climate resilience	Address Climate Change
Risk Management	
The issuer's process and related policies for identifying, assessing climate related risks, determining priorities, and maintaining supervision;	Address Climate Change
The process used for identifying and evaluating climate related opportunities, determining priorities and maintaining supervision (including the information on how issuers may use climate related scenario analysis to determine climate related opportunities)	Address Climate Change
How the identification and evaluation of climate related risks and opportunities, priority determination and supervision process are integrated into the issuer's overall risk management process, and the specific degree of integration.	Address Climate Change
Index and Objective	
Greenhouse gas emission	Address Climate Change
	ESG Key Performance Table
Climate related transformation risks	Address Climate Change
Climate related physical risks	Address Climate Change
Climate related opportunities	Address Climate Change
Capital use	Address Climate Change
Internal carbon pricing	Address Climate Change
Remuneration	Address Climate Change
Industrial indexes	Not applicable
Climate related objectives	Address Climate Change
Cross-industry indexes and applicability of industrial indexes	Address Climate Change

Content Index Table of GRI Sustainability Reporting Standards[1]

GRI Standards	Disclosure Items	Disclosure Section
GRI 2: General disclosure 2021	2-1 Details of the organization	Company Profile
	2-2 Entities included in sustainable development reports of the organization	About the Report
	2-3 Reporting period, frequency of reporting and contact person	About the Report
	2-4 Information restatement	ESG Key Performance Table
	2-5 External authentication	Authentication Statement
	2-6 Activities, value chains and other business relationships	Industrial Layout Product quality and safety Customer Service Management Supply Chain Sustainability
	2-7 Employees	ESG Key Performance Table
	2-8 Workers other than employees	ESG Key Performance Table
	2-9 Structure and composition of governance	ESG Management Corporate Governance
	2-10 Nomination and selection of supreme governing body	Corporate Governance
	2-11 Chairman of the top governing body	Corporate Governance
	2-12 Regulatory role of top governing body in terms of management impact	ESG management
	2-13 Delegation of responsibility for managing impacts	ESG management Corporate governance
	2-14 Role of top governing body in sustainable development reporting	ESG management
	2-15 Conflicts of interest	Commercial Ethics and Compliance
	2-16 Communication of key issues	ESG Management
	2-17 Knowledge of the top governing body	ESG Management

[1]N/A means not applicable or no disclose is made in this year.

GRI Standards	Disclosure Items	Disclosure Section
GRI 2: General disclosure 2021	2-18 Performance evaluation of top governing body	ESG Management
	2-19 Remuneration policy	Corporate Governance
	2-20 Procedures for determining remuneration	Corporate Governance
	2-21 Total annual compensation ratio	ESG Key Performance Table
	2-22 Statement on sustainable development strategies	ESG Management
	2-23 Policy commitments	Environment Compliance Management Supply Chain Sustainability Employee Rights and Development Commercial Ethics and Compliance
	2-24 Integration policy commitments	Environment Society Governance
	2-25 Procedures to remedy negative impacts	ESG Management Address Climate Change Product Quality and Safety Customer Service Management Supply Chain Sustainability Employee Rights and Development Corporate Governance Commercial Ethics and Compliance Information Security and Privacy Protection
	2-26 Mechanisms for seeking suggestions and raising concerns	ESG Management Employee Rights and Development

GRI Standards	Disclosure Items	Disclosure Section
GRI 2: General disclosure 2021	2-27 Compliance with laws and regulations	Environment Compliance Management Product Quality and Safety Customer Service Management Supply Chain Sustainability Employee Rights and Development Commercial Ethics and Compliance Information Security and Privacy Protection
	2-28 Membership of associations	Associations and Organizations Joined
	2-29 Involvement methods of stakeholders	ESG Management
GRI 3: Substantive Issues 2021	3-1 Process for identifying material issues	ESG Management
	3-2 List of material issues	ESG Management
	3-3 Management of material issues	ESG Management Environment Society Governance
GRI 201： Economic performance 2016	201-1 Economic value directly generated and distributed	ESG Key Performance Table
	201-2 Financial impacts and other risks and opportunities from climate change	Address Climate Change
	201-3 Set benefit plan obligations and other retirement plans	Employee Rights and Development
GRI 203: Indirect Economic Impact 2016	203-1 Infrastructure investment and support services	Community Participation
	203-2 Significant indirect economic impact	Community Participation
GRI 205: Anti-Corruption 2016	205-1 Operational sites where corruption risk assessments have been conducted	Commercial Ethics and Compliance
	205-2 Communication and training on anti-corruption policies and procedures	Commercial Ethics and Compliance ESG Key Performance Table
	205-3 Confirmed incidents of corruption and action taken	Commercial Ethics and Compliance

GRI Standards	Disclosure Items	Disclosure Section
GRI 206: Anticompetitive Conduct 2016	206-1 Lawsuits against anticompetitive conduct, antitrust and anti-monopoly practices	Customer Service Management Commercial Ethics and Compliance
GRI 301: Materials 2016	301-1 Weight or volume of material used	Circular Economy ESG Key Performance Table
	301-2 Recycled feed used	Circular Economy
	301-3 Recycled products and their packaging materials	Circular Economy Resource Management ESG Key Performance Table
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Resource Management ESG Key Performance Table
	302-2 Energy consumption outside the organization	Resource Management ESG Key Performance Table
	302-3 Energy intensity	Resource Management ESG Key Performance Table
	302-4 Reduce energy consumption	Resource Management ESG Key Performance Table
	302-5 Decline in energy demand for products and services	Resource Management
GRI 303: Water Resources and Sewage 2018	303-1 Interactions between organizations and water as a shared resource	Resource Management
	303-2 Manage the drainage-related impacts	Resource Management
	303-3 Water supply	Resource Management ESG Key Performance Table
	303-4 Drainage	Pollution and Waste Management ESG Key Performance Table
	303-5 Water consumption	Resource Management ESG Key Performance Table
GRI 304: Biodiversity 2016	304-1 Organize owned, leased, managed operating sites in or near protected areas and areas rich in biodiversity	Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity

GRI Standards	Disclosure Items	Disclosure Section
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	Address Climate Change ESG Key Performance Table
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	Address Climate Change ESG Key Performance Table
	305-3 Other indirect (Scope 3) greenhouse gas emissions	Address Climate Change ESG Key Performance Table
	305-4 Greenhouse gas emission intensity	Address Climate Change ESG Key Performance Table
	305-5 Greenhouse gas emission reduction	Address Climate Change ESG Key Performance Table
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant gaseous emissions	Pollution and Waste Management ESG Key Performance Table
GRI 306: Waste 2020	306-1 Waste generation and waste-related significant impacts	Pollution and Waste Management
	306-2 Management of waste-related significant impacts	Pollution and Waste Management
	306-3 Waste generated	Pollution and Waste Management ESG Key Performance Table
	306-4 Waste transferred from disposal	Pollution and Waste Management ESG Key Performance Table
GRI 308: Environmental Assessment for Suppliers 2016	308-1 New suppliers screened using the environmental assessment dimension	ESG Key Performance Table
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Sustainability ESG Key Performance Table
GRI 401: Employment 2016	401-1 Hire rate of new employees and employee turnover rate	ESG Key Performance Table
	401-2 Benefits offered to full-time employees (excluding temporary or part-time employees)	Employee Rights and Development
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety (OHS) management system	Employee Rights and Development
	403-2 Hazard identification, risk assessment and accident investigation	Employee Rights and Development
	403-3 Occupational health services	Employee Rights and Development
	403-4 Occupational health and safety matters: Participation, consultation and communication of workers	Employee Rights and Development

GRI Standards	Disclosure Items	Disclosure Section
GRI 403: Occupational Health and Safety 2018	403-5 Occupational health and safety training for workers	Employee Rights and Development
	403-6 Promotion of worker health	Employee Rights and Development
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships	Employee Rights and Development
	403-8 Workers covered by occupational health and safety management system	Employee Rights and Development ESG Key Performance Table
	403-9 Work injury	ESG Key Performance Table
	403-10 Work-related health problems	Employee Rights and Development
GRI 404: Training and Education 2016	404-1 Average training hours per employee per year	Employee Rights and Development ESG Key Performance Table
	404-2 Staff skill improvement scheme and transition assistance scheme	Employee Rights and Development
	404-3 Percentage of employees who receive regular performance and career development assessment	ESG Key Performance Table
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governing body and employees	Employee Rights and Development Corporate Governance
	405-2 Ratio of basic wages and remuneration of men and women employees	ESG Key Performance Table
GRI 406: Anti-Discrimination (2016)	406-1 Discrimination incidents and corrective action taken	Employee Rights and Development
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operating sites and suppliers probably facing the risks of freedom of association and the right to collective bargaining	Employee Rights and Development Supply Chain Sustainability
GRI 408: Child Labor (2016)	408-1 Operating sites and suppliers facing the significant risk of child labor incidents	Employee Rights and Development Supply Chain Sustainability
GRI 409: Forced or Compulsory Labor (2016)	409-1 Operating sites and suppliers with significant risk of forced or compulsory labor incidents	Employee Rights and Development Supply Chain Sustainability
GRI 413: Local Communities 2016	413-1 Operating sites involving local community and influencing assessment and development plans	ESG Management Community Participation
	413-2 Operating sites with actual or potential significant negative impacts on local communities	Community Participation
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	Supply Chain Sustainability ESG Key Performance Table

GRI Standards	Disclosure Items	Disclosure Section
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Sustainability ESG Key Performance Table
GRI 416: Customer Health and Safety 2016	416-1 Assessment on the health and safety impacts of product and service categories	Product Quality and Safety
	416-2 Violations involving health and safety impacts of products and services	Product Quality and Safety ESG Key Performance Table
GRI 417: Marketing and Logo 2016	417-1 Requirements for information and identification of products and services	Product Quality and Safety
	417-2 Violations involving product and service information and identification	Product Quality and Safety
	417-3 Violations involving marketing communications	Customer Service Management
GRI 418: Customer Privacy 2016	418-1 Confirmed complaints involving violations of customer privacy and loss of customer data	Customer Service Management Information Security and Privacy Protection

Associations and Organizations Joined

S/N	Name of External Agency	Join Time	Member Level
1	Jiangsu Energy Storage Materials and Device Industry Technology Innovation Strategic Alliance	2018	Vice President
2	Society of Automotive Engineers of Jiangsu	2018	Member
3	Electric Vehicle Industry Technology Innovation Strategic Alliance of China Society of Automotive Engineers	2019	President
4	Jiangsu Power and Energy Storage Battery Innovation Alliance	2019	President
5	China Society of Automotive Engineers	2020	Member Organization
6	China Chemical and Physical Power Sources Industry Association Power Battery Application Sub-Association and Expert Committee	2020	Vice President
7	Xiamen City New Energy Battery Comprehensive Recycling and Utilization Industry Association	2020	Vice Chairman Organization
8	China Automotive Research and Technology Center Standardization Institute (Member of Power Battery Standard Research Working Group for Electric Vehicles)	2020	Member
9	Xiamen City New Materials Industry Association	2021	Vice Chairman Organization
10	Responsible Cobalt Initiative (RCI)	2021	Decision-making Member Organization
11	China Battery Industry Association	2021	Member
12	Chengdu City Green Intelligent Network Automobile Industry Ecology Alliance	2021	Member Organization
13	China Electricity Council	2021	Member
14	China Chemical and Physical Power Sources Industry Association Energy Storage Sub-Association	2021	Member
15	China Association of Automobile Manufactures	2022	Member
16	Jiangsu Energy Storage Industry Association	2022	Vice President
17	China Energy Storage Alliance	2022	Board Member
18	China Society of Automotive Engineers and Working Committee on Digitalization and Intelligent Manufacturing of Automobile Industry	2022	Member
19	CATARC (2022 “NEV Power Battery Management Policy and Generic Technology Research” Work Team)	2022	Member
20	Carbon Neutrality Committee of China Energy Conservation Association	2022	Member
21	China New Energy Industry Innovation Alliance	2022	Member

S/N	Name of External Agency	Join Time	Member Level
22	National Lithium Battery Intelligent Manufacturing Device Standard Work Team	2022	Member
23	China Non-Metallic Minerals Industry Association	2022	Member
24	China Electric Heavy Truck Power Conversion Industry Promotion Alliance	2022	Member
25	China Non-Metallic Minerals Industry Association	2022	Member
26	Enterprise Anti-fraud Alliance	2023	Member
27	China Energy Storage Alliance	2024	Board Member
28	China Society of Automotive Engineers Automotive Supply Chain Innovation Branch	2024	Member
29	CCOIC (China Chamber of International Commerce)	2024	Member
30	CAAM China Automotive Parts CT30 Joint Committee	2024	Member
31	CBIA National Marine Electrical and Electronic Equipment Standard Technical Committee (Standard Wok Team of Ship Energy Storage and Power Battery System of Marine Electrical Sub-technical Committee)	2024	Member
32	Shenzhen New Energy Association	2024	Member
33	One Planet Foundation	2024	Board Member
34	United Nations Global Compact (UNGC)	2025	Member Organization
35	China Corporate Climate Action (CCCA)	2025	Member Organization
36	China ESG Alliance	2025	Member Organization
37	New Energy Industry Legal Service Alliance	2025	Board Member
38	ISSB early bird learner programme for IFRS S1&2	2025	Member Organization

Abbreviations

Abbreviation	Full Form
COP	Conference of the Parties
RBA	Responsible Business Alliance
CCS	China Classification Society
DNV	Det Norske Veritas
eVTOL	Electric Vertical Take-off and Landing
CSO	Chief Sustainability Officer
VOC	Volatile Organic Compounds
COD	Chemical Oxygen Demand
BOD	Biochemical Oxygen Demand
QCC	Quality Control Circle
HSF	Hazardous substances free
PDCA	Plan、Do、Check、Act
SQE	Supplier Quality Engineer
SRM	Supplier relationship management
RoHS	Restriction of Hazardous Substances
APQP	Advanced Product Quality Planning
CCD	charge-coupled device
CT	Computed Tomography
MES	manufacturing execution system
CPK	Process Capability Index
SAQ	Sustainability Assessment Questionnaire
CMRT	Conflict Minerals Reporting Template

Abbreviation	Full Form
EMRT	Extended Minerals Reporting Template
DCR	Direct Current Resistance
CPM	Chief Patent Manager
CRM	Customer Relationship Management
ERT	Emergency Response Team

Greenhouse Gas Emissions Verification Report



Statement of Conformity CN26/00002332

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in
01 Jan. 2025 to 31 Dec. 2025 of

CALB Group Co., Ltd.

Business address: No. 1 Jiangdong Avenue, Jintan District, Changzhou City, Jiangsu Province, P.R. China
Organization boundary: Detail organization boundary information has been listed in Annex, for multi-site statement

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

Direct Emissions
366,318.51 tonnes of CO_2e
Indirect Emissions
7,953,205.73 (Location-based) 7,957,866.02 (Market-based) tonnes of CO_2e
Total Emissions Quantified
8,319,524.24 (Location-based) 8,324,184.53 (Market-based) tonnes of CO_2e

The specific categories of indirect greenhouse gas emissions are detailed in the appendix of this statement, which is an integral part of this statement

Authorised by
David Xin
Sr. Director - Business Assurance
DATE: 19 Mar. 2026

SGS-CSTC Standards Technical Services Co., Ltd.
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Several statements have been issued for this scope, this is main statement

Page 1 of 6

Authentication Statement

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Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by CALB Group Co., Ltd. (hereinafter "CALB" or "the Company") to conduct an independent third-party assurance of its 2025 Environmental, Social, Governance (ESG) Report (hereinafter "Report"). The Report disclosed sustainability information of CALB for the fiscal year 2025 (from 1 January 2025 to 31 December 2025).

Responsibilities

CALB is not only responsible for the preparation of sustainability report and the collection and reporting of sustainability information in accordance with applicable reporting standards but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland implements sustainability information assurance activities under a quality management system that complies with the requirements of the ISO/IEC 17029:2019 Standard and adheres to the TÜV Rheinland Global Code of Ethics and Compliance Program. Our assurance service follows the principles of independence and impartiality and does not participate in the preparation of the Report of CALB. The assurance project was implemented by a team with expertise and assurance experience in the corresponding sustainability issues. The role of TÜV Rheinland is to carry out independent assurance work in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial professional judgments on sustainability reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for specified performance indicators (see Appendix in this statement) and non-financial qualitative information (including materiality assessment, stakeholder engagement, topics management related to material impacts, risks and opportunities (IRO), etc.) selected by CALB in accordance with the AccountAbility AA1000 Assurance Standard 3rd edition (AA1000AS v3) on a Type-2 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of CALB and stakeholders concerned with the Company's sustainability information and performance with an independent view of the assurance, including that we review and assess the content of the report adherence to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and review and evaluate the reliability and quality of specified performance information.

Assurance Criteria

The following assessment criteria (including reporting frameworks or standards) were used in undertaking the work:

- Stock Exchange of Hong Kong Limited ("HKEX") Main Board Listing Rules Appendix C2 ESG Reporting Code
- The Global Sustainability Standards Council's GRI Sustainability Reporting Standards (GRI Standards)
- International Sustainability Standards Board (ISSB) International Financial Reporting Sustainability Disclosure Standards (IFRS)
- UN Sustainable Development Goals (SDGs) Corporate Action Guidelines
- Greenhouse Gas Accounting System Enterprise Accounting and Reporting Standards (GHG Protocol)
- Adherence to the AA1000AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

Methodology

Our assurance activities and procedures include:

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- Interviewing with management to understand and assess key processes, systems and internal controls for operations and sustainability management.
- Interviewing with key personnel responsible for sustainability execution to understand the non-financial information reporting system, including the collection, integration and reporting of specified performance data and non-financial qualitative information, and to evaluate the data integration process at the group level.
- Applying analytical procedures to review the reasonableness of the data.
- Testing the source of information based on the sampling principle to check the accuracy of the data.
- Reviewing the consistency and reliability of specified performance indicators and quantitative and qualitative information within assurance scope.
- Collecting and inspecting supporting evidence to assess the extent to which relevant disclosures within the scope of the assurance engagement and sustainability reporting support and adherence to AA1000AP assurance principles.
- Reporting assurance observations or recommendations to give the company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon and obtained evidence information and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3. The nature and extent (scope) of the procedures involved in moderate level assurance engagement are lower than those required to obtain high level assurance.

Forward-looking information relates to events and actions that have not yet occurred and may never occur. Actual results are likely to be different because expected events often do not occur as expected. We did not guarantee the availability of forward-looking information.

The information and performance relating to the assurance is limited to the disclosure of the contents of this Report. Our assurance did neither cover annual financial reports and financial data and nor cover other topics or matters that are not related to sustainability topics beyond the scope of this assurance.

Conclusions

Based on the above assurance procedures implemented and the evidence obtained, we believe that:

- 2025 ESG Report of CALB adhered to the AA1000AP AccountAbility Principles.
- Sustainability information was prepared in accordance with ESG Reporting Code of HKEX and GRI Standards.
- Specified performance indicators (see Appendix) and non-financial qualitative information (including the assessment of material issues) within the scope of the assurance were evaluated and there were no material misstatements.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on CALB based on this Assurance Statement.

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

The key stakeholder groups identified by CALB included customers, shareholders and investors, employees, government or regulators, suppliers, communities and the public, industry and standards associations, etc. The Company collected and analysed feedback from relevant parties through stakeholder questionnaire surveys to provide a reference for the evaluation of important issues and strategic decision-making adjustments.

Materiality

CALB has carried out a double materiality assessment, including evaluating and prioritizing issues from the two dimensions of "impact materiality" and "financial materiality" based on industry standards, peer practices, and analysis of stakeholder research results. The issue matrix revealed the current year's financial materiality issues (e.g., response to climate change, product quality and safety, R&D innovation, supply chain management, occupational health and safety, etc.). The Board reviewed and confirmed the results of the Issue Matrix.

Responsiveness

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The communication channels between CALB and its key stakeholder groups are diversified, including regular information disclosure, supplier review and training, grievance and reporting mechanisms, etc. The Company actively built ESG indicators and target systems and focused on green and low-carbon management practices. This report adopted a four-element framework for disclosure of financial materiality issues, and also disclosed quantitative data on specific actions taken in response to the United Nations Sustainable Development Goals (SDGs) and ESG key performance indicators (such as emissions (including greenhouse gas emissions), resource utilization, employee management, occupational health and safety, supply chain management, etc.), to respond to major concerns of stakeholders in a timely and appropriate manner.

Impact

CALB focused on risks in key ESG areas (such as product life cycle management, environment and climate, labour and employment compliance, sustainable supply chain, privacy and safety, etc.), and combined operation management, compliance management and internal control systems to prevent and control major risks. This report disclosed an analysis of the impacts, risks and opportunities of material issues, including the response to climate change, and took concrete actions. ESG key performance and management practices provided information support for the company's environmental and social impact assessment and management.

Disclosure of Specified Performance Information

TÜV Rheinland reached conclusions on the verification of reliability and quality of specified performance information (see Appendix) based on Type-2 and Moderate level assurance engagement:

- TÜV Rheinland observed that CALB has established and implemented relevant internal control systems and processes, as well as collected and aggregated reliable source data related to selected specific performance indicators through management systems or platforms.
- During the verification process, all minor errors identified have been corrected. We believe that the data finally presented within the scope of the assurance is accurate. We recommend that CALB continue to improve the level of data governance (including data calculation and aggregation) at the group and operational levels.

A full management report was submitted to management of CALB for consideration, detailing the findings and recommendations for continuous improvement of the sustainability report.

Daniel Pan
Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, 22 April 2026

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Appendix:

Selected specific performance indicators in the table as follows:

Indicator (s)	Unit
Environment	
Total amount of atmospheric pollutants	t
Emission amount of VOC	t
Sulfur oxides	t
Nitrogen oxides	t
Particulate matter	t
Total discharged water	t
COD	t
Ammonia nitrogen	t
BOD	t
Scope 1 greenhouse gas emissions	Carbon dioxide equivalent (t)
Scope 2 greenhouse gas emissions	Carbon dioxide equivalent (t)
Scope 3 greenhouse gas emissions	Carbon dioxide equivalent (t)
Scope 3 greenhouse gas downstream emission	Carbon dioxide equivalent (t)
Scope 3 greenhouse gas upstream emission	Carbon dioxide equivalent (t)
Greenhouse gas emission intensity	Carbon dioxide equivalent/kWh (kg)
Total emission of waste	t
Total waste recycled	t
Total hazardous waste	t
Total non-hazardous waste	t
Recyclable waste	t
Total energy consumption	MWh
Total water withdrawal	m3
Total water consumption	m3
Recyclable water amount	m3
Recycling rate of mass-produced projects	t
Social	
Total number of employees	Person
Percentage of Female employees	%
Number of Female management	Person
Attrition rate	%
Percent of voluntary turnover	%
Attrition rate of primary management	%
Average number of training hours for employees	hours
Unadjusted average pay gap between men and women	%
Proportion of Female Senior management	%
Proportion of Female Middle management	%

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Proportion of Female primary management	%
Proportion of female employees related to STEM	%
Proportion of female employees in revenue generating department	%
Number of employees from ethnic minorities	Person
Proportion of minority employees	%
Proportion of minority executives	%
Rate of work injury accidents per 1 million working hours	%
Number of deaths due to work injuries - Total	Person
Rate of work injury accidents per 1 million working hours of Contractor - Total	%
Times of employee health and safety risk assessment	times
Number of employees participating in health and safety trainings	
Number of Level 1 suppliers	Supplier
Number of key suppliers among Level 1 suppliers	Supplier
Number of key suppliers not among Level 1 suppliers	Supplier
Number of core suppliers audited and assessed for environmental or social issues	Supplier
Percentage of core suppliers audited and assessed for environmental or social issues	%
Frequency of suppliers audited on-site for environmental or social issues	Times/year
Number of core suppliers audited on-site for environmental or social issues	Supplier
Number of evaluated or reviewed core suppliers who passed improvement action of corporate social responsibility	Supplier
Percentage of evaluated or reviewed core suppliers who passed improvement action of corporate social responsibility	%
Number of ESG training for suppliers	Times/year
Coverage rate of ESG training for suppliers	%
Number of ESG training for suppliers	Times/year
Coverage rate of ESG training for procurement staff	%
Number of core suppliers signing the Supplier Code of Conduct	Supplier
Number of core suppliers signing contracts with environmental, labor and human rights clauses	Supplier
Number of suppliers subject to due diligence for responsible minerals in the supply chain	Supplier
Proportion of product recall due to safety and health reasons	%
Governance	
Percentage of directors with relevant working experience	%
Number of corruption lawsuits	Complaint
Percentage of employees participating in commercial ethics and compliance training	%
Number of reports generated by reporting procedure	Pcs
Number of recognized information security events throughout the year	Times


CALB