

2025

CNGR Advanced Material Co., Ltd.

Task Force on Climate-Related Financial Disclosures Report

Disclaimer:

This Report contains forward-looking statements involving risks and uncertainties, including statements regarding the plans, objectives, expectations and intentions of CNGR Advanced Material. If one or more of these risks, uncertainties or contingencies materialize, or if any of the underlying assumptions prove to be incorrect, actual results may differ materially from those anticipated, estimated or projected. Readers are cautioned that forward-looking statements involve both known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of CNGR Advanced Material. Accordingly, neither CNGR Advanced Material nor any other person assumes any responsibility for the accuracy of these forward-looking statements.



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About This Report

Reporting Boundary

The information and data disclosed in this report are derived from CNGR Advanced Material Co., Ltd. and its subsidiaries under its actual operational control. The reporting scope is consistent with the 2025 Annual Report of CNGR Advanced Material Co., Ltd. and the 2025 Sustainability Report of CNGR Advanced Material Co., Ltd. All data disclosed in this report are sourced from the Company’s internal data collection and statistical systems. Unless otherwise stated, the monetary unit used in this report is U.S. dollars.

Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025. Where certain content falls outside the above period, this is explained in the main text. This report is an annual report, and its reporting period is consistent with that of the 2025 Annual Report of CNGR Advanced Material Co., Ltd. and the 2025 Sustainability Report of CNGR Advanced Material Co., Ltd.

Reference Standards

This report has been prepared with reference to the Implementation Guidance for Climate Disclosures under the Hong Kong Stock Exchange Environmental, Social and Governance Framework, the Ministry of Finance’s Corporate Sustainability Disclosure Standard No. 1 - Climate (Trial), the Guidelines No. 3 of Shenzhen Stock Exchange for Self-Regulation of Companies Listed on the ChiNext Market - Preparation of Sustainability Reports, and International Financial Reporting Standard Sustainability Disclosure Standard No. 2 - Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB).

Data Sources

All information and data cited in this report are derived from the Company’s original operating records, official documents, statistical reports, financial reports, other externally released information notices, and summarized statistics on the actual business operations and circumstances of its branches and subsidiaries. The materials in this report are used solely for the Company’s climate information disclosure and are not intended for commercial purposes.

The financial data in this report are presented in “U.S. dollars / RMB100 million”, and greenhouse gas emissions are presented in “tonnes of CO2 equivalent”. The financial data are consistent with the Company’s annual financial report.

Data Provider for this report
S&P Global

S&P Global

The underlying data for the climate scenario analysis in this report, including carbon price, carbon intensity, and emissions calculations, is sourced from S&P Global’s Sustainable1 database. Standardized carbon data tools are supported by S&P Global Market Intelligence. The quantitative calculation results for physical risks and transition policy risks are all derived from S&P model calculations.

Preparation Principles

Reliability

The sustainability information disclosed in this report is complete, neutral, and accurate. This report contains no omission or under reporting of material information, no misleading understatement or exaggeration of information, and no false statements, ensuring that factual information is free from material error, descriptions are precise, and estimates and forecasts are clearly identified.

Relevance

The sustainability information disclosed in this report is relevant and helps users make assessments or forecasts.

Comparability

This report discloses sustainability information for the reporting period, and the collection, measurement, and calculation methods for the same indicators remain consistent across different reporting periods.

Verifiability

The sustainability information disclosed in this report is verifiable and can be substantiated through the information itself or through the inputs used to generate it.

Understandability

The sustainability information disclosed in this report is understandable, with clear and concise content that facilitates understanding and use by information users.

Timeliness

The sustainability information disclosed in this report is timely and can promptly meet the information needs of information users.

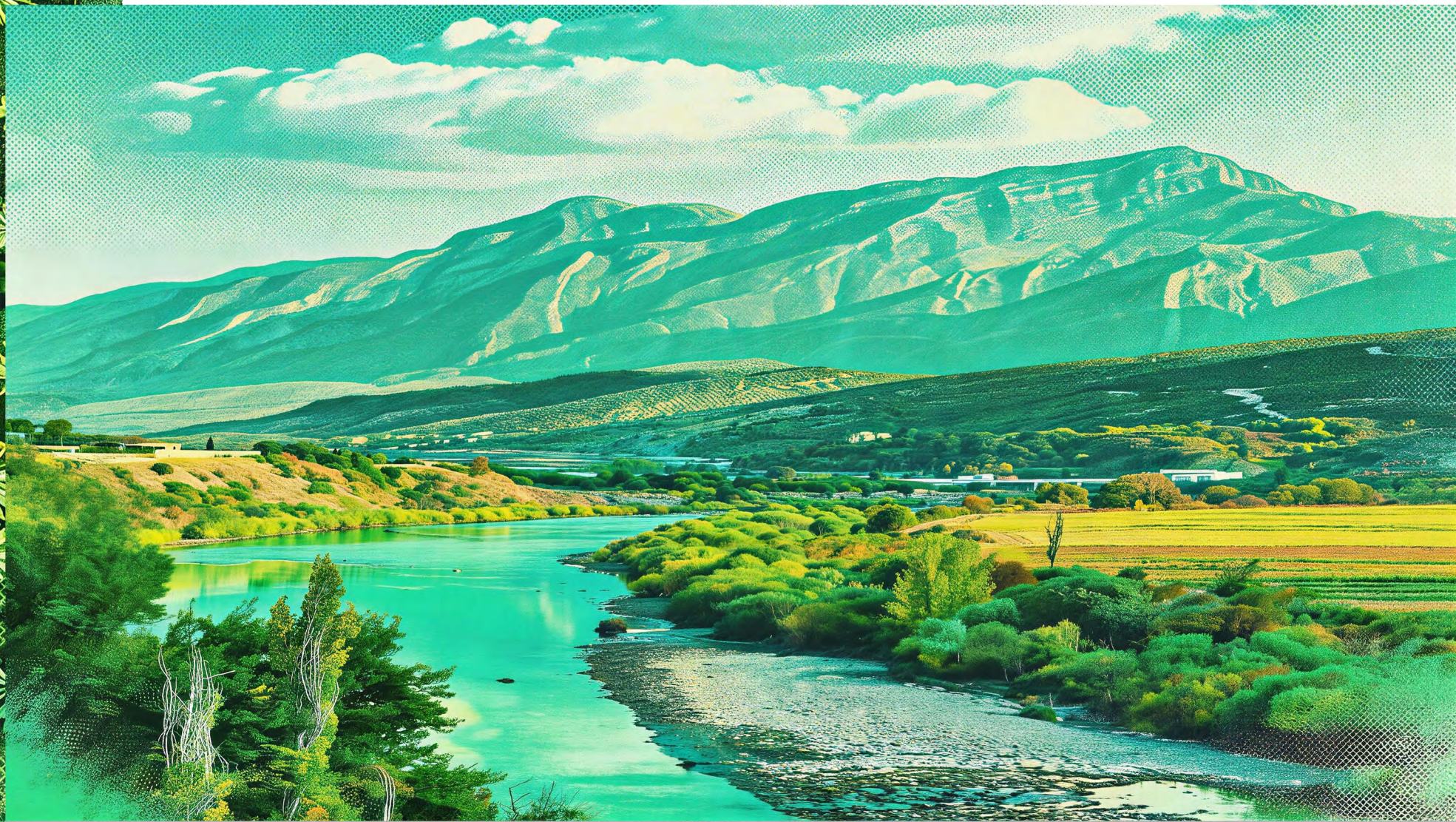
Access to the Report

This report is available in Simplified Chinese, Traditional Chinese and English versions and can be accessed on the Company’s website (<http://www.cngrgf.com.cn/shzr.html>). In the event of any discrepancy among the versions, the Simplified Chinese version shall prevail; in the event of any discrepancy between this report and the Company’s annual report, financial report, or audit report, the annual report, financial report, and audit report shall prevail.





ADDRESSING CLIMATE CHANGE



01 Governance

In the field of climate governance, CNGR Advanced Material adheres to the core concepts of the Ministry of Finance’s Corporate Sustainability Disclosure Standard No. 1 - Climate (Trial), the Guidelines No. 3 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies - Preparation of Sustainability Reports, the Implementation Guidance for Climate Disclosures under the HKEX Environmental, Social and Governance Framework, and International Financial Reporting Sustainability Disclosure Standard No. 2 - Climate-

related Disclosures (IFRS S2). The Company has established a governance system featuring top-level design and cross-departmental collaboration, deeply embedding climate risk management into corporate strategic decision-making and daily operations. The design of its governance structure fully reflects the core requirements of the “Governance” element, namely establishing an effective oversight mechanism, clarifying management responsibilities, and ensuring the systematic management of climate issues.

1.1 Governance Structure and Responsibilities

As the highest governance body for climate issues at CNGR Advanced Material, the Strategy and ESG Committee of the Board of Directors is responsible for reviewing the dual-carbon targets and zero-carbon action plan, approving climate strategies, overseeing the review of climate-related risks and opportunities, formulating climate targets, monitoring

progress against climate targets, and setting the key indicator assessment system. The Committee discusses and reviews climate work plans submitted by the Sustainability Office, oversees sustainability and climate information disclosure work, and reviews the results of relevant reports once each year.

1.1.1 Board Climate Governance

As the highest governance body for the Company's climate issues, the Strategy and ESG Committee of the Board of Directors consists of Mr. Deng Weiming, Chairman of the Board (Committee Chair), Mr. Tao Wu, and Mr. Jiang Liangxing. It is responsible for overseeing the review of climate-related risks

and opportunities, formulating climate targets, monitoring progress against climate targets, setting the key indicator assessment system, and assuming overall responsibility for the Company's response to climate change.

Table 1 CNGR Advanced Material Strategy and ESG Committee

Committee Position	Name	Company Position	Professional Competence
Chairman	Deng Weiming	Chairman, President	Industry Experience, Business Administration
Member	Tao Wu	Non-independent Director Executive Vice President	Industry Experience, Business Administration
Member	Jiang Liangxing	Independent Director	Industry Experience, R&D

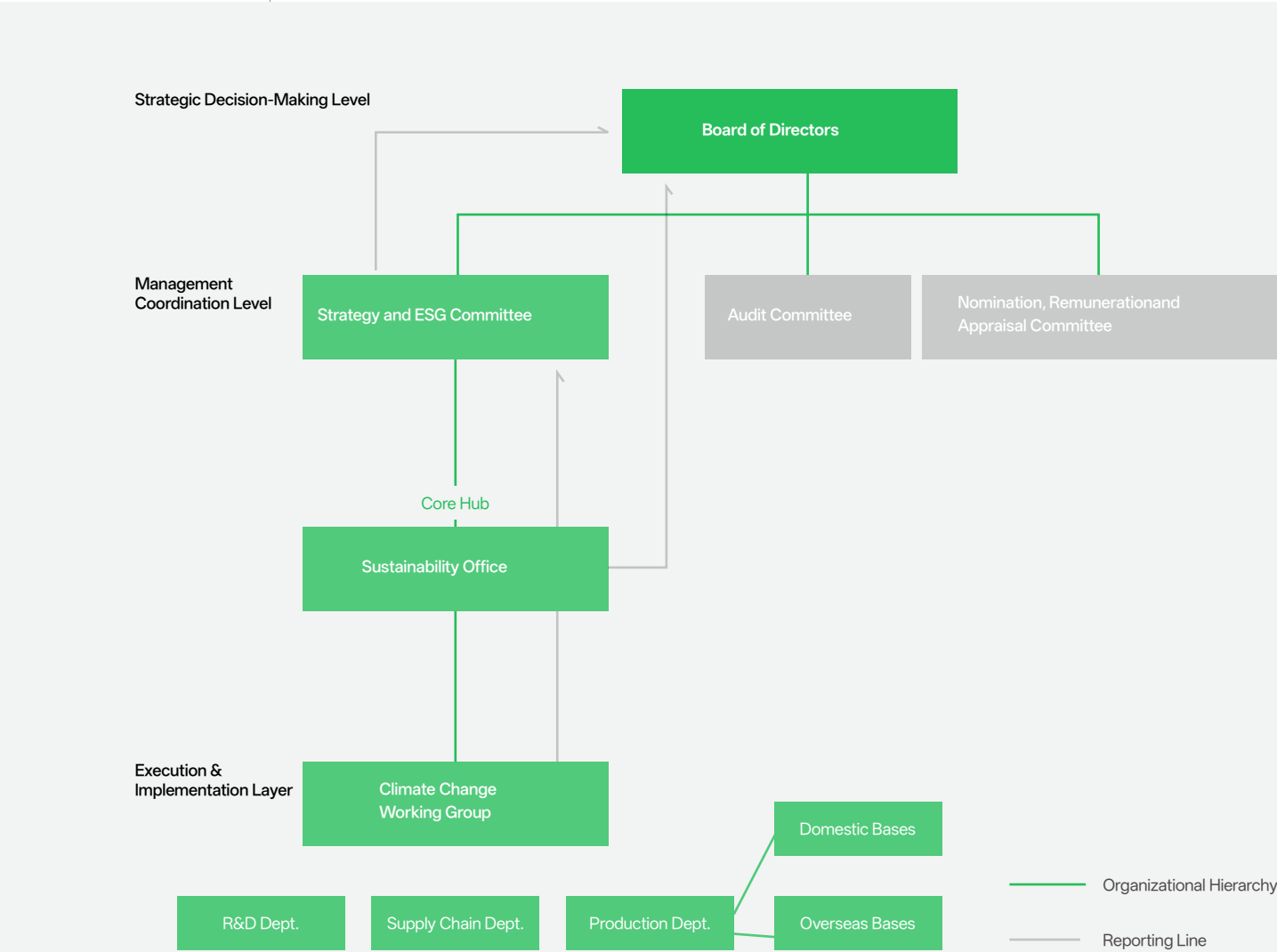
1.1.2 Executive-Level Climate Governance

As the core hub of climate governance, the Sustainability Office reports directly to the Strategy and ESG Committee of the Board of Directors, ensuring the strategic priority of climate issues. The Office has established a Climate Change Working Group composed of core management personnel from R&D, production, supply chain, safety and environmental protection, production and production operations, procurement, logistics, and other departments, forming a cross-functional coordination mechanism. The Working Group’s main responsibilities include:

- Verification and data management:** Organizing third-party institutions to carry out annual greenhouse gas emissions verification and promote the establishment of a green house gas data digital monitoring platform;
- Supply chain empowerment** Promoting emissions reduction among upstream partners through supplier management training, the formulation of green procurement standards, and other measures.

Target breakdown and oversight
Breaking down the Company’s carbon peaking and carbon neutrality targets step by step to business units, and establishing a quarterly tracking and dynamic adjustment mechanism;

CNGR Advanced Material Climate Governance Architecture



1.2

Improvement of the Oversight Mechanism

1.2.1

Working Mechanism

The Board of Directors and its committees hold at least one climate change response meeting each year. The overall work of the meeting is coordinated and overseen by the Strategy and ESG Committee of the Board of Directors, with a focus on reviewing and managing climate-related matters such as carbon emissions targets and the clean energy transition, ensuring that climate-related risks and opportunities are fully considered in the processes of strategy implementation, major transaction

decision-making, and risk management. At the same time, the Strategy and ESG Committee reports annually to the Board of Directors on the annual progress of climate change response work and the results of risk identification, further ensuring the substantive effectiveness of climate strategies and measures such as achieving operational carbon neutrality by 2040 and supply chain carbon neutrality by 2050, and promoting substantive progress in climate-related work.

1.2.2

Assessment Mechanism

To advance the implementation of climate change management, CNGR Advanced Material Co., Ltd. has continuously refined its governance framework for executive performance evaluation under the overall supervision and coordination of the Board's Strategy and ESG Committee, exploring a management model that integrates business performance assessment with sustainable development assessment. CNGR has incorporated key climate indicators—including the proportion of clean energy electricity, carbon emission intensity, and energy consumption intensity—into its executive performance target framework,

and is concentrating on the establishment of a performance-linked incentive mechanism. Aligned with its medium- and long-term goals of achieving operational carbon neutrality by 2040 and supply chain carbon neutrality by 2050, CNGR is exploring medium- and long-term incentive and constraint pathways, constructing a tiered management system that progresses from clean electricity enhancement in 2025 to full value-chain carbon neutrality by 2050, thereby reinforcing management's accountability for climate governance.

1.2.3

Capacity and Competence Assurance

The Strategy and ESG Committee of the Board of Directors ensures, through regular assessment and continuous improvement mechanisms, that it possesses the appropriate skills and competencies required to oversee strategies for climate-related risks and opportunities. The Sustainability Office organizes dedicated climate training each year, inviting external experts to deliver courses on key areas such as policies and regulations, climate scenario analysis, and greenhouse gas accounting, continuously improving the professional capabilities of the Working Group. At the same time, it regularly assesses skill gaps within the climate governance team and develops and implements targeted training plans to ensure that capabilities match the practical needs of climate risk management and opportunity identification.

Through the above governance structure, CNGR Advanced Material has achieved strategic climate risk management through deep Board involvement, systematic management driven by both systems and data, and an ecosystem-based approach through value-chain collaboration. This meets the requirements of the guidelines and standards frameworks for governance transparency, and transforms climate challenges into strategic opportunities for technological upgrading and market expansion through mechanism innovation.

 Highlights in Addressing Climate Change:

During the reporting period,

- CNGR Advanced Material engaged an external third party to conduct **1** specialized training session on the interpretation and practice of global typical green electricity consumption rules, covering **8** production bases, **7** relevant departments at the Company headquarters, and **28** upstream and downstream supply chain enterprises;
- The Sustainable Development Office conducted **1** internal training session on basic knowledge of ISO 14064 carbon emissions verification, covering **6** production bases;
- **1** climate policy interpretation training session was provided for the board of directors, achieving **100%** coverage;、
The Board of Directors and its committees convened **1** review meeting related to climate issues.

02

STRATEGY

CNGR Advanced Material Co., Ltd. follows the strategic climate governance concept of phased decarbonization across the full value chain and a zero-carbon transition. Guided by the Science Based Targets initiative (SBTi), the Company has built a greenhouse gas management system covering the full operations-product-supply chain value chain and advances low-carbon transition through a strategic pathway of three-stage progression and four-dimensional coordination. Based on its

climate governance structure, the Company focuses on clean energy substitution, process energy efficiency improvement, circular technology innovation and supply chain collaboration to create a staged, quantifiable and strongly binding decarbonization roadmap, with the aim of becoming a carbon neutrality leader in the global new energy materials industry.

2.1

Climate-Related Risks and Opportunities

CNGR Advanced Material attaches great importance to the far-reaching impact of climate change on corporate sustainable development. It integrates climate risk management into the entire process of strategic planning and daily operations, adheres to a management approach of systematic identification, scientific assessment, and standardized response, and actively builds a climate risk management and control system covering the entire industrial chain. In light of its domestic and overseas industrial footprint, the operating characteristics of its core

assets, and industry development trends, CNGR Advanced Material comprehensively identifies, assesses, and analyzes climate-related risks and opportunities. Through scenario simulations, asset-level quantitative calculations, and other methods, the Company systematically evaluates the potential impacts of physical risks and transition risks on production and operations, asset safety, and the value chain, while also capturing development opportunities arising from the low-carbon transition.

2.1.1

Classification of Climate Risks and Opportunities

The Company has established a regular mechanism for identifying climate risks and opportunities, with coordinated efforts between the Risk Control and Legal Affairs Center and the Strategy and ESG Committee to carry out identification work in an orderly manner. Taking into account domestic and international low-carbon policy orientations, technological transformation trends in the new energy materials industry, changes in the climate environment of its core operating regions in Indonesia and China, and the Company's medium- and long-term development strategy, the Company comprehensively reviews climate-related risks and opportunities that may arise across production operations, financial control, market expansion, compliance operations, and other processes. The identification process also incorporates the Company's operational dependence on natural environmental elements such as water resources, mineral resources, and nearshore ecosystems, and comprehensively evaluates the interrelationships among environmental changes, operational impacts, climate risks, and transition opportunities, enabling integrated correlation assessment. The identification scope covers key areas such as domestic and overseas production bases, upstream and downstream supply chains, core technology R&D, the product structure of new energy materials, and market layout expansion.

On this basis, CNGR Advanced Material embeds climate scenario analysis into strategy formulation and major business decision-making processes, regularly conducting scenario stress testing and impact assessments to scientifically evaluate the potential impacts of different climate scenarios on the Company's asset safety, production operations, and long-

term development. This continuously tests and enhances the Company's strategic resilience and operational resilience, providing a solid basis for climate risk management and low-carbon transformation.

In 2025, CNGR Advanced Material established a systematic time-sequenced framework for climate risk management in light of the characteristics of the new energy materials industry and global climate change trends, clarifying the time horizons for different types of climate risks and opportunities: short term refers to 1-3 years (including 3 years), medium term refers to 3-5 years (including 5 years), and long term refers to 5-10 years and above. By identifying key risk nodes and impact pathways by stage, the Company strengthens its forward-looking assessment of climate-related matters and its capability for dynamic full-cycle management. At the same time, the Company has built a climate risks and opportunities assessment matrix, conducting systematic assessments across dimensions such as nature of impact (positive/negative), degree of impact (high/medium/low), likelihood of occurrence (high/medium/low), and scope of impact (own operations/upstream and downstream value chain), comprehensively identifying physical risks, transition risks, and development opportunities arising from the low-carbon transition. The specific identification results are as follows:

Table 2 Risks and Opportunities Identification List and Impact Analysis Summary

Risk Type	Climate-Related Risks	Risk Description	Impact Level	Impact Horizon	Impact Scope	Potential Financial Impact	Strategy Adjustments and Response Measures
Physical Risk	Acute Risk (Severe Natural Factors)	The frequency and intensity of extreme weather events such as typhoons, heavy rains, floods, and high temperatures are increasing.	High	Short term	- Own operations - Upstream suppliers	- Direct economic losses caused by asset damage due to equipment maintenance and production shutdown; - Production delays and additional procurement costs caused by raw material supply disruptions;	- CNGR Advanced Material strengthens infrastructure by constructing typhoon-resistant plants at coastal industrial bases, particularly its industrial bases in Indonesia, raising flood-control elevations, and deploying digital climate monitoring and early warning systems to reduce losses from extreme weather; - The Company enhances supply chain resilience by implementing diversified procurement of key minerals (cobalt and nickel) and establishing a blockchain traceability system to ensure the stability of mineral supply from locations such as the Democratic Republic of the Congo and Indonesia, thereby reducing the risk of resource disruption.
		The locations of overseas mineral resources face high natural disaster risks.		Short term	- Own operations - Downstream value chain	Increases in insurance expenses and financing costs.	
	Chronic Risk (Long-Term Natural Factors)	- Rise in global average temperature; - Rise in global sea level.	Medium	Medium to long term	- Own operations - Upstream suppliers - Downstream value chain - Communities	- Relocation of production bases may lead to impairment of existing fixed assets and higher infrastructure construction costs; - Long-term operational stability, supply chain security, and the ability to meet customer delivery requirements may face challenges.	
Transition Risk	Policies and Regulations	- Energy conservation and emissions reduction policies are being introduced successively worldwide, and carbon emissions controls are being strengthened in China and the European Union; - The EU Carbon Border Adjustment Mechanism, Battery Regulation, and product carbon footprint management requirements are being implemented progressively; - Regulatory requirements for energy efficiency standards, green procurement, and climate-related information disclosure continue to increase; - Climate change-related litigation and compliance responsibilities are becoming more stringent.	High	Short/medium/long term ¹	- Own operations - Upstream suppliers - Downstream value chain - Communities	- Increases in compliance management costs and carbon emissions compliance costs, and higher project implementation risks; - Rising carbon costs for exported products may affect competitiveness in international markets; - Stricter climate-related information disclosure requirements may increase green financing costs; - Potential climate litigation may result in additional legal expenses.	- CNGR Advanced Material has established a dedicated policy and regulatory monitoring mechanism to ensure timely awareness of policy changes and corresponding strategy adjustments; - The Company continuously improves its compliance system to respond to policy and regulatory risks; - The Company continues to monitor government policy support, such as subsidies and tax incentives for low-carbon technologies and green transition, which can help reduce financial pressure during the transition process; - The Company has established a climate issue management system, deeply embedding climate risk management into corporate strategic decision-making and daily operations.
	Technology	- Low-carbon metallurgy and new energy materials technology pathways are iterating at an accelerated pace; - High-energy-consumption and high-emission production processes face pressure for phase-out and upgrading; - Progress in green technology research and development may fall short of expectations; - The commercialization maturity of new technologies may be insufficient.	Medium	Short/medium term	- Own operations - Downstream value chain	- Traditional processes and equipment may be impaired or phased out ahead of schedule, resulting in stranded high-carbon assets; - Transformation of low-carbon production processes and materials may increase capital expenditure; - New energy substitution and the use of low-carbon materials may increase operating costs in stages.	- CNGR Advanced Material actively adopts new metallurgical technology applications, waste heat recovery system upgrades and other measures to develop the low-carbon process; - The Company enhances spent battery recycling technologies, continuously increasing the recovery rates of nickel, cobalt, and lithium and reducing the cost of recycled materials.
	Market	- Global terminal market demand shifts to low-carbon products; - The green supply chain requirements of the power battery industry continue to strengthen; - Raw material and energy prices fluctuate due to changes in policies and supply and demand; - Intense competition in the industry has intensified product price fluctuations.	Medium	Short/medium term	- Own operations - Upstream suppliers - Downstream value chain	- Failure to meet customers' low-carbon procurement needs may result in loss of market share and reduced order revenue; - Rising raw material and energy prices may increase production and operating costs; - Changes in product supply and demand may intensify industry competition and reduce profit margins.	CNGR Advanced Material regularly conducts market analysis to understand consumers' and customers' green and low-carbon needs, as well as future market trends, and adjusts product direction and production strategies in a timely manner.

¹CNGR Advanced Material combines industry characteristics and risk cycle determination to clarify the time dimensions of different types of climate risks and opportunities: short-term is 1 to 3 years (including 3 years), medium-term is 3 to 5 years (including 5 years), and long-term is 5 to 10 years and above.

Table 2 Risks and Opportunities Identification List and Impact Analysis Summary

Risk Type	Climate-Related Risks	Risk Description	Impact Level	Impact Horizon	Impact Scope	Potential Financial Impact	Strategy Adjustments and Response Measures
Transition Risk	Reputation	- Stakeholders’ Increased focus on corporate climate performance and ESG management standards; - Climate-related negative public opinion and reported events; - The sustainability rating results were downgraded.	Medium	Short term	- Own operations - Downstream value chain - Communities	- Investors and other stakeholders may form negative perceptions of the Company, affecting its market value; - A downgrade in sustainability ratings may reduce financing scale and increase bond issuance interest rates; - Damage to brand value may lead to customer loss.	CNGR Advanced Material strengthens stakeholder engagement, sustainable development management, and information disclosure capabilities, continuously improving its sustainability ratings: In 2025, CNGR Advanced Material’s S&P CSA score increased to 75, and its CDP Climate Change Questionnaire rating remained at B;
	Policies and Regulations	- Opportunities from green finance and policy dividends, international carbon tariff offsetting capabilities, and innovation in green financial instruments; - Opportunities from ecological collaboration and standard-setting influence, including leadership in international standard formulation and the development of zero-carbon industrial clusters.	High	Short/medium/long term	- Own operations - Upstream suppliers - Downstream value chain - Communities	- Reduced EU CBAM carbon tariff costs; - Lower financing costs for green bonds; - Cost reductions from technological collaboration among enterprises located in zero-carbon parks; - Technology licensing revenue generated by the export of international standards.	- CNGR Advanced Material continuously improves its sustainable management system and actively promotes the linkage of sustainable development KPIs to financing projects; - The Company actively participates in the formulation of domestic and international green and low-carbon standards and industry initiatives; - The Company promotes the inclusion of key low-carbon projects within the scope of policy support.
Transition Opportunities	Technology	Opportunities from the low-carbon technology revolution, including first-mover market advantages brought by innovation in new energy materials, such as sodium-ion batteries and hydrogen metallurgy technologies, and improvements in process energy efficiency.	Medium	Short/medium/long term	- Own operations - Downstream value chain	- Technology licensing revenue; - Low-carbon product premium; - Capturing the hundred-billion-level incremental market for sodium-ion energy storage.	- CNGR Advanced Material actively applies new metallurgical technologies, and its sodium-ion battery materials project is progressing smoothly; - The Company advances operational digitalization and intelligent metallurgy strategies, driving growth through technological breakthroughs.
	Market	Opportunities from the circular economy and resource efficiency, including the closed-loop value chain formed by spent battery recycling and recycled material substitution.	Medium	Short/medium term	- Own operations - Upstream suppliers - Downstream value chain	The cost of recycled materials is lower than that of primary minerals, and it has an environmental premium.	CNGR Advanced Material actively develops “urban mining.” As an enterprise included by the Ministry of Industry and Information Technology in both whitelists for “recycling” and “cascade utilization” of waste power batteries, the Company actively implements the national strategic policy of vigorously developing the circular economy.

Table 3 Climate Hazard Indicator Mapping Table

Risk type	Climate hazards	Metrics	Indicator Definition	Spatial Resolution	Data Sources
Physical risk-acute Risk (violent natural factors)	Coastal Flood	Frequency of 100-yr flood	Projwected return period of the historical 100-yr coastal flood	30 x 30m (USA)) 90 x 90m (RoW)	Kopp et al., 2014; Muis et al., 2016
	River (Fluvial) Flood	Frequency of 100-yr flood	Projected return period of the historical 100-yr flood	1×1 km	Hydro Basins, NEX-GDDP downscaled CMIP6, WWF
	Pluvial Flood	Frequency of 100-yr flood	Projected return period of the historical 100-yr precipitation	25×25 km	NEX-GDDP downscaled CMIP6
	Tropical Cyclone	Frequency of Cat3+ storms	Projected frequency of category 3+ tropical cyclone	25×25 km	NASHIM
	Wildfire	Fire Weather Index (FWI)	The wildfire hazard is defined based on the FWI and assesses if meteorological conditions are favorable for wildfire development.	25×25 km	NEX-GDDP downscaled CMIP6
	Landslide	Antecedent Rainfall Index (ARI) and Landslide susceptibility maps	Frequency of exceedance of the historical 95th percentile Antecedent Rainfall Index (ARI) overlaid onto Landslide Susceptibility Maps	25×25 km, 8×8 km	NEX CDOP, CMIP6, Kirschbaum et al., 2005
Physical Risk-chronic Risk (long-term natural factor)	Extreme Heat	Projected Tx90p	Annual percentage of days with maximum temperature warmer than the 90th percentile local baseline daily maximum temperature	25×25 km	NEX-GDDP downscaled CMIP6
	Extreme Cold	Projected Tx10p	Annual percentage of days with minimum temperature colder than the 10th percentile local baseline daily minimum temperature	25×25 km	NEX-GDDP downscaled CMIP6
	Water Stress	Water Stress Index	Projected future ratio of water withdrawals to total renewable water supply in a given area	Basin Level (~50–100 km)	WRI
	Drought	Standardized Precipitation Evapotranspiration index (SPEI)	The hazard variable for a projected decade is the average proportion of months per annum where the SPEI is less than or equal to the historical local 10th percentile.	25×25 km	NEX CDOP downscaled CMIP6
	Heat Stress	Heat Index (HI)	The HI serves as a measure of perceived temperature, reflecting the combined effects of temperature and humidity on human health. The calculation involves bias correction of input data using Quantile Delta Mapping and deriving daily relative humidity values from ERA5 reanalysis data.	25×25 km	ERA5 reanalysis NEX-GDDP/CMIP6

Note: Extreme low temperature is only included in the calculation scope of physical risk exposure scores. Financial impact estimation data corresponding to this hazard are not yet available.

Data Sources: S&P Global Sustainable1, Climanomics Climate Analytics Model

2.1.2 Scenario Simulation Construction and Assumptions

Based on the identified key climate-related risks and opportunities, CNGR Advanced Material, in its climate risk management work, strictly follows internationally mainstream climate scenario frameworks to build dedicated analytical models. It also incorporates authoritative climate databases from S&P Global and publicly available geographic location information to conduct systematic and comprehensive assessments of the Company's global production bases and full-chain supply chain footprint. CNGR Advanced Material adopts a scientific method combining scenario assumptions and quantitative calculations to conduct in-depth analysis of potential risk exposure and corresponding financial impacts under different climate pathways, providing accurate and reliable data support for the Company's strategic decision-making and resource optimization.

In the physical risk analysis process, CNGR Advanced Material refers to the Representative Concentration Pathways (RCP) and Shared Socioeconomic Pathways (SSP) scenario systems published by the Intergovernmental Panel on Climate Change (IPCC). In strict compliance with the requirements of the TCFD framework, the Company selects climate models with broad

international recognition and high data maturity as the basis for analysis, comprehensively ensuring the scientific rigor, comparability, and forward-looking nature of the assessment results, and ensuring that the analysis process is standardized and the conclusions are credible.

In setting scenario assumptions, CNGR Advanced Material comprehensively considers different global temperature rise trends and emissions reduction rhythms, and selects low-emissions scenario (SSP1-2.6), medium-emissions scenario (SSP2-4.5) and high-emissions scenario (SSP5-8.5) Special calculations were carried out for three typical climate pathways, corresponding to different development assumptions of accelerated global carbon reduction, gradual low-carbon transition, and continuation of high-emission patterns. Through comparative analysis of the above scenarios, we systematically evaluated the specific impact of core factors such as changes in the frequency of extreme weather, advancement of energy structure transformation, and strengthening of carbon pricing mechanisms on the company's asset security, operating cost control, supply chain stability, and changes in market demand.

Physical Risk Hypothetical Scenario

SSP1-2.6 Low Emissions	Under the low-emissions scenario, active and coordinated emissions reduction policies have been adopted globally, the energy structure has accelerated the transition to renewable energy, and the carbon pricing mechanism has been fully implemented. By the end of this century, 2100, global warming will be controlled within about 1.5–2° C. This scenario corresponds to the assumption of strict carbon reduction and accelerated green transformation. It is expected that the world will gradually achieve the carbon neutrality target around 2050.
SSP2-4.5 Medium Emissions	Under the medium-emissions scenario, there are differences in the pace of emissions reduction action in various countries. Fossil energy and renewable energy have coexisted for a long time, and low-carbon transformation is advancing steadily but unevenly. By 2100, global warming levels are expected to be in the range of approximately 2–3° C. This scenario reflects the assumption of a gradual transformation, with the carbon market and regulatory policies continuing to improve but with moderate intensity, and energy prices and raw material costs likely to fluctuate in stages.
SSP5-8.5 High Emissions	Under high-emissions scenario, the world is highly dependent on fossil energy, emissions reduction policy advancement is relatively lagging behind, and the energy transformation process is slowing down. By 2100, global warming levels may exceed 4° C. This scenario corresponds to the assumption that the impact of climate change will intensify. The frequency and intensity of extreme weather events will significantly increase, and physical risk exposure will increase. At the same time, transition pressure may be concentrated in the later stage.

These three types of scenarios respectively correspond to the three development paths of global rapid and deep emissions reduction, gradual and balanced transformation, and emissions reduction lagging and intensified temperature rise. Overall, they are deeply related to the CNGR Advanced Material resilience of the entire industry chain:low-carbon is in line with the company's low-carbon new material research and development, recycling and green financing layout. medium-emissions scenario matches the global multi-regional mineral layout, supply chain diversification and the steady operation of overseas factory disaster prevention renovations Strategy, high-emissions scenario benchmark asset disaster prevention upgrades, risk reserve accrual, emergency plans and other bottom-line risk control arrangements; the three types of scenario parameter settings are synchronized to fit the company Strategy With the core assumptions of financial planning, it not only anchors the growth assumptions of long-term low-carbon product volume expansion, recycled material cost reduction, and green financing interest rate reduction, but also takes into account the baseline calculation of steady expansion of medium-term production capacity and controllable supply chain costs. It also covers the financial forecast under the pressure scenario of extreme disasters increasing asset losses and intensifying raw material disturbance, and the caliber of the calculation logic before and after is unified; starting from climate resilience From the perspective of assessment, the three sets of scenarios completely cover various climate uncertainties such as policy shifts, energy changes, frequent extreme disasters, and commodity fluctuations. Through three-level environmental deductions of optimism, baseline, and pressure, they completely test the company's operational tolerance under the impact of transformation opportunities, normalized climate disturbances,

and extreme risk impacts, accurately expose management shortcomings, and reversely optimize climate risk management and mid- to long-term operating layout.

In terms of transition risk analysis, CNGR Advanced Material combines the global energy structure transformation trend and the characteristics of the new energy materials industry, and selects energy scenarios with international authoritative and broad application foundation as the analysis framework. CNGR Advanced Material refers to the various energy transformation paths released by the International Energy Agency (IEA), and conducts a comparative assessment of the energy system evolution trends under different policy intensities and emissions reduction rhythms to analyze the potential impact of the strengthening of carbon pricing mechanisms, energy structure adjustments and changes in industrial policies on the company's business operations.

Specifically, CNGR Advanced Material selects the IEA Net Zero Emissions Scenario (NZE), Stated Policies Scenario(STEPS) and the Announced Commitment Scenario (APS) as the basic framework for transformation analysis, which respectively correspond to different path assumptions such as global acceleration of the 1.5° C goal, gradual implementation of policies, and continuation of current policies. By analyzing the energy demand structure, price trends and power structure change trends under different scenarios, the company systematically evaluates the impact of changes in policy intensity on production costs, raw material procurement, capital expenditures and market demand, thereby identifying the risk exposure level and Strategy adjustment space under different transformation paces.

Transition Risk Hypothetical Scenario

Low Price	Moderate	High Price
IEA STEPS Scenario — 2.4 °C Current Policies	IEA APS Scenario — 1.7 °C Committed Policies	IEA NZE Scenario — 1.5 °C Committed Policies
The STEPS scenario is designed to provide a sense of the prevailing direction of energy system progression, based on a detailed review of the current policy landscape.	The APS scenario assumes that governments will meet, in full and on time, all of the climate-related commitments that they have announced, including longer term net zero emissions targets and pledges.	The Net-Zero Emissions by 2050 Scenario (NZE) is designed to show what is needed across the main sectors by various actors, and by when, for the world to achieve net zero energy related and industrial

Data Sources: IEA, IRENA, OECD, S&P Global Sustainable1 Research

Table 4 IEA Transition Risk Scenario List (Low Carbon Price Scenario, Medium Carbon Price Scenario, High Carbon Price Scenario)

Scene	Scenario Description	Scenario Definition	Carbon Price Changes	Corresponding to IPCC Scenario
IEA NZE Scenario (1.5° C warming level)	Net-Zero Emissions by 2050 (net-zero scenario)	Under this scenario, the world accelerates deep decarbonization, countries implement more stringent and systematic climate policies, the energy structure rapidly transforms to renewable energy, and the global energy system net-zero emissions goal is achieved around 2050 through technological innovation and efficiency improvement. This path corresponds to the strict emissions reduction assumption of limiting global temperature rise to approximately 1.5° C.	High carbon price scenario: The level of carbon price has been significantly improved, the coverage has been expanded, and the carbon cost constraints have been enhanced.	SSP1-1.9
IEA APS scenario (1.7° C warming level)	Announced Pledges Scenario	Countries are gradually advancing emissions reduction policies in accordance with their announced climate commitments and Nationally Determined Contributions (NDCs), and their energy structure continues to be optimized. However, the pace of emissions reduction is relatively slower than that of the NZE scenario. This path assumes that the world will gradually approach the net-zero target after the middle of this century and limit warming to about 1.7° C.	Medium carbon price scenario: carbon price is rising steadily, with medium policy implementation	SSP1-2.6
IEA STEPS scenario (2.4° C warming level)	Stated Policies Scenario	Countries are mainly promoting energy transition based on implemented or officially released policies, and have not fully implemented long-term net zero commitments. The emissions reduction process is relatively gradual. This path assumes that the pace of energy structure adjustment is slow and global temperature rise may reach about 2.4° C.	Low carbon price scenario: carbon price The increase is relatively limited, and there are no subsequent new policies.	SSP2-4.5

2.2

Impact Analysis of Physical Risk and Transition Risk

Since 2021, CNGR Advanced Material has established a regular mechanism for identifying climate-related risks and opportunities, incorporating climate-related matters into the Company's overall risk management system for coordinated management, and systematically identifying climate-related risks, opportunities, and transmission pathways that can reasonably be expected to have a material impact on the Company's development prospects.

The risk dimensions cover two major categories: physical risks and transition risks. Physical risks include the impacts of increased frequency and intensity of extreme weather events and long-term climate trend changes on the asset safety, operational continuity, and supply chain stability of global production bases. Transition risks include increased compliance costs and changes in the industry competitive landscape resulting from the iteration of carbon pricing policies, tightening emissions reduction regulation, changes in technological pathways, shifts in market demand, and changes in global

trade rules. Opportunity dimensions include directions that can reshape industrial competitiveness and support the Company's long-term value enhancement, such as low-carbon technology R&D and upgrading, green capacity layout, expansion of resource recycling businesses, and application of green financial instruments.

The Company conducts dedicated review and validation of the annual identification and assessment results for climate risks and opportunities, continuously calibrates the rigor and reliability of the identification scope and impact forecasts, dynamically updates the list of risks and opportunities, and improves the full-cycle management loop of "identification - assessment - response - monitoring". This ensures that climate-related impact forecasts are effectively embedded into strategic decision-making and business layout adjustment processes, providing a solid guarantee for the Company's steady operations and high-quality sustainable development.

2.2.1

Physical Risk

CNGR Advanced Material carries out comprehensive risk screening around acute climate risks and chronic climate risks, combines domestic and overseas production bases, key projects and key asset distribution, identifies high-risk areas and highly sensitive operating points, and establishes a full-process management mechanism from risk identification, impact analysis to response management and control to ensure that

all types of physical risk are at a controllable level. This physical risk assessment focuses on extreme temperatures, droughts, heavy rains and floods, river flood,coastal flood, tropical cyclone, wildfire,water stress, geological landslides and many other climate hazards indicators, and comprehensively identifies and evaluates their impact on the Company's assets, production operations and potential impact of supply chain.

1 Physical Risk Assessment Process

Taking into account the Company's actual business operations, the physical risk assessment process is as follows:

Table 5 Climate Physical Risk Assessment Process

Workflow	Work Content	Work Objective
Risk Data Collection and Baseline Analysis	Use underlying climate model data to calculate the actual probability of impacts from various climate hazards on assets over historical periods, while verifying the consistency between historical asset damage records and model calculation results	Calibrate the climate risk assessment model to ensure that assessment data are consistent with the climate risk characteristics of assets in actual operations
Future Climate Scenario Prediction	Conduct scenario analysis using professional climate models to quantitatively project the levels of various climate hazard risks faced by the Company's different types of assets from the 2030s to the 2050s under high-emissions and low-emissions scenarios, respectively	Predict future climate risk changes and provide data support for the formulation of climate adaptation plans related to company assets
Risk Transmission and Impact Assessment	Map the levels of impact of various climate hazards on the Company's core asset types, analyze the compounding and interrelated mechanisms of different climate risks, and quantify the overall magnitude of financial impact based on the proportion of asset value	Establish climate risk transmission pathways and accurately calculate the potential impact of various risks on the Company's operations and asset values
Risk Classification and Response Planning	Establish climate risk priorities based on the probability of occurrence, degree of impact, and asset importance, focus on key risk points such as extreme temperatures, and formulate differentiated resource allocation plans	Clarify the direction of risk management and control, and provide decision-making support for the Company's asset layout optimization, operation location planning and climate risk management

2 Judgment of Physical Risk Impact Levels

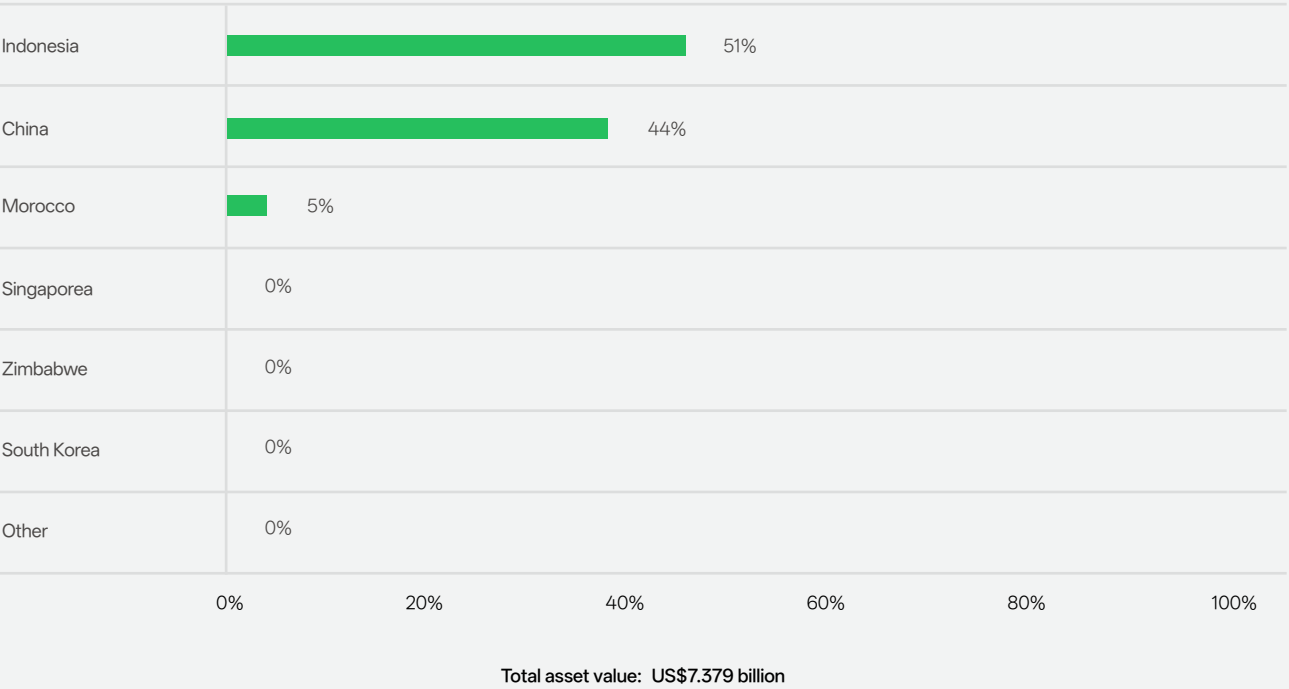
As of the end of 2025, CNGR Advanced Material focused on assessing the positive and negative financial impacts of climate risks on major asset types that have a significant impact on stakeholders, with a total value of USD 7.379 billion (the "sample assets"). In terms of the structure of sample assets, CNGR Advanced Material's core assets are mainly in general manufacturing, among which owned or self-used assets

amounted to USD 5.476 billion, accounting for 74.2%; investor-type assets amounted to USD 1.217 billion, accounting for 16.5%. Together, these two categories accounted for more than 90%. Industrial and logistics assets and mining assets accounted for relatively small shares, at 5.9% and 3.4%, respectively (see Table 6 for details).

Table 6 Main Asset Types and Asset Value Proportions of Sample Assets

Asset Type	Ownership	Asset Profile	
		Asset Value (USD 100 million)	Share (%)
General Manufacturing	Owned/Self-used	54.76	74.2
General Manufacturing	Investor	12.17	16.5
Industry and Logistics	Owned/Self-used	4.32	5.9
Mining	Owned/Operated	2.54	3.4
Total		73.79	100

Distribution of Sample Asset Amounts by Region



This assessment covers 38 core assets with a total value of USD 7.379 billion. The asset types are mainly general manufacturing, accounting for 90.7% in total; the geographic distribution is highly concentrated in Indonesia and China.

CNGR Advanced Material has always upheld a scientific and rigorous approach in actively addressing physical risks arising from climate change. By introducing S&P Global's advanced physical risk impact function model, the Company conducts in-depth analysis of the impact pathways of different climate hazards for various types of assets under its ownership, and precisely quantifies the potential financial losses to asset value caused by various physical risks. Based on the extent of the impact of risk exposure on assets or businesses, the Company classifies risk assessment results into three levels: high risk (asset impact ratio >5%), medium risk (asset impact

ratio 1%-5%), and low risk (asset impact ratio <1%). High risk indicates a material impact on asset value or operational capability, medium risk indicates an observable substantive impact, and low risk indicates a minor and controllable impact.

The financial impacts of various climate hazards on CNGR Advanced Material remain generally stable under different emissions scenarios and time horizons, with no significant changes in risk exposure compared with the baseline scenario. Except for extreme temperature, which is assessed as medium risk across all periods, all other climate hazards are assessed as low risk. Extreme temperature is the climate physical risk that requires particular attention during 2050-2060 (see Table 7 for details).

Table 7 Risk Levels of Key Assets Affected by Climate Hazards under Low, Medium, and High Emissions Scenarios

Climate Hazards	Low-Emissions Scenario (SSP1 – 2.6)			Medium-Emissions Scenario (SSP2 – 4.5)			High-Emissions Scenario (SSP5–8.5)		
	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term
	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
Tropical Cyclone	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
Drought	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
Wildfire	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
Extreme Temperature (High Heat)	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk
Water Stress	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
Fluvial Flooding	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
Coastal Flooding	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
Flooding	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
Landslide	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk

3 Analysis of the Financial Impact of Physical Risks

In response to the national “dual-carbon” strategy and international ESG information disclosure requirements, CNGR Advanced Material has carried out calculations of the financial impact of climate physical risks through 2060, with the aim of assessing asset losses and risk exposure under different temperature rise scenarios and providing a decision-making basis for climate adaptation and low-carbon transformation.

At the same time, the final assessment of impacts on assets is further subdivided into relative risk and absolute risk. Relative risk (measured as a percentage %) is jointly determined by hazard exposure and vulnerability, and is presented as a percentage of asset value. Relative risk can objectively reflect the level of risk exposure and vulnerability of different types of assets independently of the absolute value of the assets themselves. In practical scenarios, the relative risk level of low-value assets may be higher than that of high-value assets.

Absolute risk (measured in USD 100 million) is jointly determined by three factors: hazard exposure × vulnerability × asset value. This indicator uses U.S. dollars as the unit of measurement, and its core function is to quantify the scale of expected financial losses that may result from risk. It is worth noting that even high-value assets with low risk exposure and low vulnerability may

bear significant absolute risk exposure due to their high asset value.

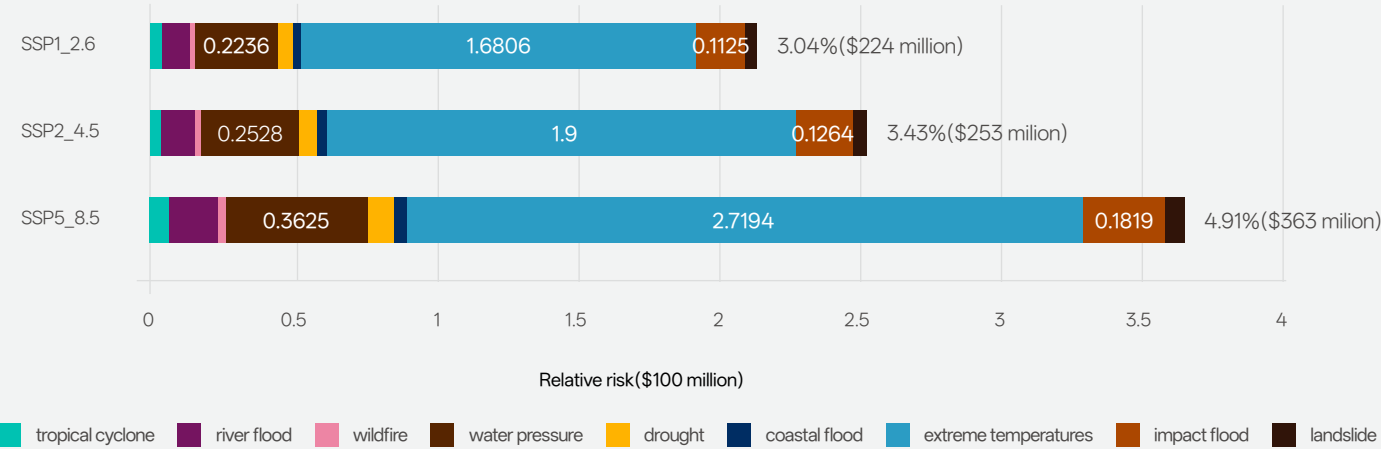
This calculation uses 2060 as the core observation period and focuses on three emissions scenarios, low, medium, and high (corresponding to SSP1-2.6, SSP2-4.5, and SSP5-8.5), in order to quantify the potential financial impact of physical risks. Under the low-carbon price scenario consistent with the Paris Agreement target of “below 2° C”, the Company’s modeled annual average absolute risk (modeled annual average loss in absolute U.S. dollars) is USD 224 million, corresponding to a relative risk (i.e., the share of lost assets in current total assets) of 3%, with a medium risk level. As the magnitude of temperature rise increases, the risk levels under the medium-emissions scenario and high-emissions scenario are both medium, with corresponding absolute risks of USD 253 million and USD 363 million, respectively, and relative risks of 3.4% and 4.9%, respectively. Among all climate hazards, extreme temperature, landslide, and drought together account for 92% of the total financial impact.

Financial Impact of Physical Risks on CNGR Advanced Material under Low, Moderate, and High Climate Scenarios

2050s Modelled Average Annual Loss:



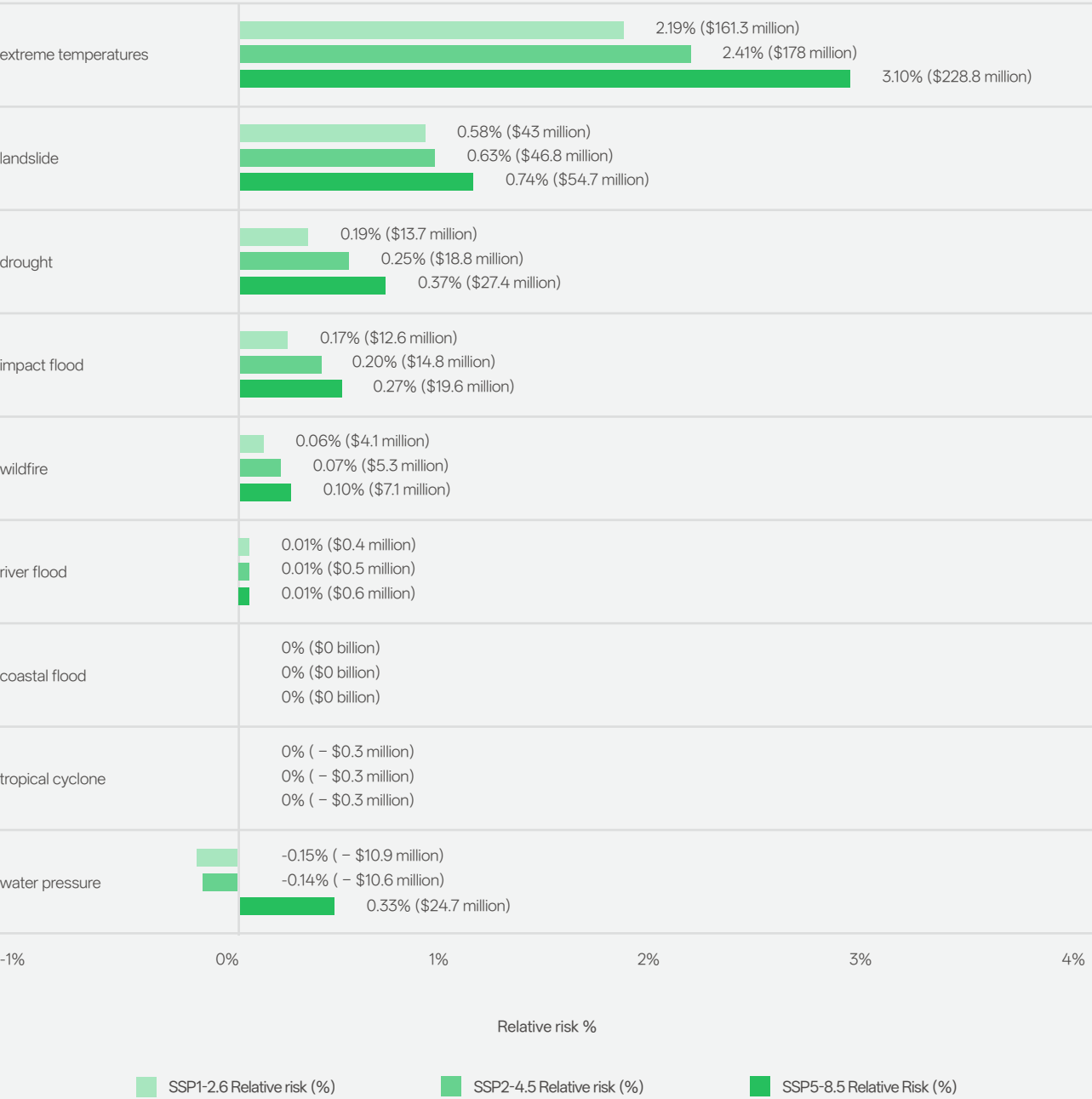
Modeled Annual Average Loss by Physical Risk Hazard



After conducting a focused assessment of the nine categories of climate hazards faced by the sample assets, the distribution of absolute risk losses shows that extreme temperature is the primary source of physical risk under all emissions scenarios, generating the highest average annual losses across the three emissions scenarios. It is worth noting that losses from wildfire and landslide also increase significantly, reaching 0.3625 and 0.1819 (USD 100 million), respectively, far higher than under the low- and medium-emissions scenarios. This indicates that intensified climate warming will not only amplify the impact of core risks, but may also trigger cascading effects from

secondary hazards, causing the risk structure to evolve from a single dominant type toward a more diverse and complex pattern. Meanwhile, losses from hazards such as river flooding and water stress account for relatively small proportions across all scenarios and show limited fluctuation, making them relatively stable secondary sources of risk. Landslide risk, however, has become the second-largest loss item after extreme temperature under the high-emissions scenario, and its potential threat continues to increase with global warming, requiring inclusion in key risk management priorities.

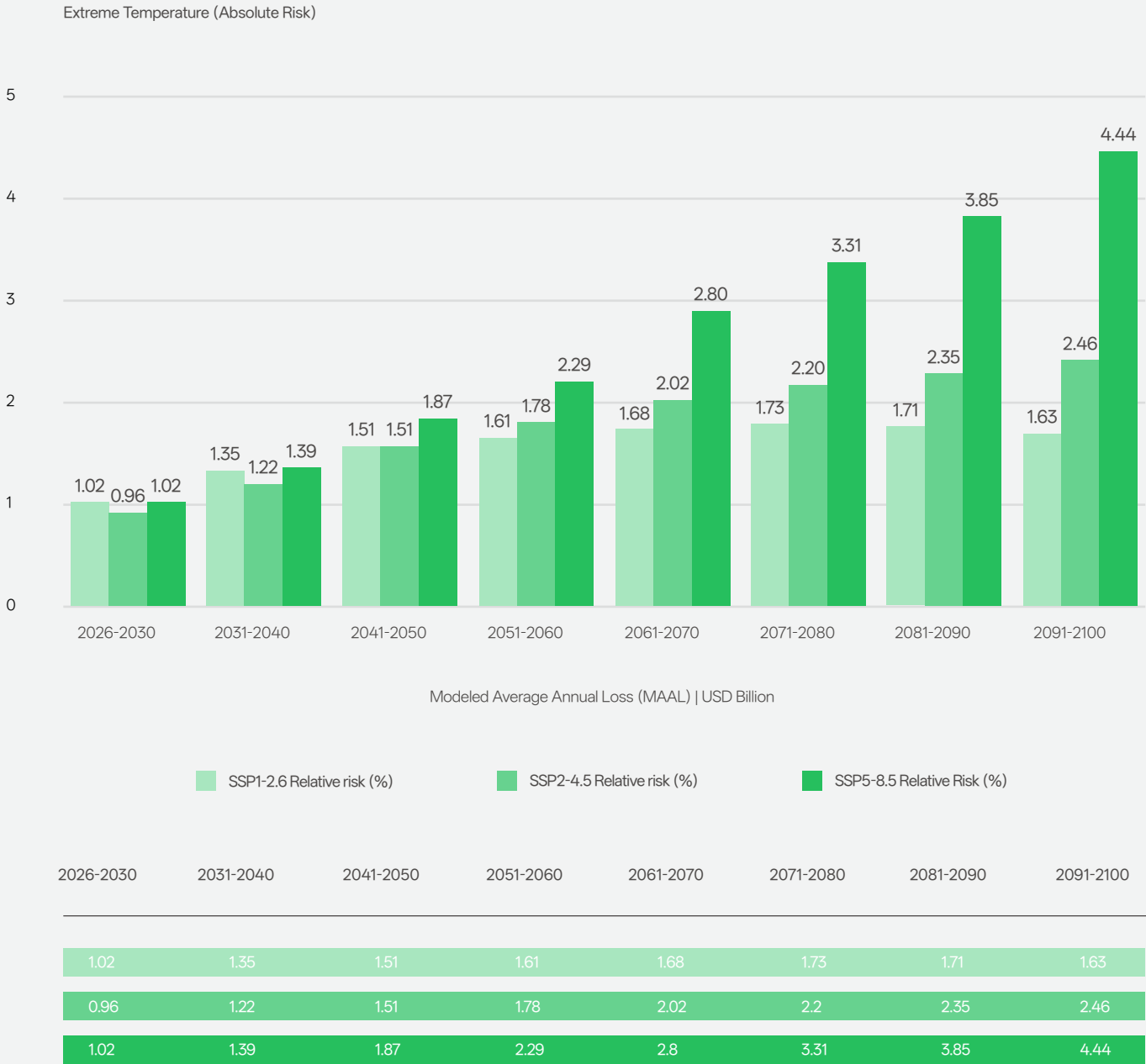
Impact of Financial Losses Caused by Climate Hazards on Key Assets



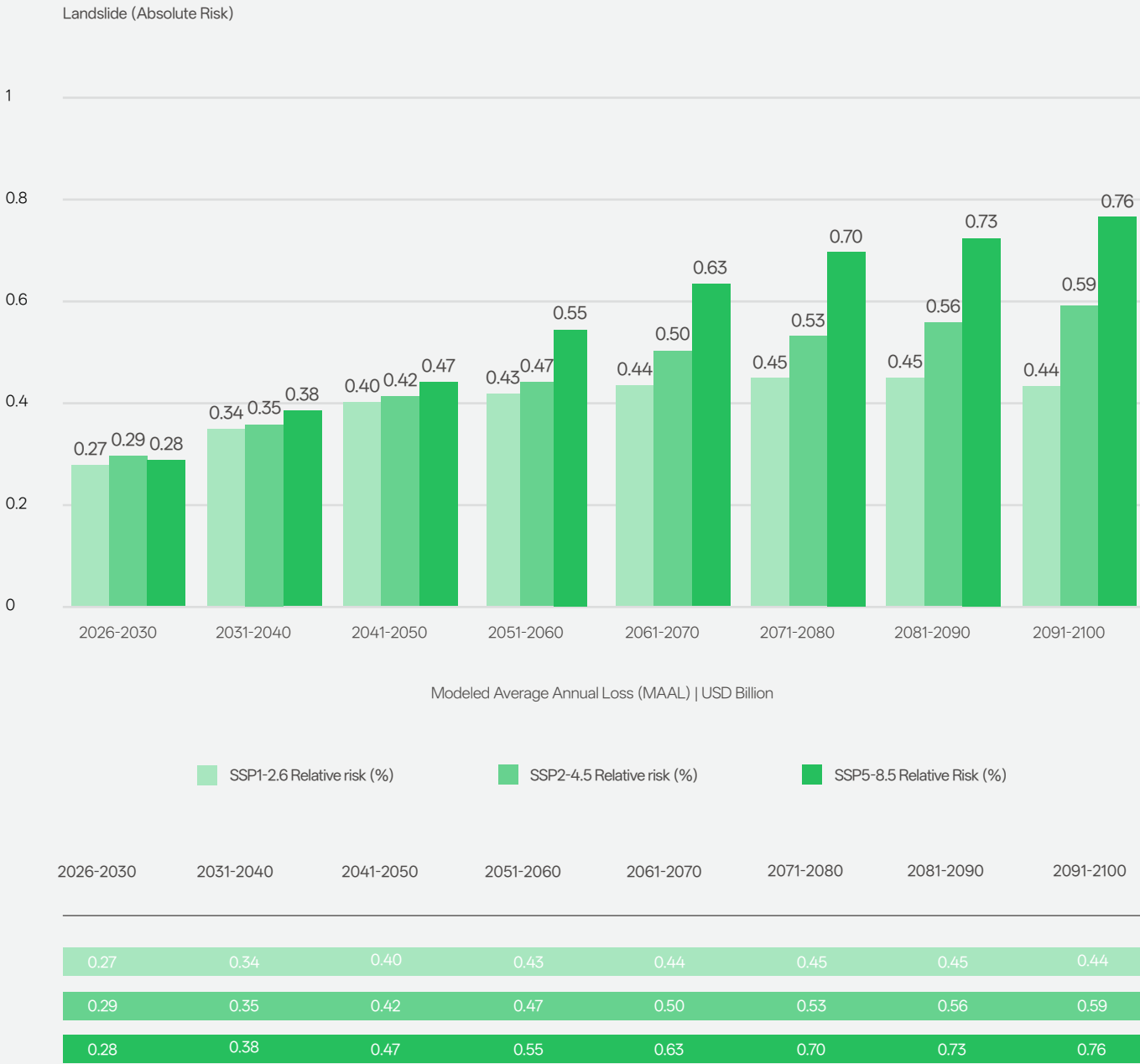
In light of future climate change pathways, the medium- and long-term change characteristics of core hazards were further identified, with trend analysis focused on three major risk types: extreme temperature, landslide, and wildfire. Figure 8 presents

the evolution pathways of the three most significant climate hazards from 2026 to 2100 based on absolute risk.

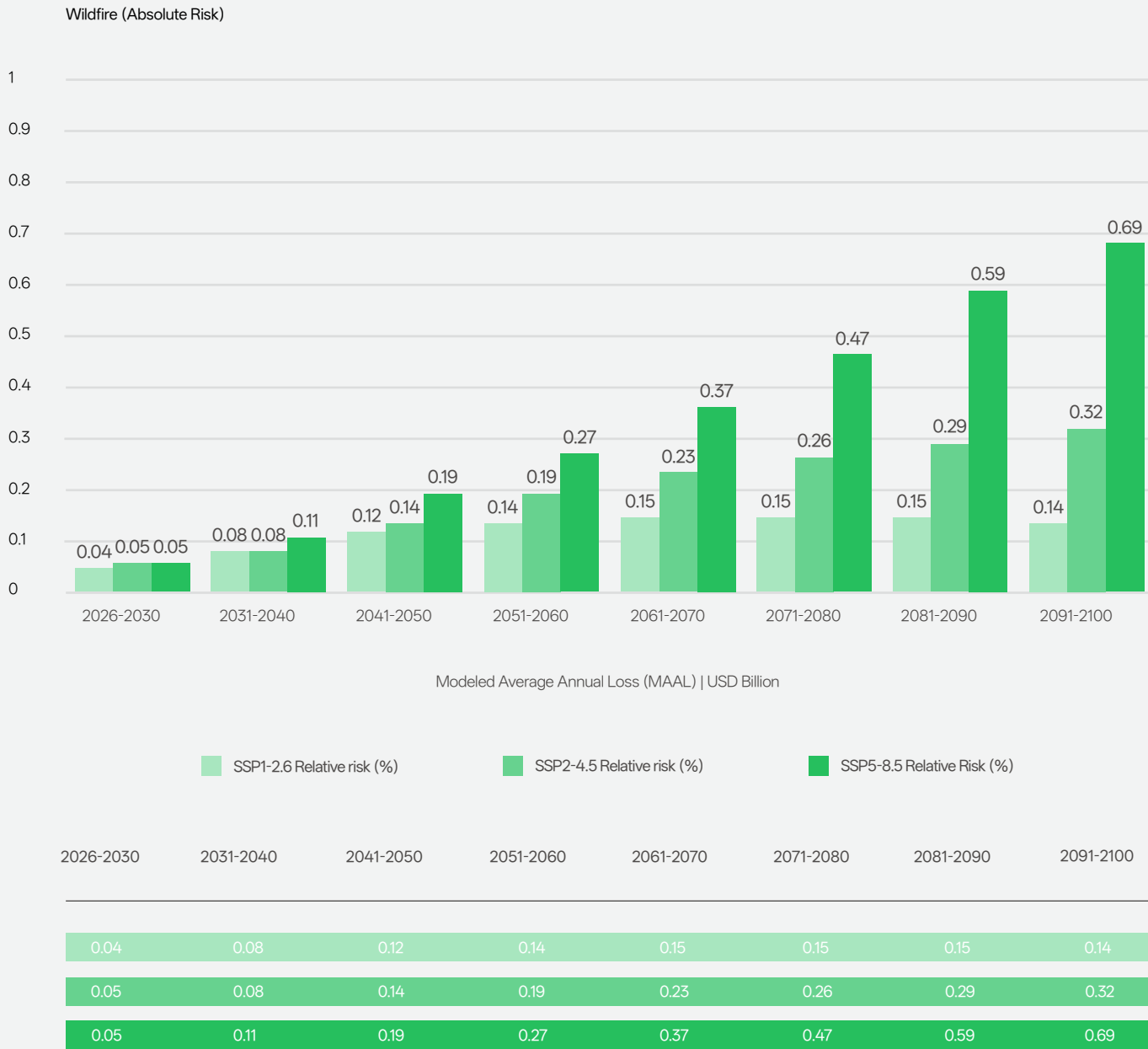
Financial Impacts Caused by Extreme Temperature



Financial Impacts Caused by Landslide



Financial Impacts Caused by Wildfire



Overall, extreme temperature is the hazard type expected to have the greatest impact on corporate assets in the future, with its risk scale showing a significant upward trend over time. Under the SSP2-4.5 scenario, the absolute risk from extreme temperature rises from approximately 1.02 (102 million USD) in 2020 to 2.46 (246 million USD) in 2090. Under the high-emissions SSP5-8.5 scenario, the increase in risk scale is even more pronounced, reaching 4.44 (444 million USD) in 2090 and becoming the most financially material source of risk across all scenarios.

By contrast, the overall risk scales of landslide and wildfire are significantly lower than that of extreme temperature. Under the SSP5-8.5 scenario, the absolute risk of landslide reaches USD 76 million in 2090, while wildfire risk under the same scenario amounts to USD 69 million. Under the low-emissions SSP1-2.6 scenario, the risks from both hazards increase moderately overall and stabilize in the later period, reaching USD 44 million and USD 14 million, respectively, in 2090.

Table 8 Absolute Risk Losses Caused by Various Climate Hazards to Sample Assets under the Low-Emissions Scenario (SSP1-2.6)

Low RiskMedium RiskHigh Risk									Unit: USD 100 million
Climate Hazards	2026-2030	2031-2040	2041-2050	2051-2060	2061-2070	2071-2080	2081-2090	2091-2100	
Coastal Flood	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Drought	0.05	0.08	0.12	0.14	0.15	0.15	0.15	0.14	
Fluvial Flooding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Extreme Temperature	1.02	1.35	1.51	1.61	1.68	1.73	1.71	1.63	
Tropical Cyclone	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Water Stress	0.04	0.01	-0.05	-0.11	-0.17	-0.23	-0.27	-0.27	
Wildfire	0.02	0.03	0.04	0.04	0.04	0.04	0.04	0.04	
Pluvial Flooding	0.08	0.10	0.12	0.13	0.13	0.14	0.14	0.13	
Landslide	0.29	0.35	0.40	0.43	0.44	0.45	0.45	0.44	
Total Physical Risk	1.49	1.93	2.14	2.24	2.28	2.28	2.22	2.12	

Table 9 Absolute Risk Losses Caused by Various Climate Hazards to Sample Assets under the Medium-Emissions Scenario (SSP2-4.5)

Low Risk

Medium Risk

High Risk

Unit: USD 100 million

Climate Hazards	2026 -2030	2031 -2040	2041 -2050	2051 -2060	2061 -2070	2071 -2080	2081 -2090	2091 -2100
Coastal Flood	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Drought	0.04	0.08	0.14	0.19	0.23	0.26	0.29	0.32
Fluvial Flooding	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01
Extreme Temperature	0.96	1.22	1.51	1.78	2.02	2.20	2.35	2.46
Tropical Cyclone	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water Stress	0.04	0.01	-0.05	-0.11	-0.17	-0.23	-0.27	-0.27
Wildfire	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.08
Pluvial Flooding	0.08	0.10	0.12	0.15	0.17	0.19	0.21	0.22
Landslide	0.27	0.34	0.42	0.47	0.50	0.53	0.56	0.59
Total Physical Risk	1.40	1.79	2.19	2.53	2.82	3.02	3.23	3.41

Table 10 Absolute Risk Losses Caused by Various Climate Hazards to Sample Assets under the High-Emissions Scenario (SSP5-8.5)

Low Risk

Medium Risk

High Risk

Unit: USD 100 million

Climate Hazards	2026 -2030	2031 -2040	2041 -2050	2051 -2060	2061 -2070	2071 -2080	2081 -2090	2091 -2100
Coastal Flood	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Drought	0.05	0.11	0.19	0.27	0.37	0.47	0.59	0.69
Fluvial Flooding	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01
Extreme Temperature	1.02	1.39	1.87	2.29	2.80	3.31	3.85	4.44
Tropical Cyclone	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water Stress	0.30	0.29	0.26	0.25	0.23	0.23	0.23	0.23
Wildfire	0.02	0.03	0.05	0.07	0.09	0.12	0.14	0.17
Pluvial Flooding	0.08	0.11	0.15	0.20	0.25	0.31	0.39	0.47
Landslide	0.28	0.38	0.47	0.55	0.63	0.70	0.73	0.76
Total Physical Risk	1.76	2.31	3.01	3.63	4.38	5.15	5.94	6.77



As shown in Tables 8-10, all major climate hazards faced by the Company are covered, and the distribution of absolute risk losses from each hazard is quantified by decade under the three scenarios. Overall, the risk distributions under the three scenarios show clear common characteristics: extreme temperature is the core source of risk under all scenarios. Under the low-emissions SSP1-2.6 scenario, its risk level is the first to enter the medium-risk range; under the high-emissions SSP5-8.5 scenario, its risk scale enters the high-risk range after 2070, becoming the primary factor driving the increase in overall physical risk. Although the risk levels of other hazards such as drought, pluvial flooding, and landslide rise gradually over time, none exceeds the medium-risk range under the three scenarios, and their financial impacts on the overall assets remain limited. At the same time, the higher the emissions scenario, the more significant the increase in overall risk. The increase in the Company's overall physical risk under the SSP5-8.5 scenario is far greater than under the SSP1-2.6 scenario, clearly reflecting the systemic impact of intensified climate warming on corporate assets.

To provide a detailed analysis of the impact of the three climate scenarios on all assets of CNGR Advanced Material, we further expanded the assessment to the country level. Based on the three climate scenarios, we assessed the distribution of relative and absolute risks faced by CNGR Advanced Material's sample assets in different countries through the end of 2060, identified high-risk countries and dominant hazard types, and provided quantitative reference for our global asset allocation.

The relative risk levels of countries show a clear upward trend as emissions scenarios intensify, with extreme temperature serving as the primary source of risk in all countries. Germany records the highest relative risk under all three scenarios; Zimbabwe, China, South Korea, and other countries have medium levels of relative risk exposure. The share of relative risk attributable to extreme temperature is significantly higher than that of other hazards such as drought, wildfire, and flooding. However, certain countries face specific risk exposures, such as extreme temperature and landslide risks in South Korea and Japan, and pluvial flooding and landslide risks in Singapore.

Table 11 Relative physical risk proportion of countries and regions where sample assets are located (Scenario analysis simulated to 2060)

Low Risk Medium Risk High Risk

Country	SSP1-2.6 Relative Risk (%)	SSP2-4.5 Relative Risk (%)	SSP5-8.5 Relative risk (%)	Asset Value (USD 100 million)	Risk Exposure Level	Tropical Cyclone	Drought	Wildfire	Extreme Temperature	Water Stress	Fluvial Flooding	Coastal Flooding	Pluvial Flooding	Landslide
Germany	5.7	6.4	7.4	0.000017		0%	0.8%	-	3.1%	1.7%	-	-	0.1%	0.1%
Zimbabwe	4.2	5.0	6.4	0.00044		0%	0.8%	-	3.0%	0.3%	-	-	0.1%	0%
China	3.4	3.7	4.1	32.509		0%	0.2%	0%	3.0%	0%	-	-	0.2%	0.2%
South Korea	3.3	3.9	4.1	0.112		0%	0%	0%	3.2%	0%	-	-	0.3%	1.0%
Indonesia	2.9	3.4	5.0	37.136		-	0.1%	0%	1.6%	0%	0%		0.2%	0.9%
Singapore	2.4	2.9	4.3	0.2198		0%	0.2%	-	1.1%	0%	-	-	0.2%	-
Japan	2.3	2.9	4.5	0.0000256		0%	0.2%	-	3.0%	0%	-	-	0.1%	0.9%
Morocco	1.0	2.9	3.8	3.811		0%	0.5%	-0%	0.5%	0%	-	-	0.1%	-

Note: risk exposure classification thresholds are calculated when the relative risk exceeds the following threshold criteria: High >5%, 1% > Medium> 5%, Low <1% (exclusive)

China and Indonesia, due to their relatively high asset values, become the countries with the highest simulated average annual losses under all three scenarios. Under the SSP5-8.5 scenario, China’s simulated average annual loss reaches USD 196.3 million, while Indonesia’s reaches USD 159 million, both

significantly higher than other countries. Countries with smaller asset scales, such as Germany, Zimbabwe, and Japan, have relatively high relative risk levels, but the actual scale of financial impact remains limited.

Table 12 Relative physical risk average annual loss calculation table for countries and regions where sample assets are located (Scenario analysis simulated to 2060)

Low Risk Medium Risk High Risk

Country	SSP1-2.6 Relative Risk (%)	SSP2-4.5 Relative Risk (%)	SSP5-8.5 Relative risk (%)	Asset Value (USD 100 million)	Risk Exposure Level	Tropical Cyclone	Drought
Germany	0.000001	0.000001	0.000001	0.000017		0%	0.8%
Zimbabwe	0.00001	0.00001	0.00001	0.00044		0%	0.8%
China	1.104	1.199	1.963	32.509		0%	0.2%
South Korea	0.004	0.004	0.006	0.112		0%	0%
Indonesia	1.09	1.278	1.59	37.136		-	0.1%
Singapore	0.005	0.006	0.008	0.2198		0%	0.2%
Japan	0.00002	0.0000003	0.00003	0.0000256		0%	0.2%
Morocco	0.037	0.045	0.059	3.811		0%	0.5%

Wildfire	Extreme Temperature	Water Stress	Fluvial Flooding	Coastal Flooding	Pluvial Flooding	Landslide
-	3.1%	1.7%	-	-	0.1%	0.1%
-	3.0%	0.3%	-	-	0.1%	0%
0%	3.0%	0%	-	-	0.2%	0.2%
0%	3.2%	0%	-	-	0.3%	1.0%
0%	1.6%	0%	0%		0.2%	0.9%
-	1.1%	0%	-	-	0.2%	-
-	3.0%	0%	-	-	0.1%	0.9%
-0%	0.5%	0%	-	-	0.1%	-

The absolute risks of China and Indonesia expand significantly as emissions scenarios intensify. By contrast, countries with smaller asset scales, such as Germany and Zimbabwe, have relatively high relative risk levels, but their actual absolute risk impacts remain limited due to extremely low asset values. Morocco’s absolute risk exposure is classified as low, and its simulated average annual loss remains within a controllable range. Asset scale determines the financial impact of climate

risk: even when risk exposure is at a medium level, a large asset scale can amplify the actual impact of risk; conversely, even when relative risk is high, a small asset scale can limit its impact on the Company’s overall financial performance. China and Indonesia, where large asset scale overlaps with medium-to-high risk exposure, are the country markets that CNGR Advanced Material should prioritize in climate risk management.

Table 13 Absolute physical risk average annual loss calculation table for the country and region where the sample assets are located (Scenario analysis simulated to 2060)

Low Risk Medium Risk High Risk

Country	SSP1 2.6 Relative Risk (%)	SSP2 4.5 Relative Risk (%)	SSP5-8.5 Relative risk (%)	Asset Value (USD 100 million)	Risk Exposure Level	Tropical Cyclone	Drought
China	1.104	1.199	1.963	32.509		0%	0.2%
Indonesia	1.09	1.278	1.590	37.136		0%	0.1%
Morocco	0.037	0.045	0.059	3.811		0%	0.5%
Singapore	0.005	0.006	0.008	0.2198		0%	0.6%
South Korea	0.004	0.004	0.006	0.112		-	0.2%
Zimbabwe	0.000008	0.00001	0.00001	0.00044		-	0.8%
Germany	0.000017	0.000006	0.000001	0.000017		0%	1.0%
Japan	0.000026	0.0000003	0.0000005	0.0000256		0%	0.5%

Wildfire	Extreme Temperature	Water Stress	Fluvial Flooding	Coastal Flooding	Pluvial Flooding	Landslide
0.1%	3.0%	0%	-	-	0.2%	0.2%
0.1%	1.6%	0%	0%	-	0.2%	1.0%
-	0.5%	0%	-	-	0.1%	-
0%	1.1%	0%	-	-	0.3%	0.9%
-	3.2%	0%	-	-	0.3%	1.1%
-	3.0%	0.3%	-	-	0.1%	-
-	3.1%	1.7%	-	-	0.2%	-
-	3.0%	0%	-	-	0.2%	-

From the perspective of each sampled asset, as shown in Tables 14 to 19, based on the simulated data under the three climate scenarios through 2050, CNGR Advanced Material, Guizhou CNGR Resource Recycling Industry Development Co., Ltd., Indonesia Nadesico Nickel Industry Co., Ltd., and Indonesia

Zhongqing New Energy Co., Ltd. are the core high-risk asset projects most prominently affected across all scenarios. Overall, the physical climate risk exposure of assets in different countries shows clear geographical differences and scenario gradients, with risks worsening significantly as greenhouse gas emissions

intensity increases. Assets in Indonesia show high risk under the absolute risk metric across all scenarios and are affected by multiple hazards, including extreme temperature, landslide, and pluvial flooding, making Indonesia the country with the most pronounced expected financial losses. Assets in China rank relatively high in relative risk across scenarios, being vulnerable to extreme temperature and extremely high water stress, with risk levels further increasing under medium- and high-emissions

scenarios. Among other overseas regions, assets in Morocco and Zimbabwe are mainly dominated by extreme temperature and drought, while assets in Germany, Japan, and South Korea are significantly affected by extreme temperature. The risk exposure of multiple assets expands materially under medium- and high-emissions scenarios, while exposure is notably moderated under the low-emissions scenario.

Table 14 Top 20 Relative Risk Assets (SSP1-2.6 scenario analysis, simulated to 2060)

Low Risk Medium Risk High Risk

#	Asset Name	Country	Modeled Average Annual Loss (in USD100 million)	Relative Risk 2050 (%)	Risk Exposure Classification
1	CNGR Advanced Materials Co.,Ltd. Tongren Based	China	0.267	6.20%	High Risk
2	Guizhou CNGR Resource Recycling Industry Development Co.,Ltd	China	0.205	6.20%	High Risk
3	Guizhou CNGR XingYang Energy Storage Technology Co.,Ltd.	China	0.217	6.00%	High Risk
4	CNGR Europe New Energy Technology GmbH	Germany	0	5.70%	High Risk
5	PT Nadesco Nickel Industry	Indonesia	0.589	4.30%	Medium Risk
6	CNGR Zimbabwe New Energy Technology Co. (Private) Limited	Zimbabwe	0	4.20%	Medium Risk
7	CNGR Morocco New Energy Technology	Morocco	0	4.10%	Medium Risk
8	PT Zhonglsing New Energy	Indonesia	0.383	3.40%	Medium Risk
9	C&P Advanced Material Technology Co., Ltd.	South Korea	0.004	3.30%	Medium Risk
10	Guizhou CNGR Advanced Material Trading Co.,Ltd.	China	0.029	3.30%	Medium Risk
11	Guizhou CNGR XingYang Mining Co.,Ltd	China	0.004	3.20%	Medium Risk
12	PT Kawasan Industri Tekno Hijau Komersara	Indonesia	0.002	2.90%	Medium Risk
13	Guangxi CNGR New Energy Science & Technology Co., Ltd.	China	0.3	2.70%	Medium Risk
14	PT Anugerah Barokah Cakrawala	Indonesia	0.012	2.50%	Medium Risk
15	PT ANUGERAH BAROKAH ENERGI BARU	Indonesia	0.011	2.50%	Medium Risk
16	Singapore CNGR New Energy and Technology Pte. Ltd	Singapore	0.005	2.40%	Medium Risk
17	CNGR Japan New Energy Technology Co., Ltd.	Japan	0	2.30%	Medium Risk
18	PT CNGR Xingqiu New Energy	Indonesia	0.002	2.20%	Medium Risk
19	PT CNGR Xingquan New Energy	Indonesia	0.001	2.20%	Medium Risk
20	PT CNGR Xing Xin New Energy	Indonesia	0.001	2.20%	Medium Risk

Tropical Cyclone	Drought	Wildfire	Temperature Extremes	Water Stress	Rural Flooding	Coastal Flooding	Pluvial Flooding	Landslide
-	0.30%	~0%	3.50%	1.40%	-	-	0.20%	0.70%
-	0.30%	~0%	3.50%	1.40%	-	-	0.20%	0.70%
-	0.50%	~0%	3.40%	1.80%	-	-	0.20%	-
-	0.80%	-	3.10%	1.70%	-	-	0.10%	-
-	0.10%	~0%	2.20%	~0%	-	-	0.20%	1.70%
-	0.80%	-	3.00%	0.30%	-	-	0.10%	-
~0%	1.00%	-	3.00%	-	-	-	-	-
~0%	0.10%	~0%	2.10%	~0%	~0%	-	0.20%	0.90%
~0%	0.20%	~0%	3.20%	~0%	-	-	0.30%	-
-	0.30%	0.20%	1.80%	0.20%	-	-	0.20%	0.50%
-	0.50%	-	0.30%	2.10%	-	-	0.20%	-
~0%	0.10%	~0%	2.10%	~0%	-	-	0.20%	0.40%
~0%	0.20%	~0%	2.80%	~0%	-	-	0.20%	-
~0%	0.20%	~0%	2.00%	~0%	-	-	0.20%	-
~0%	0.20%	~0%	2.00%	~0%	-	-	0.20%	-
-	0.20%	-	1.10%	-	-	-	0.20%	0.90%
~0%	0.40%	-	3.00%	~0%	-	-	0.10%	-
~0%	0.10%	~0%	1.90%	~0%	-	-	0.10%	-
~0%	0.10%	~0%	1.90%	~0%	-	-	0.10%	-
~0%	0.10%	~0%	1.90%	~0%	-	-	0.10%	-

Table 15 Top 20 Assets Ranked by Absolute Risk (SSP1-2.6 scenario analysis, simulated to 2060)

Low Risk Medium Risk High Risk

#	Asset Name	Country	Modeled Average Annual Loss (in USD 100 million)	Relative Risk 2050 (%)	Risk Exposure Classification
1	PT Nadesico Nickel Industry	Indonesia	0.589	4.30%	
2	PT Zhongtsing New Energy	Indonesia	0.383	3.40%	
3	Guangxi CNGR New Energy Science & Technology Co., Ltd.	China	0.3	2.70%	
4	CNGR Advanced Materials Co.,Ltd. Tongren Based	China	0.267	6.20%	
5	Guizhou CNGR XingYang Energy Storage Technology Co.,Ltd.	China	0.217	6.00%	
6	Guizhou CNGR Resource Recycling Industry Development Co.,Ltd.	China	0.205	6.20%	
7	PT CNGR Ding Xing New Energy	Indonesia	0.042	1.20%	
8	COBCO S.A.	Morocco	0.037	1.00%	
9	Guizhou CNGR Advanced Material Trading Co.,Ltd.	China	0.029	3.30%	
10	CNGR Hong Kong Material Science & Technology Co., Limited	China	0.025	2.10%	
11	PT TRANSCOAL MINERGY	Indonesia	0.022	1.00%	
12	Hunan CNGR New Energy Science&Technology Co.,Ltd	China	0.021	2.00%	
13	Hunan CNGR New Energy Science & Technology Co., Ltd.	China	0.017	0.30%	
14	PT Debonair Nickel Indonesia	Indonesia	0.015	0.50%	
15	PT Anugerah Barokah Cakrawala	Indonesia	0.012	2.50%	
16	GuangXi CNGR Zhengyuan Trading Co.,Ltd.	China	0.012	1.90%	
17	PT ANUGERAH BAROKAH ENERGI BARU	Indonesia	0.011	2.50%	
18	PT Jade Bay Metal Industry	Indonesia	0.01	0.50%	
19	Tianxiang Technology Co., Ltd.	China	0.006	1.90%	
20	Singapore CNGR New Energy and Technology Pte. Ltd.	Singapore	0.005	2.40%	

Tropical Cyclone	Drought	Wildfire	Temperature Extremes	Water Stress	Rural Flooding	Coastal Flooding	Pluvial Flooding	Landslide
-	0.10%	~0%	2.20%	~0%	-	-	0.20%	1.70%
~0%	0.10%	~0%	2.10%	~0%	~0%	-	0.20%	0.90%
~0%	0.20%	~0%	2.80%	~0%	-	-	0.20%	-
-	0.30%	~0%	3.50%	1.40%	-	-	0.20%	0.70%
-	0.50%	~0%	3.40%	1.80%	-	-	0.20%	-
-	0.30%	~0%	3.50%	1.40%	-	-	0.20%	0.70%
~0%	~0%	~0%	0.40%	~0%	~0%	-	~0%	0.70%
~0%	0.50%	~0%	0.50%	-	-	-	-	-
-	0.30%	0.20%	1.80%	0.20%	-	-	0.30%	0.50%
~0%	~0%	-	1.20%	~0%	-	-	0.20%	0.70%
-	0.30%	~0%	0.20%	0.30%	-	-	0.20%	-
-	0.10%	0.20%	2.00%	~0%	-	-	0.20%	-
-	0.20%	~0%	3.60%	~0%	-	-	0.20%	-
~0%	~0%	~0%	0.30%	-	-	-	~0%	-
~0%	0.20%	~0%	2.00%	~0%	-	-	0.20%	-
-	0.10%	0.20%	1.50%	~0%	-	-	0.20%	-
~0%	~0%	~0%	2.00%	~0%	-	-	0.20%	-
~0%	~0%	~0%	0.30%	-	-	-	~0%	-
~0%	0.10%	0.20%	1.50%	~0%	-	-	0.20%	-
-	0.20%	-	1.10%	~0%	-	-	0.20%	0.90%

Table 16 Top 20 Relative Risk Assets (SSP2-4.5 scenario analysis, simulated to 2060)

Low Risk Medium Risk High Risk

#	Asset Name	Country	Modeled Average Annual Loss (in USD 100 million)	Relative Risk 2050 (%)	Risk Exposure Classification
1	CNGR Advanced Materials Co.,Ltd. Tongren Based	China	0.434	6.50%	
2	GuZhou CNGR Resource Recycling Industry Development Co.,Ltd	China	0.333	6.50%	
3	CNGR Europe New Energy Technology GmbH	Germany	0.315	6.40%	
4	GuZhou CNGR XingYang Energy Storage Technology Co.,Ltd	China	0	6.30%	
5	CNGR Zimbabwe New Energy Technology Co. (Private) Limited	Zimbabwe	0	5.00%	
6	PT Nadesico Nickel Industry	Indonesia	0	4.90%	
7	CNGR Morocco New Energy Technology	Morocco	0.808	4.80%	
8	PT Zhongtsing New Energy	Indonesia	0.595	4.10%	
9	C&P Advanced Material Technology Co., Ltd.	South Korea	0.006	3.90%	
10	Guizhou CNGR Advanced Material Trading Co.,Ltd.	China	0.044	3.70%	
11	PT Kawasan Industri Tekno Hijau Komersara	Indonesia	0.006	3.50%	
12	GuZhou CNGR XingYang Mining Co.,Ltd	China	0.55	3.30%	
13	PT Anugerah Barokah Cakrawala	Indonesia	0	3.00%	
14	PT ANUGERAH BAROKAH ENERGI BARU	Indonesia	0.003	3.00%	
15	Guangxi CNGR New Energy Science & Technology Co., Ltd.	China	0.02	3.00%	
16	Singapore CNGR New Energy and Technology Pte. Ltd.	Singapore	0.018	2.90%	
17	CNGR Japan New Energy Technology Co., Ltd.	Japan	0.008	2.80%	
18	PT CNGR Xingqiu New Energy	Indonesia	0.003	2.70%	
19	PT CNGR Xingquan New Energy	Indonesia	0.001	2.70%	
20	PT CNGR Xing Xin New Energy	Indonesia	0.001	2.70%	

Tropical Cyclone	Drought	Wildfire	Temperature Extremes	Water Stress	Rural Flooding	Coastal Flooding	Pluvial Flooding	Landslide
-	0.40%	0.10%	3.60%	1.40%	-	-	0.20%	0.90%
-	0.40%	0.10%	3.60%	1.40%	-	-	0.20%	0.90%
-	1.00%	-	3.60%	1.70%	-	-	0.20%	-
-	0.60%	0.10%	3.50%	1.80%	-	-	0.30%	-
-	0.90%	-	3.60%	0.30%	-	-	0.10%	-
-	0.20%	~0%	2.60%	~0%	-	-	0.30%	1.70%
~0%	1.30%	-	3.40%	-	-	-	-	-
~0%	0.20%	~0%	2.60%	~0%	~0%	-	0.20%	1.00%
~0%	0.20%	~0%	3.70%	~0%	-	-	0.30%	-
-	0.40%	0.20%	1.90%	0.20%	-	-	0.40%	0.70%
~0%	0.20%	~0%	2.60%	~0%	-	-	0.20%	0.50%
-	0.60%	~0%	0.30%	2.10%	2.10%	-	0.30%	-
~0%	0.30%	~0%	2.40%	~0%	-	-	0.30%	-
~0%	0.30%	~0%	2.40%	~0%	-	-	0.30%	-
~0%	0.30%	~0%	3.00%	~0%	-	-	0.20%	-
-	0.30%	-	1.30%	-	-	-	0.30%	1.10%
~0%	0.50%	-	3.40%	~0%	-	-	0.20%	-
~0%	0.20%	~0%	2.30%	~0%	-	-	0.20%	-
~0%	0.20%	~0%	2.30%	~0%	-	-	0.20%	-
~0%	0.20%	~0%	2.30%	~0%	-	-	0.20%	-

Table 17 Top 20 Assets Ranked by Absolute Risk (SSP2-4.5 scenario analysis, simulated to 2060)

Low Risk Medium Risk High Risk

#	Asset Name	Country	Modeled Average Annual Loss (in USD 100 million)	Relative Risk 2050 (%)	Risk Exposure Classification
1	PT Nadesico Nickel Industry	Indonesia	0.671	4.90%	Medium Risk
2	PT Zhongtsing New Energy	Indonesia	0.463	4.10%	Medium Risk
3	Guangxi CNGR New Energy Science & Technology Co., Ltd.	China	0.339	3.00%	Medium Risk
4	CNGR Advanced Materials Co.,Ltd. Tongren Based	China	0.281	6.50%	High Risk
5	GuZhou CNGR XingYang Energy Storage Technology Co.,Ltd.	China	0.227	6.30%	High Risk
6	GuZhou CNGR Resource Recycling Industry Development Co.,Ltd	China	0.215	6.50%	High Risk
7	PT CNGR Ding Xing New Energy	Indonesia	0.05	1.50%	Medium Risk
8	COBCO S.A	Morocco	0.045	1.20%	Medium Risk
9	Guizhou CNGR Advanced Material Trading Co.,Ltd.	China	0.032	3.70%	Medium Risk
10	CNGR Hong Kong Material Science & Technology Co., Limited	China	0.029	2.50%	Medium Risk
11	Hunan CNGR New Energy Science & Technology Co., Ltd.	China	0.028	0.50%	Low Risk
12	PT TRANSCOAL MINERGY	Indonesia	0.026	1.20%	Medium Risk
13	Hunan CNGR New Energy Science&Technology Co.,Ltd	China	0.023	2.10%	Medium Risk
14	PT Debonair Nickel Indonesia	Indonesia	0.019	0.60%	Low Risk
15	PT Anugerah Barokah Cakrawala	Indonesia	0.015	3.00%	Medium Risk
16	PT ANUGERAH BAROKAH ENERGI BARU	Indonesia	0.013	3.00%	Medium Risk
17	GuangXi CNGR Zhengyuan Trading Co.,Ltd	China	0.013	2.10%	Medium Risk
18	PT Jade Bay Metal Industry	Indonesia	0.012	0.60%	Low Risk
19	Tianxiang Technology Co., Ltd.	China	0.007	2.10%	Medium Risk
20	Singapore CNGR New Energy and Technology Pte. Ltd.	Singapore	0.006	2.90%	Medium Risk

Tropical Cyclone	Drought	Wildfire	Temperature Extremes	Water Stress	Rural Flooding	Coastal Flooding	Pluvial Flooding	Landslide
-	0.20%	~0%	2.60%	~0%	-	-	0.30%	1.70%
~0%	0.20%	~0%	2.60%	~0%	~0%	~0%	0.20%	1.00%
~0%	0.30%	~0%	3.00%	~0%	-	-	0.20%	-
-	0.40%	0.10%	3.60%	1.40%	-	-	0.20%	0.90%
-	0.60%	0.10%	3.50%	1.80%	-	-	0.30%	-
-	0.40%	0.10%	3.60%	1.40%	-	-	0.20%	0.90%
~0%	0.10%	~0%	0.50%	~0%	~0%	~0%	0.10%	-
~0%	0.60%	-	0.50%	-	-	-	-	-
-	0.40%	0.20%	1.90%	0.20%	-	-	0.40%	0.70%
~0%	~0%	-	1.40%	~0%	-	-	0.20%	0.80%
-	0.20%	-	3.70%	~0%	-	-	0.20%	-
-	0.40%	~0%	0.20%	0.30%	-	-	0.20%	0.20%
-	0.10%	0.20%	2.00%	~0%	-	-	0.20%	-
~0%	~0%	~0%	0.40%	-	-	-	~0%	-
~0%	0.30%	~0%	2.40%	~0%	-	-	0.30%	-
~0%	0.30%	~0%	2.40%	~0%	-	-	0.30%	-
~0%	0.20%	0.20%	1.60%	~0%	-	-	0.20%	-
~0%	~0%	~0%	0.40%	-	-	-	~0%	-
~0%	0.20%	0.20%	1.60%	~0%	-	-	0.20%	-
-	0.30%	-	1.30%	~0%	-	-	0.30%	1.10%

Table 18 Top 20 Relative Risk Assets (SSP5-8.5 scenario analysis- simulated to 2060)

Low Risk Medium Risk High Risk

#	Asset Name	Country	Modeled Average Annual Loss (in USD 100 million)	Relative Risk 2050 (%)	Risk Exposure Classification
1	CNGR Advanced Materials Co.,Ltd. Tongren Based	China	0.434	10.10%	
2	Guizhou CNGR Resource Recycling Industry Development Co.,Ltd	China	0.333	10.10%	
3	CNGR Europe New Energy Technology GmbH	Germany	0.315	8.70%	
4	GuZhou CNGR XingYang Energy Storage Technology Co.,Ltd	China	0	7.40%	
5	CNGR Zimbabwe New Energy Technology Co. (Private) Limited	Zimbabwe	0	6.40%	
6	PT Nadesico Nickel Industry	Indonesia	0	5.90%	
7	CNGR Morocco New Energy Technology	Morocco	0.808	5.90%	
8	PT Zhongtsing New Energy	Indonesia	0.595	5.20%	
9	C&P Advanced Material Technology Co., Ltd.	South Korea	0.006	5.20%	
10	Guizhou CNGR Advanced Material Trading Co.,Ltd.	China	0.044	5.00%	
11	PT Kawasan Industri Tekno Hijau Konersara	Indonesia	0.006	5.00%	
12	GuZhou CNGR XingYang Mining Co.,Ltd	China	0.55	4.90%	
13	PT Anugerah Barokah Cakrawala	Indonesia	0	4.50%	
14	PT ANUGERAH BAROKAH ENERGI BARU	Indonesia	0.003	4.50%	
15	Guangxi CNGR New Energy Science & Technology Co., Ltd.	China	0.02	4.00%	
16	Singapore CNGR New Energy and Technology Pte. Ltd	Singapore	0.018	4.00%	
17	CNGR Japan New Energy Technology Co., Ltd	Japan	0.008	3.80%	
18	PT CNGR Xingqiu New Energy	Indonesia	0.003	3.60%	
19	PT CNGR Xingquan New Energy	Indonesia	0.001	3.60%	
20	PT CNGR Xing Xin New Energy	Indonesia	0.001	3.60%	

Tropical Cyclone	Drought	Wildfire	Temperature Extremes	Water Stress	Rural Flooding	Coastal Flooding	Pluvial Flooding	Landslide
-	0.50%	0.10%	4.50%	3.50%	-	-	0.30%	1.20%
-	0.50%	0.10%	4.50%	3.50%	-	-	0.30%	1.20%
-	0.70%	0.10%	4.50%	3.00%	-	-	0.40%	-
-	1.30%	-	4.20%	1.70%	-	-	0.20%	-
-	1.10%	-	4.40%	0.70%	-	-	0.20%	-
~0%	1.70%	-	4.10%	-	-	-	-	-
-	0.30%	~0%	3.40%	~0%	-	-	0.40%	1.80%
-	0.30%	~0%	3.30%	~0%	~0%	~0%	0.30%	1.30%
-	0.80%	~0%	0.40%	3.50%	-	-	0.30%	-
-	0.50%	0.30%	2.40%	0.30%	-	-	0.50%	1.00%
~0%	0.30%	0.10%	4.40%	~0%	-	-	0.50%	-
~0%	0.40%	0.10%	3.90%	0.20%	-	-	0.30%	-
~0%	0.60%	-	4.20%	~0%	-	-	0.20%	-
~0%	0.40%	~0%	3.30%	~0%	-	-	0.30%	0.60%
~0%	0.50%	~0%	3.10%	~0%	-	-	0.40%	-
~0%	0.50%	~0%	3.10%	~0%	-	-	0.40%	-
-	0.40%	-	1.70%	-	-	-	0.30%	1.30%
~0%	0.30%	~0%	3.00%	~0%	-	-	0.20%	-
~0%	0.30%	~0%	3.00%	~0%	-	-	0.20%	-
~0%	0.30%	~0%	3.00%	~0%	-	-	0.20%	-

Table 19 Top 20 Assets Ranked by Absolute Risk (SSP5-8.5 scenario analysis, simulated to 2060)

Low Risk Medium Risk High Risk

#	Asset Name	Country	Modeled Average Annual Loss (in USD 100 million)	Relative Risk 2050 (%)	Risk Exposure Classification
1	PT Nadesico Nickel Industry	Indonesia	0.808	5.90%	
2	PT Zhongtsing New Energy	Indonesia	0.595	5.20%	
3	Guangxi CNGR New Energy Science & Technology Co., Ltda	China	0.55	4.90%	
4	CNGR Advanced Materials Co.,Ltd. Tongren Based	China	0.434	10.10%	
5	Guizhou CNGR Resource Recycling Industry Development Co.,Ltd	China	0.333	10.10%	
6	Guizhou CNGR XingYang Energy Storage Technology Co.,Ltd	China	0.315	8.70%	
7	Hunan CNGR New Energy Science & Technology Co., Ltd.	China	0.177	3.00%	
8	PT CNGR Ding Xing New Energy	Indonesia	0.064	1.90%	
9	COBCO S.A.	Morocco	0.059	1.60%	
10	Guizhou CNGR Advanced Material Trading Co.,Ltd.	China	0.044	5.00%	
11	CNGR Hong Kong Material Science & Technology Co., Limited	China	0.041	3.50%	
12	Hunan CNGR New Energy Science&Technology Co.,Ltd	China	0.032	3.00%	
13	PT TRANSCOAL MINERGY	Indonesia	0.031	1.40%	
14	PT Debonsirâ Nickel Indonesia	Indonesia	0.026	0.90%	
15	PT Anugerah Barokah Cakrawala	Indonesia	0.02	4.00%	
16	GuangXi CNGR Zhengyuan Trading Co.,Ltd	China	0.018	2.90%	
17	PT ANUGERAH BAROKAH ENERGI BARU	Indonesia	0.018	4.00%	
18	PT Jade Bay Metal Industry	Indonesia	0.017	0.90%	
19	Taoxiang Technology Co., Ltd.	China	0.01	2.90%	
20	Singapore CNGR New Energy and Technology Pte. Ltd.	Singapore	0.008	3.80%	

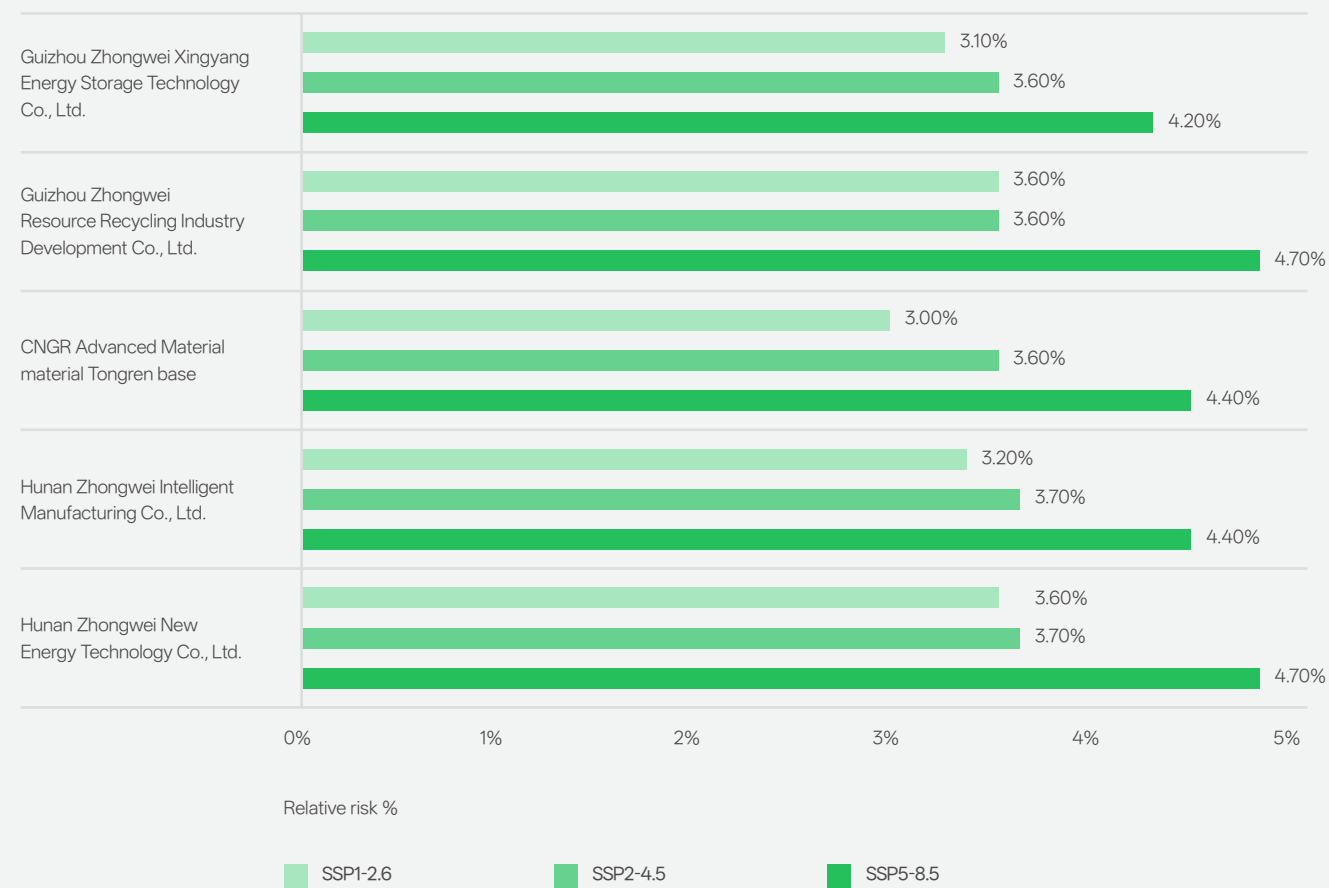
Tropical Cyclone	Drought	Wildfire	Temperature Extremes	Water Stress	Rural Flooding	Coastal Flooding	Pluvial Flooding	Landslide
-	0.30%	~0%	3.40%	~0%	-	-	0.40%	1.80%
~0%	0.30%	~0%	3.30%	~0%	~0%	~0%	0.30%	1.30%
~0%	0.40%	0.10%	3.90%	0.20%	-	-	0.30%	-
-	0.50%	0.10%	4.50%	3.50%	-	-	0.30%	1.20%
-	0.50%	0.10%	4.50%	3.50%	-	-	0.30%	1.20%
-	0.70%	0.10%	4.50%	3.00%	-	-	0.40%	-
-	0.30%	0.10%	4.70%	~0%	-	-	0.20%	-
~0%	0.20%	~0%	0.60%	~0%	~0%	~0%	0.10%	1.00%
~0%	0.90%	~0%	0.70%	-	-	-	-	-
-	0.50%	0.30%	2.40%	0.30%	-	-	0.50%	1.00%
~0%	0.10%	-	1.90%	~0%	-	-	0.30%	1.10%
~0%	0.20%	0.30%	2.50%	~0%	-	-	0.30%	-
-	0.60%	~0%	0.30%	0.20%	-	-	0.30%	-
~0%	0.20%	~0%	0.50%	-	-	-	0.10%	-
~0%	0.50%	~0%	3.10%	~0%	-	-	0.40%	-
~0%	0.20%	0.30%	2.10%	~0%	-	-	0.30%	-
~0%	0.50%	~0%	3.10%	~0%	-	-	0.40%	-
~0%	0.20%	~0%	0.50%	-	-	-	0.10%	-
~0%	0.20%	0.30%	2.10%	~0%	-	-	0.30%	-
-	0.40%	-	1.70%	~0%	-	-	0.30%	1.30%

To accurately assess differences in the asset-level impacts of climate risks, CNGR Advanced Material selected the five assets with the highest risk exposure for focused measurement.

Among them, core domestic assets are most prominently affected by extreme temperature and water stress. In particular,

under the high-emissions scenario, Hunan CNGR New Energy Technology Co., Ltd. and Guizhou CNGR Resource Recycling Industry Development Co., Ltd. record the highest relative risk proportions, both rising to a peak of 4.70%.

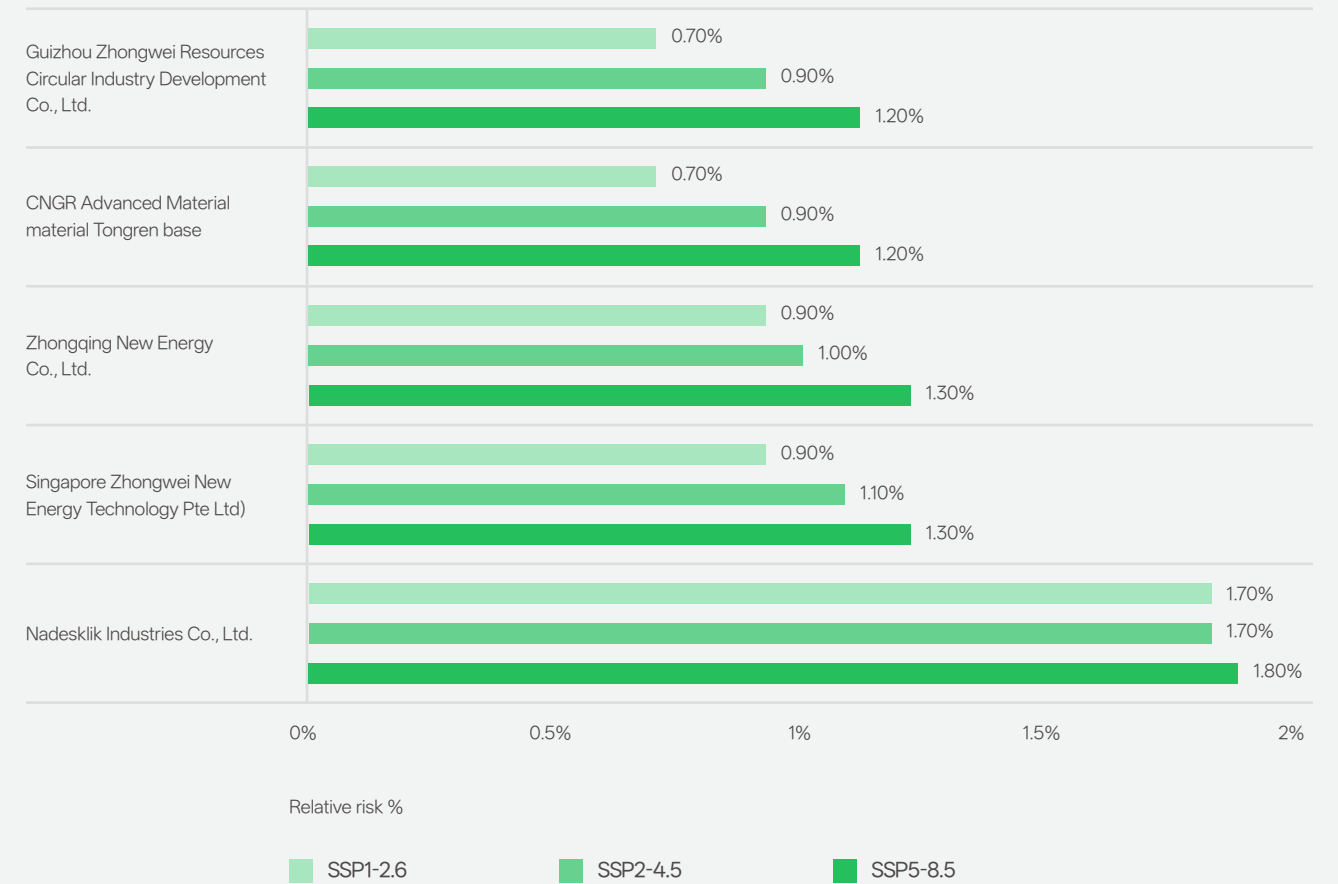
Five assets most affected by extreme temperature risk



The landslide hazard assessment shows that Nadesico Lik Industrial Co., Ltd. records a landslide relative risk of 1.8% under the high-emissions scenario. The complex terrain and rainfall

characteristics significantly increase safety management pressure for mining operations.

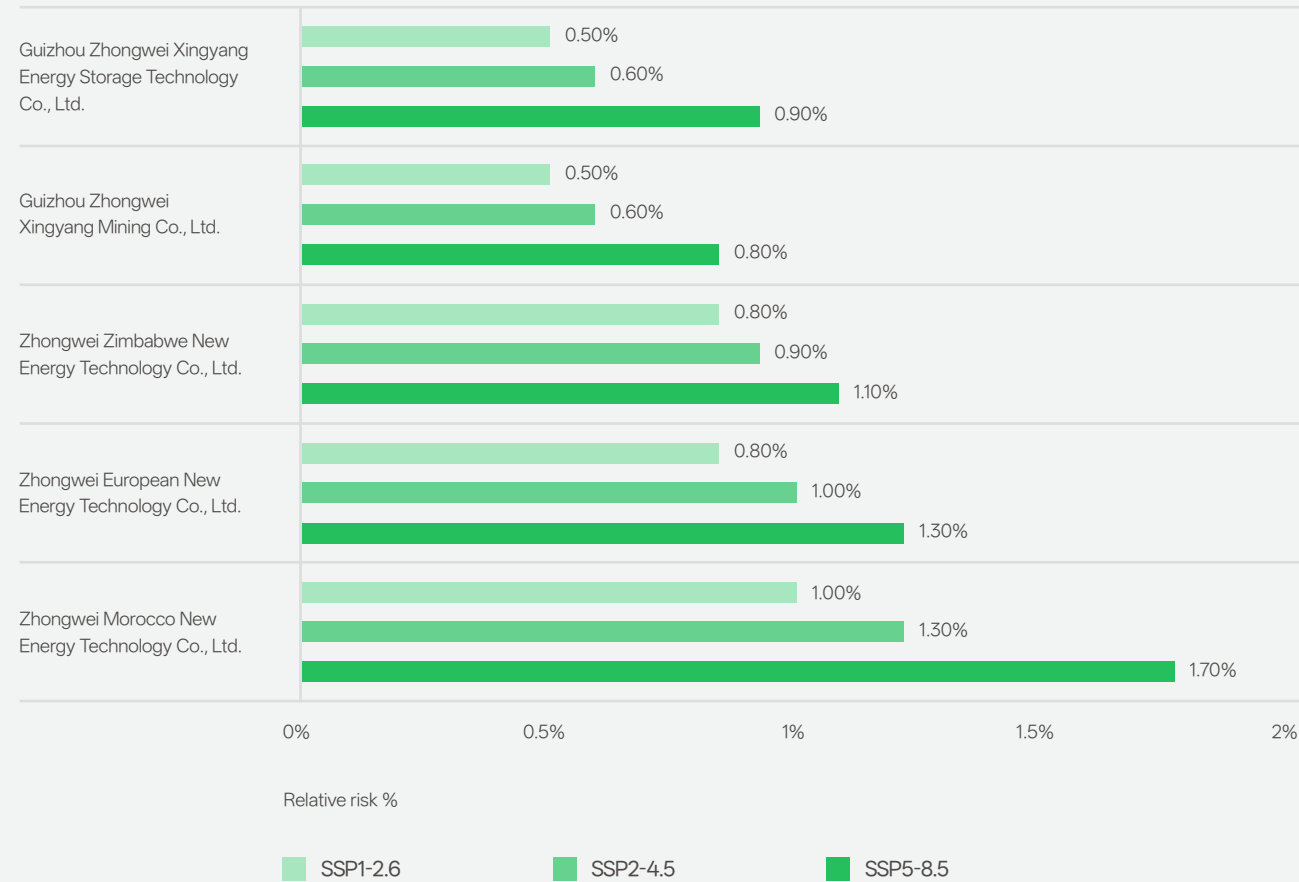
Five assets most affected by landslide



Under the high-emissions scenario, overseas assets face the most severe drought threat. Among them, CNGR Morocco New

Energy Technology Co., Ltd. records the highest relative risk proportion, at 1.70%.

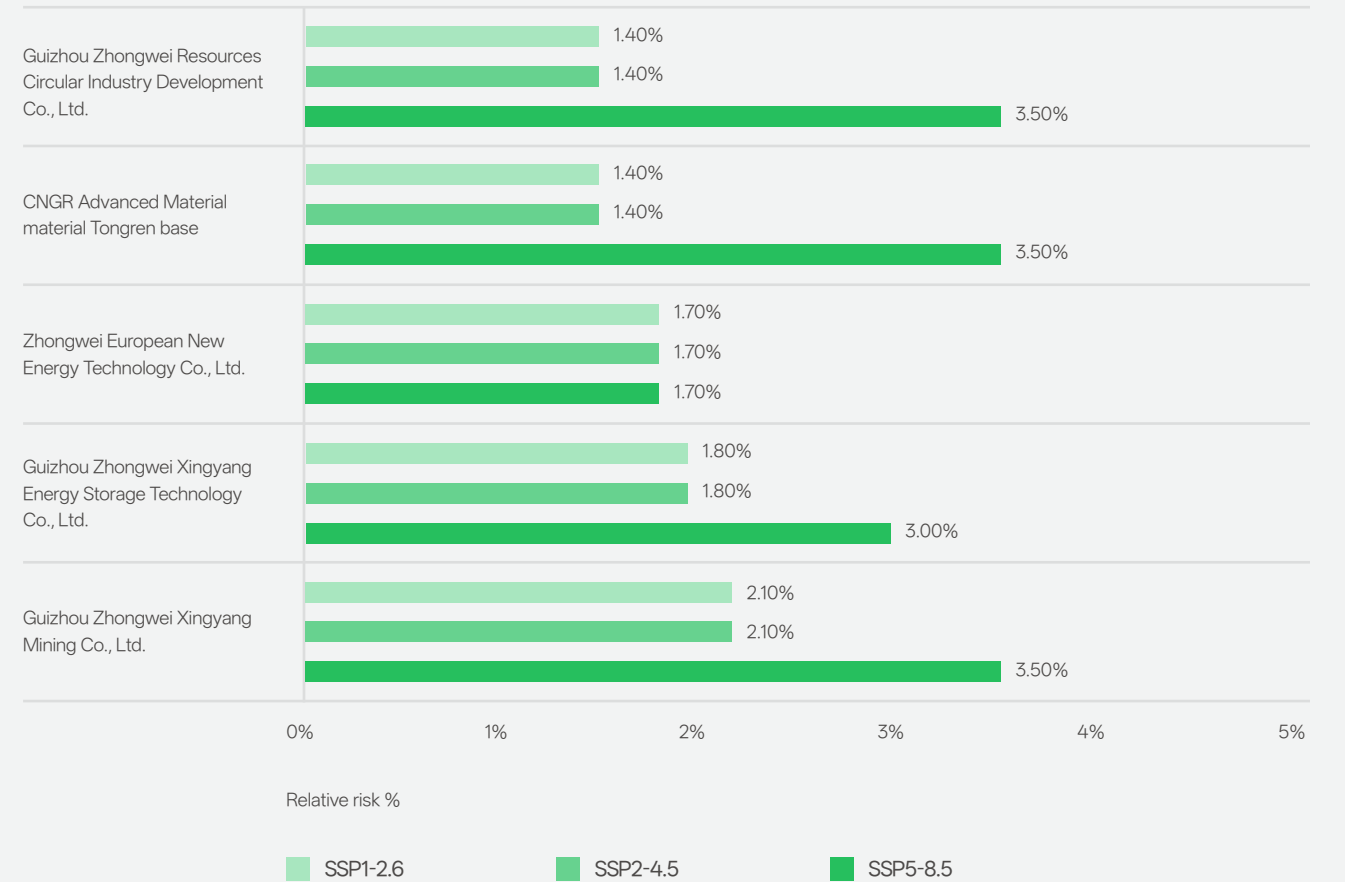
Five assets most affected by drought



The five core assets most affected by water stress are highly concentrated in Guizhou, China. Under the high-emissions scenario, Guizhou CNGR Resource Recycling Industry Development Co., Ltd., CNGR New Materials Tongren Base,

and Guizhou CNGR Xingyang Mining Co., Ltd. jointly record the highest relative risk proportions, all rising to 3.50%.

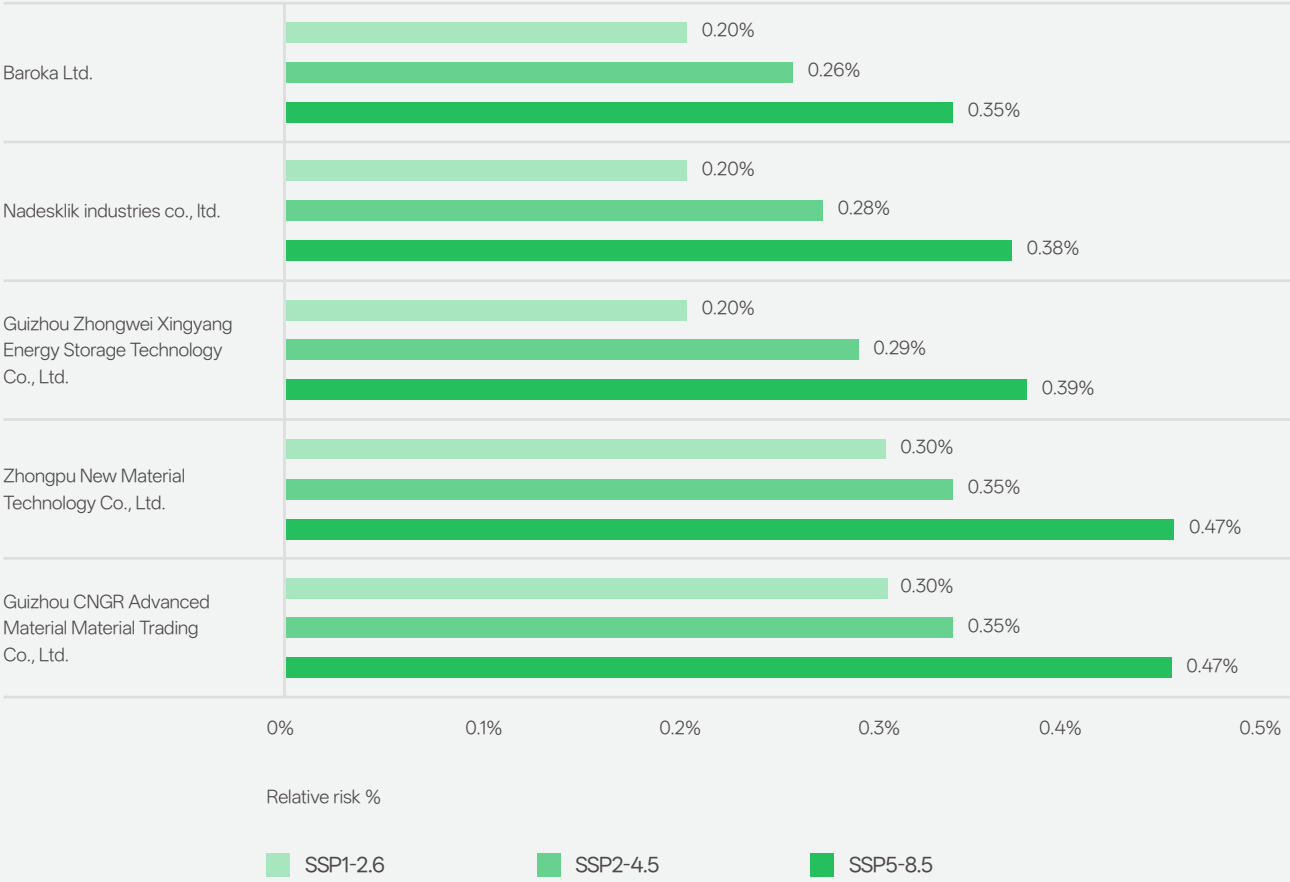
Five assets most affected by water stress



According to the risk assessment, five core assets across China and Indonesia are potentially affected by pluvial flooding to varying degrees. Under the high-emissions SSP5-8.5 scenario, Zhongpu New Materials Technology Co., Ltd. and Guizhou

CNGR New Materials Trading Co., Ltd. jointly record the highest relative risk proportions.

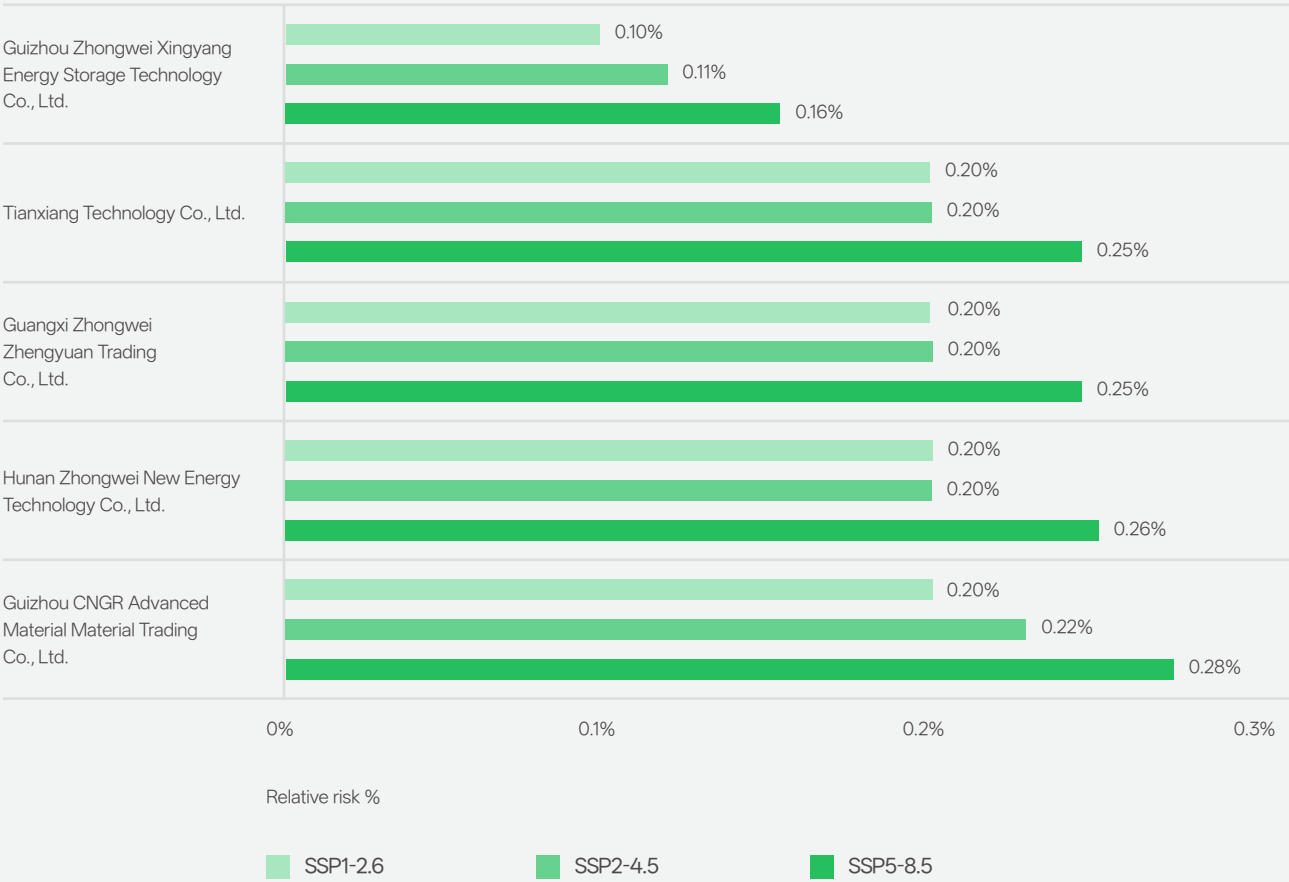
Five assets most affected by pluvial flooding



Trading and energy storage assets in Guizhou, Hunan, and other regions also need to pay attention to the potential impact of wildfire. Although the overall number of assets affected by

this risk is relatively low, uncertainty remains under the trend of climate warming.

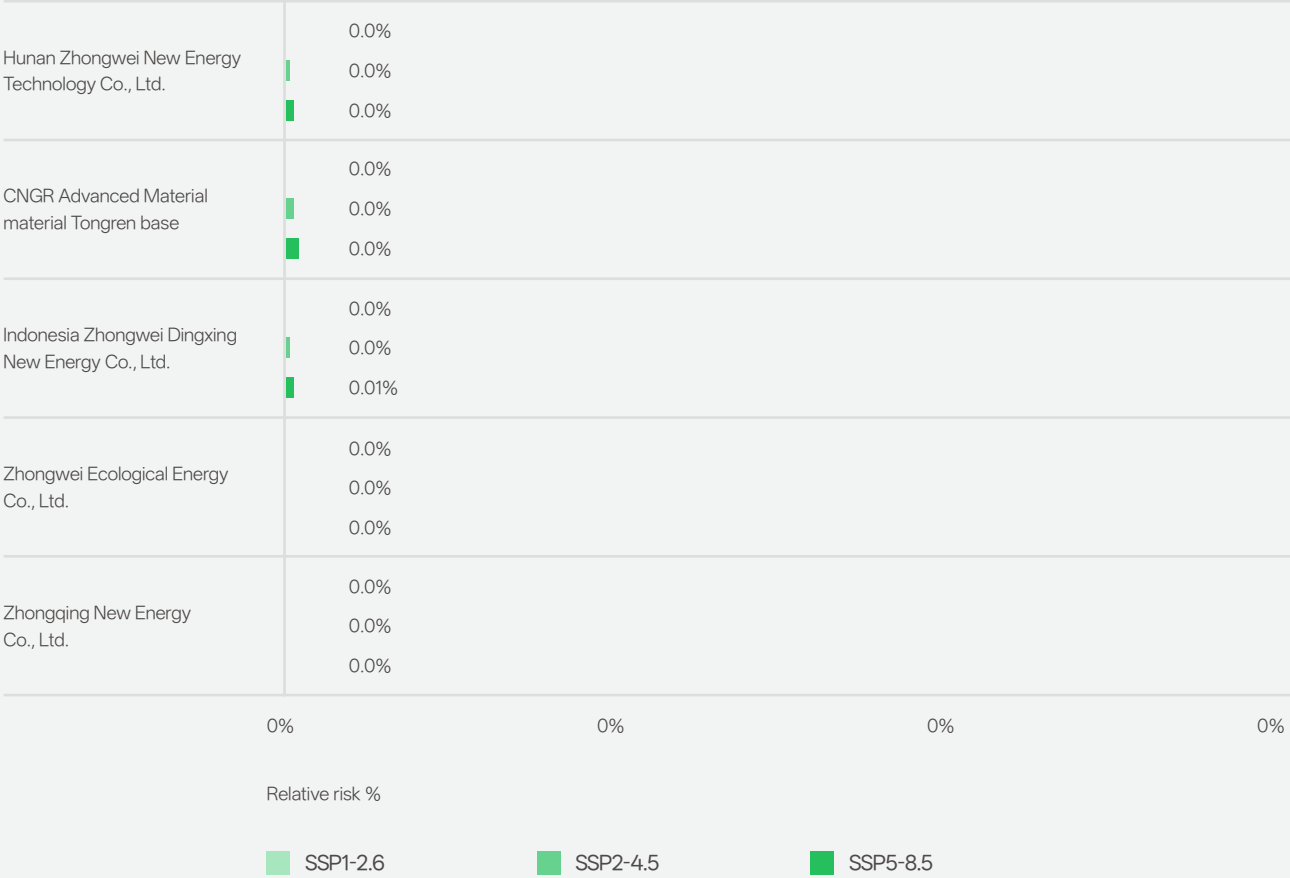
Five assets most affected by wildfire



The five core assets located in China and Indonesia are only minimally affected by river flooding risk, with relative risk

exposure approaching zero under all global climate scenarios.

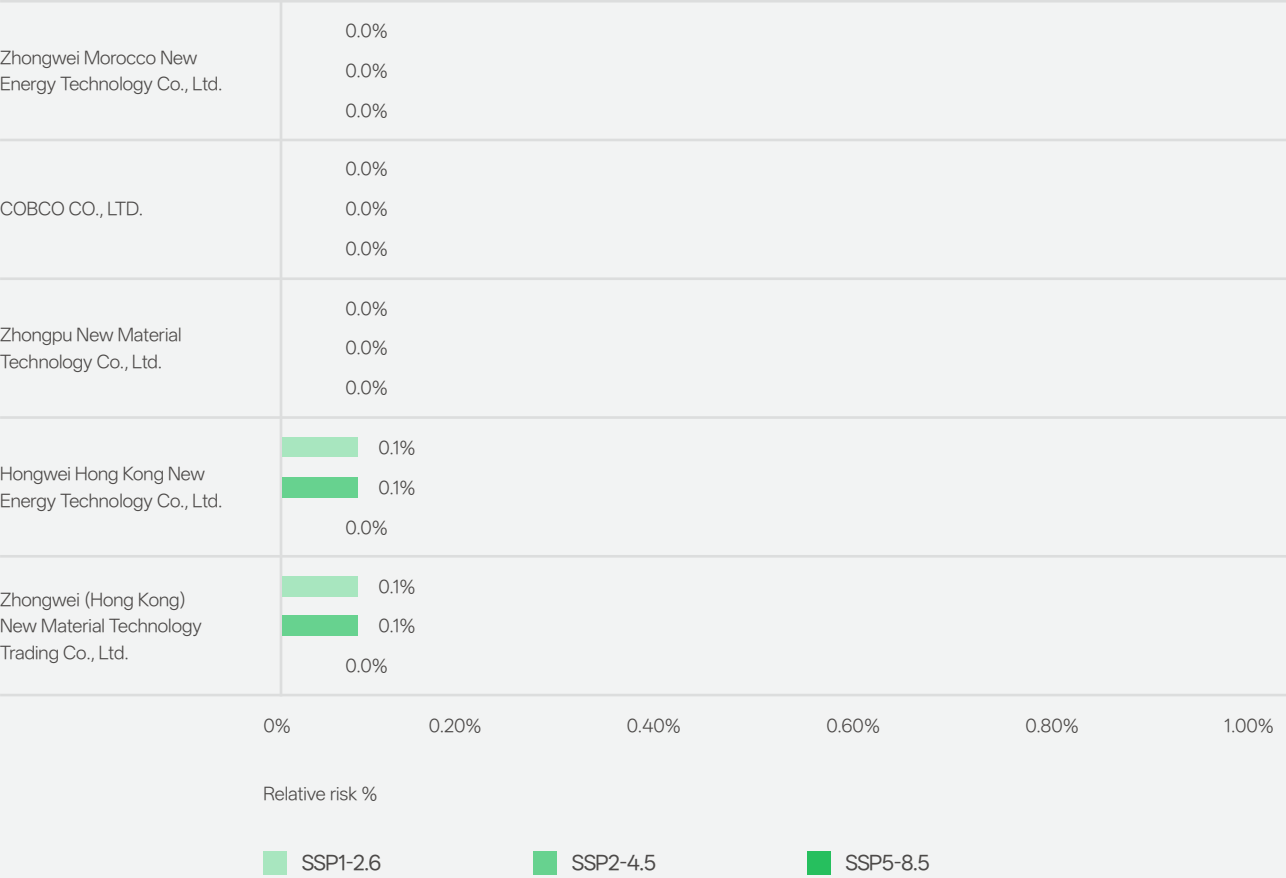
Five assets most affected by river flood



The impact of tropical cyclone threats on assets is extremely limited, with relative risk exposure remaining at zero under the vast majority of climate scenarios. Only two assets located in

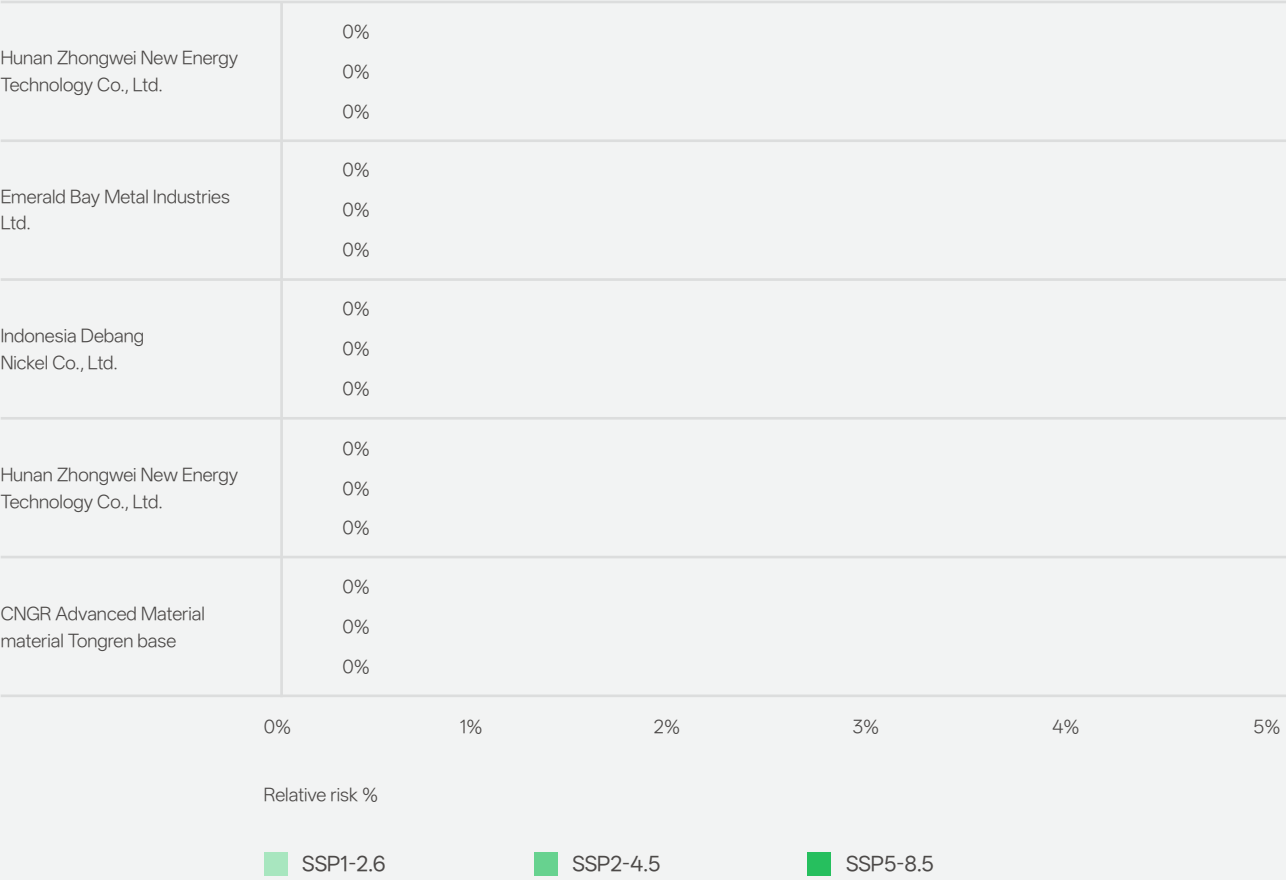
Hong Kong show a minor risk proportion of 0.10% under the low- and medium-emissions scenarios.

Five assets most affected by the tropical cyclone threat



The impact of coastal flooding threats on assets is also extremely low, with relative risk exposure remaining at zero under the vast majority of climate scenarios and posing no material risk to the overall asset portfolio.

Five assets most affected by coastal flooding



2.2.2 Transition Risk

In terms of climate transition risk management, CNGR Advanced Material, based on the systematic identification of key risk dimensions such as policy, technology, market, and reputation, further conducted quantitative measurement and scenario analysis to comprehensively assess the potential impacts of transition risks on financial performance and business resilience. With carbon pricing mechanisms as the core driver, the Company combined carbon price pathways under different climate scenarios to identify and classify the risk exposure of high-emissions business units and key supply chain links. It also selected key parameters, including carbon emissions intensity, cost pass-through capacity, and margin levels, to build a measurement model that quantifies the impact of transition risks on operating costs, asset value, and profitability.

1 Transition Risk Evaluation Process

During the measurement process, the Company focused on the impacts of low-carbon technology substitution, energy structure transition, and changes in market demand on the business structure, and used scenario analysis to assess the sensitivity of gross margin and EBITDA to rising carbon costs across different time horizons. At the same time, by considering supply chain restructuring and changes in stakeholder expectations, the Company analyzed risk transmission pathways between upstream and downstream segments and identified key risk exposures. Based on the above analysis results, the Company developed differentiated response strategies for highly exposed business areas, including accelerating clean energy substitution, advancing low-carbon technology upgrades, optimizing supply chain layout, and strengthening climate information disclosure management, to ensure that transition risks remain generally controllable and to continuously enhance the Company’s competitiveness and financial resilience during the low-carbon transition.

Based on external carbon price data and its own Scope 1, 2, and 3 greenhouse gas emissions baseline, and in combination with the IEA scenario analysis methodology, the Company simulated carbon price evolution pathways under different climate scenarios and forecast future operating revenue, operating costs, and emissions levels. On this basis, a measurement model was built to assess the impact of changes in carbon costs from 2025 to 2050 on the Company’s revenue, costs, and profitability. The results were then systematically analyzed to identify key risk exposures and highly exposed business areas, providing support for response strategy formulation and resource allocation optimization.

2 Financial Impact Analysis of Policy Risk

The Company established a quantitative assessment process centered on carbon pricing for policy risks in the climate transition.

Table 20 Climate Transition Risk (Policy Risk) Assessment Process

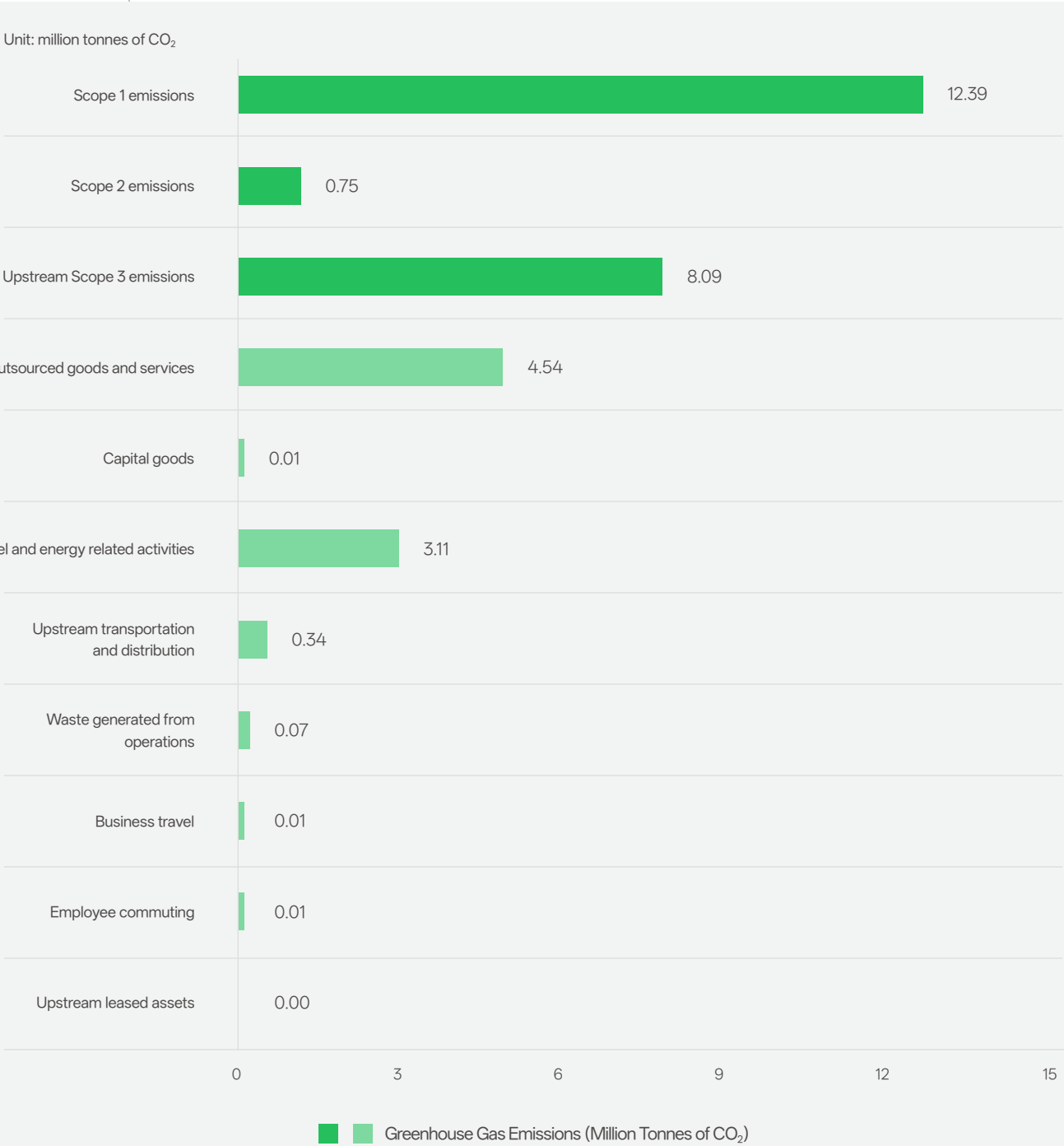
Work Stage	Work Content	Key Data Inputs	Method/Description
Carbon Price Data Preparation	Collect and input carbon price data to construct the input parameters for the baseline scenario	1) S&P Sustainable1 carbon price data 2) Scope 1 and Scope 2 greenhouse gas emissions data 3) Facility geographic location information	As the core driver variable for policy risk measurement, reflecting trends in carbon cost changes
Scenario Simulation	Construct carbon price pathways under different climate scenarios	1) IEA climate scenarios, such as NZE, APS, and STEPS 2) Scope 3 greenhouse gas emissions data, by category	Identify differences in risks under different policy pathways through multi-scenario analysis
Operations and Emissions Forecasting	Forecast future trends in revenue, costs, and greenhouse gas emissions	1) Scope 1, 2, and 3 emissions reduction targets 2) Compound annual growth rate (CAGR) of operating revenue and operating costs 3) Discount rate and key financial assumptions	Establish the linkage between business development and changes in emissions
Model Calculation	Build a quantitative model to measure the financial impact of climate policies	/	Calculate carbon costs based on “carbon price × emissions” and assess the impacts on revenue, costs, and profit (2025–2050)
Results Analysis	Analyze and summarize the calculation results and identify key points risk exposures	/	Analyze the impacts on operating revenue, operating costs and profitability under different scenarios to support strategic decision-making

3 Emissions Reduction Pathway and Model

The Company uses 2020 as the base year (for details of the specific baseline and target setting, please refer to Chapter 4 of this report) and has set phased emission reduction targets: Scope 1 and Scope 2 emissions are planned to be reduced by 50% by 2030 and to reach net-zero emissions by 2040; Scope 3 value chain emissions are planned to be reduced by 50% by 2030 and to reach net-zero emissions by 2050. From the perspective of emissions structure, Scope 1 direct emissions

remain the Company’s largest source of emissions; Scope 2 indirect energy emissions remain at a relatively low level, benefiting from green electricity substitution measures; Scope 3 value chain emissions are mainly composed of upstream supply chain-related activities, reflecting the carbon footprint characteristics of the full value chain. The 2025 accounting results for each emissions category are as follows:

2025 greenhouse gas emissions data



Based on the above emissions baseline and actual operating data for 2025, the Company developed a medium- and long-term forecasting model linking financial performance with emission reduction targets. In 2025, the Company achieved operating revenue of 6877 million USD, operating expenses of 6019 million USD, and operating profit of 859 million USD. Operating revenue reflects the sales scale of precursor material products; operating expenses cover full-chain production and operation costs, including raw material procurement, energy consumption, labor costs, and operation management expenses, and can be used to measure the potential impact of changes in carbon costs on the Company’s expense structure and profit margin. On this basis, the model sets phased growth pathways, including projected phased nominal growth rates for operating revenue and operating expenses, providing a unified macroeconomic and business growth baseline for scenario analysis¹.

4 Emissions Pathway and Dynamic Financial Forecast

Based on the Company’s 2025 emissions status and phased targets derived from the emissions net-zero timelines,

greenhouse gas emissions for subsequent years were forecast. Scope 1 direct emissions gradually decline from 12.39 million tonnes of CO₂e in 2025 to 8.26 in 2030 and 4.13 in 2035, reaching zero by 2040. Scope 2 indirect energy emissions, benefiting from the effect of green electricity substitution, decline rapidly from 0.75 million tonnes of CO₂e in 2025 to 0.50 in 2030 and 0.25 in 2035, also reaching net zero by 2040. Scope 3 value chain emissions have a 2025 baseline of 8.09 million tonnes of CO₂e and decline at a relatively moderate pace, falling to 6.47 in 2030, 4.13 in 2035, and 3.24 in 2040, and reaching zero by 2050 through the continuous advancement of supply chain collaborative transformation.

Greenhouse gas emissions forecast (Scope 1, Scope 2 and Scope 3)



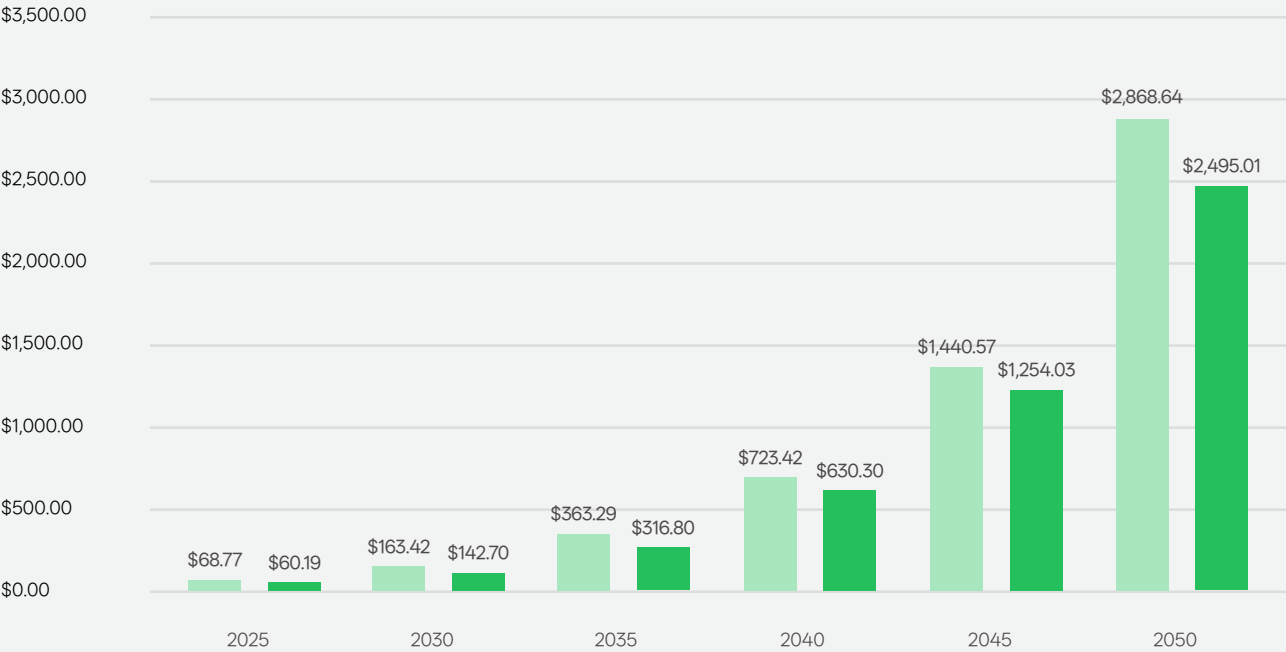
¹Operating income growth rate: 20.8% in 2026-2028, 21.1% in 2029-2033, and 16.8% after 2033; operating expense growth rate: 20.7% in 2026-2028, 21.1% in 2029-2033, and 16.8% after 2033; the long-term inflation rate is forecast to be 2%.

Based on the emissions forecast, and combined with the Company’s actual operating data and historical performance in 2025, a linked forecasting model for the medium- and long-term greenhouse gas emission reduction pathway and financial impact was developed. Through quantitative analysis of trends in revenue and expenses, the model verifies the feasibility and sustainability of the net-zero transition strategy. From an emissions perspective, the Company plans to fully achieve its net-zero commitment before 2040, with Scope 1 and Scope 2 emissions reaching zero and Scope 3 emissions also significantly reduced to a low level, marking a clear transition

pathway from “high-carbon dependence” to “low-carbon efficiency.” The financial dimension also shows a transition from an investment phase to a value realization phase. At the current stage, the Company is in the critical investment phase of transition, with expenses slightly higher than revenue, forming a strategic capacity-building stage for low-carbon transition. As emission reduction technologies and operational optimization continue to deepen, revenue growth is expected to surpass expense growth from 2035 onward and show explosive growth.

Revenue and expense forecast under the emission reduction pathway (based on 2025 data)

Unit: USD 100 million



income expenditure

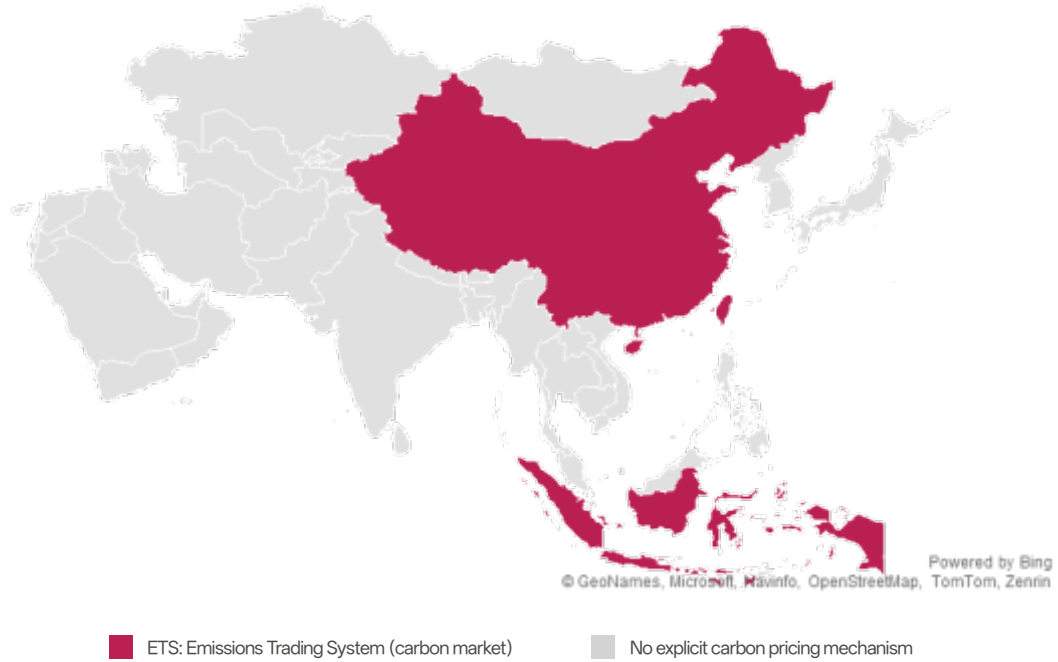
2025	2030	2035	2040	2045	2050
\$68.77	\$163.42	\$363.29	\$723.42	\$1,440.57	\$2,868.64
\$60.19	\$142.70	\$316.80	\$630.30	\$1,254.03	\$2,495.01

5 Current Status of Carbon Pricing Policies

CNGR Advanced Material’s production bases are distributed across multiple jurisdictions, and the current status of carbon pricing policies in operating locations forms the basis for assessing future risk exposure, directly affecting the accuracy and reliability of risk measurement. From a regional distribution perspective, the Company conducts carbon cost stress testing using the price mechanisms of emissions trading systems (ETS) in its core operating regions as benchmarks. Domestic operations are mainly located in carbon market pilot regions such as Guizhou, Guangxi, and Hunan, where the current carbon

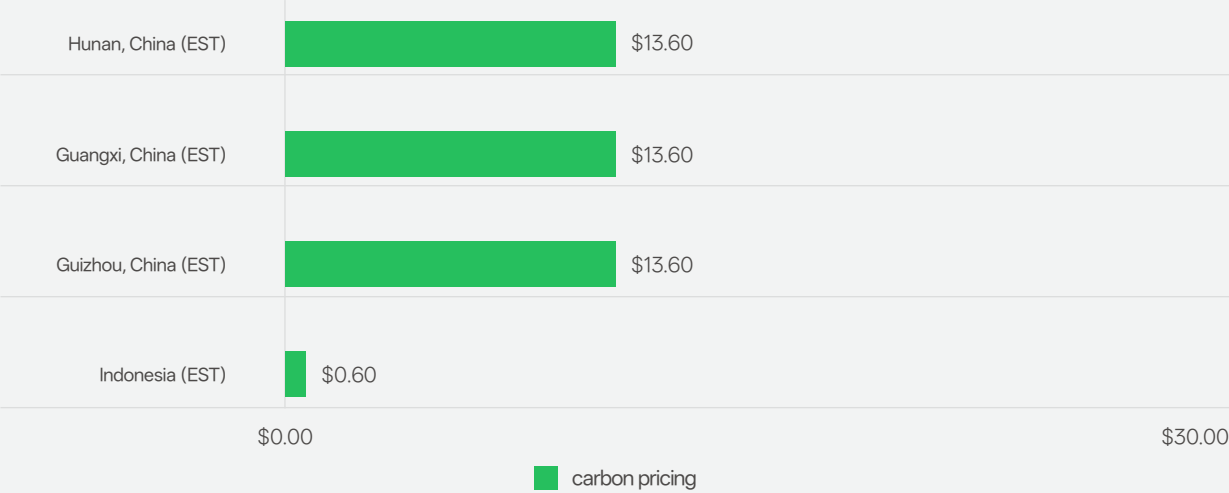
price is approximately USD 13.6/tCO2. The carbon price level in the region where the Indonesian operations are located is relatively low, at approximately USD 0.8/tCO2. Overall, domestic operations face more significant carbon cost constraints. As the national carbon market gradually improves and the central level of carbon prices rises, emission reduction actions will become a key measure for hedging policy costs and controlling financial risks, providing a policy basis for the Company’s medium- and long-term emission reduction pathway.

Distribution of Carbon Pricing Policies by Region



Current Carbon Price Levels (based on 2025)

Unit: USD



carbon pricing

As fuel taxes or taxes and fees related to greenhouse gas emissions gradually increase, CNGR Advanced Material's operating costs may rise accordingly. Carbon pricing risk exposure peaks in the short term (2030), with Scope 1 emissions as the main contributor. In the medium term (2040), as emission reduction targets are implemented, risk exposure declines significantly, and carbon pricing risks from Scope 1 and Scope 2 emissions fall to zero. In the long term (2050), after the full value chain net-zero target is achieved, carbon pricing risk exposure declines to zero under all scenarios. In response, the Company may choose to pass costs on to customers, absorb

them internally, or hedge them through low-carbon solutions. Analysis based on the carbon pricing risk model shows that in 2030, under scenarios ranging from the low carbon price scenario (2.4° C) to the high carbon price scenario (1.5° C), the Company's annual carbon pricing risk exposure ranges from 267 million USD to 770 million USD, corresponding to an increase in expenses of approximately 2.6% to 7.6%. This indicates that under the high carbon price scenario, the widening increase in expenses will directly compress profit margins, resulting in a potential impact of carbon pricing risk on the Company's profitability.

Carbon Pricing Risk: Scope 1, 2 and 3 Greenhouse Gas Emissions Forecast (2030-2050)

	Low Carbon Price (2.4° C)			Medium Carbon Price (1.7° C)			High Carbon Price (1.5° C)		
	2030	2040	2050	2030	2040	2050	2030	2040	2050
Total Carbon Pricing Risk (USD 100 Million)	\$2.67	\$0.44	\$0	\$3.42	\$0.67	\$0	\$7.70	\$0.98	\$0
Scope 1 Carbon Pricing Risk	\$1.84	\$0	\$0	\$2.35	\$0	\$0	\$5.30	\$0	\$0
Scope 2 Carbon Pricing Risk	\$0.08	\$0	\$0	\$0.09	\$0	\$0	\$0.24	\$0	\$0
Scope 3 Carbon Pricing Risk	\$0.75	\$0.44	\$0	\$0.97	\$0.67	\$0	\$2.16	\$0.98	\$0
Expenditure Change Rate (%)	2.6%	0.2%	0.0%	3.4%	0.3%	0.0%	7.6%	0.4%	0.0%
Carbon-Adjusted Operating Profit Margin (%)	10.4%	12.7%	13.0%	9.7%	12.6%	13.0%	6.1%	12.5%	13.0%
Profit Risk Exposure (%)	18.0%	1.3%	0.0%	23.1%	2.0%	0.0%	52.1%	2.9%	0.0%

Based on the scale and temporal distribution characteristics of carbon pricing risk exposure, short-term carbon price risk is mainly concentrated in direct emissions from production. Therefore, accelerating process transformation and clean energy substitution is

the core lever for hedging near-term cost pressure. The Company's tiered net-zero emissions targets can effectively hedge the financial risks arising from the tightening of long-term carbon pricing policies.

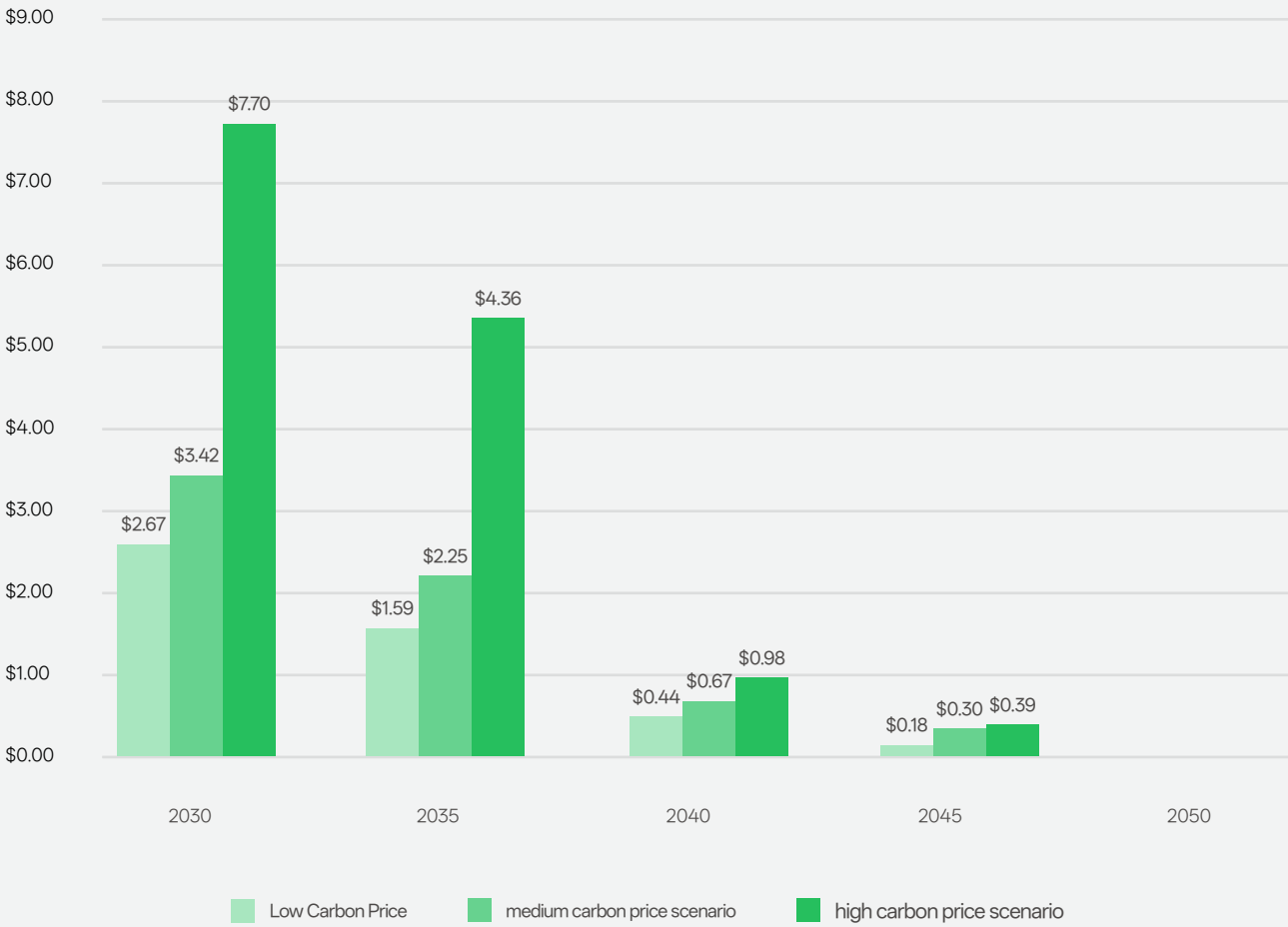
6 Potential Cost Impact of Carbon Pricing

Under different carbon price scenarios, the Company may face potential carbon costs arising from its direct emissions, energy use, and supply chain emissions. The analysis shows that, under the high carbon price scenario, potential carbon costs could reach approximately USD 770 million in 2030, primarily

attributable to emissions from the Company's own operations and supply chain.

Trend in the Company's potential carbon costs under different carbon price scenarios (based on 2025 emissions data)

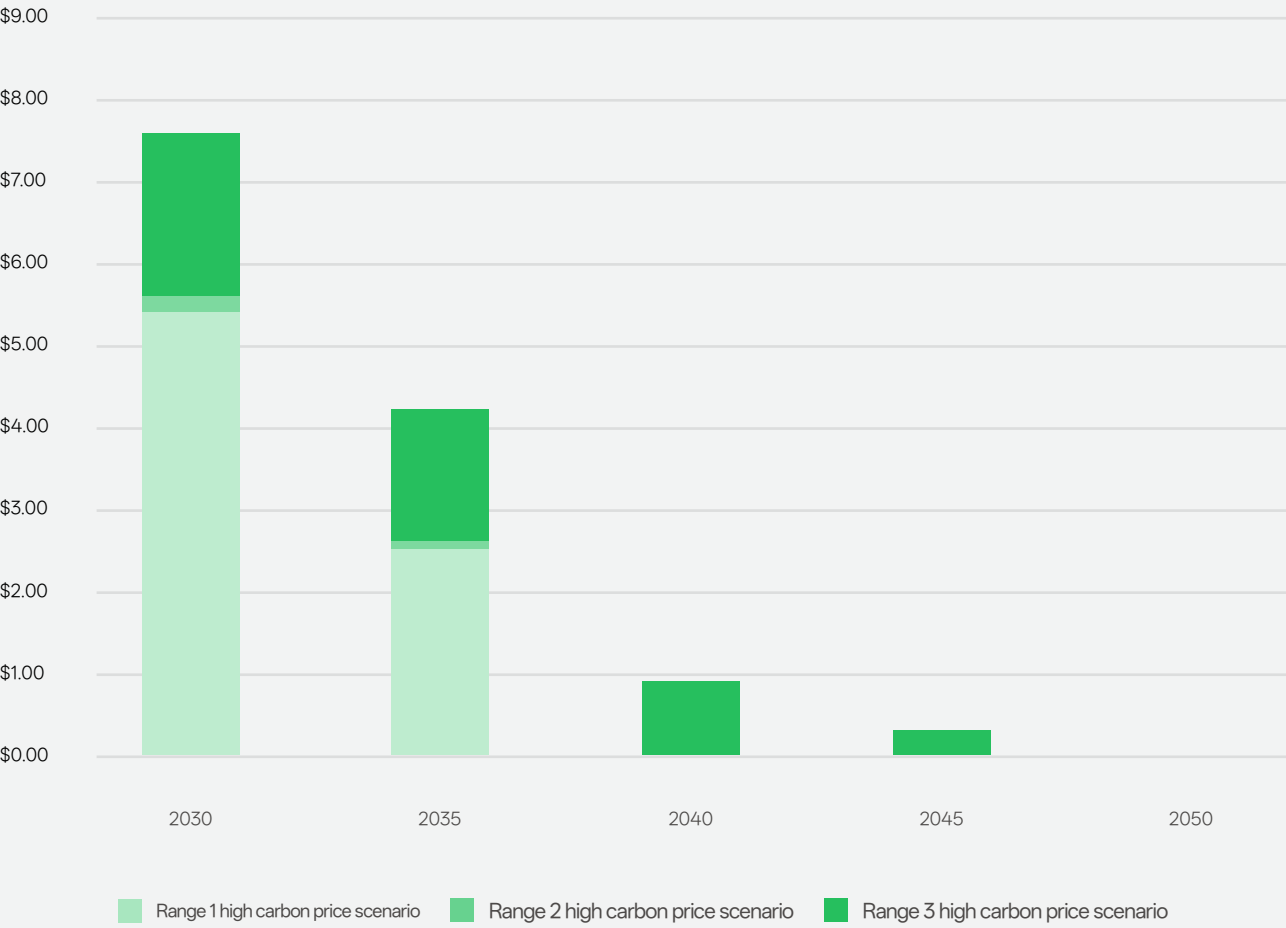
Unit: USD 100 million



2030	2035	2040	2045	2050
\$2.67	\$1.59	\$0.44	\$0.18	\$0.00
\$3.42	\$2.25	\$0.67	\$0.30	\$0.00
\$7.70	\$4.36	\$0.98	\$0.39	\$0.00

Analysis of carbon emissions carbon pricing risk structure under high carbon price scenario

Unit: USD 100 million



2030	2035	2040	2045	2050
\$5.30	\$2.62	\$0.00	\$0.00	\$0.00
\$0.24	\$0.12	\$0.00	\$0.00	\$0.00
\$2.16	\$1.61	\$0.98	\$0.39	\$0.00

At the same time, the carbon pricing policy will have a significant impact on the financial performance of enterprises in stages, and its impact and mitigation path are clearly reflected in the two dimensions of expenditure and profit margin. In the short term, carbon pricing risks will account for 5.4% of corporate expenditures in 2030, directly driving up costs and causing operating profits to drop by approximately 6.9%. This impact is particularly prominent under high carbon price scenario, causing corporate carbon-adjusted operating profit margins to plummet from a baseline level of 13% in 2025 to approximately 6.1%, while the cost and profit pressures under low carbon

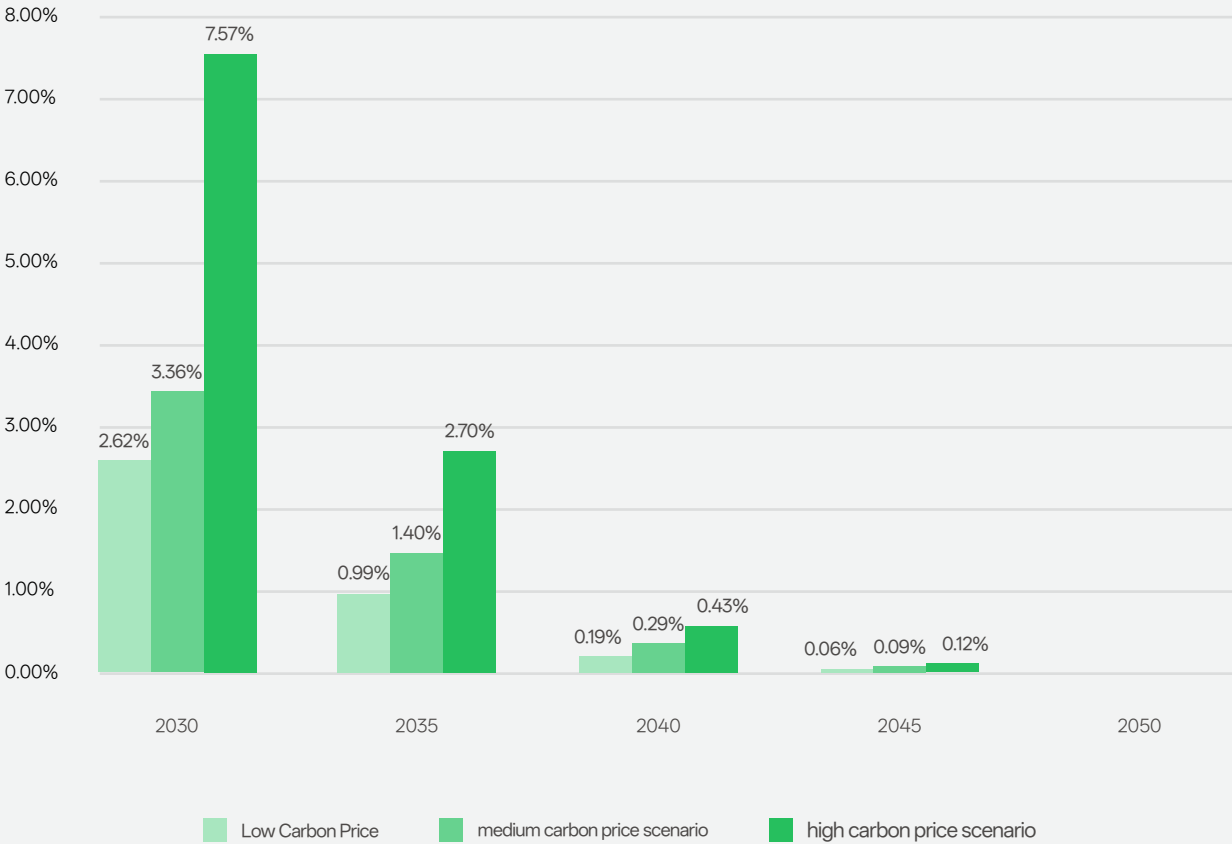
price scenario are relatively mild. With the advancement of corporate emissions reduction measures, the impact of carbon pricing on expenditures will gradually narrow. The proportion of expenditures in the three scenarios will fall rapidly after 2030, and has dropped to less than 0.2% by 2040, and below 0.2% in 2050. The annual update will return to zero; correspondingly, operating profit margins will continue to recover from 2035, and the profit margin differences under various scenarios will be significantly reduced in 2040, and will fully return to the baseline level of 13% by 2045.

7 Estimated Expenses

Under the high carbon price scenario, the proportion of carbon pricing risk in the Company's expenses will rise to 7.57% in 2030. This level directly results in an approximately 7% decline in operating profit. As shown in Figure 27, the Company's carbon-adjusted operating profit margin drops sharply from the 2025 baseline level of 13% to 6.1% in 2030, indicating a particularly significant impact. From the perspective of changes on the expense side (Figure 26), the expense change rate under the high carbon price scenario reaches 7.57% in 2030, the peak for the full cycle. It then declines rapidly as the emission reduction process advances, falling to 2.70% in 2035, further narrowing to 0.43% in 2040, reaching 0.12% in 2045, and falling to zero by 2050. Although the impact is weaker under the medium

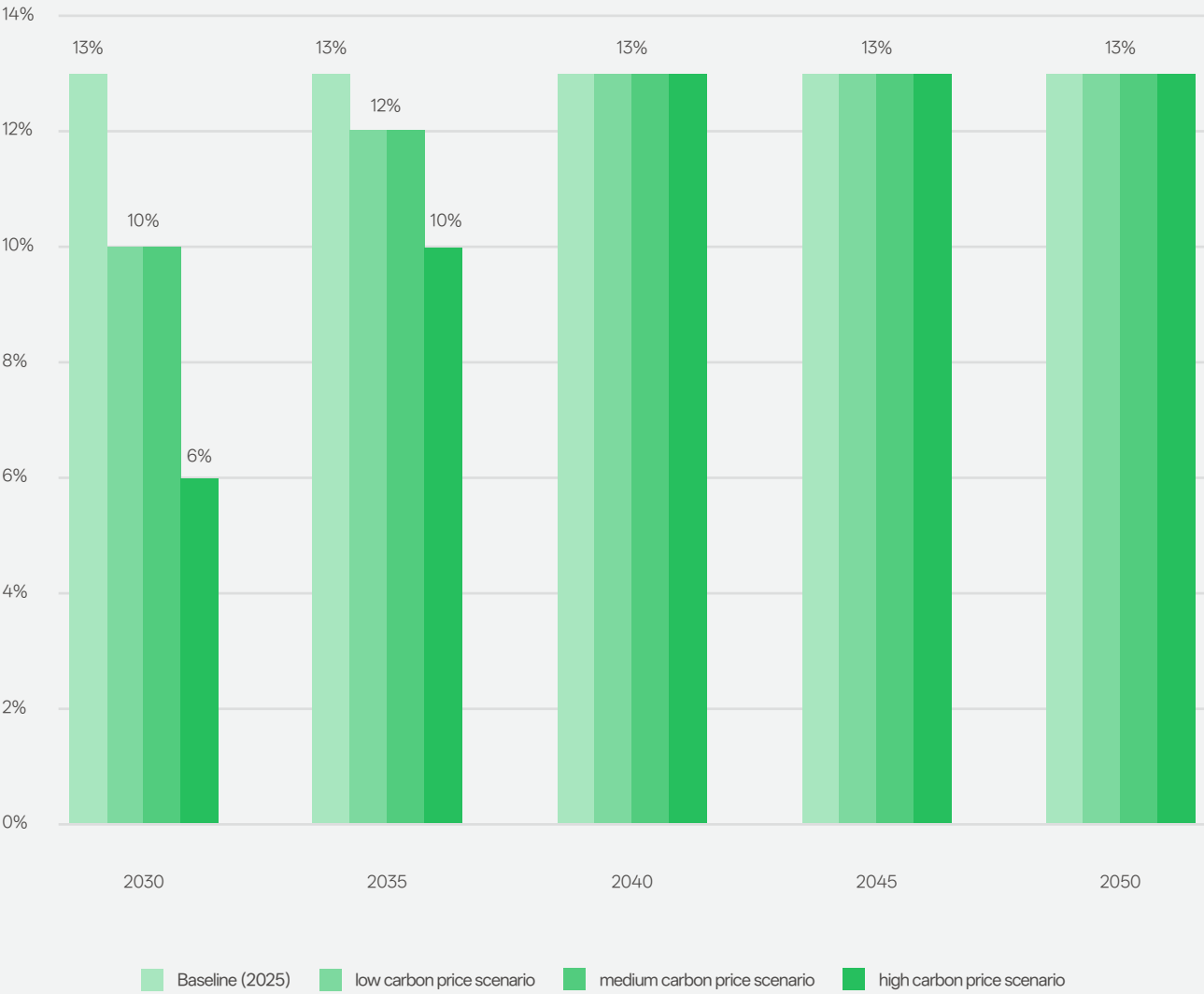
and low carbon price scenarios, the overall trend is consistent with the high carbon price scenario, showing an initial period of high pressure followed by gradual decline. Overall, the financial impact of carbon pricing policies is characterized by "significant short-term impact and controllable long-term mitigation." As the Company's emission reduction actions are implemented, the drag from carbon costs on expenses and profits will continue to dissipate, and by 2050, profit margins under all scenarios will return to the 13% baseline level, fully demonstrating the key role of decarbonization transition in hedging climate policy risks and ensuring long-term profitability stability.

Trend in the impact of carbon pricing policies on corporate expenses (2030-2050)



2030	2035	2040	2045	2050
2.62%	0.99%	0.19%	0.06%	0.00%
3.36%	1.40%	0.29%	0.09%	0.00%
7.57%	2.70%	0.43%	0.12%	0.00%

Trend in the impact of carbon pricing policies on the Company’s operating profit margin



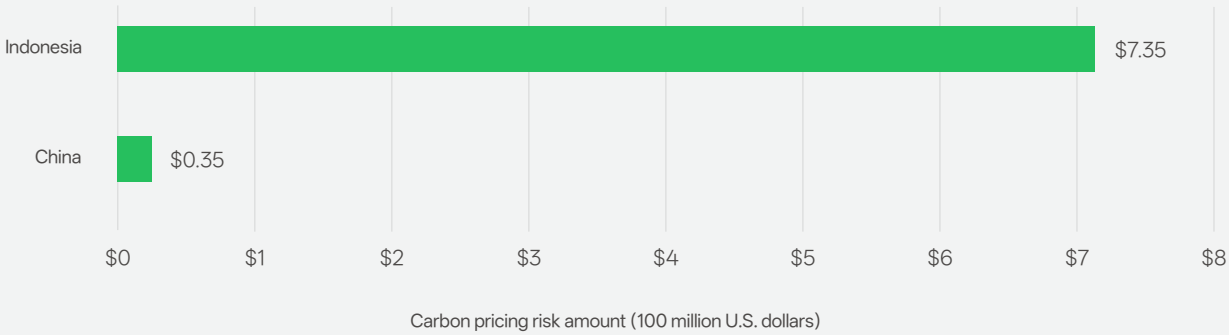
2030	2035	2040	2045	2050
13%	13%	13%	13%	13%
10%	12%	13%	13%	13%
10%	12%	13%	13%	13%
6%	10%	13%	13%	13%

8 Regional Carbon Pricing Risks

CNGR Advanced Material (CNGR)’s operations in China and Indonesia face the highest levels of carbon pricing risk in the 2030s. Under the 2030 high carbon price scenario (1.5° C temperature control target), carbon pricing risk shows a high degree of geographical concentration: the Indonesian business

segment faces carbon pricing risk of as much as USD 7.35 million, while the China region faces only USD 35 million, indicating a significant difference in risk scale. Indonesia is the core source of carbon cost pressure for the Company.

Regional carbon pricing risk under the 2030 high carbon price scenario



From the perspective of full-cycle carbon price trends, based on comprehensive calculations for Scope 1, Scope 2, and Scope 3, the average internal carbon price under different carbon price scenarios shows phased changes. Under the high carbon price scenario, the Company’s average internal carbon price will rise from USD 71/tonne CO₂e in 2030 to USD 93/tonne CO₂e in

2035, fall back to USD 84/tonne CO₂e in 2040, and reach the full-cycle peak of USD 94/tonne CO₂e in 2045. Carbon price levels under the low and medium carbon price scenarios are relatively moderate, reaching USD 44/tonne CO₂e and USD 71/tonne CO₂e, respectively, in 2045.

Table 21 Average carbon price risk premium for Scope 1, Scope 2, and Scope 3

Unit: USD/tonne CO₂e

Year	Low Carbon Price Scenario	Medium Carbon Price Scenario	High Carbon Price Scenario
2030	\$25	\$31	\$71
2035	\$34	\$48	\$93
2040	\$37	\$57	\$84
2045	\$44	\$71	\$94

Further focusing on core operational emissions under Scope 1 and Scope 2 (direct emissions and indirect emissions from purchased energy), the carbon price risk premium is higher than the average across all scopes. Under the high carbon price scenario, the carbon price risk premium for Scope 1+2 emissions is particularly prominent, reaching USD 89/ tCO₂e in 2030 and further rising to USD 123/tCO₂e in 2035. This highlights the more severe cost pressures faced by the

Company’s direct and energy-related indirect emissions. Overall, the Company’s carbon pricing risk is characterized by “geographic concentration, phased differentiation, and significant pressure on operations.” Under the high carbon price scenario pathway, carbon costs remain elevated over the long term, and direct energy-related emissions are a key lever for emissions reduction and cost control.

Table 22 Average Carbon Price Risk Premium for Scope 1 and Scope 2

Unit: USD/ tCO₂e

Year	Low Carbon Price Scenario	Medium Carbon Price Scenario	High Carbon Price Scenario
2030	\$31	\$39	\$89
2035	\$45	\$64	\$123

Note: CNGR Advanced Material plans to achieve carbon neutrality by 2040.

9 Financial Impact Analysis of Technology Risks

As a core enterprise in the industry, CNGR Advanced Material faces various technology-related risks in the process of technological R&D and industrialization. These risks are mainly concentrated in areas such as the accelerated iteration of low-carbon metallurgy and new energy material technology pathways, pressure to phase out and

upgrade high-energy-consumption and high-emission production processes, slower-than-expected progress in green technology R&D, and insufficient commercial maturity of new technologies. The following analysis is presented in conjunction with specific scenarios, financial impacts, and response measures:

Risk Scenario	Core Risk Content	Impact Period	Impact Scope	Financial Impact	Response Measures
Technology Pathway Iteration Risk	Accelerated iteration of low-carbon metallurgy and new energy materials technology pathways	Short/ medium term	Own operations, downstream value chain	Early impairment and retirement of traditional processes and equipment, resulting in stranded high-carbon assets and fixed asset impairment losses	Actively apply new metallurgical technologies, upgrade waste heat recovery systems, and develop low-carbon processes
Process Upgrade Risk	High-energy-consumption and high-emissions production processes face pressure for phase-out and upgrading	Short/ medium term	Own operations	Transformation of production processes and materials toward low-carbon emissions leads to increased capital expenditure	Advance low-carbon process upgrades, optimize production processes, and reduce energy consumption and emissions
R&D and Commercialization Risks	Progress in green technology R&D falls short of expectations, and the commercialization maturity of new technologies is insufficient	Short/ medium term	Own operations, downstream value chain	New energy substitution and the use of low-carbon materials increase operating costs	Improve retired battery recycling technology, increase nickel, cobalt, and lithium recovery rates, and reduce the cost of recycled materials

The above risks will have direct financial impacts on the Company’s own operations and downstream value chain in the short to medium term. First, traditional high-energy-consumption and high-emission processes and related production equipment may face early impairment or phase-out, creating the risk of stranded high-carbon assets and directly resulting in asset impairment losses. Second, to advance its low-carbon transition, the Company needs to carry out low-carbon upgrades to its production processes and material systems, which will lead to higher capital expenditure. Third, during the substitution of new energy technologies and the promotion and application of low-carbon materials, production and operating costs may rise in stages, placing certain pressure on profitability. To address these risks, CNGR Advanced Material is actively promoting the application of new metallurgical technologies and upgrades to waste heat recovery systems, while continuously developing low-carbon production processes. At the same time, the Company continues to improve retired battery recycling technologies, increase the recovery rates of nickel, cobalt, and lithium resources, effectively reduce the cost of recycled materials, and ease the phased cost pressure arising from technology transition.

10 Financial Transmission Pathways of Technology Risks

The Company continued to increase R&D investment, with R&D expenses reaching RMB 1,170.2607 million in 2025, representing a year-on-year increase of 5.49% compared with 2024. The Company focused on core areas such as solid-state batteries and high-nickel/mid-nickel precursors, achieving a number of phased results and further strengthening its technological barriers. The development of ternary precursor technology for solid-state batteries is at the pilot-scale testing stage. Through structural and ratio optimization, it balances high performance with structural stability, supporting the Company in maintaining its technological leadership in the solid-state battery

field. The high-concentration mid-nickel high-voltage single-crystal precursor has entered mass production, achieving performance targets of low cost, high capacity, and low impedance, and serving as a key measure for the Company to maintain the world’s largest market share. Ultra-high-nickel ternary precursors have achieved mass production; high-nickel precursors adapted to the low-altitude economy are at the trial production stage; and multiple technologies for the mid-nickel precursor series are at the pilot-scale testing stage. Through cost reduction and performance optimization, the Company continues to enhance product cost-effectiveness and market competitiveness.

Based on the 16 core technological achievements disclosed in the Summary of the 2025 Annual Report of CNGR Advanced Material Co., Ltd., CNGR Advanced Material’s technology resilience can be reflected in three dimensions. First, the breadth of technology pathway coverage: the simultaneous deployment of four major systems means that failure in a single technology pathway would not constitute a fatal impact. Second, commercialization capability: the carbonate co-precipitation route reduces costs by approximately 20%, and 225mAh/g high-nickel products have achieved mass production, demonstrating relatively high conversion efficiency from R&D to production. Third, structural cost advantages: the iron-red process for lithium iron phosphate has costs approximately 10% lower than traditional routes, providing a defensive baseline in price competition.

Based on an analysis linking the technological achievements in the annual report with the climate risk framework, the transmission of technology risks to the financial side is mainly reflected in the following three situations:

Risk Scenario	Core Risk Content	Main Financial Impacts
Commercialization of sodium-ion batteries progresses more slowly than expected	Delays in the industrialization and market promotion of sodium-ion battery layered oxide and polyanionic materials (NFPP)	Early-stage R&D investment faces impairment pressure; incremental revenue based on climate opportunities cannot be realized, negatively affecting the Company’s valuation
Solid-state battery technology lags behind	Although the Company is in the first tier of the solid-state battery industry, downstream vehicle OEMs may shift to other technology pathways	Capitalized R&D expenditures and supporting production capacity investments form sunk costs, resulting in asset impairment and investment losses
Cost advantage of lithium iron phosphate is disrupted	Competitors achieve more advantageous low-cost processes such as the iron oxide red process, challenging the Company’s integrated cost advantage	The market share of phosphorus products has been squeezed, gross profit margin has declined, and overall profitability has been under pressure

The financial impact of CNGR Advanced Material’s technology risks is generally controllable and remains at a medium-low level. The Company has already taken corresponding preventive actions through multidimensional deployment and targeted measures, effectively reducing the financial impact of risk transmission. The coverage of four major systems provides a certain degree of risk-resistance breadth; the dual-

route deployment for sodium batteries is highly aligned with climate opportunities and represents a technology direction with financial flexibility. However, the cost advantages of solid-state batteries and phosphorus-based products are exposed to price increase risks, and market sensitivity discounts should be incorporated into financial forecasts.

11 Financial Impact Analysis of Market Risks

In 2025, as a global leader in the ternary precursor industry, CNGR Advanced Material held a 24% market share in ternary precursors and ranked first in the industry for six consecutive years. The Company has a first-mover advantage in high-nickel and ultra-high-nickel products as well as solid-state battery precursors, while cobalt-based precursors have ranked first globally in sales for six consecutive years. At the same time, the Company is actively deploying phosphorus-based and sodium-based materials and battery recycling businesses,

building a closed-loop ecosystem of “mining-chemicals-materials-recycling” and laying a foundation for low-carbon transition. The Company’s product portfolio is highly aligned with the new energy industry chain and benefits from demand growth driven by the global decarbonization trend. However, it also faces challenges arising from market risks such as rising customer requirements for green procurement and increasing supply chain carbon compliance costs:

Risk Category	Core Risk Factor	Impact Period	Impact Scope	Major Financial Impacts	Company Response Measures
Market Demand Risk	Global end-market demand shifts toward low-carbon products	Short/medium term	Own operations, downstream value chain	Failure to meet customers’ low-carbon procurement requirements, resulting in loss of market share and reduced order revenue	Regularly conduct market analysis, track customers’ green and low-carbon requirements and market trends, and dynamically adjust product direction and production strategies
Supply Chain Compliance Risk	Green supply chain requirements in the power battery industry continue to strengthen	Short/medium term	Upstream suppliers, downstream value chain	Increased investment in low-carbon compliance and higher supply chain management costs	Continuously optimize green supply chain management to align with downstream low-carbon certification and procurement standards
Cost Volatility Risk	Raw material and energy prices fluctuate due to policy changes and supply-demand dynamics	Short/medium term	Own operations, upstream suppliers	Increases in raw material and energy prices lead to higher production and operating costs	Strengthen supply chain cost control and optimize procurement and production scheduling strategies
Market Competition Risk	Fierce industry competition and heightened product price volatility	Short/medium term	Own operation, downstream value chain	Changes in product supply and demand lead to lower profit margins	Closely track market trends, adjust the product portfolio, and enhance product competitiveness to stabilize profitability

The four categories of market risks identified in this assessment are generally at a medium-low level, with financial impacts mainly reflected in two characteristics: pressure on revenue and rising costs. On the one hand, the upgrading of low-carbon demand and the tightening of green supply chain requirements mean that the Company must promptly adapt to downstream standards to avoid risks such as order losses and declining market share, which would adversely affect operating revenue. On the other hand, fluctuations in raw material and energy prices, together with intense industry competition, will jointly squeeze profit margins, leading to higher production and operating costs and lower product profitability. Through measures such as building a recycling system, deploying high-value-added products, and strengthening green supply chain management, the Company has initially established its capacity to respond to climate risks. In terms of risk priority, raw material price volatility is the main financial risk point in the short term; changes in supply chain compliance costs should be monitored in the medium term; and progress in the transition toward low-carbon products should be closely tracked in the medium to long term.

12 Financial Impact Analysis of Reputation Risks

As stakeholders continue to pay increasing attention to corporate climate performance and ESG governance, the

reputation risks faced by CNGR Advanced Material mainly relate to climate-related negative public opinion and downgrades in sustainability ratings. These may have a moderate impact on the Company in the short term, with specific forecasts as follows: if climate-related negative public opinion or inaccurate reports arise, they may lead investors, customers, and other stakeholders to form a negative impression of the Company, slightly affecting the stability of the Company’s market value; if the Company’s sustainability rating is downgraded, this will weaken its recognition in the capital market, may limit financing scale, slightly increase bond issuance interest rates, and add a small amount of financing costs; at the same time, brand value may suffer minor impairment, which may in turn affect the willingness of some sensitive customers to cooperate and create a potential risk of limited order losses. At present, the Company has actively adopted response measures, strengthened stakeholder communication, and improved sustainability management and information disclosure. In 2025, the Company raised its S&P CSA score to 75 and maintained a CDP climate questionnaire rating of B, with ESG management at a relatively strong level within the industry. Overall, CNGR Advanced Material’s reputation risk is relatively low.

2.3

Climate Resilience Assessment

To systematically identify the potential impacts of climate change and enhance its long-term sustainable development capability, CNGR Advanced Material conducted a climate resilience assessment during the reporting period. Through climate scenario analysis, the Company identified climate-related risks and opportunities and assessed their potential impacts on the Company’s strategic planning, business model, and financial performance. Based on the results of the climate scenario analysis, we believe that against the backdrop of accelerated global low-carbon transition and frequent extreme

climate events, uncertainty in the operating environment has increased significantly. In terms of CNGR Advanced Material’s actual management capabilities, we have established a certain foundation for climate adaptation and transition in areas such as energy structure optimization, low-carbon technology deployment, and global supply chain management. However, under long-term climate change trends, we still need to continuously enhance operational resilience and strategic flexibility.

Table 23 Assessment of Climate Risk Adaptation Capability and Strategic Adjustment

Uncertainty Factors	Strategy Adjustment and Adaptability	Specific Description
Uncertainty exists in carbon price trends and the pace of policy implementation	Financial resources and investment flexibility	• CNGR Advanced Material has the financial capacity to make continuous investments in low-carbon technology R&D and green capacity construction; • The Company actively explores green finance instruments and sustainability-linked financing mechanisms to strengthen funding support; • The Company has the capability to adjust or replace high-carbon assets when necessary.
Differences in predictions of frequency and intensity of extreme weather events may affect asset risk assessment results	Asset allocation and operational adjustment capability	• CNGR Advanced Material dynamically optimizes the layout of global production bases based on climate risk change trends; • Promote energy-saving renovation of existing production lines and low-carbon technology upgrade to improve asset usage efficiency.
The commercialization process of new energy technologies and changes in market demand are subject to volatility	Climate-related investment planning capability	• Continue to increase investment in energy-saving emissions reduction and renewable energy fields; • Actively develop new energy materials and resource recycling business.
Global trade policies and the pace of energy structure transition may affect the competitive landscape of the industry	Climate-related investment planning capabilities	• Cultivate new growth drivers; • Integrate climate change factors into long-term strategic planning and capital expenditure decision-making processes.

2.4 Zero-Carbon Strategy Roadmap

CNGR Advanced Material’s greenhouse gas management strategy is guided by stepwise targets and systematic deployment. Following the progressive logic of “short-term breakthroughs, medium-term advances, and long-term leadership,” the Company decomposes its carbon neutrality target into actionable units:

Table 24 Zero-Carbon Milestone Planning

stage	key initiatives	core goals
2025 Sprint Period	Focus on clean energy substitution at the operational level, and achieve 100% clean electricity (Scope 2) coverage at domestic industrial bases through a combined approach of “clean electricity procurement + self-built photovoltaic power generation,” while simultaneously promoting the electrification retrofit of production equipment	Lay the foundation for deep decarbonization
2030 Breakthrough Period	Through the application of new metallurgical technology, upgrading of waste heat recovery systems, and increasing the proportion of recycled materials, the use boundary of clean energy will be expanded from electricity to comprehensive energy sources such as heat	Achieve a 50% decrease in single-ton product carbon emissions (Scope 1+2+3) compared with the base year 2020, and the overall proportion of clean energy (Scope 2) increased to 80%
2040-2050 Leadership Period	Reshape the industrial ecosystem through a materials revolution, relying on disruptive technologies such as the commercialization of sodium-ion batteries and solid-state batteries, and the substitution of recycled materials and bio-based materials	Achieve carbon neutrality in operations (Scope 1+2) by 2040 and carbon neutrality across the supply chain (Scope 1+2+3) by 2050, building a closed-loop zero-carbon value chain



03 Risk and Opportunity Management

CNGR Advanced Material began managing climate issues in 2021. In managing the risks and opportunities associated with climate change, the Company has built a full-cycle management system covering risk identification, assessment, response, and opportunity conversion through systematic strategic deployment and diversified practical measures. In accordance with CNGR Advanced Material’s risk management regulations,

we regard climate-related risks as important corporate risks and integrate them into the Company’s risk management system for management and mitigation, while striving to transform the transition pressures brought by climate change into strategic opportunities to reshape industrial competitiveness.

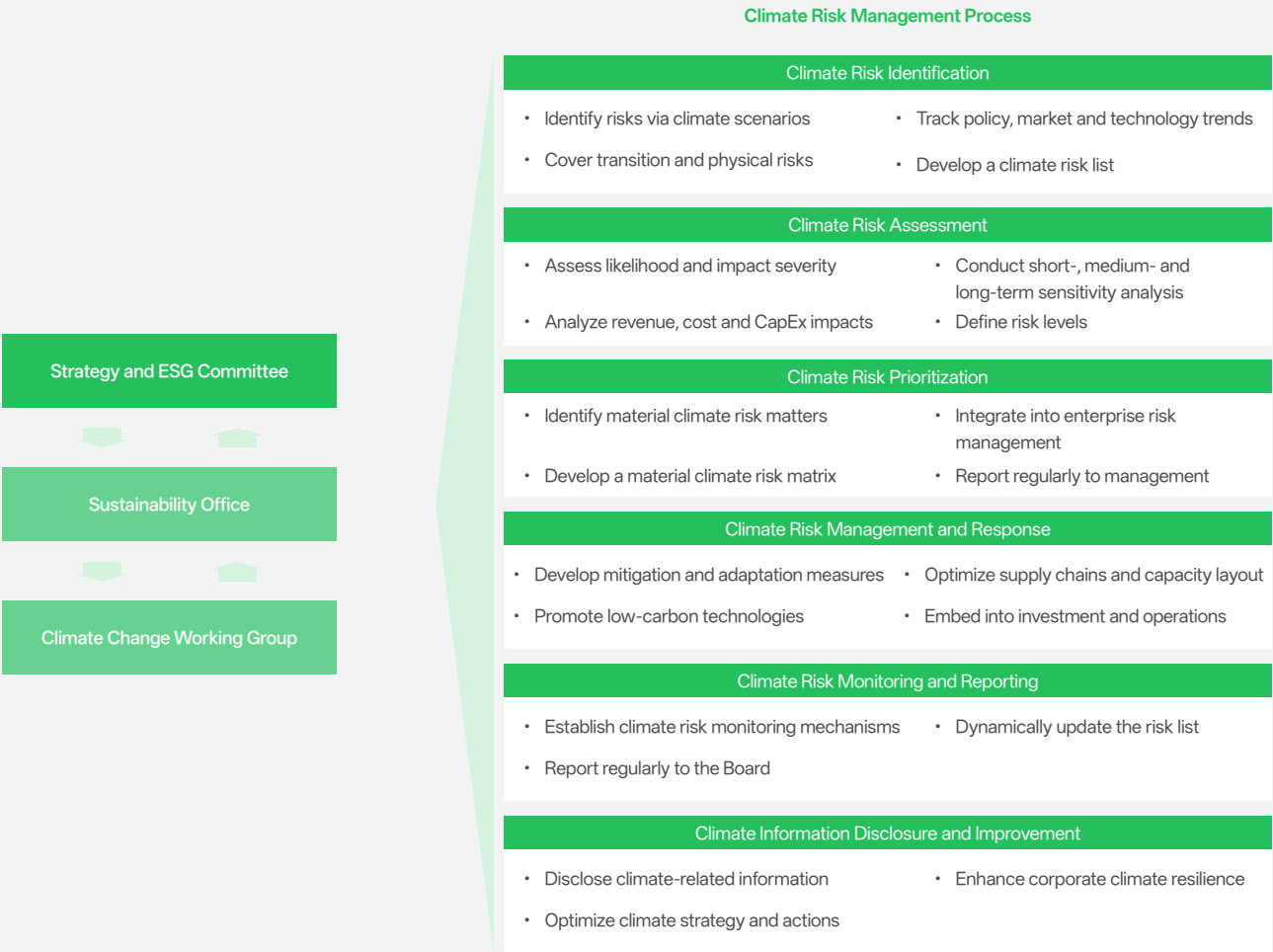
3.1 Full-Cycle Risk Management

3.1.1 Risk Identification and Assessment

CNGR Advanced Material began managing climate issues in 2021. In managing the risks and opportunities associated with climate change, the Company has built a full-cycle management system covering risk identification, assessment, response, and opportunity conversion through systematic strategic deployment and diversified practical measures. In accordance

with CNGR Advanced Material’s risk management regulations, we regard climate-related risks as important corporate risks and integrate them into the Company’s risk management system for management and mitigation, while striving to transform the transition pressures brought by climate change into strategic opportunities to reshape industrial competitiveness.

Closed-Loop End-to-End Climate Risk Management



CNGR Advanced Material has established a full-cycle climate risk and opportunity management system covering identification, assessment, response, and opportunity conversion, and has incorporated climate-related risks into the Company’s overall risk management framework. The Company has established a systematic risk and opportunity assessment mechanism, comprehensively applying qualitative and quantitative methods such as scenario analysis, expert consultation, data quantification, and third-party assessment. This mechanism fully covers multidimensional assessment scenarios, including operations, climate, industry, and geopolitics, and solidly advances the identification, analysis, and prioritization of risks and opportunities.

Focusing on the three major dimensions of policies and regulations, technology, and markets, CNGR Advanced Material identifies climate opportunities. At the policy level, the Company seizes opportunities in green finance, carbon tariff hedging, and

standards leadership to reduce financing costs and generate technology-related income. At the technology level, the Company leverages innovations in low-carbon technologies, sodium batteries, and hydrogen metallurgy to achieve technology licensing and product premiums. At the market level, the Company builds a circular economy through retired battery recycling and recycled material deployment, reducing costs and improving efficiency.

The Company has established response measures such as policy monitoring, low-carbon technological upgrading, supply chain diversification, disaster prevention infrastructure, and enhanced ESG disclosure. Assessment results are submitted to the Strategy and ESG Committee for review, coordinating risk prevention and control with opportunity conversion and supporting green, high-quality development.

Table 25 Analysis of the Materiality of Climate Risks

Low Medium High Relatively Strong Strong Robust					
Risk Type	Specific Risks	Likelihood	Impact	Adaptability	Resilience
Physical Risk	Tropical Cyclone	Low	Medium	Medium	Medium
	Drought	Medium	Medium	Relatively Strong	Relatively Strong
	Wildfire	Low	Medium	Relatively Strong	Relatively Strong
	Extreme Temperature	Relatively Strong	Strong	Medium	Medium
	Water Stress	Relatively Strong	Strong	Medium	Medium
	Fluvial Flooding	Medium	Medium	Medium	Relatively Strong
	Coastal Flooding	Relatively Strong	Strong	Medium	Medium
	Pluvial Flooding	Relatively Strong	Strong	Medium	Medium
Transition Risk	Landslide	Medium	Medium	Medium	Relatively Strong
	Policy and Regulatory Risk	Strong	Strong	Medium	Medium
	Technology Risk	Medium	Medium	Relatively Strong	Relatively Strong
	Market Risk	Medium	Strong	Medium	Medium
	Reputational Risk	Medium	Strong	Relatively Strong	Relatively Strong

Analysis of Traditional Company Risks under the Transmission of Climate Risk Factors

Low

Medium

High

Relatively Strong

Strong

Robust

Climate Risk Factors	Traditional Risk Types	Potential Impact	Possibility	Degree of Influence	Risk Exposure and Inspection Frequency	Risk Mitigation Measures
· Extreme weather such as typhoons, floods, heavy rains, etc. in Indonesia, Congo (DRC) and domestic coastal bases; · Carbon tariff (EU CBAM), downstream low-carbon procurement requirements, supplier low-carbon compliance pressure	Supply Chain Risk	Raw material (nickel, cobalt) mining/logistics, raw material prices increase, supply chain is suspended, affecting production capacity delivery			Semi-annually	Establish a monthly supplier carbon emissions verification mechanism, focusing on verifying the supply risks of nickel and cobalt raw material suppliers caused by climate change (such as mining interruptions caused by extreme weather,low-carbon non-compliance) to improve their ability to cope with supply chain and reduce their own supply chain risks.
· Clean energy procurement, emissions reduction technology retrofits, greenhouse gas verification, and rising carbon costs; · Equipment maintenance, production shutdown losses, and investment in disaster prevention infrastructure caused by extreme weather	Financial risk	Increased operating costs and capital expenditures, rising financing costs, impairment of assets, pressure on profits, affecting cash flow stability			Quarterly	Regularly inspect the company's high-carbon production capacity and production equipment to identify sunk assets caused by climate change (such as traditional high-carbon smelting equipment, substandard factories), while helping the company optimize asset allocation, improve its ability to respond to physical risk, and reduce its own liquidity risk.

3.1.2

Risk Integration and Monitoring

As a global leader in the field of new energy materials, CNGR Advanced Material is deeply aware that with the continuous strengthening of global Responding to Climate Chang reactions and expectations, the transformation process of the new energy industry low-carbon will further accelerate, and green demand in downstream power batteries, energy storage and other fields will continue to expand, bringing unprecedented development to the company's core businesses such as nickel cobalt precursors and battery recycling. In order to actively respond to challenges and opportunities, the company has fully integrated climate-related risk management into the enterprise risk management system and established a systematic integrated climate risk management and control mechanism.

1 Organizational Support and Management Structure

The company has established Sustainability Office, with a climate change working group responsible for organizing, leading, coordinating and coordinating climate risk management work. Board of Directors Strategy Regularly review climate risk changes, risk management and control implementation progress and optimization plans with the ESG Committee to ensure the dynamics and sustainability of climate risk management and meet the company's low-carbon transformation Strategy goals. At the same time, the company continues to strengthen the layer-by-layer penetration of climate risk management and control work into domestic industrial bases, overseas subsidiaries, and raw material bases. By conducting special climate risk training and improving grassroots risk management and control processes, the company has improved the risk awareness and management and control capabilities of each

base and department to ensure the implementation of risk management and control measures.

2 Standardized Risk Control Process

In order to further strengthen the standardized process of climate-related traditional risk management, the company issued the "CNGR Advanced Material ESG Policy" to clarify the standardized process of internal control and climate-related risk management matters, focusing on core links such as supplier carbon emissions verification,greenhouse gas inventory, and risk classification disposal, laying a solid foundation for preventing and resolving major climate-related traditional risks such as supply chain and finance. Through these institutional guarantees, the company strives to strengthen climate risk management and control, fully integrate traditional climate-related risks into the risk tracking system, and achieve systematic and standardized management of risk identification, assessment, disposal, and review.

The company has developed standardized risk identification, assessment and management mechanisms to integrate climate-related impacts and risks and opportunities management processes into internal management processes. Based on the possibility and consequences of risk occurrence, the company divides risks into three categories: high-level, medium-level and low-level, and develops targeted response plans for different levels of risks to prevent and resolve the company's climate risks in a timely manner.

3.2

Risk Mitigation and Opportunities Management

CNGR Advanced Material adheres to the concept of green development, uses energy audit as the starting point to promote energy management and green transformation, optimizes the energy structure, innovates green technology, and strengthens green supply chain. The company attaches great importance to reputational risk, actively responds to stakeholders concerns and ESG rating downgrade risks, strengthens information disclosure, protects the brand and development with green hard work, protects brand value with responsibility, and contributes to the construction of a green ecosystem in the industry. At the same time, the company evaluates the social risks that may arise during the low-carbon transformation process, including job

adjustments caused by the closure of high-energy-consuming production lines or technical transformation, and employee skill gaps caused by the introduction of new technologies. Therefore, the company conducts corresponding training for employees on the new standards, new technologies, and new equipment introduced during the implementation of climate action and low-carbon transformation to help employees master the core skills to adapt to green production. While employees avoid the risk of technological unemployment, it achieves a win-win situation between the implementation of the company and the career development of employees.

3.2.1

Organizational Support and Management Structure

CNGR Advanced Material takes the continuous reduction of comprehensive energy consumption per unit product as its core goal, actively promotes the transformation of energy consumption structure, and promises to continuously deepen energy-saving actions and steadily reduce energy consumption levels. Each production base of the company scientifically sets annual energy-saving targets based on its own actual conditions, actively strives for and efficiently uses green electricity, and strives to improve energy efficiency. In 2025, the company's four major domestic industrial bases will consume a total of 1.067 billion kWh of

clean energy electricity, of which 37.73 million kWh of self-produced photovoltaic green electricity will be consumed. clean energy electricity accounts for 73.88% of the total domestic electricity consumption. In particular, the Qinzhou Industrial Base has achieved 100% clean energy electricity coverage since 2022, becoming a benchmark demonstration for the company's green low-carbon development, fully demonstrating CNGR Advanced Material's firm determination and solid results in promoting energy transformation and sustainable development.

Table 27 CNGR Advanced Material Green low-carbon performance indicators (comparison in the past three years)

Anthracite kg	2020 (Base Year)	22,500.00
	2024 China Region Operating Sites	0.00
	2025 China Region Operating Sites	0.00
	2025 Global Operating Sites	0.00
Lignite kg	2020 (Base Year)	0.00
	2024 China Region Operating Sites	5,908,130.00
	2025 China Region Operating Sites	13,859,040.00
	2025 Global Operating Sites	4,309,495,647.70

Bituminous Coal kg	2020 (Base Year)		9,740,910.00
	2024 China Region Operating Sites		11,613,828.00
	2025 China Region Operating Sites		5,265,920.00
	2025 Global Operating Sites		5,265,920.00

Diesel fue ¹ kg	2020 (Base Year)		375,078.11
	2024 China Region Operating Sites		396,621.80
	2025 China Region Operating Sites		414,080.00
	2025 Global Operating Sites		31,123,212.65

Gasoline kg	2020 (Base Year)		39,294.81
	2024 China Region Operating Sites		25,545.30
	2025 China Region Operating Sites		19,260.00
	2025 Global Operating Sites		37,610.41

Natural Gas m ³	2020 (Base Year)		37,848,516.28
	2024 China Region Operating Sites		18,579,843.10
	2025 China Region Operating Sites		25,107,489.91
	2025 Global Operating Sites		25,107,489.91

Power consumption ² kWh	2020 (Base Year)		451,416,367.74
	2024 China Region Operating Sites		175,471,826.00
	2025 China Region Operating Sites		390,769,732.95
	2025 Global Operating Sites		887,880,174.21

1,.Diesel consumption does not include biomass diesel portion
2.clean energy electricityconsumption is not included in the power consumption

Steam consumption tonne	2020 (Base Year)		469,945.88
	2024 China Region Operating Sites		473,719.40
	2025 China Region Operating Sites		434,901.59
	2025 Global Operating Sites		434,901.59

Total energy consumption GJ	2020 (Base Year)		4,531,938.51
	2024 China Region Operating Sites		3,024,403.26
	2025 China Region Operating Sites		3,937,241.07
	2025 Global Operating Sites		76,512,229.45

Energy consumption intensity GJ/tonne of product	2020 (Base Year)		15.95
	2024 China Region Operating Sites		9.35
	2025 China Region Operating Sites		9.04
	2025 Global Operating Sites		52.64

Clean Energy Electricity Proportion %	2020 (Base Year)		59.71
	2024 China Region Operating Sites		86.99
	2025 China Region Operating Sites		73.88
	2025 Global Operating Sites		55.45

1 Energy Conservation and Consumption Reduction Projects

CNGR Advanced Material As a key energy-consuming unit, energy price fluctuations are one of the main risks faced by the company. The increase in energy prices directly increases the company's production costs. To this end, the company has long insisted on taking energy saving and cost reduction as the core goal of energy management, and has continued to carry out a series of energy saving and consumption reduction projects, covering production process optimization, key equipment upgrading and transformation, waste heat and condensate water recycling, compressed air system efficiency improvement, lighting and power system energy saving transformation, water resource recycling, and the construction of smart energy management platforms. Through these systematic measures, the company continues to improve energy efficiency, effectively control energy consumption costs, and enhance sustainable development capabilities.

2 Recycling of New Energy Materials

In 2025, the global new energy industry will accelerate its transformation to low-carbon recycling, focusing on green low-carbon development orientation, with technological innovation as the core and resource recycling as the starting point, focusing on the four green material fields of nickel, cobalt, phosphorus, sodium and regenerative batteries. Through process optimization, resource substitution, global recycling and other measures, green low-carbon The properties run through the entire life cycle of material R&D, production and recycling. It not only achieves double breakthroughs in material production capacity and market share, but also builds a sustainable new energy material resource ecology. While grasping the energy transformation opportunities, it also fulfills the dual carbon development commitment.

Material Category	Key Initiatives	2025 Outcomes
Nickel-based, cobalt-based low-carbon precursor Core Products: ➤ Ultra-high nickel ternary precursor, high voltage cobalt tetroxide (4.60V and above)	- Independent process optimization significantly reduces overall production energy consumption; - The technology is adapted to the production of decommissioned battery recycling materials (recycled black powder) to replace primary minerals; - High-voltage technology improves battery energy density and reduces the amount of material used per unit of energy storage and battery life with carbon emissions.	Achieve complete technological independence for key materials; lead the world in shipment volume and market share of nickel and cobalt series materials
Phosphorus materials Core Products: ➤ Iron phosphate, lithium iron phosphate	- Lock in the Xinchang phosphate mine in Guizhou, take the initiative in the upstream raw ore, and promote green mining; - Compared with traditional high-pollution processes, the route is more low-carbon and; environmentally friendly; - The product has good recycling properties and meets the requirements of circular economy.	Ranked first in the external sales market of iron phosphate products; deeply tied to leading companies to lay the foundation for large-scale development
Sodium based materials Core Products: ➤ Polyanionic sodium electrical materials, etc. (wide temperature range high performance sodium ion battery system)	- Low cost and long cycle life, significantly reducing dependence on scarce Strategy resources such as lithium; - Wide temperature range technology reduces additional energy consumption during battery operation and is suitable for large-scale energy storage and low-temperature scenarios; - The project was selected as one of the "Top Ten Scientific and Technological Research Projects" in Hunan Province and was awarded a license by the Industrial Innovation Consortium.	Shipments will exceed 1,000 tons in 2025, and commercialization effects will begin to show, opening a new chapter for new energy storage materials.
Recycled battery materials Core Products: ➤ Recycled black powder, recycled nickel, cobalt, manganese, battery grade lithium carbonate	- As the first batch of compliant imported recycled black powder in the country, it has opened up overseas low-carbon resource input channels; - Process 70,000 tons of decommissioned batteries throughout the year, produce core recycled materials, and build a green supply chain closed loop; - The annual reduction of carbon emissions is 300,000 tons, effectively replacing primary ore mining; the layout of European recycling plants strengthens global supply.	Build a complete cycle system of "overseas recycling + domestic regeneration"; become a benchmark for the industry's standardized utilization of global renewable resources

Case: Cross-border collaboration to lay out European recycling network and seize global low-carbon development opportunities with circular economy

In August 2025, CNGR Advanced Material officially signed an equity investment agreement with the German CRONIMET Group, the world's leading metal recycling company, and completed the equity transfer, investing 25% of its battery materials and recycling subsidiary Revomet Bitterfeld. The two parties jointly invested in the construction of a used battery recycling plant in Bitterfeld, Germany. This cooperation closely follows the development needs of Europe's new energy industry, relying on Zhongwei's technology accumulation throughout the industry chain and CRONIMET's global recycling experience to rapidly promote factory construction, and the pole piece line has taken the lead in putting into production.

Case: Importing the first batch of recycled black powder to activate new global circulation momentum

In August 2025, the recycled black powder raw materials for lithium-ion batteries purchased by CNGR from overseas arrived in Guangzhou and were successfully transferred to the Tongren Industrial Base. It became one of the first batches of recycled black powder imported in the country after the implementation of the policy, marking that the company has opened up a key path for the compliance input of global renewable resources. The equivalent of decommissioned batteries processed throughout 2025 will reach 70,000 tons, reducing carbon emissions by approximately 300,000 tons.

Case: Nickel-cobalt material technology breakthrough helps the development of emerging industries

In 2025, focusing on key battery material technologies required in emerging fields such as solid-state batteries, humanoid robots, and low-altitude aircraft, the company will launch in-depth cooperation with global leading customers to help break the bottleneck of industry development and accelerate the commercialization of new materials and new technologies. Major breakthroughs have been made in ultra-high nickel and medium nickel high-voltage ternary material technology. The cobalt-based high-aluminum process route has been successfully opened up. A number of new cobalt tetroxide products with high voltages of 4.60V and above have been developed, achieving complete technical independence of key materials. The shipment volume and market share of nickel and cobalt series materials hit new highs throughout the year, continuing to lead the global market.



Table 28 CNGR Advanced Material Summary of the actual situation of photovoltaic green power projects in 2025

Project Name & Implementation Base	Actual situation in 2025	Key quantitative data
Distributed photovoltaic construction project (Phase I) Ningxiang Industrial Base —	Complete the installation of 6MW photovoltaic projects and connect them to the grid, and the cumulative photovoltaic power generation in 2025 will be 7.66 million kWh;	The cumulative photovoltaic power generation in 2025 will be 7.66 million kWh.
Distributed photovoltaic construction project (Phase I) Qinzhou Industrial Base —	30.649MW of photovoltaic projects were installed and connected to the grid, with a total photovoltaic power generation of 30.07 million kWh.	The total photovoltaic power generation capacity is 30.07 million kWh

CNGR Advanced Material takes the continuous reduction of comprehensive energy consumption per unit product as its core goal, actively promotes the transformation of energy consumption structure, and promises to continuously deepen energy-saving actions and steadily reduce energy consumption levels. In 2025, the company's four major domestic industrial bases will consume a total of 1.067 billion kWh of clean energy electricity, of which 37.73 million kWh of self-produced photovoltaic green electricity will be consumed. Clean energy electricity accounts for 73.88% of the total domestic electricity consumption. In particular, the Qinzhou Industrial Base has achieved 100% clean energy electricity coverage since 2022, becoming a benchmark demonstration for the company's green low-carbon development, fully demonstrating CNGR Advanced Material's firm determination and solid results in promoting energy transformation and sustainable development.

Case: Photovoltaic carport empowers green electricity self-sufficiency and achieves dual upgrades of increasing revenue and reducing expenditure

The distributed photovoltaic power generation project of CNGR Ningxiang Industrial Base was successfully connected to the grid, equipped with nearly 5,000 square meters of photovoltaic carports and 31 new energy charging piles to build a cycle of power generation, storage, and use. The project can supply nearly 8 million kWh of clean electricity and emissions reduction more than 6,000 tons of carbon dioxide every year, injecting green electric energy into base production and park transportation.

Case: CNGR Advanced Material Qinzhou Industrial Base was rated as a national green factory

In 2025, Guangxi CNGR New Energy Technology Co., Ltd. (Qinzhou Industrial Base) won the title of "National Green Factory" for its outstanding performance in the fields of energy low-carbon and resource efficiency. It became the company's third industrial base to win this honor after Tongren and Ningxiang, and was also one of the first companies selected after the release of the new national

standard for green factories. As an important hub of the company's global integrated industrial layout, Qinzhou Industrial Base integrates raw material processing and intelligent manufacturing of "new energy materials + energy metals" materials. It applies low-carbon, recyclable OESBF, efficient MSP refining and other processes to open up an integrated industrial chain of "low nickel matte, high nickel matte, nickel sulfate, and high nickel ternary precursor". At the same time, the company gives full play to its advantages in technological innovation to extract other metal elements from raw materials for recycling and reuse, which greatly improves resource efficiency. In terms of energy low-carbon, the base has built a replicable ESG practice sample for the company by building large-scale photovoltaic equipment, implementing an intelligent energy management system, and continuously increasing the proportion of green electricity use. In the process of promoting the green construction of the base, the company actively responded to and deeply integrated into Qinzhou City's high-quality development and the national Strategy layout, closely linked with local governments and relevant public departments, implemented high-standard regional energy consumption dual control requirements, and contributed an important force to drive the regional economic transformation towards low-carbon.

3 Green Financing

In terms of collaborative promotion of climate change and green finance, Governance continues to strengthen the in-depth linkage between climate goals and financing mechanisms. As of the end of the reporting period, the company had established a sustainable-linked financing framework through a USD 100 million green bond project, effectively embedding greenhouse gas emissions reduction performance into financing constraints and promoting the transformation of climate change from "compliance-driven" to "value creation". By directly linking carbon targets to financing costs and capital acquisition capabilities, the company has gradually built a performance-oriented capital allocation mechanism, enhanced financial resilience to climate change, and simultaneously released the structural benefits of green development.

In 2025, the company successfully launched an international green syndicated financing project through its Moroccan joint venture COBCO S.A. (a joint venture with Al Mada Group) to provide key financial support for a high-performance nickel precursor material project with an annual output of 40,000 tons. During the design and implementation process, the project strictly benchmarked international green finance principles and sustainable financing frameworks to ensure the consistency of fund use and environmental goals, and strengthened information disclosure and fund use transparency. The innovative financing structure introduces the support of policy-based export credit agencies, with risk protection provided by China Export and Credit Insurance Corporation. It also unites with a number of financial institutions in Europe, mainland China, Hong Kong, and Africa to form a cross-regional syndicate, of which BNP Paribas, Standard Chartered Bank and China Construction Bank Paris Branch serve as the lead banks, fully reflecting the recognition of diversified capital for the company's low-carbon transformation path.

This green financing case not only provides a stable and sustainable source of funds for the company's overseas production capacity layout, but also marks the company's breakthrough in the application of cross-border green financial instruments. By integrating international capital market resources and green finance standards, the company has effectively reduced project financing costs and climate-related finance, while improving its sustainable competitiveness in the global market. In the future, the company will continue to explore the in-depth integration of climate goals and financing tools, promote the key role of green finance in supporting technological innovation and industrial upgrading, and further strengthen the climate system's ability to support long-term value creation for enterprises.

4 Carbon Management Digital Empowerment

The company has built a solid foundation for carbon management with digital empowerment, built a green house gas digital monitoring platform, completed comprehensive green house gas inspections of seven categories of domestic bases in accordance with standards, implemented real-time tracking and deviation analysis of energy consumption and emissions through the SAP system, and initially established a product carbon footprint management system. At the same time, the carbon emissions reduction target is digitally broken down into business units, and IBM promotes the digital transformation of low-carbon production. It relies on digital tools to complete compliance disclosures, builds a recycling digital system, and accurately quantifies the carbon emissions reduction benefits of recycling decommissioned batteries.

5 Carbon Management

The company has built a standardized carbon accounting system that strictly follows international standards, covering Scope 1 to three greenhouse gas, and completes annual inspections of seven types of gases at all domestic bases. Relying on the digital monitoring platform and SAP system, we can realize real-time tracking and accurate quantification of energy consumption and emission data, and simultaneously carry out product life cycle carbon footprint accounting, and 4 recycled material products have passed the certification.

6 Publicity and Training

In 2025, CNGR Advanced Material hired an external third party to conduct a special training on the interpretation and practice of global typical green electricity consumption rules, covering 8 production bases, 7 related departments of the company headquarters, and 28 supply chain upstream and downstream enterprises; Sustainability Office carried out internal 14064 carbon emissions 1 training session on basic knowledge of verification, covering 6 production bases; 1 training session on climate policy interpretation for directors, with a coverage rate of 100%; Board of Directors and the committee held 1 review meeting on climate issues.

3.2.2

Climate Actions across the Upstream and Downstream Value Chain

Value chain Collaborative cooperation in all aspects is the core of climate change response work. On the basis of continuing to promote its own energy conservation and carbon reduction practices, the company integrates the concept of sustainable development throughout the entire chain, driving upstream and

downstream partners to jointly promote green transformation; at the same time, it actively plays a leading role in the industry and joins hands with all parties in the industry chain to comprehensively enhance the comprehensive capabilities of the entire chain.

Building a Green and Sustainable Supply Chain System

The company has fully integrated green low-carbon development requirements into the entire supply chain management process, and clearly incorporated it into the key plan for supply chain system construction during the "14th Five-Year Plan". Focusing on the entire life cycle of materials and equipment from raw material procurement, processing, packaging, warehousing, transportation and use to scrap disposal and reverse logistics, value chain systematically implements standardized management, continuously improves supply chain climate adaptation sustainability and green development resilience, and lays the foundation for a full value chain green transformation.

1 Green Procurement

The company adheres to the concept of green procurement, continues to optimize the procurement management process, deepens the centralized procurement model, efficiently integrates procurement resources, and effectively reduces resource waste and environmental losses caused by decentralized procurement. The company gives priority to environmentally friendly raw materials, materials and services, controls procurement sources with green standards, reduces the impact of production and operations on the ecological environment from the front end, and lays a solid foundation for supply chain's green development.

2 Green Supplier

The company formulates an annual system audit plan for suppliers every year, and conducts on-site or written quality system and ESG audits on qualified suppliers of main raw materials and auxiliary materials and newly developed suppliers based on the "Supplier Management System Audit Form". The audit content includes: quality system, EHS, society (labor and business ethics), carbon emissions and mineral supply chain five major sections of due diligence management, of which the ESG part accounts for more than 20% of the total audit terms. According to the audit results, a supplier with a score of 80 or above is considered a qualified supplier; a supplier with a score of 70 to 80 is a deadline for rectification. The supplier must formulate a rectification plan and complete the rectification within 3 months according to the rectification plan. After the rectification is completed, it will be reviewed again to determine whether to join the company's supplier list; those with a score below 70 will be directly eliminated. During this reporting period, the completion rate of the system audit plan was 100%, and no suppliers with major quality problems or negative social or environmental impacts were found.

3 Green Warehousing

The company has set up special warehouses and tank areas for hazardous chemicals, equipped with emergency supplies and implemented all-round video surveillance, with dedicated personnel conducting hourly inspections. Strictly implement the classified storage of solid waste, build standardized temporary storage warehouses for hazardous waste, store in classified areas and post signs. Real-time inventory monitoring is achieved through digital systems, warehousing resource allocation is optimized, and measures such as rainwater and sewage diversion and wastewater recycling are combined to reduce environmental risks in the warehousing process and implement the concept of green warehousing.

4 Green Recycling

As an enterprise with dual qualifications for "echelon utilization"

and "recycling", the company has established a full-process recycling system at its Tongren base, with an annual processing capacity of over 70,000 tons of decommissioned battery equivalents. Carry out projects such as waste activated carbon regeneration, filter cloth and filter bag cleaning and reuse, recycle nickel and cobalt raw materials in the factory, and supply lithium carbonate to downstream customers.

5 Green Logistics

The company has built an intelligent logistics and transportation management platform, using satellite positioning, trajectory monitoring and other technologies to achieve visibility of vehicles in transit. Through online settlement of logistics costs, base vehicle entry management and warehouse distribution integration, transportation resources are accumulated, costs are reduced and efficiency is increased. The online ordering rate for export sales reaches 80%, and receipts and receipts are synchronized and shared. While ensuring safety and supply, it also reduces logistics links carbon emissions and builds an efficient and collaborative green logistics system.

6 Green Supply Chain

The company actively builds a full-chain green supply chain system, focuses on supply chain low-carbon coordinated development, continues to improve the green management mechanism, promotes upstream and downstream collaborative practices of green development concepts, and deepens green Governance in procurement, logistics, operations and other links.

Supporting the Industry’s Green Transition

1 German-Enterprise Cooperation Empowers Transformation

In order to assist the green transformation of the new energy materials industry, CNGR Advanced Material reached an in-depth cooperation with the German CRONIMET Group, signed an equity investment agreement and completed the equity transfer to further improve the "resource development, intelligent material manufacturing, and global circulation" industrial ecology. CNRG has obtained a 25% stake in its subsidiary and will jointly build a waste battery recycling plant in Germany. Currently, the pole piece line has been put into production, and the battery line is expected to be launched in 2026. This cooperation achieves complementary advantages. CNRG has the strength of the entire industry chain, and CRONIMET has mature recycling resources in Europe. The factory will alleviate the problem of insufficient waste battery processing capacity in Europe, promote resource recycling, reduce dependence on primary resources, lead the sustainable development of the industry low-carbon, and provide support for the green transformation of the global new energy industry.

2 Co-building Supply Chain ESG Standards

CNGR Advanced Material Integrate ESG management deeply into corporate development Strategy and actively participate in the co-construction of industry supply chain ESG standards to promote green procurement and low-carbon supply chain construction. In 2025, the company joined the supply chain ESG Management Initiative (SCSI) as a corporate member and joined hands with industry leading companies to build the supply chain ESG assessment standard system. This move promotes upstream and downstream companies in the industry chain to improve their ESG management levels, build a complete ESG management system of "commitment-action-disclosure", and provide a demonstration for supply chain's green transformation.

04 Metrics and Targets

CNGR Advanced Material In-depth implementation of Xi Jinping’s Thought on Ecological Civilization, based on the advantages of the entire industry chain of new energy materials, focusing on production and operations physical risk, transition risk, and climate opportunities, systematically building

a system of climate-related goals and tracking indicators, comprehensively monitoring and managing climate impacts, risks and opportunities, ensuring the company's high-quality sustainable development, and helping the country "dual carbon" Goals and the Global Energy Transition.

4.1 Climate Related Indicators

In the process of promoting climate Governance practice, the company has scientifically constructed a list of climate-related indicators covering greenhouse gas emissions, energy structure transformation, resource recycling and other dimensions through preliminary industrial research, industry benchmarking and internal process sorting. It has also established a normalized

indicator identification, accounting and management and control mechanism to dynamically track the progress of the implementation of net-zero emission goals and accurately measure climate management effectiveness with continuous and comparable quantitative data.Strategy Provide data support for decision-making and goal iteration.

4.1.1 Industry-agnostic Metrics

Table 29 Climate-related Industry-agnostic Metrics

Indicator Name	Indicator Information
Total Greenhouse Gas Emissions — 01	The total amount of greenhouse gas covering Scope 1(direct emissions),Scope 2(energy indirect emissions) and Scope 3(other indirect emissions) is calculated as tonnes of CO ₂ equivalent (t CO ₂ e), comprehensively reflecting the company's overall carbon emissions situation. The company conducts annual inspections in accordance with ISO 14064 standards, covering domestic industrial bases.
Greenhouse Gas Emissions Intensity — 02	It refers to the greenhouse gas emissions of unit product or unit output value. It is used to measure the carbon emissions efficiency of the company's production activities. It is usually expressed as tonnes of CO ₂ equivalent/ton of product or yuan of output value. It is one of the company's core carbon reduction assessment indicators.
Clean Energy Proportion — 03	The clean energy electricity used by the company accounts for the proportion of total electricity consumption, expressed as a percentage, covering photovoltaic, wind power, hydro power and other renewable energy sources of electricity, reflecting the company's progress in the low-carbon transformation of the energy structure.
Total energy consumption and intensity — 04	Including the total energy consumption (such as electricity, natural gas, etc.) during the company's operations and the energy consumption per unit product or output value, it is used to evaluate energy use efficiency and energy-saving emissions reduction effects, and support the implementation of the company's energy management goals.
Carbon Footprint Tracking — 05	By establishing a carbon footprint tracking system for the entire product life cycle, the carbon emissions of products is quantified at each stage from raw material procurement, production, transportation to use and disposal, providing data support for precise carbon reduction and low-carbon product certification.

4.1.2 Qualitative Indicators Management

Table 30 Basis for Greenhouse Gas Emissions Accounting- Qualitative Indicators

Indicator Name	Indicator Information
Accounting Standards and Guidelines — 01	The company conducts greenhouse gas emissions accounting in accordance with international standards such as the 2021 version of the "Greenhouse Gas Protocol" General Standard, the International financial statements Sustainable Disclosure Standards No. 1 (IFRS S1) and No. 2 (IFRS S2), as well as relevant Chinese laws and regulations. At the same time, the "greenhouse gas Inventory Procedure" was formulated in accordance with the ISO 14064 standard, and greenhouse gas emissions verification was continued at domestic industrial bases such as Tongren, Ningxiang, Qinzhou, and Kaiyang.
Scope Definition — 02	The company clearly defines greenhouse gas emissions as Scope 1(direct emissions),Scope 2(energy indirect emissions) and Scope 3(other indirect emissions). Among them,Scope 1includesdirect emissions sources such as company-owned vehicle fuel emissions and process emissions;Scope 2covers indirect emissions generated from purchased electricity and heat;Scope 3involves employee travel, raw material procurement, product transportation, etc.other indirect emissions
Data collection and management system — 03	The company has established an internal data collection and statistics system to ensure the accuracy and completeness of greenhouse gas emissions data. The greenhouse gas emissions data of all industrial bases comes from the company's internal business system and has undergone multi-level review and cross-verification, providing reliable data support for carbon accounting, target tracking and report disclosure.
Third-party verification and assurance — 04	The company hires a third-party professional organization to independently verify and audit the greenhouse gas emissions data to enhance the credibility and transparency of the data. For example, Bono Technology (Beijing) Co., Ltd. conducted an independent verification of the greenhouse gas emissions data in the company's "2025 Sustainability Report" and issued a formal verification statement.
Emissions Reduction Goals and Specific Action Plans — 05	The company has set phased, quantifiable greenhouse gas emissions reduction goals and formulated a supporting action plan: using 2020 as the base year, it plans to achieve a 50% decrease in single-ton product carbon emissions by 2030 compared with the base year. Through clean energy replacement, production process energy efficiency improvement,circular economy application and supply chain coordinates carbon reduction and other measures to promote the implementation of goals.
Climate Change Management Structure and Allocation of Responsibilities — 06	The company has established a complete climate change greenhouse gas emissions structure and clarified the responsibilities of each department in greenhouse gas emissions management. As the core hub of climate change,Strategy reports directly to the Strategy Strategy and ESG committee to ensure that climate issues are included in the company's Strategy priorities and to ensure the efficient implementation of various emissions reduction actions.
Identification and Management of Climate Change-related Risks and Opportunities — 07	The company regularly conducts climate change risks and opportunities assessments to identify extreme weather, policy changes, etc. physical risk and transition risk as well as low-carbon developments in the material market and green electricity applications opportunities and formulate targeted response measures. A special policy and regulation monitoring mechanism has been established to promptly grasp dual carbon policy changes and dynamically adjust climate management strategies.

4.1.3 Quantitative Indicators Management

Table 31 Scope 3 GHG Emissions by 15 Categories

Scope	Emission Category	Emissions (tCO ₂ e)
Scope 3	Purchased goods and services	4540415.95
	Capital goods	12570.77
	Fuel and energy related activities	3112344.41
	Upstream transportation and distribution	339595.78
	Waste generated in operations (indirect GHG emissions from transportation)	57633.62
	Waste generated in operations (indirect GHG emissions from products used by the organization)	9526.06
	Business Travel	8648.15
	Employee Commuting	12402.03
	upstream leased assets	Not applicable ¹
	Downstream transportation and distribution	118964.74
	processing of sold products	Not quantified ²
	Use of sold products	Not applicable ³
	End of life treatment of sold products	Not quantified ⁴
	Downstream leased assets	Not applicable ⁵
	Franchises	Not applicable ⁶
	Investment	133593.69

1. Note: The Company holds no upstream leased assets. All relevant operating assets are owned by the Company or have been included in Scope 1 and Scope 2 under the operational control approach.
2. Note: Downstream customers are widely scattered with diversified processing techniques. Customer-specific data and unified emission factors are unavailable.
3. Note: The sold products are non-energy-consuming goods, which generate no energy consumption or GHG emissions during usage.
4. Note: The Company's products are industrial intermediates rather than end consumer goods. After sales, such products are incorporated into various finished products of downstream customers, making it impossible for the Company to track their final destinations.
5. Note: The Company does not operate any business of leasing assets to downstream counterparties.
6. Note: The Company has not conducted any franchising or licensing businesses.

Table 32 Basis for Greenhouse Gas Emissions Accounting- Quantitative Indicators

Index	Unit	2025 ¹
Total Scope 1 Emissions	tCO ₂ e	12,391,004.11
Total Scope 2 Emissions (market-based)	tCO ₂ e	746,588.24
Total Scope 3 Emissions	tCO ₂ e	8,345,695.21
Total emissions (market based)	tCO ₂ e	21,483,287.56
Scope 1 and 2 Emissions Intensity (market-based)	tCO ₂ e per tonne of product	9.04
Scope 3 Emission intensity	tCO ₂ e per tonne of product	5.74
Anthracite	kg	0.00
Lignite	kg	4,309,495,647.70
Bituminous Coal	kg	5,265,920.00
Diesel Fuel ⁴	kg	31,123,212.65
Gasoline	kg	37,610.41
Natural Gas	m ³	25,107,489.91
Power Consumption ²	kWh	887,880,174.21
Steam Consumption	tonne	434,901.59
Total Energy Consumption	GJ	76,512,229.45
Energy Intensity	GJ/tonne of product ³	52.64
Clean Energy Electricity Proportion	%	55.45

1.All global operating locations of the Company.
2.clean energy electricity consumption is not included in the power consumption;
3.Product scope includes main products such as precursors, iron phosphate and nickel plates;
4.Diesel consumption does not include biodiesel.

4.2 Climate-related Goals

Based on the scientifically selected climate indicator system and focusing on the national"dual carbon" Strategy goals, the company has proactively formulated phased and quantifiable climate Governance goals, clarified specific implementation

paths, and regularly carried out goal verification and achievement assessment to form a "goal-indicator-assessment" management closed loop.

4.2.1 Setting Climate Goals

The company focuses on key emission areas, coordinates and promotes dual paths of operations and products, formulates a phased "three-step" carbon reduction roadmap, scientifically sets an indicator system including carbon reduction intensity targets and absolute targets, and systematically deploys and adapts measures. At the same time, the company is consistent with the 1.5° C global temperature rise control goal of the Paris

Agreement. It relies on IEA climate scenario calculations to verify the feasibility of emissions reduction, ensuring that the mid- to long-term emissions reduction rhythm and carbon reduction intensity are consistent with the target low-carbon transformation path, and systematically deploys climate mitigation and adaptation measures.

Table 33 CNGR Advanced Material Climate Risk Target

Target Year	Specific Goals	Achievements
2025	100% clean energy electricity proportion, among which: ¹ In 2022, clean energy electricity will account for 20%; 50% in 2023; 75% in 2024	✔ In 2022, clean energy electricity actually accounts for 22.83%; ✔ The actual proportion in 2023 is 59.71%; ✔ The actual proportion in 2024 is 86.99%; ✔ In 2025, clean energy electricity actually accounts for 73.88%.
2030	80% clean energy proportion	✔ In 2022, clean energy actually accounts for 25.02%; ✔ The actual proportion in 2023 is 54.12%; ✔ The actual proportion in 2024 is 67.41%; ✔ In 2025, clean energy actually accounts for 61.56%.
2030	Compared with the base year, the single ton product carbon emissions decreased by 50% ²	✔ The single ton product carbon emissions in 2023 has decreased by 40.23% compared with the base year; ✔ It has been reduced by 47.31% in 2024; ✔ In 2025, the single ton product carbon emissions in China's regional operations has decreased by 52.27% compared with the base year, and the single ton product carbon emissions in global operations has decreased by 50.41% compared with the base year (the Indonesian industrial base will conduct greenhouse gas verification for the first time in 2025).
2040	Realize operation carbon neutrality	... in progress
2050	Implement supply chain carbon neutrality	... in progress

1.Including photovoltaic, wind power, hydropower, geothermal energy, biomass energy and nuclear power generation, the scope only covers domestic industrial bases
2.The product range includes: main products such as precursors, iron phosphate and nickel plates.

The primary objectives of the Company’s intellectual property management include:

Project	Specific content
Method for Setting and Reviewing Targets	Setting method: Refer to the Scientific Carbon Target Initiative (SBTi) 1.5°C temperature control standard and the decarbonization path of the new energy materials industry, adopt the hierarchical setting logic of intensity emissions reduction, energy structure transformation and long-term carbon neutrality, and combine the company's global production capacity layout, green power transformation planning and supply chain emissions reduction rhythm setting goals: short-term anchoring in 2025 clean energy electricity proportion target, setting annual climbing nodes; in the mid-term, clarify the clean energy proportion and single ton product carbon emissions intensity reduction target in the mid-term; long-term planning will realize the long-term path of operating carbon neutrality in 2040 and supply chain carbon neutrality in 2050. Review method: In the first quarter of each year, the company's Sustainability Development Committee conducts an internal review based on actual emission data, production capacity changes, energy policy updates and supply chain emissions reduction progress at each global base in the previous year; every three years, a qualified third-party organization is entrusted to conduct a comprehensive re-evaluation of the target setting methodology, the rationality of the emissions reduction path and the applicability of the target.
Target Review Process	Complete the collection, verification and summary of the previous year's Group-wide Scope 1 and Scope 2 greenhouse gas emissions data, each production base's clean energy consumption data, product output and carbon intensity data, and supply chain emissions reduction related data in January of each year; After the data is summarized, the sustainable development management department will conduct an analysis of the progress of goal achievement, and compare the completion status of each annual node goal evaluation to identify progress deviations and core driving factors; Organize a special internal goal review meeting every year to evaluate the rationality of the existing goals and determine whether it is necessary to initiate goal adjustments based on major adjustments in production capacity, changes in carbon policies and regulations,low-carbon technology iterations and other internal and external factors; If no adjustment is needed, continue to advance emissions reduction according to the original path implementation; if adjustments are needed, form a revised draft of the target and submit it step by step to management and Board of Directors for review and approval; If there is a major revision of the target, resubmit it to Board of Directors for unified decision-making to verify and confirm the rationality of the methodology and path of the revised target.
Indicators Used to Monitor Progress Toward Target Achievement	Core monitoring indicators include: clean energy electricity proportion (%), single ton product carbon emissions intensity (tCO₂e / unit product), operational level greenhouse gas emissions total volume (tCO₂e), supply chain emissions reduction coverage ratio (%). The above indicators are tracked and counted on a quarterly basis, broken down layer by layer to each production base and corresponding business department, and incorporated into the KPI assessment system for departments and core management positions to ensure that the progress of goal advancement is controllable.

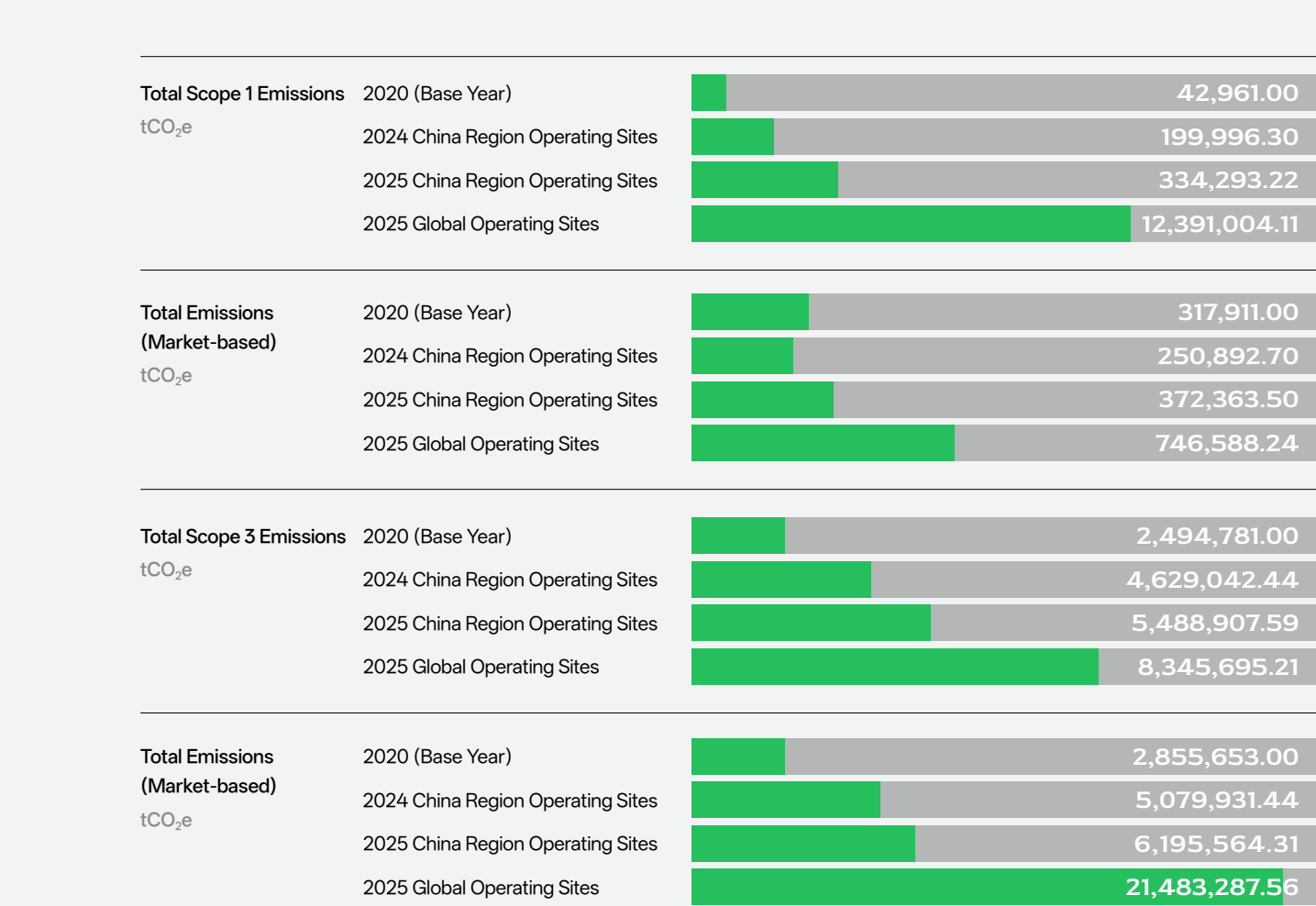
Table 34 CNGR Advanced Material Greenhouse Gas Emissions Target

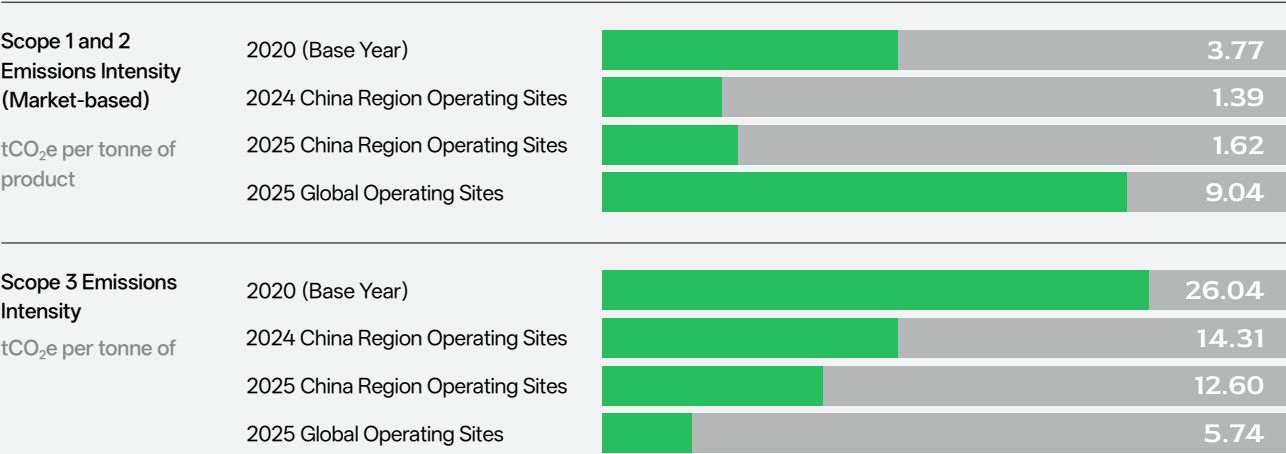


4.2.2

Target Yearly Progress

Table 35 CNGR Advanced Material Greenhouse Gas Emissions Management Data





4.2.3 Dual Carbon Action

During this reporting period,greenhouse gas conducted greenhouse gas verification and consolidated statistics on four industrial bases in Indonesia for the first time. The total emissions of global operations based on the market (Scope 1+2+3) were

21.48 million greenhouse gas and the emission intensity was 14.78 tonnes CO2e/ton of product. During this reporting period, CNGR Advanced Material has not yet participated in the relevant practices of carbon credits and carbon market transactions.

CNGR Advanced Material takes the national "carbon peak and carbon neutrality" strategy as the carbon reduction benchmark, adheres to long-termism, gradually reduces greenhouse gas

emissions within its operations and supply chain, and ultimately achieves the Company's carbon targets.

years	Key tasks	Achievements
2022	Set CNGR Advanced Material carbon targets; fill out the CDP climate change questionnaire; carry out low-carbon production transformation research; zero-carbon factory pilot construction.	✔ Completed details can be found in the 2022 CNGR Advanced Material ESG report
2023	Sort out the carbon emissions data of the entire product life cycle; initially establish a product carbon footprint management system.	✔ Completed
2024	Carry out low-carbon planning and evaluation for supply chain; launch a digital carbon data management platform; improve the low-carbon product management system.	✔ Completed
2025	Start the construction of supply chain carbon management platform; start the transportation carbon emissions indicator management and control system.	▢ Partially completed
2030	Achieve a 50% decrease in single ton product carbon emissions; realize clean energy accounting for 80%; realize some zero-carbon products.	▬

Appendix

Climate Governance Key Performance

Indicator	Unit	2023	2024	2025
GHG Emissions				
Total GHG Emissions (Market-based)	tCO ₂ e	5,117,257.44	5,079,931.44	21,483,287.56
Scope 1 Greenhouse Gas Emissions	tCO ₂ e	161,120.78	199,996.30	12,391,004.11
Scope 2 Greenhouse Gas Emissions (Market-based)	tCO ₂ e	402,811.58	250,892.70	746,588.24
Scope 3 Greenhouse Gas Emissions*	tCO ₂ e	4,553,325.08	4,629,042.44	8,345,695.21
Greenhouse Gas Emissions Intensity (Scope 1 and Scope 2)	tCO2e per tonne of product	1.96	1.39	9.04
Greenhouse Gas Emissions Intensity (Scope 3)	tCO2e per tonne of product	15.85	14.31	5.74
Carbon Dioxide (CO ₂) Emissions	tCO ₂ e	5,115,268.23	5,077,489.93	21,450,808.04
Methane (CH4) Emissions	tCO ₂ e	639.33	797.93	4,862.45
Nitrous Oxide (N2O) Emissions	tCO ₂ e	488.49	642.05	21,371.40
Sulfur Hexafluoride (SF6) Emissions	tCO ₂ e	0.00	0.00	6,245.68
Nitrogen Trifluoride (NF3) Emissions	tCO ₂ e	0.00	0.00	0.00
Perfluorocarbons (PFCs) Emissions	tCO ₂ e	0.31	0.00	0.00
Hydrofluorocarbons (HFCs) Emissions	tCO ₂ e	861.07	1,001.53	0.00
Energy Consumption				
Total Energy Consumption	GJ	4,531,938.51	3,024,403.26	76,512,229.45
Energy Consumption Intensity	GJ/tonne of product	15.95	9.35	52.64
Anthracite	kg	22,500.00	0.00	0.00
Lignite	kg	0.00	5,908,130.00	4,309,495,647.70
Bituminous Coal	kg	9,740,910.00	11,613,828.00	5,265,920.00
Diesel ¹	kg	375,078.11	396,621.80	31,123,212.65
Gasoline	kg	39,294.81	25,545.30	37,610.41
Natural Gas	m ³	37,848,516.28	18,579,843.10	25,107,489.91
Electricity Consumption ²	kWh	451,416,367.74	175,471,826.00	887,880,174.21
Steam Consumption	tonne	469,945.88	473,719.40	434,901.59
Clean Energy Electricity Proportion	%	59.71	86.99	55.45

1.Diesel consumption excludes the biomass diesel portion.
2.Electricity consumption excludes clean-energy electricity consumption.

Carbon Accounting Assumptions and Basis

Accounting Scope and Boundaries

The organizational boundary and data consolidation method used in this report are based on the operational control approach and include greenhouse gas emissions from all production sites and production facilities under operational control.

The reporting boundary of this report covers direct (Scope 1) greenhouse gas emissions from emission sources owned or controlled by the Company within the above organizational boundary and indirect (Scope 2) greenhouse gas emissions from imported energy. For Scope 3 greenhouse gas emissions, the Company conducts carbon emissions assessments based on all operating locations and scientifically estimates carbon emissions from value chain activities.

Calculation Method and Data Sources

Greenhouse gas accounting in this report is based on the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industrial Sectors (Trial) and other relevant guidance. Scope 1 carbon emissions mainly include carbon dioxide emissions from fossil fuel combustion and are calculated based on the product of fuel consumption, elemental carbon content, oxidation rate, molecular conversion ratio and other parameters. Scope 2 carbon emissions mainly include carbon dioxide emissions from purchased electricity and heat and are calculated based on the quantity of purchased electricity and heat and the corresponding emission factors. Scope 3 greenhouse gas emissions mainly refer to indirect emissions occurring in the Company's value chain, excluding Scope 2 emissions, and include upstream and downstream emissions. The calculation uses the environmentally extended input-output (EEIO) model recognized by the Greenhouse Gas Protocol to estimate energy consumption and/or greenhouse gas emissions generated by product production and upstream supply chain activities. Through this year's accounting and inventory work, the Company will gradually improve data collection quality and obtain more accurate category- and activity-specific data.

Parameters used in the accounting, such as carbon content and oxidation rate, are mainly based on the greenhouse gas emissions accounting methods and reporting guidelines for relevant industries in the countries where the Company operates. China's electricity emission factor is 6.096 tCO₂ per 10,000 kWh, based on the Announcement on the Publication of 2023 Electricity Carbon Dioxide Emission Factors issued by the Ministry of Ecology and Environment. The heat emission factor is set at 0.11 tCO₂/GJ in accordance with the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industrial Sectors (Trial), which states that the CO₂ emission factor for heat supply is temporarily calculated at 0.11 tCO₂/GJ.

The Company selects and collects greenhouse gas activity data in accordance with the relevant accounting and reporting standards and applies the most accurate and reliable activity data available based on the priority order of primary data, secondary data and proxy data.

Climate Scenario Analysis Method

The scenario analysis in this report refers to the standards of mainstream international organizations such as the Science Based Targets Initiative (SBTi), the International Energy Agency (IEA), the International Renewable Energy Agency (IRENA), and the United Nations Intergovernmental Panel on Climate Change (IPCC). The carbon price data input into the analysis model uses S&P Global Sustainable1 to cover the current carbon taxes, emissions trading plans, and fuel taxes in 171 countries/states. grid database; the climate impact function uses the impact function library of The Climate Service (TCS) of S&P Global Sustainable1; the industry data uses the IHS Mark it database of S&P Global Market Intelligence. Company carbon intensity is based on the S&P Trucost Carbon Database.

Index Table – Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework

Disclosure Framework			Section Reference
Governance	/	The organizational structure, reporting level and functional scope of the governance body responsible for overseeing climate-related risks and opportunities, which may include the Board, committees or other equivalent governance bodies.	1. Governance - 1.1. Governance Structure and Responsibilities - 1.1.1. Board-level Climate Governance - 1.1.2. Executive-level Climate Governance
		Management's monitoring, management and oversight of climate-related risks and opportunities, including the related management processes, controls and the role played by management. Information should also be provided on how the Board delegates authority to and oversees management or committees, such as existing authorization mechanisms, regular reviews and the scope of management authority.	1. Governance - 1.2. Enhanced Oversight Mechanisms - 1.2.1. Working Mechanism - 1.2.2. Assessment Mechanism
	Climate-related Risks and Opportunities	(a) Describe the climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, access to finance or cost of capital over the short, medium or long term; (b) For each climate-related risk identified by the issuer, explain whether the issuer considers it to be a climate-related physical risk or a climate-related transition risk; (c) For each climate-related risk and opportunity identified by the issuer, specify the time horizon over which it could reasonably be expected to affect the issuer, namely short, medium or long term; (d) Explain how the issuer defines short, medium and long term, and how these definitions are linked to the planning horizons used for strategic decision-making.	2. Strategy - 2.2 Impact Analysis of Physical and Transition Risks
	Business Model and Value Chain	(a) Describe the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; (b) Describe where climate-related risks and opportunities are concentrated in the issuer's business model and value chain, such as geographical areas, facilities and asset types.	2. Strategy - 2.2 Impact Analysis of Physical and Transition Risks
	Strategy	(a) As at the reporting date, the issuer's assessment of its climate resilience: (i) The implications, if any, of the issuer's analytical results for its strategy and business model, including how the issuer needs to respond to the effects identified through climate-related scenario analysis; (ii) The range of significant uncertainties considered in the issuer's climate resilience assessment; (iii) The issuer's capacity to adjust its strategy and business model over the short, medium and long term in response to climate developments; (b) How and when climate-related scenario analysis was conducted, including: (i) The inputs used, including: (1) The climate-related scenarios used in the analysis and their sources; (2) Whether the analysis covered a range of different climate-related scenarios; (3) Whether the climate-related scenarios used in the analysis relate to climate-related transition risks or climate-related physical risks; (4) Whether the issuer used scenarios that are aligned with the latest international agreement on climate change; (5) The issuer's rationale for selecting climate-related scenarios that are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	2. Strategy - 2.1.2 Scenario Development and Analysis - 2.2 Impact Analysis of Physical and Transition Risks - 2.3. Climate Resilience Assessment

Disclosure Framework		Section Reference
Strategy	Climate Resilience	(6) The time horizons used in the analysis; (7) The scope of operations covered by the issuer's analysis, such as the operating locations and business units included; (ii) The key assumptions made by the issuer in the analysis; (iii) The reporting period in which the climate-related scenario analysis was conducted. 2. Strategy - 2.1.2 Scenario Development and Analysis - 2.2 Impact Analysis of Physical and Transition Risks - 2.3. Climate Resilience Assessment
	Financial Position, Financial Performance and Cash Flows	Current financial effects: (a) How climate-related risks and opportunities affected the issuer's financial position, financial performance and cash flows during the reporting period; (b) When there is a significant risk that could result in a material adjustment to the carrying amounts of assets and liabilities in the related financial statements in the next reporting year, information about the climate-related risks and opportunities identified in paragraph 24(a). Anticipated financial effects: (a) After considering its strategy for managing climate-related risks and opportunities, how the issuer expects its financial statements to change over the short, medium and long term, taking into account: (i) Its investment and disposal plans; (ii) Its planned sources of funding required to implement the strategy; (b) Based on the issuer's strategy for managing climate-related risks and opportunities, how it expects its financial performance and cash flows to change over the short, medium and long term. 2. Strategy - 2.1.2 Scenario Development and Analysis - 2.2.2. Transition Risk
	Strategy and Decision-making	(a) Information on how the issuer has responded, and plans to respond, to significant climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets required by laws or regulations. In particular, the issuer should disclose: (i) Current and anticipated changes to the issuer's business model, including resource allocation, in response to climate-related risks and opportunities; (ii) Any adaptation or mitigation efforts already undertaken or expected to be undertaken, directly or indirectly; (iii) Any climate-related transition plan of the issuer, including the key assumptions used in developing the transition plan and the factors on which the plan depends, or, if the issuer has no such plan, an appropriate negative statement; (iv) How the issuer plans to achieve any climate-related targets described in paragraphs 37 to 40, including any greenhouse gas emissions targets, where applicable; (b) How the issuer currently resources, and plans to resource, the actions disclosed in accordance with paragraph (a). The issuer should disclose the progress made during previous reporting periods against the plans disclosed in accordance with paragraph (a). 2. Strategy - 2.4. Zero-carbon Strategic Roadmap 4. Metrics and Targets - 4.2.2. Annual Progress against Targets - 4.2.3. Carbon Peaking and Carbon Neutrality Actions

Disclosure Framework		Section Reference
Risk Management	/	(a) The processes and related policies used by the issuer to identify, assess, prioritize and continuously monitor climate-related risks and opportunities, including information on: (i) The inputs and parameters used by the issuer, such as data sources and the scope of operations covered by the processes; (ii) Whether and how the issuer uses climate-related scenario analysis to identify climate-related risks; (iii) How the issuer assesses the nature, likelihood and magnitude of the effects of relevant risks, such as whether it considers qualitative factors, quantitative thresholds or other criteria; (iv) Whether and how the issuer prioritizes climate-related risks relative to other types of risk; (v) How the issuer monitors its climate-related risks; (vi) Whether and how the issuer has changed the processes it uses compared with the previous reporting period; 3. Risk and Opportunity Management - 3.1.1. Risk Identification and Assessment
		(b) The processes used by the issuer to identify, assess, prioritize and continuously monitor climate-related risks and opportunities, including whether and how the issuer uses climate-related scenario analysis to identify climate-related opportunities; 3. Risk and Opportunity Management - 3.1.1. Risk Identification and Assessment
		(c) How, and to what extent, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management process. 3. Risk and Opportunity Management - 3.1.2 Risk Integration and Monitoring
Metrics and Targets	GHG Emissions	The issuer should disclose its total absolute greenhouse gas emissions during the reporting period, expressed in metric tonnes of CO2 equivalent and disaggregated into: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; (c) Scope 3 greenhouse gas emissions. 4. Metrics and Targets - 4.2. Climate-related Targets
		(a) Unless otherwise required by the regulator or another exchange on which the issuer is listed, the issuer should measure its greenhouse gas emissions in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004); (b) Disclose the approach it used to measure greenhouse gas emissions, including: (i) The measurement approach, inputs and assumptions used by the issuer to measure its greenhouse gas emissions; (ii) The reasons for selecting that measurement approach, inputs and assumptions to measure greenhouse gas emissions; (iii) Any changes made during the reporting period to the measurement approach, inputs and assumptions, and the reasons for those changes; (c) For Scope 2 greenhouse gas emissions disclosed under paragraph 28(b), disclose location-based Scope 2 greenhouse gas emissions and provide information about any relevant contractual instruments that helps users understand those emissions; (d) For Scope 3 greenhouse gas emissions disclosed under paragraph 28(c), disclose the categories included in the issuer's measurement of Scope 3 greenhouse gas emissions based on the Scope 3 categories described in The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). 4. Metrics and Targets - 4.2. Climate-related Targets

Disclosure Framework			Section Reference
Metrics and Targets	Climate-related Transition Risk	The issuer should disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	2. Strategy - 2.2 Impact Analysis of Physical and Transition Risks - 2.2.2 Transition Risks - Financial Impact Analysis of Policy Risks
	Climate-related Physical Risk	The issuer should disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	2. Strategy - 2.2 Impact Analysis of Physical and Transition Risks - 2.2.1 Physical Risks - Financial Impact Analysis of Physical Risks - 2.3. Climate Resilience Assessment
	Climate-related Opportunities	The issuer should disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	2. Strategy - 2.1.1 Identification of Risks and Opportunities - 2.3. Climate Resilience Assessment
	Capital Deployment	The issuer should disclose the amount of capital expenditure, financing or investment deployed for climate-related risks and opportunities.	/
	Internal Carbon Pricing	The issuer should disclose the following: (a) Whether and how the issuer applies carbon pricing in decision-making, such as investment decisions, transfer pricing and scenario analysis; (b) The price per metric tonne of greenhouse gas emissions used by the issuer to assess the cost of its greenhouse gas emissions; Alternatively, the issuer should make an appropriate negative statement confirming that it does not apply carbon pricing in decision-making.	2. Strategy - 2.2 Impact Analysis of Physical and Transition Risks - 2.4.2. Transition Risk
	Remuneration	The issuer should disclose whether and how climate-related factors are incorporated into remuneration policies, or provide an appropriate negative statement.	1. Governance - 1.2. Enhanced Oversight Mechanisms - 1.2.2. Assessment Mechanism
	Targets	(a) The issuer should disclose: The climate-related qualitative and quantitative targets it has set to monitor progress towards its strategic objectives; and (b) Any targets required by laws or regulations that the issuer must achieve, including any greenhouse gas emissions targets. For each target, the issuer should disclose: (a) The metric used to set the target; (b) The objective of the target, such as mitigation, adaptation or science-based action; (c) The scope of the target, such as whether it applies to the issuer's entire group or only to a part of it, such as a specific business unit or geographical area; (d) The period over which the target applies; (e) The base period used to measure progress;	4. Metrics and Targets - 4.2. Climate-related Targets - 4.2.1. Setting Climate Targets

Disclosure Framework			Section Reference
Metrics and Targets	Targets	(f) Any milestones or interim targets; (g) If the target is quantitative, whether it is an absolute target or an intensity target; and (h) How the latest international agreement on climate change, including legal commitments arising from that agreement, informed the issuer's target setting.	4. Metrics and Targets - 4.2. Climate-related Targets - 4.2.1. Setting Climate Targets
		The issuer should disclose information on performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	4. Metrics and Targets - 4.2. Climate-related Targets - 4.2.2. Annual Progress against Targets
		The issuer should disclose the following: (a) Which greenhouse gases are covered by the target; (b) Whether the target covers Scope 1, Scope 2 or Scope 3 greenhouse gas emissions; (c) Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If it is a net greenhouse gas emissions target, the issuer should also disclose the associated gross greenhouse gas emissions target; (d) Whether the target was derived using a sectoral decarbonization approach; (e) Whether the issuer plans to use carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. For any planned use of carbon credits, the issuer should disclose: (i) The extent to which, and how, achieving any net greenhouse gas emissions target depends on the use of carbon credits; (ii) Which third-party scheme will verify or certify the carbon credits; (iii) The type of carbon credits, including whether the underlying offset is nature-based or technology-based carbon removal and whether the offset is achieved through emissions reduction or carbon removal; and (iv) Any other significant factors necessary for users to understand the credibility and integrity of the carbon credits the issuer plans to use, such as assumptions about the effectiveness of carbon offsets.	4. Metrics and Targets - 4.2. Climate-related Targets

Index Table – IFRS Sustainability Disclosure Standard 2 – Climate-related Disclosures (IFRS S2)

Disclosure Framework		Section Reference
Governance	The governance body or individual responsible for overseeing climate-related risks and opportunities, including the Board, committees or other equivalent governance bodies.	1. Governance - 1.1. Governance Structure and Responsibilities - 1.1.1. Board-level Climate Governance - 1.1.2. Executive-level Climate Governance
	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	1. Governance - 1.2. Enhanced Oversight Mechanisms - 1.2.1. Working Mechanism - 1.2.2. Assessment Mechanism
Strategy	Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	2. Strategy - 2.2 Impact Analysis of Physical and Transition Risks - 2.3.1 Identification of Risks and Opportunities
	The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	2. Strategy - 2.3. Climate-related Risks and Opportunities - 2.3.2 Scenario Development and Analysis
	The effects of climate-related risks and opportunities on the entity's strategy and decision-making, including information about climate-related transition plans.	2. Strategy - 2.4 Zero-carbon Strategic Roadmap
	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and the anticipated effects on its financial position, financial performance and cash flows over the short, medium and long term, taking into account how the entity has considered those climate-related risks and opportunities in its financial planning.	2. Strategy - 2.3.2 Scenario Development and Analysis - 2.4.1. Physical Risk - 2.4.2. Transition Risk
	The climate resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	2. Strategy - 2.3. Climate Resilience Assessment - 2.3.2 Scenario Development and Analysis
Risk Management	The processes and related policies used by the entity to identify, assess, prioritize and monitor climate-related risks.	3. Risk and Opportunity Management - 3.1.1. Risk Identification and Assessment
	The processes used by the entity to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to help identify climate-related opportunities.	3. Risk and Opportunity Management - 3.1.1. Risk Identification and Assessment
	The extent to which, and how, the entity's processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform its overall risk management process.	3. Risk and Opportunity Management - 3.1.2. Risk Integration and Monitoring

Disclosure Framework		Section Reference
Metrics and Targets	Information related to cross-industry metric categories.	4. Metrics and Targets - 4.2. Climate-related Targets
	Industry-based metrics associated with specific business models, activities or other common features that characterize participation in an industry.	2. Strategy - 2.2 Impact Analysis of Physical and Transition Risks - 2.3. Climate Resilience Assessment - 2.4.2. Transition Risk 4. Metrics and Targets
	Targets set by the entity to mitigate or adapt to climate-related risks or to take advantage of climate-related opportunities, as well as any targets required by laws or regulations, including metrics used by the governance body or management to measure progress towards those targets.	4. Metrics and Targets - 4.2. Climate-related Targets - 4.2.1. Setting Climate Targets - 4.2.2. Annual Progress against Targets

Chinese Sustainability Disclosure Standards for Business Enterprises
No.1 – Climate (Trial)

Disclosure Framework		Section Reference
General Requirements	/	Identify climate-related risks, opportunities and impacts that could reasonably be expected to affect the enterprise's prospects.
		Prepare information on the anticipated financial effects of climate-related risks or opportunities and climate-related impacts.
		Determine the appropriate approach for climate-related scenario analysis, select inputs for climate-related scenario analysis, and make analytical choices about how the climate-related scenario analysis is conducted.
		Use information from other enterprises in the value chain whose reporting periods differ from the enterprise's own reporting period when accounting for greenhouse gas emissions.
		Select the methods, inputs and assumptions used to account for Scope 3 greenhouse gas emissions.
Governance	Information on Governance Bodies or Personnel	Disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks and transition risks, as well as the amount and percentage of assets or business activities associated with climate-related opportunities.
		How the terms of reference, authority, role descriptions and other related policies of the governance body or personnel reflect their oversight responsibilities for climate-related risks and opportunities.
		How the governance body or personnel determine whether they have, or will subsequently develop, the appropriate skills and competencies to oversee the enterprise's strategy for managing climate-related risks and opportunities.
		How and how often the governance body or personnel are informed about climate-related risks and opportunities.
		How the governance body or personnel consider climate-related risks and opportunities when overseeing the enterprise's strategy, major transaction decisions, risk management processes and related policies.
Management Role	Management Role	How the governance body or personnel oversee the setting of targets for climate-related risks and opportunities and monitor progress towards those targets, including whether and how related performance metrics are incorporated into remuneration policies.
		Whether specific management positions or departments are assigned responsibility for managing and overseeing climate-related risks and opportunities, and how those positions or departments are supervised.
Standardized Risk Control Process	Standardized Risk Control Process	Whether management uses controls and procedures to support oversight of climate-related risks and opportunities, and how those controls and procedures are integrated with the enterprise's other internal functions.

Disclosure Framework		Section Reference
Strategy	Climate-related Risks and Opportunities	Describe climate-related risks and opportunities that could reasonably be expected to affect the enterprise's prospects.
		For each climate-related risk identified by the enterprise, specify whether the enterprise classifies the risk as a climate-related physical risk or a climate-related transition risk.
		For each climate-related risk and opportunity identified by the enterprise, specify the time horizon over which it could reasonably be expected to affect the enterprise's prospects, including short, medium or long term; explain how short, medium and long term are defined and how those definitions are linked to the time horizons used by the enterprise for strategic decision-making.
		Disclose the current and anticipated effects of these risks and opportunities on the enterprise's business model and value chain, and the areas in the enterprise's business model and value chain where climate-related risks and opportunities are concentrated, including specific activities, business relationships, geographical areas, facilities and asset types.
Effects on Strategy and Decision-making	Effects on Strategy and Decision-making	Current and anticipated changes in the business model, including resource allocation, in response to climate-related risks and opportunities.
		Direct measures currently taken and planned to mitigate and adapt to climate change.
		Indirect measures currently taken and planned to mitigate and adapt to climate change.
		Climate transition plans, including the key assumptions used and basis relied upon in developing those plans.
		How the enterprise plans to achieve its climate targets and the targets required by national laws, regulations and strategic plans, including but not limited to greenhouse gas emissions targets.
Current and Anticipated Financial effects	Current and Anticipated Financial effects	Information on resources currently allocated and planned to support the activities disclosed above.
		Quantitative and qualitative information on progress against plans disclosed in previous reporting periods.
Innovation Measures	Innovation Measures	The effects of climate-related risks and opportunities on the enterprise's financial position, operating results and cash flows during the reporting period.
		Identified climate-related risks and opportunities that could pose a significant risk of material adjustments to the carrying amounts of assets and liabilities in the financial statements for the next annual reporting period.
		Based on the strategy for managing climate-related risks and opportunities, the investment and disposal plans formulated and the planned sources of funding for implementing the strategy, disclose the anticipated changes in financial position, operating results and cash flows over the short, medium and long term.
Climate-related Transactions	Climate-related Transactions	The enterprise should disclose innovative measures and their effects that help mitigate and adapt to climate change in the course of production and operations, as well as the costs incurred for those measures.

Disclosure Framework			Section Reference
Strategy	Climate Resilience Assessment	Content of the climate resilience assessment as at the reporting date. Information on the inputs used when conducting climate-related scenario analysis. Key assumptions applied when conducting climate-related scenario analysis. The reporting period in which climate-related scenario analysis was conducted.	2. Strategy - 2.2 Impact Analysis of Physical and Transition Risks - 2.3. Climate Resilience Assessment
Risk Management	Climate-Related risk Management Processes	Methods adopted and key assumptions. Inputs and parameters used, such as data sources and the scope of operations covered by the processes. Whether and how climate-related scenario analysis is used to identify climate-related risks. How the nature, likelihood and magnitude of the effects of climate-related risks are assessed. Whether and how the priority of climate-related risks is considered relative to other types of risks. How climate-related risks are monitored. Whether and how the processes used have changed compared with the previous reporting period.	2. Strategy - 2.2 Impact Analysis of Physical and Transition Risks 3. Risk and Opportunity Management - 3.1. Full-lifecycle Risk Management - 3.1.1. Risk Identification and Assessment - 3.1.2 Risk Integration and Monitoring - Standardized Risk Control Process
	Climate-related Opportunity Management Processe	The enterprise should disclose its processes for identifying, assessing, prioritizing and monitoring climate-related opportunities, including how climate-related scenario analysis is used to identify climate-related opportunities.	3. Risk and Opportunity Management - 3.1. Full-lifecycle Risk Management - 3.1.1. Risk Identification and Assessment
	Risk Integration	The enterprise should disclose the extent to which, and how, its processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into the enterprise's overall risk management process.	3. Risk and Opportunity Management - 3.1. Full-lifecycle Risk Management - 3.1.2. Risk Integration and Monitoring
Metrics and Targets	GHG Emissions	Disclose the total absolute greenhouse gas emissions generated during the reporting period, expressed in tonnes of carbon dioxide equivalent, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. For Scope 1 and Scope 2 greenhouse gas emissions, the enterprise should separately disclose emissions from the consolidated enterprise, meaning the parent company and the group formed by its subsidiaries, and emissions from other investees, including associates, joint ventures and unconsolidated subsidiaries. Disclose total location-based Scope 2 greenhouse gas emissions and provide information about contracts the enterprise has signed that helps primary users of sustainability information understand its total Scope 2 greenhouse gas emissions.	4. Metrics and Targets - 4.1. Climate-related Metrics - Basis for GHG emissions accounting - Quantitative indicators
	GHG Emissions Accounting Methodology	Methods, inputs and assumptions used to account for greenhouse gas emissions, including activity data and emission factors used in the accounting that help primary users of sustainability information understand the approach. Reasons for selecting the methods, inputs and assumptions used to account for greenhouse gas emissions. Changes, if any, to the accounting methods, inputs and assumptions during the reporting period and the reasons for those changes. Determine and disclose the categories included in the measurement of Scope 3 greenhouse gas emissions based on the enterprise's value chain and the Scope 3 greenhouse gas emissions categories.	4. Metrics and Targets - 4.2. Climate-related Targets - 4.2.1. Setting Climate Targets
	Internal Carbon Pricing	Explain whether and how carbon prices are applied in decision-making, such as investment decisions, transfer pricing and scenario analysis, and disclose the internal price per tonne of greenhouse gas emissions used to assess the cost of greenhouse gas emissions.	2. Strategy - 2.2.2. Transition Risk

Disclosure Framework			Section Reference
Metrics and Targets	Remuneration	Whether and how climate factors are considered when determining senior management remuneration, and the percentage of senior management remuneration recognized in the current period that is linked to climate-related factors.	1. Governance - 1.2. Enhanced Oversight Mechanisms - 1.2.2. Assessment Mechanism
	Industry-specific Metrics	Industry-specific metrics related to specific business models, activities or other common features that characterize the industry in which the enterprise operates.	4. Metrics and Targets - 4.1.1. Industry-agnostic Metrics
	GHG Emissions Targets	The types of greenhouse gases covered by the target. Whether the target covers Scope 1, Scope 2 or Scope 3 greenhouse gas emissions. Whether the target is a gross greenhouse gas emissions target or a net emissions target. Whether progress towards the target is derived from a sectoral decarbonization approach. Progress towards achieving the target.	4. Metrics and Targets - 4.2. Climate-related Targets - 4.2.2. Annual Progress against Targets
	Target Setting and Monitoring Method	Whether the targets and target-setting methods have been verified by a third party. Process for reviewing targets. Metrics used to monitor progress towards targets. Revisions to targets and the reasons for those revisions.	4. Metrics and Targets - 4.2. Climate-related Targets - 4.2.1. Setting Climate Targets
	Target Performance	The enterprise should disclose performance information for each climate target and an analysis of trends or changes in the enterprise's performance.	4. Metrics and Targets - 4.2. Climate-related Targets - 4.2.2. Annual Progress against Targets
	Carbon Credit Use Plan	The extent to which, and how, achievement of net greenhouse gas emissions targets depends on the use of carbon credits. Name of the third party certifying the carbon credits and the certification system. Name of the voluntary emission reduction trading mechanism to which the carbon credits belong, and the country where the project generating the carbon credits is located. Type of carbon credits. Other factors necessary for primary users of sustainability information to understand the credibility and integrity of the carbon credits the enterprise plans to use.	/
	Metric Definition and Calculation	How the metric is defined, including whether it is absolute, relative or qualitative. Whether and how the metric has been independently verified by a third party. The method used to calculate the metric, key assumptions, limitations of the method, and inputs or parameters used. Revisions to the metric and the reasons for those revisions.	4. Metrics and Targets - 4.2. Climate-related Targets - 4.2.1. Setting Climate Targets

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