YADEA

雅迪集團控股有限公司

YADEA GROUP HOLDINGS LTD.

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

2025

Environmental, Social and Governance Report

CONTENTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1 ABOUT THE REPORT

1.1 Report Overview

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

This Report aims to outline the Group's ESG efforts and performance in 2025, responding to material issues of concern to stakeholders, and demonstrating the Group's commitment to sustainable development and its contribution to global sustainability efforts.

1.2 Organisational and Reporting Scope

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

1.3 Reporting Period

The reporting period covers from 1 January 2025 to 31 December 2025 (the "**Reporting Period**", "**the Year**", or "**2025**"). To enhance completeness, certain information may extend slightly beyond the Reporting Period, either retrospectively or prospectively.

1.4 Reporting Framework

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

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

This Report also draws reference from IFRS S2 — Climate-related Disclosures ("**IFRS S2**") issued by the International Sustainability Standards Board ("**ISSB**"), the Global Reporting Initiative Sustainability Reporting Standards ("**GRI Standards**"), and supports the United Nations Sustainable Development Goals ("**SDGs**").

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

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1.5 Statement of Responsibility

The information contained in this Report is derived from the Group's internal official documents and statistical reports. The Board of Directors (the "**Board**") of the Company is responsible for the authenticity and validity of the information disclosed herein and affirms that there are no false statements or misleading descriptions. This Report was reviewed and approved by the Board in March 2026.

This Report should be read in conjunction with the "Corporate Governance Report" section in the Yadea Group Holdings Ltd. 2025 Annual Report for a comprehensive understanding of the Group's ESG performance.

1.6 Language and Publication Format

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

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

1.7 Feedback

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

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

1.8 Disclaimer

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

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2 ABOUT YADEA

2.1 Company Overview

Founded in 2001, Yadea is a leading electric two-wheeled vehicle brand in China, focusing on designing, researching, developing, manufacturing and selling electric scooters, electric bicycles, batteries and related accessories, with its headquarters in Wuxi, Jiangsu Province. Over the course of 25 years, it has successfully established "Yadea" as a premium brand of electric two-wheeled vehicles in the PRC. Under the "Yadea" brand, the Group offers a wide range of electric scooters and electric bicycles with diverse designs, styles and functionalities catering to the needs of a broad customer base.

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

2.2 Key Performance Highlights

In 2025, the Group continued to drive business growth and sustainable development through technological innovation, smart manufacturing, and global market expansion, achieving outstanding business performance. The table below summarises key performance indicators in finance, production capacity, global market coverage, and research and development ("**R&D**") innovation:

Key Performance Indicators	
Annual Revenue	RMB37.008 billion
Annual Electric Vehicle Output	16.26 million units
Global Users	Over 100 million accumulated
R&D Investment	RMB1.404 billion (4% of revenue)

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3 CHAIRMAN'S STATEMENT

Dear Partners and Stakeholders,

As the world moves toward a green and low-carbon future, technological innovation is reshaping the way we live at an unprecedented pace. As a leading global brand in two-wheeled electric mobility, Yadea has remained true to its founding mission of "making the world a better place," committed to advancing the transition toward low-carbon, efficient and sustainable transportation through innovation. 2025 has been a significant year in accelerating Yadea's sustainability strategy. With ESG as the cornerstone of our long-term development, we have embedded environmental responsibility, social care and sound governance into the fabric of our business, working with global partners to build a greener future.

Green Innovation: Driving a Sustainable Future

Against the backdrop of climate change and the global energy transition, green innovation is not only a corporate responsibility — it is a driving force behind Yadea's continued growth. We recognise that every effort toward carbon reduction adds to the promise of a better planet. During the Reporting Period, Yadea's total energy consumption across its production and operations reached 410,653.72 MWh, covering electricity, natural gas and other energy sources to support efficient operations across our global manufacturing bases. The Company's Scope 1 and Scope 2 carbon emissions totaled 194,196.80 tonnes of CO_2 equivalent, and Scope 3 emissions totaled 3,328,307.00 tonnes of CO_2 equivalent. Emissions were monitored and managed in accordance with international standards to ensure regulatory compliance and operational transparency. Yadea also continued to promote a green supply chain, working alongside partners to build a low-carbon production system and contribute to emissions reduction across the industrial value chain.

People First: Building Collective Strength

People lie at the core of sustainable development. Every employee, partner and community member forms an integral part of Yadea's value chain. We firmly believe that by empowering talent, we enable lasting business growth. As at the end of the Reporting Period, Yadea employed a total of 11,245 employees worldwide. The Company continued to strengthen a safe, fair and diverse working environment, achieving 100% employee training coverage and further enhancing professional capabilities and sustainability awareness across the team. In addition, Yadea actively fulfilled its social responsibilities by participating in public welfare initiatives spanning education support, community development and emergency relief, ensuring that corporate growth and social value develop in tandem in pursuit of our mission to benefit society through technology.

Strong Governance: Building a Foundation of Trust

In a rapidly evolving global market, sound corporate governance is essential for long-term success. Yadea understands that only through a transparent, fair and forward-looking governance structure can we earn the lasting trust of the market and society. In terms of corporate governance, Yadea upholds high standards, with independent directors accounting for 57.1% of its Board, ensuring independence and impartiality in decision-making. The Company continues to promote Board diversity by encompassing a range of professional backgrounds, genders, regions, and industry experiences to strengthen strategic judgment and governance effectiveness. Yadea strictly enforces anti-corruption and business ethics policies, maintains robust whistleblowing channels and conducts regular compliance training to ensure that a culture of integrity is firmly embedded across the organisation.

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Forward-Looking Management: Strengthening Resilience and Risk Control

Amid rising global economic and environmental uncertainties, risk management has become a core component of sustainable business operations. Guided by the principle of "pursuing progress while maintaining stability," Yadea has established a comprehensive risk identification and response framework to continuously strengthen organisational resilience and safety. The Company systematically monitors and assesses risks across financial, operational, compliance, and ESG dimensions, with regular reviews and optimisations conducted by the Audit Committee and management. At the same time, we have strengthened internal audits, data security and information transparency to ensure stable and well-controlled operations, creating trustworthy long-term value for shareholders, employees and society at large.

Looking ahead, Yadea will continue to be guided by innovation and ESG principles as it works to build a new global ecosystem for sustainable mobility. We believe that every journey forward brings us closer to a cleaner, better and more inclusive world.

Dong Jinggui
Chairman of the Board

30 March 2026

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4 SUSTAINABILITY MANAGEMENT

4.1 Board and ESG Governance Structure

Board Responsibilities and Structure

The Board of Directors is responsible for leading the Group, providing strategic guidance and fulfilling its oversight functions to ensure the Group's continued success and long-term development. The Board assumes collective accountability, focusing on formulating the Group's overall development strategy, approving major business plans and annual budgets, monitoring financial and operational performance, and regularly reviewing the effectiveness of risk management and internal control systems. The Board also supervises and evaluates the performance of management, establishes the Group's core values and corporate standards, and ensures that operational policies remain aligned with the Company's mission. The Group maintains a robust internal audit function to further strengthen governance. The Company has also arranged appropriate directors' and officers' liability insurance for its directors to protect against legal risks arising in the course of their duties.

The Board delegates the day-to-day management, administration, and operations of the Group to senior management, and through ongoing oversight and regular reporting mechanisms, ensures that business activities and development plans are effectively implemented. To strengthen the corporate governance framework, the Board has established several Board committees and delegated specific responsibilities to them in accordance with their respective written terms of reference. The Board regularly reviews the delegation arrangements and committee mandates to ensure that functional allocation remains aligned with the Group's evolving needs and long-term strategic direction.

Board Diversity

On 22 April 2016, the Board adopted the "Board Diversity Policy". When determining the composition of the Board, the Company strives to ensure that the appointment of directors complements and enhances the Board's overall skills, experience, and expertise. In considering candidates, the Board takes into account a range of factors including professional experience and qualifications, gender, age, ethnicity, cultural and educational background, and may incorporate additional criteria as appropriate to promote board diversity.

Candidates are evaluated from a broad diversity perspective, including but not limited to experience and expertise, professional qualifications, gender, age, ethnicity, and cultural and educational background, to ensure that the composition of the Board reflects diverse viewpoints and supports the Company's long-term development.

The Company places strong emphasis on gender diversity. As at the end of the Reporting Period, the Company had three female directors, representing 42.9% of the Board. The Nomination Committee, in formulating and implementing the nomination policy, pays particular attention to gender balance and ensures that gender diversity is fully considered in recruiting senior and middle management and in selecting potential successors for the Board, thereby promoting diversity and inclusion at the leadership level.

ESG Governance Structure

We recognise that a clear and effective ESG governance structure is fundamental to achieving corporate sustainability goals. Through systematic governance arrangements, the Group is better positioned to coordinate climate-related issues, resource management, and social responsibility initiatives, advancing economic development alongside environmental protection and supporting long-term, steady growth.

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The Group has established a tiered ESG governance structure comprising the Board of Directors, the ESG Committee, and the ESG Working Group to oversee sustainable development matters, including the planning and advancement of climate-related work. Responsibilities related to climate issues are clearly defined at each level, ensuring clear accountability, smooth communication, and consistent policy implementation. Details are outlined below:

Board of Directors

The Board is the highest authority for sustainable development matters and has overall oversight of ESG governance. It established the ESG Committee to manage and make decisions regarding ESG-related issues within the Group.

ESG Committee

Without prejudice to any provisions of the Corporate Governance Code, the ESG Committee considers external ESG trends to guide, review, and adjust the Group's ESG management policies and strategies, ensuring they are up-to-date and practical. It leads and participates in identifying, assessing, determining, and reviewing ESG issues and risks relevant to the Group, and advises relevant departments on risk response measures, ensuring the effective implementation and continuous improvement of the Group's ESG risk management and internal control systems.

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

- Setting ESG performance targets for the Group;
- Reviewing progress and advising on actions needed to meet these targets; and
- Assessing and reviewing the alignment of ESG targets and plans with the Group's overall business strategy.

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

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ESG Working Group	To further enhance the Group's sustainability management, the ESG Working Group was established under the ESG Committee to carry out specific ESG tasks under its guidance. Comprising one representative from each of the Group's primary departments, the Working Group's responsibilities include: • Formulating and executing detailed ESG work plans based on the Group's ESG strategies, policies, and targets; • Regularly compiling and analyzing ESG performance data and submitting it to the ESG Committee for progress tracking; • Continuously monitoring ESG-related risk events and reporting to the ESG Committee for appropriate responses; • Collaborating with the internal audit function to investigate and handle ESG-related cases; • Assisting in the preparation of the Group's annual ESG Report and submitting it to the ESG Committee and Board for review and approval; and • Providing necessary information for ESG-related decision-making by the ESG Committee and the Board.

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

To ensure scientific and forward-looking ESG management, the Group is continuously optimising its data collection and measurement methods, formulating relevant action plans, and progressively developing quantitative climate-related targets. In the future, the Group aims to establish reasonable and measurable ESG indicators, integrating them into internal performance evaluations to further enhance the effectiveness and transparency of ESG management.

4.2 Stakeholder Engagement and Materiality Management

Stakeholder Engagement

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

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

Internal Stakeholders			
Stakeholder Category	**Communication Methods**	**Expectations and Concerns**	**Response Actions**
Board Members	• Regular board meetings • Written reports • Internal audits and compliance reports • Email communications or dedicated communication platforms	• Clear and accurate business and financial information • Long-term strategic direction • Risk management and compliance updates • Corporate sustainability performance • Reasonable basis for key decisions	• Provide regular updates on financial and operational performance • Provide data to support decision-making • Hold thematic meetings to discuss major issues • Strengthen internal control and compliance frameworks
Management and Decision-Making Team	• Management meetings • Performance reviews and assessments • Internal trainings and cultural events • Emails, instant messaging tools	• Clear business objectives and performance evaluation criteria • Support for resource allocation • Clear organisational structure and well-defined responsibilities • Strong interdepartmental collaboration and streamlined internal communication channels • Operationally executable strategic decisions	• Provide clear strategic policies and guidance • Performance evaluation and incentive mechanisms • Establish efficient communication and feedback channels • Continuously optimise business processes and management structures • Offer management training and career development support
Shareholders and Investors	• General meetings and shareholder meetings • Company announcements and circulars • Interim and annual financial reports • Company website	• Reasonable and sustained return on investment • Cost control • High-level corporate governance • Transparent information disclosure	• Comply with laws and maintain stable operations • Continuously enhance risk management and internal control systems • Strengthen information disclosure and conduct regular exchanges

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External Stakeholders			
Stakeholder Category	**Communication Methods**	**Expectations and Concerns**	**Response Actions**
Employees	• Employment contracts • Employee meetings • Training, workshops, seminars, and forums • Employee mailbox • Internal publications • WeChat official account	• Employment and recruitment • Employee development and training • Occupational health and safety • Prevention of forced labour and child labour • Talent attraction and retention • Diversity, equality, and inclusion	• Improve HR management systems to protect employee rights • Continuously enhance the work environment • Develop training plans and optimise workshops • Enrich employee engagement activities • Provide competitive compensation and career advancement opportunities
Suppliers and Distributors	• Contract agreements • On-site inspections and evaluation meetings • Regular reviews and assessments • Regular communication meetings • Business discussions and cooperation	• Long-term stable partnerships • Fair competition and integrity in business operations • Distributor collaboration • Compliance with laws and regulations • Information security	• Implement supplier management and tiered evaluation systems • Strengthen strategic cooperation with suppliers • Ensure fair and transparent procurement and tendering processes • Fulfill contractual obligations • Establish a comprehensive coordination mechanism
Government and Regulatory Bodies	• Policies and guidelines • Inspections, evaluations, and supervision • Regular communication and information disclosure	• Regulatory compliance • Lawful tax payments • Stable operations • Job creation	• Strictly comply with national laws and regulations and implement compliance measures • Promote local employment and economic development • Cooperate with regulatory authorities • Pay taxes lawfully

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

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Materiality Assessment

The Group conducts annual stakeholder surveys and materiality assessments, employing scientific and systematic methods to accurately identify material ESG topics closely related to its business operations, environmental management, social responsibility, and corporate governance. The identification process, management progress, and implementation results of material topics are disclosed in a truthful, accurate, and comprehensive manner through various public reports and communication channels, ensuring that stakeholders' reasonable concerns are effectively addressed and promoting positive engagement between the Group and its stakeholders for sustainable development.

During the Reporting Period, the Group carried out the following stakeholder engagement and materiality assessment process in strict accordance with established procedures, as outlined below.

Implementation Stage	Key Actions
Identify Key Stakeholders	The Group conducts a stakeholder survey to determine the scope of the materiality assessment based on reporting standards and guidelines.
Update the Materiality Topics Database	The Group reviews and updates the material ESG topics database based on reporting guidelines and standards, referencing previous materiality databases, international regulations, macroeconomic trends, and industry developments, to ensure the topics accurately reflect meaningful ESG performance during the Reporting Period.
Screen Potential Material Topics	The Group further filters relevant ESG topics from the database for internal and external stakeholder evaluation.
Distribute Stakeholder Surveys	Stakeholders assess material topics from two perspectives: "Importance to the Group" and "Importance to Stakeholders", evaluating each topic across five levels of actual or potential impact[1].
Analyze Results	Based on stakeholder scoring, the average score of governance, environmental, and social topics is calculated separately. Topics scoring above the average are classified as "high-materiality" topics, while the remainder are considered "secondary materiality" topics.
Review and Approval	The Board reviews, signs, and approves the materiality assessment results, integrating key ESG topics into the corporate risk management framework and overseeing the implementation of related work.
Information Disclosure	High-materiality topics identified in the stakeholder survey and assessment are prioritised for disclosure in this report.

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

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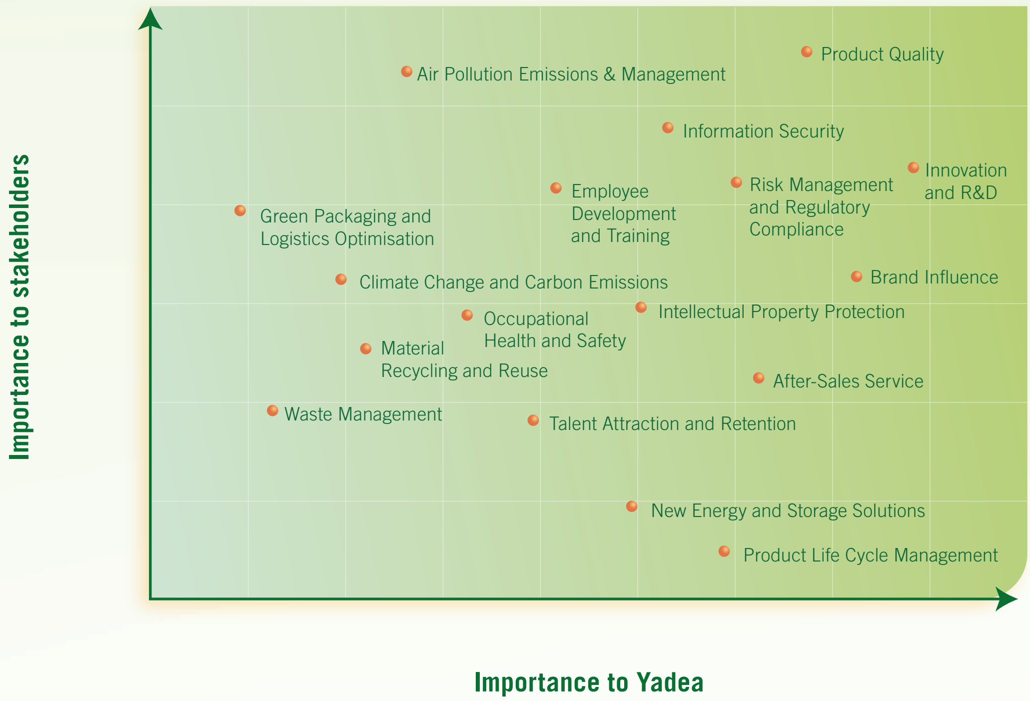

The following tables rank governance, environmental, and social topics by importance based on internal and external stakeholder evaluations:

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

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

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

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

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

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

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

4.3 ESG Risk Management

With the evolving global macroeconomic landscape, the increasing exposure to risks caused by climate change, and the intensifying competition at both market and industry levels, accurately identifying the potential risks posed by various internal and external factors on business operations has become a critical component of achieving stable operations and sustainable development. During the Reporting Period, the Group conducted a comprehensive process of screening, identifying, assessing, and managing ESG-related risks to continuously refine and improve its overall risk management framework and effectively address stakeholder concerns regarding ESG risk governance.

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

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

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Development of ESG Risk Database

During the Reporting Period, the Group reviewed and updated its 2025 ESG Risk List, referencing the latest materiality assessment results, internal ESG risk records, macro trends, and applicable legal and regulatory requirements in various countries and regions, as well as industry performance and market developments. Notably, "Battery Processing Risk" and "Supply Chain Resilience Risk" were newly identified risks. To further strengthen the risk management framework, the Group will continue to monitor emerging risks and report regularly to management on related developments. The table below presents the 2025 ESG Risk List:

Dimension	ESG Risk	Risk Description	Impact on the Company
Governance	Corporate Governance Risk	Corporate governance and business ethics are key factors for investors, including corporate ownership and control, board composition, executive compensation, accounting transparency, business ethics, and tax compliance.	Negative corporate governance issues such as corruption, money laundering, and lack of transparency may directly damage the company's reputation and lead to legal proceedings.
Environment	Battery Processing Risk	Lithium battery production and end-of-life disposal involve resource consumption, pollution, and recycling responsibilities.	If the battery recycling system is inadequate or environmental incidents occur, the company may face regulatory penalties, reputational damage, and compliance risks.
	Ecosystem Destruction & Biodiversity Loss	The depletion or extinction of species leads to the destruction of natural capital, affecting terrestrial and marine ecosystems, with severe consequences for the environment, humanity, and economic activities.	Biodiversity loss may cause natural resource shortages, impacting the supply chain. Global awareness of protecting natural resources and biodiversity is growing, and companies are paying increasing attention to the impact of their development projects on the natural resources and biodiversity of surrounding communities. Failure to adequately address mitigation measures for biodiversity loss could damage a company's reputation.

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Dimension	ESG Risk	Risk Description	Impact on the Company
	Waste Management Risk	The manufacturing of electric two-wheelers involves production, and the waste generated must be properly disposed of.	Improper waste management can result in financial penalties and harm the company's image.
	Natural Resource Crisis	Over-extraction and improper handling of minerals, water, and other natural resources have caused a global resource crisis.	Business operations rely directly or indirectly on natural resource development and utilisation. A resource crisis may lead to increased costs or even business disruptions.
	Sustainable Consumption Risk	More consumers are adopting sustainable lifestyles and recognising the impact of personal consumption on the environment, preferring green products to reduce their negative impacts.	The company must produce eco-friendly products that reduce energy consumption while also minimising its own environmental impact.
Social	Supply Chain Resilience Risk	If upstream suppliers have issues with labour rights, occupational health, or environmental compliance, these may transmit through the supply chain to the company, creating compliance and reputational risks.	The company's reliance on multi-tier suppliers for key components and battery raw materials means it is susceptible to negative publicity arising from supplier labour rights or environmental violations, which could erode consumer trust and ESG ratings. Operationally and financially, supplier compliance issues may lead to production disruptions, termination of partnerships, and increased audit and remediation costs.

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Dimension	ESG Risk	Risk Description	Impact on the Company
	Workplace Safety & Health Risk	Workplace hazards may cause injuries, illnesses, or fatalities among employees, or lead to property damage.	Safety accidents during product production, transportation, and equipment maintenance may lead to occupational diseases for some high-intensity workers, workers in special environments, and workers performing special operations.
	Product Quality Risk	The lack of strict product quality policies and enforcement could lead to substandard products, affecting customer satisfaction.	If the supplied products do not meet the specified standards or the customer's quality requirements, the company may lose sales, face losses and claims, or damage the company's customer relationships.
	Customer Data Breach Risk	The leakage of customer personal data poses risks of unauthorised access, processing, deletion, or misuse.	A data breach could significantly harm the company's reputation and erode consumer trust in the brand.
	Cybersecurity Risk	Cyberattacks, data fraud or theft, and IT infrastructure failures pose cybersecurity threats.	Cybersecurity incidents may disrupt business operations, damage the company's reputation, or result in legal penalties. As companies collect and use increasing amounts of corporate and personal data, the costs of data breaches and cybersecurity management continue to rise.
	Talent Development & Training Risk	Training programmes are essential for equipping employees with the necessary skills to meet business needs.	Inadequate or ineffective employee training may weaken the company's competitiveness, slow growth, and waste resources.

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Dimension	ESG Risk	Risk Description	Impact on the Company
	Intellectual Property Theft & Technology Leakage Risk	Intellectual property ("**IP**") includes intangible assets such as patents and trademarks, while core technologies represent critical business secrets.	The company's trademarks, copyrights, patents, professional knowledge, proprietary technologies, and similar IP rights have a significant impact on the company's operations. However, the company's IP rights are susceptible to counterfeiting or other forms of acquisition and use by third parties. Furthermore, the company has independently developed a series of core technologies, which are its core competitive advantage and core secrets. These technologies may be subject to the risk of leakage or theft by others. If core technologies are leaked or stolen, the issuer's competitive advantage will be affected.
	Reputation Damage Risk	Corporate branding and reputation-building efforts shape consumer perceptions and market positioning.	A company's success depends on its brand strength. If it cannot maintain and enhance its brand, its operations and business will be affected.
	Emerging Technology & Innovation Risk	Emerging technologies include digitisation, automation, new materials, and other innovations in the electric two-wheeled vehicle value chain.	The introduction of new technologies may enable new market entrants while reducing demand for existing products and services, adversely affecting business performance and financial stability.

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Development and Distribution of ESG Risk Assessment Questionnaires

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

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

Risk Prioritisation and Ranking

During the Reporting Period, the Group systematically assessed and identified a total of 15 ESG-related risks, of which 5 were classified as "Medium Risk", 6 as "Low Risk", and 4 as "Very Low Risk". Among these, the "Medium Risk" category, given its relatively significant impact on the Group's daily operations and overall business development, was the primary focus of this risk identification and management exercise. The detailed assessment processes and risk management measures for these topics will be discussed in the relevant sections of this report.

The table below presents the risks that have a relatively significant impact on the Group's daily operations and overall business development, along with the Group's corresponding response measures.

Dimension	ESG Risk	Risk Response Measures
Environment	Sustainable Consumption Risk	• R&D of eco-friendly products: Developed sodium-ion batteries to reduce reliance on scarce resources such as lithium, cobalt, and nickel, thereby improving battery sustainability. Promoted the Smart Battery Management System ("**BMS**") to optimise battery charging and discharging strategies, reducing energy consumption and improving range. • Strengthened ESG brand building: Engaged with consumers through social media platforms (such as Weibo, WeChat, and Rednote), fostering user-driven promotion of the eco-friendly brand. Invited public figures to raise market awareness through short videos, live streaming, and other formats. • Launched nationwide safety inspection campaigns: Provided free electric vehicle safety inspections through offline service outlets nationwide, preventing safety hazards such as battery aging and electrical short circuits. Promoted the "Electric Bicycle Safety Inspection for All" initiative to raise consumer awareness of safety and riding safety.

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Dimension	ESG Risk	Risk Response Measures
Social	Customer Data Breach Risk	• Institutional and responsibility framework: Established a security and confidentiality system, clearly defining the obligations of employees and partners regarding the protection of customer data. Defined penalties for data breaches; violators are subject to disciplinary action under the "Reward and Penalty Management Standards", with serious cases bearing legal liability. • Data access control: Implemented tiered access controls, granting only authorised personnel access to customer data, with approval required for unauthorised departments. Adopted data anonymisation and minimisation practices to ensure operators can only access the data necessary for their duties. • Technical protection and monitoring: Deployed data audit and monitoring mechanisms to track data query activities and prevent unauthorised access and leaks. Implemented a Data Loss Prevention ("**DLP**") system to identify and prevent unauthorised outflow of sensitive information. • Compliance review and risk management: Established a privacy compliance review mechanism to ensure that customer data processing complies with legal and corporate compliance standards. Continued to strengthen privacy management and risk controls.

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Dimension	ESG Risk	Risk Response Measures
Social	Cybersecurity Risk	• Technical defence system deployment: Built a zero-trust access system, strengthening internal defences from identity control to endpoint security. Deployed a Host-based Intrusion Detection System ("**HIDS**") to reinforce host security baselines and prevent unauthorised attacks. Implemented endpoint antivirus and intrusion detection solutions for real-time monitoring and interception of cybersecurity threats. • Network risk monitoring and remediation: Conducted regular network risk assessments to detect system vulnerabilities and implement patches. Restricted data access and transmission to protect internal networks against malicious attacks or data leaks. Continuously monitored cybersecurity status and accepted third-party security audits and assessments. • Employee training and emergency response: Enhanced employee security training to raise awareness of cyberattacks and phishing scams. Established emergency response mechanisms to ensure rapid response and system recovery in the event of a cyberattack.

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Dimension	ESG Risk	Risk Response Measures
Social	Intellectual Property Theft & Technology Leakage Risk	• Institutional development and policy safeguards: Formulated and implemented a series of policies, including the "Patent Management Measures", "Patent Incentive Management Measures", "Trademark Management Measures", "Government Project Application Incentive Measures", and "Project Management Evaluation Measures", to safeguard IP and incentivise employee innovation. • Training and system building: Actively promoted technological innovation and IP protection through a series of training programmes, research initiatives, and transformation activities. • Rights protection and external cooperation mechanisms: Established an IP Protection Task Force, assembling a cross-departmental team that integrates internal and external resources to protect proprietary innovations and combat infringement. Maintained regular communication with technology bureaus and judicial protection agencies, conducting IP protection training and workshops, and sharing case studies to enhance employee awareness and reinforce the importance of patent protection. • Information systems and digital management: Introduced an IP Information Management System, effectively integrating IP-related information with external agencies. This system enables full-process collaboration and online management, covering everything from case filing, drafting, review, to registration. The system encompasses IP application, approval, maintenance, and management, serving as a centralised platform. It not only enhances the efficiency of IP management but also strengthens IP rights protection, facilitates dispute coordination, and handles infringement issues.

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Dimension	ESG Risk	Risk Response Measures
Social	Emerging Technology & Innovation Risk	• Institutional development and policy safeguards: Formulated and implemented a series of policies, including the "Patent Management Measures", "Patent Incentive Management Measures", "Trademark Management Measures", "Government Project Application Incentive Measures", and "Project Management Evaluation Measures", to safeguard IP and incentivise employee innovation. • Innovation incentives and capability development: Established the "Strategy + IPD + Incentive" initiative, setting up a dedicated IP training and management system to enhance the comprehensiveness and accuracy of patent searches and analysis. • Patent portfolio and commercialisation: Strategically filed patents for key electric vehicle performance technologies both domestically and internationally, while an internal incentive mechanism encouraged patent applications and the rapid commercialisation of patent achievements.

4.4 ESG Target Management

Since establishing a series of ESG targets in 2022, the Group has conducted annual assessments of production operations and target implementation at each manufacturing base. These assessments objectively review the Group's performance in relevant areas, systematically track the progress of each ESG target, and submit the assessment results and progress data to the Board for review.

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

Directional Goal	Indicator	Timeframe	Scope	Completion Status	Action Plan	Implementation Actions
Air Pollutant Emissions						
Reduce air pollutant emissions	Improve exhaust treatment and recovery technologies and equipment	Long Term (5–10 years)	General	Ongoing	Upgrade the exhaust gas treatment process for electrophoresis to improve the purification rate of organic waste gas.	In accordance with the emissions monitoring plan, the Wuxi base has contracted a third-party testing agency to conduct monitoring at the required frequency. Emissions comply with national standards, with the organic waste gas purification rate exceeding 95%.

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Directional Goal	Indicator	Timeframe	Scope	Completion Status	Action Plan	Implementation Actions
	Accelerate energy transition and reduce reliance on highly polluting energy sources	Long Term (5–10 years)	General	Ongoing	Reduce the use of natural gas in production processes and increase the share of renewable energy.	The Anhui base has launched a waste heat recovery project, expected to reduce annual natural gas consumption by 80,000 cubic meters; and the photovoltaic consumption ratio has remained steadily above 70%.
Greenhouse Gas Emissions						
Reduce greenhouse gas emissions	Reduce direct (Scope 1) greenhouse gas emissions	Long Term (5–10 years)	General	Ongoing	1. Increase the use of new energy vehicles; 2. Reduce natural gas usage at production bases; and 3. Adopt more energy-efficient factory and equipment designs.	The Anhui base has launched a waste heat recovery project, expected to reduce annual natural gas consumption by 80,000 cubic meters.
	Reduce indirect (Scope 2) greenhouse gas emissions	Long Term (5–10 years)	General	Ongoing	Continuously monitor the latest energy-efficient equipment information and intelligently track electricity usage of production equipment.	Participated in the Shanghai Intelligent Energy-Saving Equipment Exhibition. The Chongqing base has launched an energy management system for intelligent electricity monitoring.
	Reduce indirect (Scope 3) greenhouse gas emissions	Long Term (5–10 years)	General	Ongoing	Implement emission reduction management systems and improve equipment utilisation efficiency.	Partnered with new energy vehicle manufacturers to organise corporate exhibition events, with the proportion of employees purchasing new energy vehicles increasing year on year. Piloted just-in-time logistics delivery to reduce logistics exhaust emissions.
Carbon Offset Initiatives	Increase the greening rate of the factory	Long Term (5–10 years)	General	Ongoing	Continue enhancing greenery within factory areas by planting various types of trees around manufacturing bases.	A cleaning service contract was signed to regularly water, irrigate, and maintain the green areas of the factory.

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Directional Goal	Indicator	Timeframe	Scope	Completion Status	Action Plan	Implementation Actions
Waste Generation & Management						
Reduce waste generation	Reduce non-hazardous waste (household waste, kitchen waste, construction debris, etc.)	Long Term (5–10 years)	General	Ongoing	Reduce the use of single-use materials in the procurement process. Replace certain paper or plastic packaging with reusable containers for circulation.	Developed reusable container management standards to extend their service life. Rear rack materials have been transitioned from cardboard box delivery to reusable basket delivery.
	Ensure proper disposal of hazardous waste (solvents, thinners, paint residues, activated carbon, sludge, etc.)	Long Term (5–10 years)	General	Ongoing	Optimise the treatment process for hazardous waste generated during processes such as electrophoresis and spray painting; and sign treatment contracts with qualified treatment units, contact them regularly to treat hazardous waste, and enter the data into the national hazardous waste management system.	Sign qualified treatment contracts and disclose environmental information through the Ministry of Ecology and Environment's public website.
	Develop circular economy practices to improve waste recycling and reuse rates	Short Term (1–2 years) & Long Term (5–10 years)	General	Ongoing	Set up waste sorting and recycling bins at production bases to encourage resource reuse.	Recycling bins have been installed on production lines, collecting plastics, cardboard, and other materials for processing by recycling companies.
Energy Usage						
Increase the share of renewable energy	Achieve 50% renewable energy in total electricity consumption	Long Term (5–10 years)	General	Ongoing	Establish overall energy completion timelines, with each manufacturing base setting its own energy targets.	The Tianjin base is constructing a ground source heat pump project to provide heating in winter and cooling in summer.

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Directional Goal	Indicator	Timeframe	Scope	Completion Status	Action Plan	Implementation Actions
Improve energy cooling. efficiency	Reduce overall energy consumption	Long Term (5–10 years)	General	Ongoing	Improve the electricity management system and air conditioning usage management system and formulate a reasonable control system.	The Wuxi base has established a power-off clock-out system to reduce electricity consumption.
	Increase the adoption rate of low-energy consumption equipment	Long Term (5–10 years)	General	Ongoing	Each manufacturing base adopts equipment that meets relevant regulations based on actual production needs and carries out equipment maintenance and replacement according to the equipment's usage.	The Guangdong base has adopted variable frequency control for production line equipment and maintains equipment according to the annual maintenance plan.
Water Resource Usage						
Improve water efficiency	Reduce water consumption and control total usage	Short Term (1–2 years) & Long Term (5–10 years)	General	Ongoing	Strengthen inspections of water supply systems and replace severely corroded pipelines; and conduct monthly water usage audits and assessments	The Chongqing base has launched an energy management system to monitor water usage. System data comparison enables detection of water system integrity issues and early warnings.
	Reduce wastewater discharge and increase wastewater recycling rates	Short Term (1–2 years) & Long Term (5–10 years)	General	Ongoing	The painting process has implemented a small-scale circulation system within the spray booth and utilises large-scale water recycling pools externally; and the electro-coating process employs cycle-based water reuse, with iron part coating using electrophoretic paint.	The Guangdong base has constructed a greywater reuse system to reduce water consumption.

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5 QUALITY CONTROL

5.1 Innovation as the Driver of Development

Technological innovation is one of the Group's core competitive strengths. The Group strictly complies with the *Patent Law of the People's Republic of China*, the *Trademark Law*, the *Copyright Law*, and the *Opinions on Strengthening Patent Protection*, among others. With reference to the *GB/T 29490–2013 Enterprise Intellectual Property Management Standards*, the Group continues to refine its internal IP management system. We have formulated the Intellectual Property Management Standards, Trademark Management Standards, and Intellectual Property Dispute Resolution Process Documentation, and revised policies including the Patent Management Measures, Patent Incentive Management Measures, Patent Value Assessment Management Measures, and Patent Value Assessment Implementation Rules. Together, these form the foundational framework for incentivising innovation and safeguarding proprietary IP, with a focus on securing IP filings for new technologies and products both domestically and internationally, while rigorously combating patent infringement.

We continue to deepen our efforts in technological innovation and IP protection through multi-dimensional training, specialised research, and management upgrades to strengthen independent innovation capabilities and reinforce IP defences. We have fully integrated IP creation and protection into our Integrated Product Development ("**IPD**") innovation system, achieving a deep convergence of R&D and IP management that significantly enhances product competitiveness and sustainable development capabilities. This integration helps elevate the Group's overall innovation governance, driving compliance, sustainability, and efficiency in technology R&D, and ensuring that IP protection is prioritised from the earliest stages of development to form a closed-loop management cycle of innovation, protection, commercialisation, and value realisation.

Furthermore, the Group has continued to strengthen its IP protection and value realisation mechanisms by establishing a dedicated Patent Value Assessment Committee. This has further improved our IP governance framework, enhanced the transparency and scientific rigor of intangible asset management decisions, and achieved comprehensive coverage and precise oversight of key stages throughout the full patent lifecycle. Through systematic value assessment, we accurately identify high-potential and strategically valuable technology directions, optimise resource allocation, reduce inefficient or duplicative R&D spending, and support green technology and low-carbon transition innovation. Assessment outcomes are also deeply embedded in our internal incentive mechanisms, including patent rewards and annual performance recognition, further motivating innovative talent and cultivating a corporate culture of fairness, respect for knowledge, and technological innovation.

In addition, we maintain regular communication with technology bureaus and judicial protection agencies, conducting IP protection training and workshops and sharing real-world case studies. These efforts continuously enhance all employees' awareness and capabilities in IP protection, fostering a corporate culture that respects and safeguards innovation.

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

	Unit	Year 2025	Year 2024
R&D Expenditure	RMB million	**1,404.469**	1,146.828
Total Number of Patent Applications	Cases	**516**	389
Total Patents Held During the Year	Cases	**2,190**	2,051
Design Patents Held During the Year	Cases	**1,195**	1,234
Utility Model Patents Held During the Year	Cases	**752**	637
Invention Patents Held During the Year	Cases	**243**	180

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Yadea adheres to a standard-driven strategy and actively participates in industry standardisation efforts. The Group serves as a member unit of the National Electric Bicycle Standardisation Technical Committee and the National Bicycle Standardisation Technical Committee, and as a technical expert within the CNCA TC27 Electric Bicycle and TC12 Motorcycle and Components expert groups. To date, the Group has led or participated in the formulation and revision of 101 industry standards, earning the "Advanced Unit in National Electric Bicycle Standardisation Work" honorary title and the "Advanced Group in National Light Industry Standardisation Work" honor. During the Reporting Period, no IP disputes had a significant adverse impact on the Group's business operations.

Case Study:

The Group continues to deepen technological innovation, integrating advanced technologies with green mobility solutions. On 17 April 2025, the Yadea Intelligent Electric Motorcycle and Smart Energy R&D Centre was officially inaugurated at Chongqing Yadea Technology Co., Ltd. Jointly established by Yadea and Chongqing Modern Manufacturing Vocational College, this industry-academia-research platform marks a new phase in the Company's technological innovation in vehicle-battery integration.

The R&D Centre focuses on core technology development in "vehicle-battery integration", conducting frontier research and application development for intelligent electric motorcycles and smart energy systems. The platform is designed to create an integrated innovation chain spanning "R&D — manufacturing — application — service", driving technology from the laboratory to large-scale commercial application, and supporting the upgrade of the intelligent electric vehicle industry in Chongqing and across China toward higher-end and smarter solutions.

The Group has achieved key technological breakthroughs in vehicle-battery integration, successfully launching two smart energy solutions: the "Purple Elf Intelligent Lead-Acid Battery Management System" and the "Ultra-Sodium Super-Charging Ecosystem". These innovations significantly improve battery lifespan, charging efficiency, and safety performance while optimising vehicle range and intelligent control. Following the establishment of the R&D Centre, the Group will further accelerate the iteration and optimisation of these solutions, explore the application of next-generation new energy technologies such as sodium-ion batteries in two-wheeled vehicles, develop more efficient and intelligent energy management systems, and continuously enhance product technological competitiveness.

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Case Study:

The Group continues to focus on technological innovation, launching a range of advanced and practical technologies that systematically address the four core pain points of range, safety, comfort, and intelligence, enhancing product competitiveness and user experience:

- **TTFAR Evergreen Range Extension System (Updated Version):** Through a systematic upgrade of the core "three electric" components — the second-generation Evergreen graphene lead-acid battery, the TTFAR Turbo charger, and the TTFAR full-domain controller — the system delivers greater battery capacity, stronger anti-degradation performance, and more efficient charging, truly achieving "New or old, always going the distance". With optimised material purity and structure, cycle life has been substantially improved. The system comes with a three-year battery warranty, resolving battery-life anxiety across the full user lifecycle and empowering sustainable long-distance mobility.

- **Ark Safety Technology:** Equipped with the TCS automatic control system (with proprietary software algorithm patents), the system rapidly detects road condition changes on rain- or snow-covered surfaces, intelligently adjusting motor torque and automatically suppressing wheel spin to ensure stable forward movement. Combined with TTFAR high-grip anti-skid tires, it significantly enhances ground friction, enabling riders to travel more safely and confidently in adverse weather conditions.

- **Dynamic Comfort Technology:** Addressing vibration and shock absorption challenges on rough roads, this system features a chassis tuned by master-level engineers, incorporating a double-tube high-strength steel frame, front and rear hydraulic shock absorbers, and an optimised rider-vehicle ergonomic design that balances stability and comfort. Refined through extensive user data analysis, the system ensures a smoother ride on every journey, reducing fatigue on long rides and enhancing the overall riding quality.

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Case Study:

- **iRide Intelligent Technology:** Enabling keyless proximity unlock, users can simply bring their phone close to activate the vehicle, with support for mini-programme unlocking and family key sharing. The vehicle locks automatically when the side stand is deployed, eliminating the need for manual operation. The system also integrates intelligent anti-theft protection, cloud-based OTA upgrades, and customisable sound effects, significantly enhancing security and convenience while adding a new dimension to smart mobility.

These innovative technologies are fully integrated across our product lineup, reflecting the Group's user-demand-driven R&D philosophy. They not only enhance the performance of electric two-wheeled vehicles but also drive the industry to accelerate progress in intelligence, green development, and sustainability.

5.2 Quality Builds the Brand

The Group upholds the business philosophy of delivering products that bring happiness to consumers, firmly believing that product and service quality are the foundation of long-term corporate success. We continuously pursue the goals of "better design, advanced technology, superior quality, refined manufacturing, excellent service, and expanded exports", driving the ongoing improvement of product and service quality, and positioning high quality as the most fundamental core value of our brand.

The Group strictly complies with the *Product Quality Law of the People's Republic of China* and national mandatory standards for electric bicycles, including the *Technical Specification for Safety of Electric Bicycles (GB 17761–2018)*, the *Electrical Safety Requirements for Electric Bicycles (GB 42295–2022)*, the *Safety Technical Requirements for Chargers of Electric Bicycles (GB 42296–2022)*, the *Technical Specification for Safety of Lithium-ion Batteries for Electric Bicycles (GB 43854–2024)*, the *Compulsory Product Certification Implementation Rules for Electric Bicycles (CNCA-C11–16:2023)*, and *the Compulsory Product Certification Implementation Rules — Electric Bicycles (CQC-C1116–2021)*. The Group also complies with Regulation of the European Parliament and of the Council on the approval and market surveillance of two or three-wheel vehicles and quadricycles (EU No 168/2013) and other international inspection requirements and applicable laws and regulations. Based on these, the Group has formulated and continuously optimised its internal quality management policies and operating standards.

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

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

The Group adheres to and implements various inspection standards, including the "Inspection Control Procedure", "Market Quality Control Procedure", "Complete Vehicle Unboxing Review Management Measures", "Complete Vehicle Outbound Inspection Management Measures", and "Component Inspection Management Measures", among others.

With the continuous expansion of the Group in domestic and international markets, consumer demand for vehicle purchases has become increasingly diverse, placing higher expectations on the standardisation and regularisation of production processes. To proactively respond to this trend, the Manufacturing Operations Centre initiated a Process Standardisation Project, pooling human and technical resources from subsidiaries across the Group and forming a dedicated professional team. This team systematically reviewed the production processes for each electric vehicle model, and conducted on-site visits to production workshops to film standardised operation demonstration videos. Through recording, selection, review, and editing, the team developed a set of high-quality training resources, which were promptly distributed to frontline employees for learning and training, ensuring that operating standards are comprehensively implemented and enhanced. In addition, the Group and its eight manufacturing bases — including those in Wuxi, Zhejiang, Tianjin, and Guangdong — successfully completed and passed the annual audit for the GB/T 19001–2016/ISO 9001:2015 Quality Management System Certification during the Year. This achievement highlights the Group's commitment to excellence in quality management and continuous improvement, further solidifying its leading position in the industry.

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Case Study:

Since 2021, relying on its Anhui production base, the Group has opened its doors to government officials, customer representatives, supplier partners, and educational institutions for visits and exchanges on an ongoing basis, proactively showcasing its achievements in intelligent manufacturing, quality management, and green production. Through on-site presentations and process demonstrations, the Group strengthens communication and mutual trust with all stakeholders.

As of the end of the Year, the Anhui base had hosted approximately 360 visits and exchange events, with a total of approximately 35,000 visitors. During the Year alone, 86 events were held with over 10,000 participants. The visits cover the entire product manufacturing process, quality control standards, and testing procedures, providing guests with an in-depth understanding of the standardised management system — from raw material processing and critical process controls to complete vehicle performance testing.

The base also showcases environmental protection facilities in the painting process, as well as waste gas and wastewater treatment systems, reflecting the Group's management philosophy of maintaining product quality while prioritising environmental protection and production safety.

Through the continued promotion of manufacturing transparency and open exchange, the Group takes concrete action to address market and regulatory concerns, strengthening the recognition of its quality management capabilities among government bodies, customers, and partners, and further consolidating the core value of the Yadea brand.

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5.3 Responsibility-Driven Marketing

The Group strictly complies with the *Advertising Law of the People's Republic of China* and other relevant laws and regulations, ensuring that all marketing activities are conducted within a lawful and compliant framework. Before launching any promotional content, the Group conducts multi-layered rigorous reviews of all promotional materials in accordance with the Advertising System Application guidelines, striving to ensure that content is objective, truthful, honest, and fair, and firmly prohibiting false advertising, exaggerated claims, and any form of unfair competition. At the same time, the Group actively adheres to international ethical marketing standards and global advertising practices, committing to the accuracy and fairness of all marketing campaigns and advertising content. Our ethical marketing policy clearly prohibits any misleading claims and incorporates social responsibility and environmental impact considerations as core elements of the advertising review process, ensuring that marketing practices not only comply with legal requirements but also demonstrate a responsible attitude toward consumers, society, and the environment.

Bringing Enjoyable Travel to Hundreds of Millions

The Group focuses on the continuous iteration of product technology, constantly enhancing product capabilities to meet users' expectations for safe, convenient, and intelligent mobility. With battery technology at its core, the Group deeply integrates intelligent technology and cloud platforms, adopting new-material battery cells and strengthening battery health monitoring and intelligent early-warning systems to enhance users' confidence in vehicle energy and make travel more reassuring and convenient. In terms of energy efficiency, cloud-based charging data recording and intelligent fault diagnosis have significantly reduced charging error rates while improving charging speed. In product functionality, the Group has enabled undiminished riding and charging performance in both high- and low-temperature environments, and introduced adjustable smart charging power, allowing users to customise charging modes for a further optimised experience.

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

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Case Study:

The Group's Anhui Huayu manufacturing base officially released the "Huayu Battery Quality Service New Standards" on 23 October 2025 at the 42nd Jiangsu International New Energy Electric Vehicle and Parts Fair. Centred on the core commitment of "replacement only, no repair", the initiative launched a 13-month full replacement product, fundamentally replacing the traditional "repair and turnaround" model. Through the Group's proprietary IoT intelligent diagnostic device, rapid testing is completed in as little as 2 hours at full charge or 8 hours without charge, with data uploaded to the cloud in real time and verified by a tripartite system involving stores, dealers, and the manufacturer. Once a fault is confirmed, a brand-new battery of the same specification is immediately provided, eliminating the need for repair wait times.

This service innovation not only significantly reduces response times and eliminates disputes arising from inconsistent standards but also empowers frontline service points with autonomous decision-making capabilities through delegated authority, markedly improving user satisfaction and trust. This confidence is underpinned by Huayu Battery's strong R&D and quality control system — with 8 global manufacturing bases, over 20 production lines, a 300-strong R&D team, average annual R&D investment of nearly RMB150 million, 4 CNAS-accredited national laboratories, and core technologies including graphene material additives and fully automated manufacturing processes. These capabilities enable battery cycle life to reach twice that of conventional lead-acid batteries, while maintaining excellent performance in low-temperature environments.

Through continuous technological iteration and service upgrades, the Group is committed to leading the electric two-wheeled vehicle industry toward higher quality and more sustainable development, delivering truly reliable "enjoyable travel" for hundreds of millions of users.

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5.4 Sincere Service to Customers

To ensure that customer rights and interests are fully protected, the Group strictly complies with the *Law on the Protection of Consumer Rights and Interests* and other relevant laws and regulations. The Group has established the Customer Complaint Management Measures to guide the sales team in properly handling customer complaints during both sales and after-sales processes. Upon receiving customer complaints or feedback, the Group follows established procedures to conduct prompt investigations, provide timely and reasonable explanations to users, and coordinate to the greatest extent possible to address their concerns, thereby safeguarding the legitimate rights and interests of consumers. In addition, to standardise customer service performance among the Group's e-commerce platforms and dealers, we have also introduced the "Customer Review Management Measures" for E-Commerce Companies and the "Live Streaming Room Code" of Conduct.

Building a Comprehensive After-Sales Service System Centred on Users

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

During the Reporting Period, the Group conducted biannual customer satisfaction surveys covering aspects such as product appearance, vehicle performance, and riding comfort. Customer satisfaction in the first half of the year was 88.46%; customer satisfaction in the second half of the year was 88.89%. Both results exceeded the target benchmark of 86.20%.

During the Reporting Period, the Group received a total of 1,541 complaints related to products and services, all of which were resolved reasonably and efficiently.

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6 RESPONSIBLE OPERATIONS

6.1 Efficient Supply Chain Management

The Group continuously optimises its supplier management system, striving to build a sustainable supply chain and achieve joint development with its partners. To standardise supplier management procedures, the Group's headquarters has formulated a series of standards and management measures, including the "New Supplier Admission Management Measures", "Supplier Performance Management Measures", and Supplier Manual, among other policies covering supplier admission, performance evaluation, phase-out, pricing, rebates, in-depth management, and procurement process controls. These ensure that all manufacturing bases and business units strictly comply with the regulations and are subject to oversight by the headquarters, improving overall supply chain efficiency and standardisation. During the Year, we further introduced the "Supplier Engineering Change Management Measures" to standardise the process for supplier product engineering changes, ensuring that modified products simultaneously meet both regulatory and customer requirements. We also introduced the "Supplier Quality Restriction and Lifting Management Measures", which clarify management rules and personnel responsibilities for restrictions on new product sourcing decisions and volume production supply ratios due to quality risks, as well as the conditions for lifting such restrictions. At the same time, we issued the "New Project System Sourcing Management Measures" to standardise sourcing rules for new project suppliers, helping the Company select the most suitable partners. These updates have strengthened supply chain risk management and quality stability and promoted the Group's resource integration and sustainable development.

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

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

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

- Quality Management System Certification (e.g., ISO 9001 certificate)
- Environmental Management Certification (e.g., ISO 14001 certificate)
- Industry Standard Certifications (e.g., IATF 16949, CCC, CE certificates)
- Compliance Documents (e.g., Environmental Impact Assessment Reports, Fire Safety Reports, Distribution Authorisation Certificates, etc.)

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

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

During the Reporting Period, the Group had a total of 624 suppliers, with 551 located in mainland China and 73 in other countries and regions. The supplier audit coverage rate reached 100%, encompassing areas such as product quality, on-time delivery, and service standards. To strengthen environmental and social risk management across the supply chain, the Group has implemented an annual supplier visitation and evaluation plan. On-site audits are conducted to assess suppliers across multiple dimensions, including production processes, quality control, equipment maintenance, and change point management, providing a basis for supplier selection and supply ratio allocation decisions. This initiative also helps the Group gain deeper insights into component manufacturing processes and assess supplier risks in the areas of quality, technology, and ESG, ensuring that suppliers with strong overall performance are prioritised. Regular communication with suppliers also helps maintain stable deliveries during peak seasons, preventing production delays that could affect annual targets.

In terms of green procurement, the Group actively responds to ESG responsibilities and China's "dual carbon" goals by not only raising supply chain quality requirements but also strengthening supplier ESG standards to drive low-carbon transitioning. The Group clearly defines environmental and compliance standards in procurement contracts as prerequisites for new supplier onboarding, strictly auditing their qualifications and requiring compliance with relevant ESG standards. In addition, existing suppliers are assessed for ESG compliance, and they are encouraged to obtain certifications in environmental management, quality management, and occupational health and safety ("**OSH**"), such as ISO 14001, ISO 9001, and ISO 45001. These certifications are incorporated into the supplier performance evaluation system to ensure the sustainable development of the supply chain.

6.2 High-Quality Dealer Partnerships

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

During the Reporting Period, the Group emphasised compliance requirements for all subsidiaries and dealers nationwide, and clearly defined assessment standards for violations. Dealers and regional directors found to be in breach of compliance were subject to corresponding disciplinary actions, ensuring continuous improvement in compliant operations and optimising market order and customer experience.

At the same time, to adapt to e-commerce trends, the Group's E-Commerce Centre conducted new retail business training for offline store dealers, significantly enhancing their service capabilities and operational standards. To accelerate digital transformation, the Group introduced an integrated inventory and sales management system to digitise sales management, improve operational efficiency, and further empower dealers to achieve high-quality development, supporting the continuous upgrade of the distribution channel system.

6.3 Data Privacy Protection

Protecting corporate trade secrets, technical know-how, and customer information from leakage, theft, or misuse is a core responsibility and obligation of the Group, as well as a critical factor in maintaining our competitive advantage and market position. The Group has established and strictly implemented the "Confidentiality Management Policy" and "Confidentiality Guidelines", fully integrating information and data security into the compliance policy framework. These policies apply to all employees across functional centres, business divisions, business units, and manufacturing entities within the Group, as well as to Yadea's holding and equity-invested companies and social organisations (including regular employees, probationary employees, interns, etc.) and extend to third-party personnel who have business dealings with the Company[2].

All levels of management are required to manage and use internal information and documents in accordance with the relevant policies. The Group has implemented a centralised terminal database management system to oversee data queries and analysis, with systematic monitoring of all user activities to mitigate the risk of data leakage. Only customer service department personnel are authorised to access data involving the Group and its customers. For personnel from other departments who require access to user data samples for purposes such as product demand analysis or market research, prior approval must be obtained from the Big Data Centre and the Audit & Supervision Department before accessing key data fields. The data platform only displays processed results, ensuring that operators cannot access any specific personal customer information.

To enhance operational security, the Group deployed a bastion host auditing system in 2023, strictly controlling access permissions and operator behaviours to prevent leakage of personal privacy data. In the same year, the Group introduced endpoint antivirus systems, data loss prevention systems, and zero-trust access systems, reinforcing privacy protection across the entire chain — from identity verification and endpoint protection to data blocking. Since 2022, the Group has continuously operated the HIDS platform to standardise host security baselines, conduct regular risk detection, and build a standardised cybersecurity defence system.

The Group strictly prohibits any form of confidential information disclosure. In the event of a breach, the responsible individual will face disciplinary measures in accordance with the "Reward and Disciplinary Policy", based on the severity of the disclosure. In serious cases, the responsible party will bear corresponding legal liability. Through these multi-layered mechanisms, the Group ensures that information security and privacy protection meet compliance requirements, safeguarding user rights and the Company's long-term sustainable development.

During the Reporting Period, the Group recorded no violations related to privacy and data protection, and there were no complaints or incidents involving serious breaches or leaks of consumer information and privacy during production, sales, or after-sales services.

[2] External personnel who are not formal employees of the company include, but are not limited to, partners, suppliers, distributors, consultants, outsourced personnel, and personnel seconded or on temporary assignment from other units.

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6.4 Upholding Integrity and Anti-Corruption

The Group attaches great importance to operational compliance and integrity in business conduct, and strictly adheres to relevant laws and regulations, including the *Criminal Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. The Group adopts a zero-tolerance policy toward all forms of misconduct, including corruption, bribery, extortion, money laundering, and fraud. To this end, the Group has formulated the Integrity Management Regulations, which clearly define the responsibilities of various departments and integrity managers, and establish stringent oversight over management, employees, and third parties to prevent any form of misconduct. The Group has also issued the Anti-Corruption Commitment Letter and requires dealers and suppliers to sign the Anti-Commercial Bribery Agreement in their contracts, extending the principles of anti-corruption and integrity across the value chain.

The Group actively carries out anti-corruption work through letter and visits reporting, inspections, internal audits, and special investigations. A dedicated independent department has been established to oversee and address matters related to integrity in the workplace. The Human Resources and Administrative Centre and the Audit & Supervision Department regularly organise campaigns to promote anti-corruption knowledge and publicise available reporting channels, enhancing all employees' awareness and sense of responsibility in preventing and reporting corruption, bribery, and insider trading. During the Reporting Period, the Group identified and handled zero cases of corruption and bribery, and zero cases of insider trading.

In addition, the Group has implemented the "Whistleblower Protection and Reward Policy", which clearly outlines the scope of reportable behaviours, protection measures, and reward mechanisms, encouraging employees to actively report suspicious behavior. Employees can report violations anonymously or under their real names via mail, whistleblowing hotline, email, WeChat official account, or other channels. Upon receiving a report, the designated department will register, verify, and investigate the matter in accordance with established procedures, and provide timely feedback to the whistleblower, with strict confidentiality of the whistleblower's identity.

To further strengthen the culture of anti-corruption and integrity, the Group has issued the "Yadea Group Anti-Corruption Notice", solemnly requiring all employees and personnel within the applicable scope — including those of branch offices, subsidiaries, and equity-invested companies — to uphold the corporate mission and core values, and to consciously resist corruption. Specifically: all employees and departments are strictly prohibited from soliciting or accepting economic benefits from business partners; bribery, solicitation of bribes, and private gift exchanges between superiors and subordinates or among colleagues are prohibited; family members are prohibited from using an employee's position to obtain improper benefits (with the employee bearing joint liability); and any gifts, cash, or red packets that cannot be declined must be promptly handed over to the administrative or finance department for registration. The Company maintains a zero-tolerance stance on corruption — once verified, offenders will face strict disciplinary action, and in serious cases, will be dismissed and referred to public security authorities. Reports that are verified upon investigation will be substantially rewarded, while those who fabricate facts will be dealt with seriously.

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

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

The Group consistently implements anti-corruption training programmes, covering all employees with special focus on key positions. Each year, Yadea organises dedicated anti-corruption training sessions for all employees, including members of the Board. Professional experts have been invited on multiple occasions to deliver integrity workshops for all staff, providing detailed explanations of scenarios involving non-government employee corruption and bribery offenses. The Group also utilises internal announcements, employee handbooks, and departmental morning and evening meetings to repeatedly promote and highlight anti-corruption principles and specific requirements. In addition, “anti-corruption and compliance management” is a core component of onboarding training, and all new employees are required to complete the course and pass an assessment before commencing their roles.

During the Reporting Period, the Group conducted “Anti-Corruption and Integrity Education” training for newly hired and newly promoted managers, as well as personnel in technology, materials, procurement, quality, and other relevant functions across all manufacturing bases. Over 2,000 employees participated through a combination of online and offline sessions.

During the Reporting Period, the Group was not aware of any major corruption-related litigation cases filed and concluded against the Group or its employees, or any other serious violations related to bribery, extortion, fraud, or money laundering that had a significant impact on the Group.

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7 PEOPLE-ORIENTED APPROACH

7.1 Regulating Employment Management

Employment and Labour Standards

The Group regards talent as the cornerstone of development and strictly complies with relevant laws and regulations such as the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China*. Internally, the Group has formulated and implemented a series of policies and systems, including the "Employee Handbook", "Recruitment Management Measures", "Cadre Management Implementation Rules", and "Cadre Management Charter Implementation Guidelines 3.0". These are designed to clearly define standards for remuneration, recruitment, employment, working hours, equal pay for equal work, leave, and other employee rights and benefits, with the aim of effectively safeguarding employees' legitimate rights and interests and enhancing human resources management efficiency.

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

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

Regarding dismissal, both the Group and its employees have the right to terminate a labour contract in accordance with the law. In cases where an employee seriously violates national laws and regulations, or breaches the Company's rules, policies, or labour discipline, and such violations are verified, the Group will notify the employee in writing of the reason for contract termination and proceed with the dismissal accordingly.

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

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Equal Opportunity and Diversity

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

We implement an equal opportunity policy and fully respect the basic rights of employees as protected by law. The Group adopts a "zero discrimination" approach regarding employees' race, age, gender, social status, nationality, religion, disability, sexual orientation, and other personal attributes. We strictly prohibit any form of discrimination or harassment in the workplace. Furthermore, employees are encouraged and supported to openly communicate with management about working conditions without fear of retaliation, threats, or harassment. Upon discovering any violations, the Group will take immediate corrective actions, conduct internal reviews, issue formal internal notices, and reinforce the correct values to prevent recurrence. During the Reporting Period, the Group recorded 0 incidents of discrimination or harassment.

The Group is committed to maintaining gender diversity within its workforce and recognising the importance of gender inclusiveness to corporate development. We actively promote diversity across all levels of the organisation, including the Board of Directors. To further advance gender diversity, the Group seeks to incorporate this principle into the recruitment of mid- to senior-level employees and provides female staff with ongoing training and long-term career development opportunities. As of 31 December 2025, 69.85% of the Group's total employees (including senior management) were male and 30.15% were female. The Nomination Committee will continue to review and monitor the implementation of the Board Diversity Policy to ensure its ongoing effectiveness in promoting a diverse workforce.

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

Talent Attraction and Retention

The Group places great importance on talent development and employee growth. Guided by the principle of "talent-centric", we have continued to refine our training and incentive systems. Since 2021, the Group has launched and continuously updated the Yadea Talent Development System, establishing differentiated development pathways and competency requirements for both managerial and non-managerial staff. In 2024, overseas training programmes were introduced, and during the Year, the Group also launched the "Qichen Plan" — a dedicated training programme designed to systematically advance the development of a young talent pipeline, covering the full growth cycle from new employees to high-potential talent and building a sustainable talent supply chain to strengthen the organisational foundation for future growth.

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The Group's Human Resources Department launched a series of talent development initiatives aligned with the Group's strategic goals, while other departments organised annual training plans and targeted professional skill training programmes based on operational needs. At the same time, we continued to expand our course offerings and actively collaborated with external institutions, providing specialised programmes such as the Ruidi Programme, Lingdi Programme, IPD Training, Danaher Training, IMS Training, ISC Training, Mind Mapping, Quality System, Total Quality Management ("TQM"), Business Etiquette, and courses related to the divisional system reform, cultural alignment and enhancement, among others. These programmes provide all employees with diversified general and professional training to enhance overall competency and business support capabilities.

During onboarding, new employees receive training designed to strengthen their understanding of corporate culture and ensure required skill levels. For fresh graduates enrolled in the "Qidi Plan" training programme, the Group has fully implemented a mentorship and counsellor system, providing in-depth involvement and targeted support throughout the entire process to strengthen organisational integration, improve retention rates, and build a strong pipeline of young talent. A "mentorship system" is strictly implemented across all departments, pairing each new employee with a mentor who provides not only job guidance but also personal support, helping newcomers integrate quickly and fostering a sense of belonging.

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

For employee motivation, the Group has established the "Non-Monetary Incentive System Management Standard", based on the core value of "contribution-oriented recognition". This system provides structured non-monetary incentives for outstanding contributors, inspiring excellence, innovation, and proactive performance. It includes five key areas: Timely Recognition, Long-Service Recognition, Honor-Based Recognition, Achievement and Development Recognition, and Employee Care & Emotional Recognition. The system clearly defines incentive forms and honor record management, resulting in a systematic and standardised incentive mechanism that fosters a vibrant team culture.

Non-Monetary Incentive System	
Dimension	**Definition**
Timely Recognition	Based on actual circumstances, this incentive follows the principle of "contribution-oriented, timely, and wide coverage", offering timely encouragement and recognition to employees for their contributions and performance, expressing expectations and stimulating proactive innovation among staff.
Long-Service Recognition	A special incentive model designed for long-tenured employees, differentiating from daily recognition for new employees. This incentive grows increasingly rich and substantial as employee tenure increases.

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Non-Monetary Incentive System	
Dimension	**Definition**
Honor-Based Recognition	Aligned with the core values of "employee-centred and contribution-oriented," the Group recognizes teams or individuals who have made outstanding contributions. Based on the "Three Levels of Glory" system, the Group has established a hierarchical recognition structure, including Group-level, company-level (entity, division), and department-level honors. This multi-level approach is designed to foster a strong culture of recognition and serve as a key driver of organizational cohesion and employee motivation.
Achievement & Development Recognition	The Group has established comprehensive training and development channels, along with qualification standards and internal competition mechanisms. Based on competency requirements, employees are provided with greater opportunities to develop and apply their potential and strengths, achieving their career aspirations. In addition, the Group fosters a competitive environment with clear benchmarks and performance indicators, encouraging career development through performance excellence.
Employee Care & Emotional Recognition	Beyond formal recognition mechanisms, the Group cultivates a supportive environment through regular communication, diversified employee experience, and systematic employee care. This includes attention to employees' physical and mental well-being, work-life balance, and cultural integration. Personalized care helps enhance cultural cohesion and promotes organizational vitality.

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

7.2 Protecting Employee Rights and Welfare

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

Topic	Content
Freedom of Employment	• No use of forced labor, coercion, debt bondage, or any form of restriction on employee freedom. All work is conducted on a voluntary basis, free from threats, intimidation, or coercion. Employees have the right to resign with reasonable notice in accordance with legal procedures. Employees must not be required to surrender original identity documents, residence permits, or work permits as a condition of employment.
Prohibition of Child Labour	• No individual under the age of 16 shall be employed for any position.

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Topic	Content
Prohibition of Discrimination and Harassment	• Equal opportunity in hiring, compensation, promotion, and other employment matters regardless of gender, age, race, religion, nationality, disability, or any other identity status. • All forms of abuse — physical, sexual, verbal, psychological — are strictly prohibited. No employee shall be subjected to any form of humiliation, punishment, or intimidation.
Freedom of Association and Collective Bargaining	• Employees have the right to freely and publicly express opinions. The company respects their right to form or join labor unions and ensures no retaliation or unfair treatment as a result of lawful participation in such organisations.
Fair Wages and Working Conditions	• The company provides compensation and working conditions that meet or exceed local legal minimums, and ensures reasonable working hours and rest periods. • A safe and healthy working environment is maintained to prevent occupational injury and health risks.
Respect for Others' Fundamental Rights	• In manufacturing locations where religious or cultural practices may differ, the company respects employees' religious beliefs, cultural customs, and lawful rights.

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

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

The Group places great importance on the physical and mental health of employees and regularly organises a variety of cultural and recreational activities to promote a healthy work-life balance. We offer festival gifts, birthday benefits, and departmental team-building budgets, which include birthday celebrations, Women's Day gifts, Spring Festival shopping vouchers, Mid-Autumn Festival gifts, Dragon Boat Festival gifts, and Mother's Day care packages. In addition, we actively host family day events, employee tea sessions, youth culture salons, Chinese New Year reunion dinners, group movie screenings, book sharing sessions, fun sports days, Mid-Autumn riddle games, charity campaigns, and low-carbon initiatives, all aimed at fostering a vibrant and enriching employee experience that conveys care and a sense of belonging in the workplace.

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Employee Activities

"3+1 Vitality Month" Campaign

First Yadea Singing Competition

"Stay Passionate, Have Fun" — The 9th Yadea Family Day

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

In terms of leave benefits, in addition to statutory public holidays in the countries and regions where our offices and facilities are located, the Group has established a Leave Management Policy that outlines various types of leave, including maternity leave、paternity leave[3]、parental leave[4]、breastfeeding leave, caregiving leave, work injury leave, bereavement leave, marriage leave, and annual paid leave. A set of corresponding rules and procedures have been developed to ensure effective implementation. Among them, the Group provides a minimum of 158 days of maternity leave and 15 days of paternity leave.

7.3 Occupational Health and Well-being

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

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

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

3 Paternity leave: When a spouse gives birth, the husband is granted paternity leave.
4 Parental leave: Husbands who meet the legal requirements for childbirth are entitled to leave for their children up to three years of age.

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

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

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

OSH Risk Assessment Stage	Description
Hazard Identification and Risk Recognition	• The Group regularly conducts OSH risk assessments to identify potential hazards in the workplace. Examples include: — Environmental Factor Identification — conducted per environmental risk identification procedures and updated annually to ensure a 100% recognition rate. — Hazard Identification — carried out in line with hazard identification and assessment procedures and updated annually to maintain 100% effectiveness.
Risk Response Planning and Action	• Develop prioritised action plans based on the severity of risks, clarify control measures, and define quantitative improvement targets. • Emergency Preparedness: — Incident Handling — follow defined procedures and conduct monthly statistical reviews of incident handling and accident occurrence to ensure rapid response. — Internal Management Reviews — conducted at least annually by senior management to evaluate implementation effectiveness.
Risk Mitigation and Preventive Improvement	• Apply control measures based on environmental risk identification and hazard assessment. Regularly update risk management programmes to ensure all high-risk factors are well controlled. • Analyse past incidents to continuously improve management processes and reduce the likelihood of reoccurrence.

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OSH Risk Assessment Stage	Description
Internal Audits and Compliance	• Internal Audits — conducted annually or as planned to address non-conformities through corrective actions, with a target completion rate of 100%. • Regulatory Compliance — conduct annual legal compliance audits to ensure adherence and implement corrective measures for any violations.
Independent Certification and Standards	• Adopt the ISO 45001:2018 standard, and regularly undergo third-party audits to ensure alignment with international OSH management requirements.
Incident and Health Monitoring	• Investigate work-related injuries, illnesses, and incidents, and prepare statistical reports via the risk management system. Monitoring includes (but is not limited to) causes of incidents, injury rate statistics, employee health check results, and tracking of improvement actions.
Employee and supply chain OSH training	• Provide targeted OSH training to employees based on identified risks, ensuring a 100% completion rate. • Regarding the supply chain, suppliers are required to meet relevant standards, and their compliance is reviewed regularly.
Supplier Compliance	• Incorporate relevant requirements into procurement and contract terms to ensure suppliers and internal teams consistently meet OSH standards. For example, ensure a 100% completion rate of safety training for contractor personnel and a 100% signing rate of contractor safety agreements.

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

Employee Health

- For different positions, the Group organises corresponding employee health checks, establishes personal health records, and assists with treatment as needed;
- We continuously improve the work environment to create a dust-free and harmless workspace, while reducing occupational hazards;
- A comprehensive hygiene management system for staff canteens is in place to ensure food safety; and
- To encourage active lifestyles, the Group organises annual employee activities such as basketball tournaments and sports games to promote health and stress relief.

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Workplace Safety

- The Group sets annual safety targets and signs responsibility agreements, establishing a safety production organisational framework that includes the Company's management, department supervisors, safety officers, and the department responsible for overseeing production safety;
- All employees are required to pass safety training upon onboarding. Only those who have passed the assessment are permitted to work;
- The Group provides personal protective equipment ("PPE") and relevant safety training to production floor employees;
- All employees are required to place their mobile phones in designated public areas within the factory premises during shifts to prevent safety incidents caused by distraction; and
- A three-tier inspection and hazard rectification system has been established.

Safety Education

- The Group organises annual safety production month activities, covering areas such as safety banners, fire drills, and training to educate all employees on safety practices;
- Each production department conducts weekly safety training sessions, combining content with real-time safety conditions to enhance employees' safety skills and awareness; and
- The Group also organises relevant employees to participate in specialized operations training and Level III safety certification courses to ensure that operators maintain valid certifications.

In the event of a production safety incident, the Group responds immediately and conducts disability assessments for affected personnel. For incidents officially recognised as work-related injuries upon investigation, the Group reimburses medical expenses and covers employees' wages during the recovery period. To minimise the likelihood of workplace injuries, the Group actively organises a variety of safety drills and occupational safety training sessions. For example, the Group regularly and irregularly conducts fire safety training sessions to educate employees on the use of fire extinguishers, fire prevention measures, and evacuation procedures. These trainings help enhance employees' awareness of fire safety and improve emergency response capabilities. During the Reporting Period, no work-related fatalities occurred within the Group. A total of 1,888 lost workdays[5] were recorded due to occupational injuries. During the Year, we further enhanced our safety protection measures, including replacing outdated components such as marking machines and cartwheels, introducing additional environmental and safety management facilities and equipment to control environmental safety compliance risks, and actively sourcing cost-effective new environmental and safety equipment resources. Through improvements in management standards and employee safety awareness, we have comprehensively elevated environmental safety management effectiveness.

[5] The total number of working days lost due to work-related injury is the work-related injury leave stated in the work-related injury determination certificate or the actual work-related injury leave that occurred.

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7.4 Talent Development and Training

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

Organisational Optimisation and Career Development Opportunities

As our business continues to grow, the Group constantly optimises its organisational structure and talent allocation. To continuously review human resources allocation and organisational operating models, we seek to establish a flexible and forward-looking talent framework. Through well-designed development arrangements, the Group provides employees in different roles with diversified career development options, attracting and retaining high potential talent.

The Human Resources Management Centre, in alignment with the Group's strategic direction, promotes talent pipeline programmes, including:

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

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

Training System and Course Diversification

To further improve the effectiveness of training, the Group continues to integrate internal resources and introduce external professional support, expanding the breadth of training topics and formats. Training content covers product and business knowledge, project management methodologies, management and leadership capabilities, quality management, and emerging technologies such as artificial intelligence and big data applications, helping employees master new technologies and respond to industry changes.

Talent Programmes and Corporate Culture Inheritance

The Group has launched customised training programmes for employees at different levels:

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

- "Starry Sky" Training Programme — focuses on developing core capabilities of overseas teams, aiming to energise the organisation and provide strong support to frontline teams.

In addition, the Group attaches great importance to the inheritance and promotion of corporate culture. Cultural orientation training is provided to new employees to help them understand the Group's core values and behavioural standards, strengthening their sense of belonging and ensuring alignment between personal goals and the Company's development direction.

Through systematic training and talent development initiatives, the Group strives to create a workplace environment rich in learning and growth opportunities, providing a stable and high-quality human resources foundation to support sustainable business development.

8 GREEN DEVELOPMENT

With the escalation of climate change and increasingly severe environmental challenges worldwide, corporate responsibility for sustainable development has emerged as a central concern across all sectors of society. As an electric vehicle manufacturer, the Group is committed to intelligent manufacturing and green innovation, continuously exploring and implementing new energy-saving and emission-reduction technologies and materials throughout the entire process — from raw material processing to production — aiming to redefine a green and healthy lifestyle centred around electric mobility.

8.1 Addressing Climate Change

In line with China's "dual carbon" goals of achieving carbon peaking by 2030 and carbon neutrality by 2060, and in full demonstration of its responsibility as a global leader in the electric two-wheeled vehicle industry, Yadea remains firmly committed to its green and low-carbon development strategy, proactively seizing opportunities in the green mobility sector and actively participating in industry exchange and collaboration. The Group strictly follows the climate-related disclosure requirements under the ESG Reporting Code, and with reference to the recommendations of IFRS S2 — Climate-related Disclosures, systematically discloses climate-related risks and opportunities, as well as corresponding management measures and plans, across four core areas: "Governance", "Strategy", "Risk Management", and "Metrics and Targets".

Climate Governance

The Group has established an ESG governance structure composed of the Board of Directors, the ESG Committee, and the ESG Working Group to coordinate the management of sustainability and climate-related matters, with clearly defined responsibilities at each level to ensure consistent policy implementation. Under the leadership of the Board, the Group ensures that major ESG-related decisions comply with applicable laws, regulations, and regulatory requirements in its operating jurisdictions, while also referencing international and domestic laws and regulations, industry standards, and best practices to develop comprehensive internal policies, procedures, and guidelines, continuously improving ESG governance and compliance to ensure business development aligns with global sustainability trends.

Where existing capabilities require enhancement, the Group arranges targeted training, introduces professional talents and engages external independent advisors to supplement professional resources, ensuring continuous optimisation and development of climate governance capabilities to address evolving climate challenges.

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Board of Directors	The highest governing body responsible for sustainability matters, providing comprehensive oversight of the Group's ESG governance.
ESG Committee	Responsible for guiding the formulation of ESG policies and strategies, identifying and assessing relevant risks, monitoring target implementation, and reviewing ESG disclosure information.
ESG Working Group	Reports to the ESG Committee and is responsible for executing specific tasks, compiling performance data, monitoring risks, and assisting in the preparation of the ESG report.

For further details, please refer to the "Board and ESG Governance Structure" section of this Report.

Climate Strategy and Risk Management

At the strategic level, Yadea has systematically integrated climate change-related risks and opportunities into its overall corporate development strategy and business decision-making framework. Aligned with China's "dual carbon" goals and informed by market trends and development directions in the new energy transportation sector, the Group coordinates product R&D, industrial deployment, and full value chain operations management.

We combine different climate scenarios to thoroughly identify and analyze the potential impacts of climate-related risks and opportunities on the Group's production operations, market positioning, and supply chain systems. Financial impact analysis is conducted concurrently to continuously strengthen the Group's capacity to respond to climate change, providing comprehensive support for our long-term sustainable development.

During the Year, the Group systematically carried out climate-related risk and opportunity assessments, focusing on four core dimensions: likelihood of occurrence, potential impact severity, corporate adaptability, and business recovery capability. Each category of climate-related risk was systematically identified and assessed, and the applicability and effectiveness of existing risk management measures were reviewed. The results of the climate risk assessment have been incorporated into the annual risk assessment and management framework and are reported to management and the Board through established procedures, providing reference for strategic planning, capital allocation, and major investment decisions. The implementation of relevant management measures is also subject to internal monitoring and audit, ensuring that risk response measures are effectively executed and continuously optimised, laying a solid foundation for the Group's long-term sustainable development.

Physical Risks	Transition Risks
Risks arising from extreme or abnormal weather events that directly disrupt economic activities. For example, droughts, floods, and other events may damage farmland, buildings, factories, or infrastructure, thereby affecting production operations.	Economic or financial risks to enterprises and asset valuations resulting from changes in policies, technologies, market sentiment, and consumer preferences during the process of addressing climate change.

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Climate Risk Categories and Scope	Potential Climate Risk	Influence Duration	Risk Level	Risk Management Measures
Acute Physical Risk	Extreme winds and storms (newly identified risk during the Year)	Short Term, Medium Term	Low	Flood and wind resistance upgrades will be implemented at the production base to enhance the factory's infrastructure's ability to withstand extreme weather. The drainage system and building structure will be optimised to reduce the impact of floods and torrential rains on the factory buildings.
	Heavy rainfall and flooding (newly identified risk during the Year)	Short Term, Medium Term	Low	Supply chain coordination mechanisms will be strengthened, and an emergency stockpiling mechanism will be established to ensure production stability. Regular emergency drills will be conducted to improve employee responsiveness and ensure rapid evacuation and minimise losses in the event of extreme weather.
Chronic physical risk	Rising average temperatures and prolonged heat (newly identified risk during the Year)	Medium Term, Long Term	Low	Promote green production and use renewable energy to reduce carbon emissions. Establish a water recycling system to increase wastewater reuse and reduce dependence on natural water resources. Implement water-saving technologies at production sites, such as cooling water recycling and rainwater harvesting systems, to reduce water consumption.
	Changes in precipitation patterns (newly identified risk during the Year)	Medium Term, Long Term	Low	Develop more weather-resistant electric vehicle products to adapt to extreme high and low temperatures and humidity variations, improving product durability. Optimise product energy management, extend battery life, and adapt to the climatic requirements of different regions.
Policy and Legal Risk	Stricter policy regulations on existing products and services	Short Term, Medium Term	Medium	Establish a dedicated compliance monitoring team: Continuously monitor domestic and international policy changes to ensure products comply with the latest regulatory requirements. Participate in standards development and industry cooperation: Actively participate in the development of electric vehicle industry standards, and cooperate with governments, regulatory agencies, and industry associations to ensure companies are prepared before policy changes occur.
	More stringent greenhouse gas emission disclosure requirements	Short Term, Medium Term	Low	Raise environmental information disclosure standards: Optimise ESG reporting content according to international standards such as the TCFD to ensure transparency and compliance. Optimise energy structure: Increase the proportion of renewable energy use, such as expanding solar photovoltaic power generation facilities, and reducing dependence on fossil fuels. Improve energy efficiency management: Upgrade production equipment to improve energy efficiency in electric vehicle production processes and reduce greenhouse gas emissions.

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Climate Risk Categories and Scope	Potential Climate Risk	Influence Duration	Risk Level	Risk Management Measures
	Carbon pricing on greenhouse gas emissions	Short Term, Medium Term	Medium	Energy-efficient upgrades to production equipment: Introducing more energy-efficient production equipment to improve energy usage efficiency. Developing more efficient battery technologies, such as solid-state batteries. Using recyclable materials to improve product recycling rates and reduce carbon intensity.
	Exposure to legal liability or litigation risk	Short Term, Medium Term	Low	Monitor changes in regulations worldwide to ensure compliance in areas such as product development, environmental protection, data privacy, and employee management. Internally review contract terms to ensure compliance with regulations and minimise potential legal disputes with suppliers, distributors, and consumers. In electric vehicle production, we strictly implement the ISO 9001 quality control system to ensure products meet domestic and international quality standards. Regarding battery technology, we strengthen safety testing to prevent accidents such as fires and explosions.
	International green trade barriers	Short Term, Medium Term	Medium	Increase the use of renewable energy, such as solar power, in the manufacturing process to reduce greenhouse gas emissions. Study the tariffs and subsidy policies of various countries for electric vehicles to select the optimal entry strategy.
Technology Risk	Expenditures for low-carbon technology transition	Short Term, Medium Term	Low	Establish a research and development centre focusing on core technologies such as battery efficiency improvement, low-carbon material applications, and smart energy management to ensure technological leadership. Develop TTFAR graphene batteries and solid-state batteries to improve energy efficiency and reduce carbon emissions per unit. Introduce a digital production management system to improve manufacturing precision and reduce energy waste. Invest in low-energy equipment and smart factory upgrades to improve energy efficiency and reduce carbon emission costs.
	Failed investments in new technologies	Short Term, Medium Term	Low	Before investing in new technologies, Yadea conducts market research, technical feasibility analysis, and competitor benchmarking to ensure that the investment aligns with the company's long-term strategy. Yadea also invests in different technologies, such as sodium-ion batteries, to avoid the significant impact of a single technology development failure on the company.

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Climate Risk Categories and Scope	Potential Climate Risk	Influence Duration	Risk Level	Risk Management Measures
	Technology operation, maintenance and labour costs (newly identified risk during the Year)	Medium Term, Long Term	Very Low	Establish a patent incentive mechanism to encourage employees to apply for patents and promote the transformation of technological achievements. Promote the IPD (Integrated Product Development) technology innovation model to improve R&D efficiency and the ability to deploy high-value patents. Establish an IP rights protection team to integrate internal and external resources, combat infringement, and protect core technologies.
Market Risk	Changes in customer behavior (newly identified risk during the Year)	Medium Term, Long Term	Low	Actively promoted technological innovation through a series of training, research, and reform activities. Have launched a process standardisation project and integrated the human and technical resources of our subsidiaries to form a professional project team, which standardised and filmed the production processes of different electric vehicle models.
Reputation Risk	Increasing stakeholder concern over negative feedback (formerly named "Corporate Reputation" in 2024)	Short Term, Medium Term	Low	Through the ISO 9001 quality control system, we ensure consistent quality control throughout the product manufacturing process. Ensure all marketing efforts comply with the relevant laws of the countries or regions where they are conducted, avoiding false or exaggerated advertising. Have established a real-time public opinion monitoring system on social media and media platforms to respond promptly to market inquiries and negative news. In the event of a crisis, we adopt immediate communication, transparent disclosure, and responsible responses to maintain brand credibility. Employ data encryption, identity verification, and a zero-trust architecture to prevent customer information leaks and cyberattacks.
	Increasingly stringent supply chain climate governance requirements (newly identified risk during the Year)	Short Term, Medium Term, Long Term	Very Low	Formulate an annual supplier visit evaluation plan, and conduct evaluations through on-site audits of suppliers' production processes, quality control, equipment maintenance and change point management to provide decision-making reference for supplier selection and supply proportion allocation. Clearly stipulate environmental and compliance standards in procurement contracts as a necessity for new supplier admissions conditions, strictly review their qualifications and require them to meet ESG-related standards. Check the ESG compliance of existing suppliers and encourage them to obtain environmental management, quality management and OSH-related certifications, such as ISO 14001, ISO 9001 and ISO 45001, and include these certifications in supplier performance evaluation.

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To assess the potential impacts of climate change on the Group's business operations and financial performance under different future pathways, the Group has adopted the scenario analysis methodology recommended by IFRS S2, applying internationally recognised climate scenario models with relevant core parameters to conduct forward-looking analyses of climate-related risks and opportunities, providing scientifically grounded and comprehensive analytical support for the Group's decision-making processes.

Considering industry characteristics and the Company's specific circumstances, the Group analyzed the governance status of climate-related risks and selected the SSP1–2.6 and SSP5–8.5 scenarios to evaluate the potential climate change risks we face under different climate pathways.

Time Horizon	In line with China's "dual carbon" target timelines, the Science Based Targets initiative ("SBTi") timeframes, and the Group's own business conditions, the scenario analysis defines short term (present to 2030), medium term (2031 to 2040), and long term (2041 to 2060).
Scenario Assumptions	• The analysis uses the year 2025 as the baseline, and assumes the locations of the Group's assets remain unchanged throughout the analysis period; • Related disclosures are made in accordance with the climate-related policies of the Hong Kong region and the SEHK's climate-related disclosure requirements; • Existing climate change mitigation policies and management measures are assumed to remain unchanged in the future — no additional or enhanced mitigation measures are introduced in the scenario analysis; and • China's mainland carbon neutrality policy targets are assumed to remain unchanged, i.e., achieving carbon neutrality before 2060.
Scenario Selection	The Group referenced the Shared Socioeconomic Pathways ("SSP") from the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report ("AR6"), selecting the SSP1–2.6 and SSP5–8.5 scenarios to analyze the physical risks that climate change may bring. Concurrently, the Group referenced the Network for Greening the Financial System ("NGFS") framework, selecting the Net Zero 2050 scenario and the Current Policies scenario to analyze transition risks.

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Climate Scenarios	Low Emissions Scenario	High Emissions Scenario
Reference Scenarios for Physical Risks	**SSP1–2.6 Scenario:** The SSP1–2.6 scenario is a relatively optimistic sustainable development pathway within the SSP framework, aimed at controlling global warming and limiting the rise in global average temperature to within 2 degrees Celsius by the end of the century. In terms of socioeconomic characteristics, SSP1–2.6 is classified as a "sustainability" pathway, emphasising sustainable economic growth and social well-being while adopting proactive emission reduction and sustainable development measures. These include the widespread adoption of low-carbon technologies, improvements in energy efficiency, advancement of clean energy, and the implementation of sustainable land use policies.	**SSP5–8.5 Scenario:** The SSP5–8.5 scenario is a highly pessimistic, high-emission development pathway within the SSP framework, representing a future driven by fossil fuel-based economic growth and insufficient climate action. Under this scenario, the global economy continues to develop rapidly, but the energy system is highly dependent on coal, oil, and natural gas, with greenhouse gas emissions rising continuously throughout the century, projecting a global average temperature increase of approximately 4 degrees Celsius or more above pre-industrial levels by 2100. Its characteristics include high energy demand, a high-carbon emission structure, limited progress in emission reduction and adaptation policies, and low reliance on low-carbon technologies and renewable energy.
Reference Scenarios for Transition Risks	**NGFS Below 2ºC by 2050 Scenario:** This is an orderly transition scenario that assumes the global community accelerates the energy transition through early and stringent climate policies, regulatory measures, and technological innovation, limiting the global average temperature rise to below 2 degrees Celsius (approximately 1.5–2°C) and achieving global net-zero CO_2 emissions around 2050.	**NGFS Current Policies Scenario:** This scenario assumes that only currently implemented policies are maintained, with no further climate action taken. The estimated global temperature increase by the end of the century is 3 degrees Celsius. Under this scenario, fossil fuels would still account for approximately 67% of total primary energy supply in 2050.

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The Group referenced and benchmarked against the latest research findings and scenario assumptions from authoritative international bodies such as the IPCC, the International Energy Agency ("IEA"), and NGFS to build a climate scenario analysis data model. Under different scenarios, the Group assessed and analyzed the magnitude of impacts arising from identified transition risks, physical risks, and potential opportunities. The key findings are summarised in the table below.

Climate Risk Categories and Scope	Potential Climate Risk	Degree of impact 2025	Low Emissions Scenario			High Emissions Scenario		
			Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term
Acute Physical Risk	Extreme winds and storms	Low	Low	Medium	Medium	Medium	Medium	Medium
	Heavy rainfall and flooding	Low	Low	Low	Low	Low	Low	Low
Chronic Physical Risk	Rising average temperatures and prolonged heat	Medium	Medium	High	Very High	Medium	Medium	Medium
	Changes in precipitation	Low	Low	High	Very High	Low	Low	Low
Policy and Legal Risk	Stricter policy regulations on existing products and services	Medium	Medium	High	Very High	Medium	Medium	Medium
	More stringent greenhouse gas emission disclosure requirements	Low	Low	Medium	Very High	Low	Low	Low
	Carbon pricing on greenhouse gas emissions	Medium	Medium	Medium	Medium	Medium	Medium	High
	Exposure to legal liability or litigation risk	Low	Low	Low	Medium	Medium	Medium	High
	International green trade barriers	Low	Low	Low	Medium	Low	Medium	High
Technology Risk	Expenditures for low-carbon technology transition	Very Low	Very Low	Low	High	Very Low	Very Low	Very Low
	Failed investment in new technologies	Low	Low	Medium	Medium	Medium	Medium	High
	Technology operation, maintenance and labour costs	Low	Low	Medium	Medium	Medium	Medium	High
Market Risk	Changes in customer behavior	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Very Low

Building on the climate scenario analysis, the Group further conducted a climate-related financial impact analysis to assess the potential impacts of identified climate risks and opportunities on the Group's overall financial performance under different climate scenarios, providing management with a basis for evaluating impacts and making prudent decisions.

Climate Risk/ Opportunity Category	Potential Climate Risk/Opportunity	Financial Impact Analysis
Acute Physical Risk	Extreme winds and storms	Operating Costs: May increase due to repair and reconstruction expenses incurred from damage to production facilities and warehousing facilities, as well as additional logistics costs resulting from delays in the delivery of raw materials and products. Inventory Turnover: May decrease due to inventory damage and delivery delays, leading to reduced inventory turnover efficiency. Operating Revenue: May experience a short-term decline due to order fulfillment disruptions and inability to meet customer demand in a timely manner.
	Heavy rainfall and flooding	Fixed asset impairment losses: Significant impairment provisions may be required due to damage to production equipment, plant, and warehousing facilities. Non-operating expenses: Additional expenses may arise from emergency response and asset disposal, directly impacting current profit. Accounts receivable turnover: The turnover rate may slow down due to delayed payments from downstream customers affected by disasters.
Chronic Physical Risk	Rising average temperatures and prolonged heat	Manufacturing costs: May increase due to increased energy consumption for equipment cooling and workshop temperature control, as well as a higher frequency of equipment malfunctions and repairs. Operating profit: May decrease due to reduced production efficiency and higher product defect rates, leading to lower gross profit per unit. Administrative expenses: May increase due to increased expenditures on employee heat allowances and OSH protection.
	Changes in precipitation patterns	Operating Costs: Supply chain disruptions due to extreme rainfall may increase raw material procurement costs and emergency logistics costs. Inventory Holding Costs: Water shortages due to drought may increase warehousing and capital tied up in inventory. Operating Revenue: May experience a temporary decline due to fluctuations in regional market demand (such as reduced end-consumer spending during the rainy season).

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Climate Risk/ Opportunity Category	Potential Climate Risk/Opportunity	Financial Impact Analysis
Policy and Legal Risk	Stricter policy regulations on existing products and services	R&D Expenses: R&D investment may increase significantly due to the need to upgrade products to meet new environmental standards. Operating Costs: Operating costs may increase due to rising environmental compliance costs (such as upgrades to pollutant treatment equipment). Gross Profit Margin: Gross profit per unit may decrease because compliance costs may not be fully passed on to downstream customers.
	More stringent greenhouse gas emission disclosure requirements	Administrative expenses: Additional costs may arise from establishing a carbon emissions accounting system and engaging contractors or organisations for verification. Financial expenses: Financing costs may increase due to insufficient disclosure of carbon emissions information (e.g., higher green loan interest rates). Operating profit: Penalties for non-compliance may directly reduce current profit.
	Carbon pricing on greenhouse gas emissions	Operating Costs: Production costs may increase directly due to the purchase of carbon emission allowances or the payment of carbon taxes. Net Profit: Net profit may decrease after-tax due to the inability to fully pass on carbon costs to consumers. Capital Expenditures: Upgrading and retrofitting low-carbon equipment may increase long-term capital expenditure pressure.
	Exposure to legal liability or litigation risk	Non-operating expenses: Litigation costs and fines may directly increase expenses, eroding current profits. Administrative expenses: Additional compliance costs may arise from hiring lawyers and responding to investigations. Accounts receivable: Damage to brand reputation may lead to customer loss, making accounts receivable collection more difficult.
	International green trade barriers	Selling Expenses: Additional certifications and testing required for exported products may increase marketing and compliance costs. Operating Revenue: Reduced overseas orders due to tariff barriers may lead to a decline in export revenue. Inventory Turnover: Export disruptions may result in overseas warehouse inventory buildup, reducing inventory turnover efficiency.

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Climate Risk/ Opportunity Category	Potential Climate Risk/Opportunity	Financial Impact Analysis
Technology Risk	Expenditures for low-carbon technology transition	Capital Expenditure: Long-term capital investment may increase significantly due to the purchase of new energy equipment and production line upgrades. Existing Costs: Fixed costs may rise in the future due to the depreciation and amortisation of newly added low-carbon equipment. Financial Expenses: Interest expenses incurred from transformation financing may increase the financial burden.
	Failed investments in new technologies	Research and development expenses: Sunk costs that may arise from the termination of research and development projects are directly included in current profit or loss. Impairment losses: Impairment may be recognised due to failed technology, equipment, patents, and other intangible assets. Operating profit: May be affected by declining product competitiveness and shrinking market share due to lag in repeated technology calculations.
	Technology operation, maintenance and labour costs	Manufacturing costs: The high complexity of operating low-carbon equipment may increase maintenance and spare parts replacement costs. Administrative costs: These may increase due to higher salaries and training expenses for the professional technical team. Operating profit: Profit margins may be squeezed due to continuously rising operating costs.
Market Risk	Changes in customer behavior	Operating Revenue: Product sales may decline as consumers shift towards lower-carbon competitors. Sales Expenses: Increased marketing investment may result from promoting green-certified products and reshaping brand image. Gross Margin: Initially, gross margins may be lower due to higher R&D and production costs for low-carbon products.

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Climate Risk/ Opportunity Category	Potential Climate Risk/Opportunity	Financial Impact Analysis
Reputation Risk	Increasing stakeholder concern over negative feedback	Sales Expenses: Additional marketing expenditure may arise due to crisis in public relations and brand repair. Operating Revenue: Revenue may decline in the short term due to lost orders caused by decreased customer trust. Financing costs: May rise due to reduced investor confidence caused by reputational damage.
	Increasingly stringent supply chain climate governance requirements	Operating Costs: Raw material procurement prices may increase due to suppliers' low-carbon transition. Inventory Turnover: Raw material supply delays may occur due to limited supplier capacity, leading to slower inventory turnover. Operating Profit: Production planning may be disrupted due to supply chain instability, affecting delivery efficiency.

Based on the above climate scenario analysis and financial impact assessment, under both low-emission and high-emission scenarios, climate-related risks may have varying degrees of impact on operating costs, capital expenditure, and market demand, but are not expected to have a material adverse impact on the Group's going-concern viability. The Group believes it can adjust and optimise its business strategies to address the challenges posed by climate change in the short, medium, and long term. We will continue to monitor policy, technology, and market developments, and review and adjust our development strategies and business models as appropriate to enhance our overall adaptability to the uncertainties of climate change.

Climate Metrics and Targets

During the Year, the Group commenced greenhouse gas emission inventory work, covering the main operating locations of the Company and its subsidiaries across Scope 1, Scope 2, and major Scope 3 emission sources, with the emission accounting boundary and methodological framework established in accordance with the internationally recognised *GHG Protocol*. The relevant data is currently undergoing ongoing collection and calculation, and data accuracy and coverage will be progressively improved.

In terms of emission reduction targets, the Group is studying and formulating medium-to-long-term greenhouse gas reduction targets in alignment with national "dual carbon" policy directions and industry development trends, while evaluating the impact of different emission reduction pathways on operating costs, technology upgrades, and capital investment. Going forward, the Group will gradually establish a climate performance management system centred on emission intensity and total volume controls and explore incorporating emission reduction targets into strategic planning and performance assessment frameworks.

The Group will continue to improve its climate-related metrics framework, progressively enhancing climate data management capabilities and transparency to lay a solid foundation for achieving its green and low-carbon transition.

8.2 Environmental Management System

To regulate environmental protection and OSH practices across its operations, business activities, personnel, and services — with the goals of reducing environmental pollution, conserving resources, implementing risk management and prevention, eliminating potential hazards, and safeguarding employee occupational health — the Group has developed the Environmental and Occupational Health & Safety ("EHS") Management Manual in accordance with ISO 14001:2015 *Environmental Management Systems — Requirements with Guidance for Use* and ISO 45001:2018 *Occupational Health and Safety Management Systems — Requirements with Guidance for Use*, tailored to its actual operating conditions.

Title	"EHEHS Management Manual"
Applicable Scope	The design and production of electric vehicles at the Company and its subsidiary production bases, as well as related environmental and OSH management activities.
Management Boundary	The Group's daily production operations, business facilities, specific products and services, distribution logistics, waste management, and environmental management requirements for the supply chain and distributors.
Purpose	To provide a comprehensive and concise description of the Group's environmental and OSH policies, targets, performance indicators, organisational structure, assigned responsibilities, and other core elements essential for the establishment and effective operation of the management system.

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

1. Assume responsibility for the effectiveness of the EHS management system and bear full responsibility for protecting employees' work-related health and safety;
2. Ensure that the policies, targets, and performance of the EHS management system are established and aligned with the organisation's context and strategic direction;
3. Ensure that EHS requirements are integrated into the organisation's business processes;
4. Ensure the availability of resources necessary for the implementation and maintenance of the EHS management system;
5. Communicate the importance of effective EHS management and compliance with the system's requirements;
6. Ensure the achievement of intended outcomes of the EHS management system;
7. Lead and support employees in contributing to the effectiveness of the EHS management system;

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8. Promote continuous improvement;

9. Support other relevant managers in demonstrating leadership within their areas of responsibility;

10. Ensure active participation of employees and their representatives by encouraging consultation, identifying barriers to participation, and systematically removing them;

11. Ensure and promote continuous improvement of the EHS management system by systematically identifying and addressing non-conformities, opportunities, and work-related hazards and risks, including system deficiencies, to enhance OSH performance; and

12. Cultivate, guide, and advocate for a strong EHS culture throughout the organisation.

The Group has systematically established and continuously improved its *Environmental and Occupational Health & Safety Management System*. Under this framework, the Group places particular emphasis on advancing environmental management, rigorously establishing, implementing, maintaining, and continuously improving the system in accordance with international standards, ensuring that all requirements are effectively implemented and documented. Specific practices are as follows:

Identify applicable environmental protection laws, regulations, and other requirements, and systematically evaluate all activities and processes based on these requirements. Through the identification and evaluation of environmental factors, identify significant environmental factors and develop environmental objectives, performance indicators, and management plans accordingly to ensure that operations comply with regulations and achieve continuous improvement.

Environmental management requirements are fully integrated into core business processes, including design and development, production, procurement and operation. At the same time, the company's natural environment, geographical location and the environmental expectations of stakeholders are fully considered and these issues are incorporated into the management system.

Clearly define the responsibilities of each department in environmental management, formulate corresponding procedural documents, control operational processes that may have environmental impacts, evaluate environmental performance through regular monitoring and measurement, and take timely corrective and preventive measures to promote the continuous optimisation of environmental performance.

The company maintains and continuously improves its environmental management system, and formulates an annual environmental management work plan at the end of each year, coordinating internal audits, management reviews, and environmental training, and incorporating them into the company's overall annual plan.

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The Group has obtained ISO 14001 Environmental Management System international certification, and the relevant certification information has been publicly disclosed. The certification covers the following production and operation bases: Wuxi, Tianjin, Guangdong, Zhejiang, Anhui, Chongqing, and Vietnam, demonstrating that the Group's environmental management practices meet internationally recognised best standards.

ISO 14001 Environmental Management System Certification

Certification of Wuxi, Tianjin, Guangdong Bases

Certification of Zhejiang Base

Certification of Anhui Base

Certification of Chongqing Base

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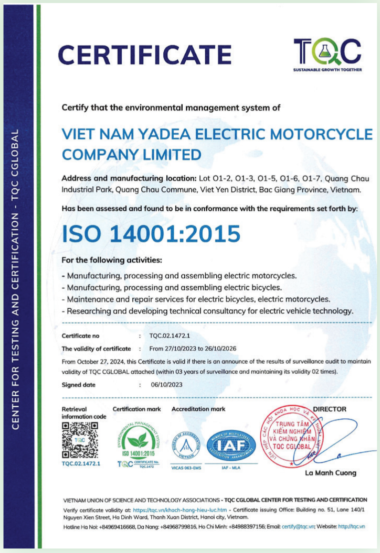
ISO 14001 Environmental Management System Certification



CENTER FOR TESTING AND CERTIFICATION - TQC CGLOBAL

CERTIFICATE

TQC
SUSTAINABLE GROWTH TOGETHER

Certify that the environmental management system of

VIET NAM YADEA ELECTRIC MOTORCYCLE COMPANY LIMITED

Address and manufacturing location: Lot O1-2, O1-3, O1-5, O1-6, O1-7, Quang Chau Industrial Park, Quang Chau Commune, Viet Yen District, Bac Giang Province, Vietnam.

Has been assessed and found to be in conformance with the requirements set forth by:

ISO 14001:2015

For the following activities:

- Manufacturing, processing and assembling electric motorcycles.
- Manufacturing, processing and assembling electric bicycles.
- Maintenance and repair services for electric bicycles, electric motorcycles.
- Researching and developing technical consultancy for electric vehicle technology.

Certificate no : TQC.02.1472.1
The validity of certificate : From 27/10/2023 to 26/10/2026
From October 27, 2024, this Certificate is valid if there is an announce of the results of surveillance audit to maintain validity of TQC CGLOBAL attached (within 03 years of surveillance and maintaining its validity 02 times).
Signed date : 06/10/2023

Retrieval information code: TQC.02.1472.1
Certification mark: ISO 14001:2015 TQC CERTIFICATE No. TQC.1472
Accreditation mark: VICAS 063-EMS; IAF - MLA
DIRECTOR
TRUNG TÂM KIỂM NGHIỆM VÀ CHỨNG NHẬN TQC CGLOBAL
La Manh Cuong

VIETNAM UNION OF SCIENCE AND TECHNOLOGY ASSOCIATIONS - TQC CGLOBAL CENTER FOR TESTING AND CERTIFICATION
Verify certificate validity at: https://tqc.vn/khach-hang-hieu-luc.htm - Certificate issuing Office: Building no. 51, Lane 140/1 Nguyen Xien Street, Ha Dinh Ward, Thanh Xuan District, Hanoi city, Vietnam.
Hotline Ha Noi: +84969416668, Da Nang: +84968799816, Ho Chi Minh: +84988397156; Email: certify@tqc.vn; Website: http://tqc.vn

Certification of Vietnam Base

8.3 Resource Use Management

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

The Group has fully integrated the philosophy of energy conservation and carbon reduction into its production and daily operations. Through systematic management, technology upgrades, and behavioural advocacy, the Group continuously improves resource utilisation efficiency and advances its green and low-carbon transition. Through multidimensional and systematic measures, the Group has steadily progressed in energy conservation, consumption reduction, and low-carbon transition while maintaining operational efficiency, striving to achieve coordinated progress between business development and environmental protection.

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Water and Electricity Resource Management	• Water Resource Management: The Group applies the PDCA (Plan-Do-Check-Act) model to diagnose abnormal water usage, continuously driving production process optimisation and water recycling. By upgrading water-saving equipment, conducting regular inspections, phasing out outdated facilities, and raising employee awareness through training campaigns, the Group comprehensively improves water use efficiency. During the Reporting Period, the Group's water supply remained stable with no major issues identified. • Electricity and Energy Management: Regular inspections and preventive maintenance are conducted on power distribution facilities, and energy consumption assessments are performed for newly installed equipment. In office areas, standardised air conditioning temperature controls are implemented (no higher than 20ºC in winter and no lower than 26ºC in summer) to reduce electricity consumption in daily operations. Ground-source heat pump systems have been newly installed and upgraded to lower electricity usage.
Clean Energy Adoption	• Expanding Renewable Energy Use: The Wuxi and Zhejiang production bases continue to operate photovoltaic ("**PV**") power generation systems, and the Group actively collaborates with external partners to develop PV power stations. The PV project at the Anhui production base was commissioned during the Reporting Period, further expanding the Group's green energy coverage. Going forward, the Group will continue to advance PV, energy storage, and other projects to reduce reliance on purchased electricity and lower carbon emissions.
Smart System Monitoring	• Smart Energy Monitoring Systems: Smart energy monitoring platforms have been deployed at the Wuxi, Zhejiang, and Anhui production bases, enabling real-time data monitoring and analysis for refined electricity management. • Energy Management Systems: The Tianjin base has established an energy management system and formed an energy management team that uses online system monitoring and daily inspections to prevent energy waste and promptly identify leaks and losses.
Low-Carbon Production Requirements	• Equipment Electrification: Currently, 90% of forklifts in workshops have been replaced with electric models, and the Group plans to fully replace all fuel-powered forklifts in the future to reduce fossil fuel consumption in production processes. • Production Process Optimisation: Each production base implements energy-saving improvements tailored to local conditions. For example, the Jiangsu base reduces natural gas consumption by shutting down paint-curing ovens early and utilising residual heat for drying components.

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Green Office and Green Transportation	• Reducing Paper Consumption: The Group actively promotes paperless operations and digital transformation, implementing double-sided printing, ink cartridge reuse, and widespread adoption of electronic financial systems, shared platforms, and digital conferencing systems. • Resource Recycling: Paper reuse is encouraged and packaging materials are continuously optimised to reduce overall environmental impact. Bare vehicle delivery is promoted to reduce packaging usage. • Promoting Green Transportation: Employees are encouraged to use electric vehicles and public transportation, reduce the frequency of business vehicle use, and participate in carpooling initiatives to lower transportation-related carbon emissions.

Case Study:
Green and Low-Carbon Operations at the Wuxi Factory — PV Power Generation Results

The Group's production factory in Wuxi City, Jiangsu Province, actively supports China's "dual carbon" goals and promotes green and low-carbon operations. The factory makes full use of rooftop space and available areas across its premises to install high-efficiency PV power generation systems. During the Reporting Period, the Wuxi factory's PV system cumulatively supplied approximately 4.20 million kWh of green electricity, accounting for 74.6% of the factory's total annual electricity consumption, delivering significant environmental benefits.

Wuxi Factory PV Installation

8.4 Product Carbon Footprint

To actively and prudently advance carbon peaking and carbon neutrality, promote green and low-carbon industries, and encourage sustainable consumption, during the Reporting Period, the Group engaged an independent third-party verification agency to systematically conduct product carbon footprint accounting and third-party certification for three models of electric two-wheeled motorcycles. The assessment was based on the international standard ISO 14067:2018 *Greenhouse Gases — Carbon Footprint of Products — Requirements and Guidelines for Quantification*, combined with the national standard GB/T 24067–2024 *Greenhouse Gases — Requirements and Guidelines for Quantification of Product Carbon Footprint*, achieving precise quantification and evaluation of greenhouse gas emissions across the full product life cycle.

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Product carbon footprint accounting and verification serves as an important vehicle for effective communication between the Group and stakeholders across all stages of the product supply chain, playing a key supporting role in driving greenhouse gas emission reductions throughout the entire supply chain. The relevant stakeholders span a wide range, including the Group's internal management and other personnel, as well as external stakeholders such as upstream suppliers, downstream purchasers, and local governments.

The Group's product carbon footprint accounting and verification process is underpinned by the Life Cycle Assessment ("LCA") methodology. The implementation covers four core stages: defining the assessment goal and scope, compiling an inventory of all inputs and outputs across the product system, evaluating the potential environmental and social impacts associated with these inputs and outputs, and interpreting the results of inventory analysis and impact assessment in accordance with the study's objectives. A detailed description of the Group's methodology and practical procedures is provided in the table below.

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

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During the Reporting Period, the product carbon footprint labeling certificates obtained by the Group are as follows.

Electric Bicycle Model TDT3282Z — Product Carbon Footprint Labeling Certificate

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

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

8.5 Pollution Management

The Group's operations generate several key emissions, including wastewater, air pollutants, and non-hazardous and hazardous solid waste. To ensure that all emissions comply with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law on the Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China*, and the *Environmental Impact Assessment Law of the People's Republic of China*, and meet applicable national standards including the *Integrated Wastewater Discharge Standard (GB 8978–1996)*, the *Ambient Air Quality Standard (GB 3095–2012)*, and the *Acoustic Environment Quality Standard (GB 3096–2008)*. The Group has established and continuously improved a comprehensive set of internal regulations and policy guidelines. Under this framework, each production base has developed standardised management processes, operating standards, and emergency response plans for the "three wastes" (wastewater, waste gas, and solid waste) and noise emissions. These include, but are not limited to, the "Exhaust Gas Management and Control Procedures", "Wastewater Management and Control Procedures", "Solid Waste Management and Control Procedures", "Noise Management and Control Procedures", "Hazardous Waste Emergency Response Plan", and "Hazardous Waste Prevention and Control System". For various pollutant emissions, all of the Group's production bases are staffed with personnel holding professional qualifications in health, safety, and environmental management, who strictly implement emission treatment procedures in accordance with relevant systems and regulations.

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

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The major categories of emissions generated from the Group's operations are summarised below.

Major Categories of Emissions	
Wastewater • Domestic sewage • Wastewater generated from volatile organic compound (VOC) recovery processes	**Exhaust Gas** • Industrial exhaust gas generated from painting processes • Fume emissions from canteen operations
Non-hazardous Solid Waste • Packaging waste materials	**Hazardous Solid Waste** • Solvents, thinners, paint residues, waste activated carbon, sludge, and other hazardous substances generated during production processes

Wastewater Discharge and Treatment

To ensure that wastewater meets discharge standards and to protect the ecological environment surrounding its production bases, the Group conducts monthly sampling and testing of rainwater and wastewater at each base, with third-party agencies providing formal testing reports to continuously monitor discharge water quality.

In its production processes, the Group actively promotes sustainable water resource management, employing advanced technologies and management practices to improve water use efficiency. Specific measures include:

- Implementing water conservation plans across all operating facilities, including process water optimisation and reduction of non-essential water use;
- Promoting water recycling technologies to increase wastewater treatment and reuse rates; and
- Setting clear water resource management targets and regularly tracking and evaluating water efficiency performance.

Case Study: Huayu Production Base Introduces Recycled Cooling Water System

The Huayu production base in Anhui Province has effectively reduced water consumption in its production processes through the introduction of a recycled cooling system. The system enables internal water recovery and recycling, significantly reducing direct discharge volumes and achieving year-on-year decreases in water consumption per unit of output. In addition, the base operates an on-site wastewater treatment station, where production wastewater is treated before being discharged to the industrial park's central treatment facility. For discharge management, the base adopts a "one enterprise, one pipeline" system, complemented by online monitoring to ensure real-time compliance with relevant discharge standards.

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Air Emissions Management

To ensure ongoing compliance with air emission regulations, the Group has established a monitoring and management framework, with each production base conducting monthly air emission testing as required. At the operational level, each production department is responsible for executing standardised procedures, including regular cleaning and maintenance of exhaust gas pipelines. In addition, daily records of environmental protection facility operations are maintained, covering noise and odour controls, key operating parameters, system efficiency, and protective equipment status, ensuring the entire exhaust gas treatment system operates in a stable and efficient manner.

Waste Disposal and Management

To prevent environmental pollution from hazardous waste and chemicals, protect human health and ecological safety, and promote sustainable development, the Group has developed a series of internal policies in accordance with the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Regulations on the Safety Management of Hazardous Chemicals*, and other applicable laws and regulations. These include the "Waste Management Measures", "Environmental Safety Hazard Investigation and Rectification System", "Hazardous Waste Pollution Prevention and Control Responsibility System", and "General Solid Waste Management System".

Meanwhile, the Group strengthens waste disposal and management effectiveness through employee training, waste classification and recycling, and landfill reduction measures, among other initiatives.

Measures to Strengthen Waste Disposal and Management

1. Implement integrated recycling programmes to improve resource recycling rates;
2. Actively reduce the total volume of waste sent to landfills;
3. Ensure that all waste disposal methods comply with environmental sustainability requirements;
4. Provide regular waste reduction training for employees to enhance environmental awareness; and
5. Engage independent certification bodies to monitor the compliance and effectiveness of waste management practices.

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9 GIVING BACK TO SOCIETY

The Group actively fulfills its corporate social responsibility and remains committed to giving back to society. We firmly believe that the value of a company lies not only in its business achievements, but also in its tangible contributions to the community. To this end, our efforts span multiple dimensions — from community outreach and emergency relief to public safety collaboration. Whether it is showing care for frontline workers who serve our communities, responding swiftly in times of crisis, or applying our expertise in technology to promote lasting social well-being, we translate our commitment to public welfare into concrete action through financial donations, material support, community services, and technical collaboration, providing genuine assistance to those in need and working closely with community organisations to embed social responsibility into every stage of the Group's development.

Community Care: Warmth in Winter — Honoring the Guardians of Our Cities

In fulfilling its corporate social responsibility, Yadea brings the warmth of the brand to frontline community workers through genuine care. In early 2025, as the Spring Festival travel rush began, countless police officers, healthcare workers, sanitation workers, and delivery riders — the "contemporary guardians" of our cities — braved the cold to keep cities running. Yadea's offline stores voluntarily launched a tribute campaign, offering practical "Winter Warmth Packs" to these unsung heroes, while setting up cosy "Rest Corners" within stores where they could warm up and take a break. Through these actions, Yadea put into practice its promise: "you protect the city, we protect you".

This warmth created a touching ripple effect. For example, traffic police in Ganzhou, upon receiving the gifts, proactively shared most of them with others in need around them, turning the charitable campaign into a relay of kindness that carried the company's goodwill to even more corners of the community. This effort was not merely material support, but a way of amplifying positive social impact — a reflection of the care for communities and people at the heart of Yadea's brand vision to "Enable hundreds of millions of people to enjoy pleasant travel".

Through such grassroots community initiatives, Yadea turns ESG principles into something people can feel, demonstrating the Company's firm commitment to giving back to society and standing alongside its communities while pursuing business growth.

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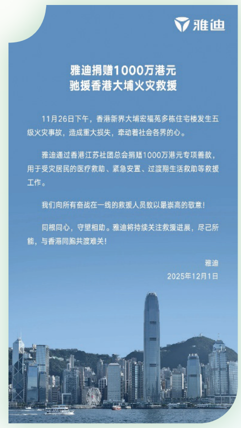

Emergency Aid: Swift Donation in Support of Tai Po Fire Relief

On the afternoon of 26 November 2025, a No. 5 alarm fire broke out across multiple residential blocks at Wang Fuk Court in Tai Po, New Territories, Hong Kong, resulting in significant losses and leaving the community in urgent need of rescue and rebuilding support. In the wake of the incident, all sectors of society rallied to help. The Group responded promptly by donating HKD10 million in dedicated relief funds through the Federation of Jiangsu Community Organisations in Hong Kong, to fully support post-disaster rescue operations and the resettlement of affected residents.

The donation was directed toward several critical areas, including medical assistance for affected residents, emergency temporary accommodation, daily necessities, and transitional living support, with the aim of alleviating both the immediate impact and longer-term burden of the fire on residents. We also extend our deepest respect to all rescue personnel who worked tirelessly on the frontlines, and express our gratitude for their selfless dedication in times of crisis.

This response reflects the Group's long-standing spirit of solidarity and mutual support, as well as its commitment to fulfilling corporate social responsibility and integrating into the local community. We believe that, beyond creating economic value, a company should step forward when society is in need, harnessing its resources and organisational strengths to help communities overcome adversity together.

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Safety Collaboration: Technology-Driven Policing Partnerships for a Safer Society

In its corporate social responsibility practice, Yadea applies its technological expertise in the electric two-wheeled vehicle sector to the field of public services, working in close partnership with law enforcement to extend the concept of safety from products to broader social well-being, building a distinctive model of collaborative social governance.

Since 2023, Yadea police vehicles have become an integral part of the safety assurance operations at numerous marathons and sporting events across China. At the Wuyuan Marathon on 30 November 2025, Yadea provided full-event support for the third consecutive year. From pre-race patrols and emergency response to logistics transport and crowd management, Yadea police vehicles — with their distinctive fighter-jet-inspired design and reliable performance — formed a “quiet yet dependable” mobile safety line, effectively increasing police visibility and the overall sense of security at the event and ensuring its safe and smooth operation.

However, Yadea’s “safety marathon” extends far beyond the racecourse. The Company has long served as a “technology partner” to law enforcement, bringing safety to the wider streets and neighborhoods of society. As an industry pioneer, Yadea has collaborated with authorities in over 700 cities and counties nationwide to promote the “One Helmet, One Belt” road safety campaign, donating over 800,000 safety helmets to date. We have also hosted more than 1,000 traffic safety public welfare events, helping to embed a safety culture within the communities.

We firmly believe that safety is a marathon with no finish line. The Group will continue to draw on its products and technology to strengthen police-enterprise collaboration, contributing sustained corporate efforts toward building a safer and more harmonious traffic environment for society.

10 DATA AND INDEXES

10.1 ESG Data Summary

Environmental Data: Electric Two-wheeled Vehicles and Accessories

Environmental Data		
Indicator	**Unit**	**2025**
Wastewater Discharge		
Total Wastewater Discharge[6]	Tonnes	376,253.24
Total Chemical Oxygen Demand (COD) in Wastewater	Tonnes	48.61
Air Pollutant Emissions[7]		
Total Particulate Matter Emissions	Tonnes	0.01
Total Nitrogen Oxides (NOx) Emissions	Tonnes	1.73
Total Sulfur Dioxide (SO_2) Emissions	Tonnes	1.04
Total Carbon Monoxide (CO) Emissions	Tonnes	0.35
Waste		
Total Hazardous Waste Generation	Tonnes	2,319.60
Intensity of Hazardous Waste Generation	Tonnes per RMB1,000 of revenue	0.0001
	Tonnes per 1,000 electric vehicles	0.14
Total Non-Hazardous Waste Generation	Tonnes	711,423.78
Intensity of Non-Hazardous Waste Generation	Tonnes per RMB1,000 of revenue	0.0201
	Tonnes per 1,000 electric vehicles	43.75
Energy		
Total Comprehensive Energy Consumption	MWh	139,855.46
Energy Consumption Intensity	MWh per RMB1,000 of revenue	0.004
	MWh per 1,000 electric vehicles	8.60
Total Purchased Electricity	MWh	82,699.37
Electricity Generated from Photovoltaic (PV) Systems	MWh	15,177.98
Total Gasoline Consumption	10,000 Liters	6.56
Total Diesel Consumption	10,000 Liters	0.84
Total Natural Gas Consumption	10,000 m^3	521.87
Total Liquefied Petroleum Gas Consumption	Tonnes	1.96

6 During the Reporting Period, wastewater discharge from the electric vehicle production base included industrial wastewater discharge and domestic sewage discharge.

7 During the Reporting Period, air pollutant emissions from electric vehicle production bases came from natural gas emissions from industrial stationary sources and gasoline and diesel emissions from road mobile sources. The calculation factors referenced the Ministry of Ecology and Environment of the People's Republic of China's "Handbook for Calculating Emission Coefficients from Boilers," "Handbook for Emission Coefficients from Domestic Pollution Sources," and "Technical Guidelines for Compiling the List of Air Pollutant Emissions from Road Motor Vehicles (Trial)."

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Environmental Data		
Indicator	**Unit**	**2025**
Water Resources		
Total Water Consumption	10,000 m^3	82.40
Water Consumption Intensity	10,000 m^3 per RMB1,000 of revenue	0.000002
	10,000 m^3 per 1,000 electric vehicles	0.005
Packaging Materials		
Total Packaging Materials Consumption	Tonnes	226.00
Packaging Materials Consumption Intensity	Tonnes per RMB1,000 of revenue	0.000006
	Tonnes per 1,000 electric vehicles	0.01
Greenhouse Gas Emissions		
Scope 1 and Scope 2 Greenhouse Gas (GHG) Emissions	Tonnes of CO_2 equivalent	56,379.65
Scope 1 and Scope 2 GHG Emission Intensity	Tonnes of CO_2 equivalent per RMB1,000 of revenue	0.0016
	Tonnes of CO_2 equivalent per 1,000 electric vehicles	3.47
Scope 1 GHG Emissions[8]	Tonnes of CO_2 equivalent	12,278.26
Scope 2 GHG Emissions[9]	Tonnes of CO_2 equivalent	44,101.39
Scope 3 GHG Emissions[10]	Tonnes of CO_2 equivalent	2,589,339.08

8 During the Reporting Period, greenhouse gas emissions from the electric vehicle production base mainly originated from natural gas emissions from stationary sources used in industry and daily life, gasoline and diesel emissions from mobile sources used on roads, and fugitive emissions from fire extinguishers and refrigerants. Emission factors were referenced from the National Development and Reform Commission of the People's Republic of China's "Guidelines for Greenhouse Gas Emission Accounting and Reporting Methods for Enterprises in Other Industrial Sectors" and "Guidelines for Greenhouse Gas Emission Accounting and Reporting Methods for Land Transportation Enterprises (Trial Implementation)," and the Intergovernmental Panel on Climate Change's Sixth Assessment Report.

9 During the Reporting Period, greenhouse gas emissions from electric vehicle production bases primarily originated from indirect emissions from purchased electricity. Emission factors were referenced from the 2023 National Electricity Carbon Dioxide Emission Factors issued by the Ministry of Ecology and Environment of the People's Republic of China.

10 During the reporting period, the Scope 3 greenhouse gas emissions of the electric vehicle manufacturing base mainly originated from the energy consumption of transportation vehicles used for delivering production materials, office supplies, canteen supplies, waste, and products; emissions generated by employee business travel; embodied emissions from materials involved in the production process; and emissions from waste treatment. The emission factors are based on the "China Product Life Cycle Greenhouse Gas Emission Factors Database" and the "UK Government GHG Conversion Factors for Company Reporting (2025)".

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Environmental Data: Batteries and Electric Drives

Environmental Data		
Indicator	**Unit**	**2025**
Wastewater Discharge		
Total Wastewater Discharge[11]	Tonnes	**348,016.80**
Total Chemical Oxygen Demand (COD) in Wastewater	Tonnes	**6.91**
Air Pollutant Emissions[12]		
Total Particulate Matter Emissions	Tonnes	**0.63**
Total Nitrogen Oxides (NOx) Emissions	Tonnes	**4.68**
Total Sulfur Dioxide (SO_2) Emissions	Tonnes	**0.43**
Total Carbon Monoxide (CO) Emissions	Tonnes	**2.99**
Waste		
Total Hazardous Waste Generation	Tonnes	**36,764.70**
Intensity of Hazardous Waste Generation	Tonnes per RMB1,000 of revenue	**0.0049**
	Tonnes per 1,000 battery units	**1.01**
Total Non-Hazardous Waste Generation	Tonnes	**328.90**
Intensity of Non-Hazardous Waste Generation	Tonnes per RMB1,000 of revenue	**0.00004**
	Tonnes per 1,000 battery units	**0.009**
Energy		
Total Comprehensive Energy Consumption	MWh	**270,798.26**
Energy Consumption Intensity	MWh per RMB1,000 of revenue	**0.04**
	MWh per 1,000 battery units	**7.46**
Total Purchased Electricity	MWh	**250,859.91**
Total Purchased Steam	Tonnes	**11.00**
Electricity Generated from Photovoltaic (PV) Systems	MWh	**5,368.02**
Total Gasoline Consumption	10,000 Liters	**1.37**
Total Diesel Consumption	10,000 Liters	**15.71**
Total Natural Gas Consumption	10,000 m^3	**168.30**

11 During the Reporting Period, wastewater discharge from the battery production base included industrial wastewater discharge and domestic sewage discharge.

12 During the Reporting Period, the sources of air pollutant emissions from the battery production base included natural gas emissions from stationary sources of residential use and gasoline emissions from mobile sources of road use. The calculation factors referenced the "Handbook of Pollution Generation and Discharge Coefficients for Domestic Pollution Sources" and the "Technical Guidelines for Compiling the List of Air Pollutant Emissions from Road Motor Vehicles (Trial)" issued by the Ministry of Ecology and Environment of the People's Republic of China.

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Environmental Data		
Indicator	**Unit**	**2025**
Water Resources		
Total Water Consumption	10,000 m^3	**33.80**
Water Consumption Intensity	10,000 m^3 per RMB1,000 of revenue	**0.000005**
	10,000 m^3 per 1,000 battery units	**0.0009**
Packaging Materials		
Total Packaging Materials Consumption	Tonnes	**3,053.71**
Packaging Materials Consumption Intensity	Tonnes per RMB1,000 of revenue	**0.0004**
	Tonnes per 1,000 battery units	**0.08**
Greenhouse Gas Emissions		
Scope 1 and Scope 2 Total Greenhouse Gas (GHG) Emissions	Tonnes of CO_2 equivalent	**137,817.16**
Scope 1 and Scope 2 GHG Emission Intensity	Tonnes of CO_2 equivalent per RMB1,000 of revenue	**0.018**
	Tonnes of CO_2 equivalent per 1,000 battery units	**3.80**
Scope 1 GHG Emissions[13]	Tonnes of CO_2 equivalent	**4,607.40**
Scope 2 GHG Emissions[14]	Tonnes of CO_2 equivalent	**133,209.76**
Scope 3 GHG Emissions[15]	Tonnes of CO_2 equivalent	**738,967.92**

13 During the Reporting Period, greenhouse gas emissions from the battery production base mainly originated from natural gas emissions from stationary sources in residential areas, gasoline emissions from mobile sources on roads, and fugitive emissions from fire extinguishers and refrigerants. Emission factors were referenced from the National Development and Reform Commission of the People's Republic of China's "Guidelines for Greenhouse Gas Emission Accounting and Reporting Methods for Enterprises in Other Industrial Sectors" and "Guidelines for Greenhouse Gas Emission Accounting and Reporting Methods for Land Transportation Enterprises (Trial Implementation)," and the Intergovernmental Panel on Climate Change's Sixth Assessment Report.

14 During the Reporting Period, greenhouse gas emissions from the battery production base mainly originated from indirect emissions from purchased electricity. Emission factors were referenced from the 2023 National Electricity Carbon Dioxide Emission Factors issued by the Ministry of Ecology and Environment of the People's Republic of China.

15 During the reporting period, the Scope 3 greenhouse gas emissions of the battery production base mainly originated from the energy consumption of transportation vehicles used for delivering production materials, office supplies, canteen supplies, waste, and products; emissions generated by employee business travel; embodied emissions from materials involved in the production process; and emissions from waste treatment. The emission factors are based on the "China Product Life Cycle Greenhouse Gas Emission Factors Database" and the"UK Government GHG Conversion Factors for Company Reporting (2025)".

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Social Data

Social Data		
Employees Number		
Indicator	**Unit**	**2025**
By Gender		
Male	People	7,865
Female	People	3,380
By Age		
30 years old or below	People	4,185
31–40 years old	People	5,288
41–50 years old	People	1,565
51 years old or above	People	207
By Geographic Areas		
Mainland China	People	10,667
Hong Kong SAR	People	4
Other countries or regions	People	574
Employee turnover rate		
By Gender		
Male	%	5.15
Female	%	5.80
By Age		
30 years old or below	%	8.41
31–40 years old	%	3.74
41–50 years old	%	2.75
51 years old or above	%	3.86
By Geographic Areas		
Mainland China	%	5.16
Hong Kong SAR	%	25.00
Other countries or regions	%	8.71

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Social Data				
Development and Training				
By Gender				
Indicator	**Unit**	**% Training Employee**	**Unit**	**Average Training Hour**
Male	%	71.33	Hour	29.37
Female	%	28.67	Hour	73.03
By Employee Category				
Indicator	**Unit**	**% Training Employee**	**Unit**	**Average Training Hour**
Senior Management	%	98.11	Hour	41.04
Middle Management	%	1.47	Hour	88.65
General Staff	%	0.42	Hour	75.99
Health and safety				
Indicator	**Unit**	**2025**	**2024**	**2023**
Number of Work-related Employee Fatalities	Case	0	0	0

Indicator	Unit	2025
Fatality Rate	%	0
Lost Workdays Due to Work-related Injuries	Day	1,888
Supply Chain Management		
Indicator	**Unit**	**2025**
Number of Suppliers in Mainland China	Number	551
Number of Suppliers in Hong Kong SAR	Number	0
Number of Suppliers in Other Countries or Regions	Number	73
Number of Suppliers Assessed During the Reporting Period	Number	624

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10.2 Content Index of SEHK ESG Reporting Code and GRI Standards

<table>
<tr><th colspan="3">HKEX ESG Reporting Code Requirements, Subject Areas, Aspects, General Disclosures and KPIs SEHK ESG Reporting Code Requirements, Subject Areas, Aspects, General Disclosures and KPIs</th><th>Location of Disclosure</th></tr>
<tr><td colspan="4">Mandatory Disclosure Requirements</td></tr>
<tr><td>Governance Structure</td><td colspan="2">A statement from the board containing the following elements:
(i) a disclosure of the board's oversight of ESG issues;
(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and
(iii) how the board reviews the progress made against ESG-related targets with an explanation of how they relate to the issuer's businesses.</td><td>Board and ESG Governance Structure</td></tr>
<tr><td rowspan="3">Reporting Principles</td><td rowspan="3">Description on, or explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</td><td>Materiality:
(i) the process to identify and the criteria for the selection of material ESG factors; and
(ii) if a stakeholder engagement is conducted by the issuer, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</td><td rowspan="3">Reporting Framework</td></tr>
<tr><td>Quantitative:
Information on the standards, methodologies, assumptions and/or calculation tools used, and the source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</td></tr>
<tr><td>Consistency:
The issuer should disclose in the ESG report any change to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</td></tr>
<tr><td>Scope of Reporting</td><td colspan="2">Explanation of the scope of reporting of the ESG report and description of the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</td><td>Organisational and Reporting Scope</td></tr>
</table>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ESG Reporting Code Requirements, Subject Areas, Aspects, General Disclosures and KPIs		Content applicable to GRI Standards	Location of Disclosure
"Comply or Explain" Provisions			
A. ENVIRONMENTAL			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land and generation of hazardous and non-hazardous waste.	GRI 3: Material Topics Disclosure 3–3 GRI 305: Emissions Disclosure	Environmental Management System/Resource Use Management/ Wastewater, Air Emissions, and Waste Management
KPI A1.1	Types of emissions and respective emissions data.	GRI 305: Emissions Disclosure 305–1, 305–2, 305–3, 305–6, and 305–7	ESG Data Summary
KPI A1.2	Deleted effective 1 January 2025	Not Applicable	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306: Waste Disclosure 306–2(a)	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306: Waste Disclosure 306–2(a)	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	GRI 305: Emissions Reporting Requirement 1.2, Disclosure 305–5	ESG Target Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, as well as reduction targets set and steps taken to achieve them.	GRI 306: Waste Disclosure 306–2 and 306–4	Wastewater, Air Emissions, and Waste Management

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HKEX ESG Reporting Code Requirements, Subject Areas, Aspects, General Disclosures and KPIs		Content applicable to GRI Standards	Location of Disclosure
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	GRI 3: Material Topics Disclosure 3–3	Resource Use Management/ESG Data Summary
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (in thousand kWh) and intensity (e.g. per unit of output, per facility).	GRI 302: Energy Disclosure 302–1, and 302–3	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of output, per facility).	GRI 303: Water and Effluents Disclosure 303–1	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	GRI302: Energy Disclosure 302–4, 302–5	ESG Target Management
KPI A2.4	Description of whether there is any problem in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	GRI 3: Material Topics Disclosure 3–3 GRI 303: Water and Effluents Disclosure 303–3	Wastewater, Air Emissions, and Waste Management/ESG Data Summary
KPI A2.5	Total packaging material used for finished products (in tonnes) and, where appropriate, packaging material used per unit produced. Total packaging material used for finished products (in tonnes) and, where appropriate, packaging material used per unit produced.	GRI 301: Materials Disclosure 301–1	
Aspect A3: Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	GRI 3: Material Topics Disclosure 3–3	Resource Use Management
KPI A3.1	Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them. Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them.	GRI 3: Material Topics Disclosure 3–3; GRI 303: Water and Effluents Disclosure 303–2 GRI 304: Biodiversity Disclosure 304–2 GRI 306: Waste Disclosure 306–3(c) and 306–5	

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HKEX ESG Reporting Code Requirements, Subject Areas, Aspects, General Disclosures and KPIs		Content applicable to GRI Standards	Location of Disclosure
B. SOCIAL			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare.	GRI 3: Material Topics Disclosure 3–3	Regulating Employment Management
KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	GRI 2: General Disclosures Disclosure 2–7 GRI 405: Diversity and Equal Opportunity Disclosure 405–1(b-ii)	ESG Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	GRI 401: Employment Disclosure 401–1(b)	
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	GRI 3: Material Topics Disclosure 3–3	Occupational Health and Well-being/ESG Data Summary
KPI B2.1	Number and ratio of work-related fatalities occurred in each of the past three years, including the reporting year.	GRI 403: Occupational Health and Safety Disclosure 403–2	
KPI B2.2	Lost working days due to work injury.	GRI 403: Occupational Health and Safety Disclosure 403–2	
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	GRI 3: Material Topics Disclosure 3–3	

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HKEX ESG Reporting Code Requirements, Subject Areas, Aspects, General Disclosures and KPIs		Content applicable to GRI Standards	Location of Disclosure
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities. Note: Training refers to vocational training, which may include internal and external courses paid by the employer.	GRI 3: Material Topics Disclosure 3–3 GRI404: Training and Education Disclosure 404–2(a)	Talent Development and Training/ESG Data Summary
KPI B3.1	Percentage of employees trained by gender and employee category (e.g. senior management and middle management).	This indicator is not yet covered by the GRI Standards	
KPI B3.2	Average training hours completed per employee by gender and employee category.	GRI404: Training and Education Disclosure 404–1	
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	GRI 3: Material Topics Disclosure 3–3	Regulating Employment Management
KPI B4.1	Description of measures to review employment practice to avoid child and forced labour.	GRI 3: Material Topics Disclosure 3–3 GRI 408: Child Labour Disclosure 408–1(c) GRI 409: Forced or Compulsory Labour Disclosure 409–1(b)	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	GRI 3: Material Topics Disclosure 3–3 GRI 408: Child Labour Disclosure 408–1(c) GRI 409: Forced or Compulsory Labour Disclosure 409–1(b)	

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HKEX ESG Reporting Code Requirements, Subject Areas, Aspects, General Disclosures and KPIs		Content applicable to GRI Standards	Location of Disclosure
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	GRI 3: Material Topics Disclosure 3–3	Efficient Supply Chain Management/ESG Data Summary
KPI B5.1	Number of suppliers by geographical region.	GRI 2: General Disclosures Disclosure 2–6	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	GRI 3: Material Topics Disclosure 3–3 GRI 308: Supplier Environmental Assessment Disclosure 308–1, 308–2 GRI 414: Supplier Social Assessment Disclosure 414–1, 414–2	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain and how they are implemented and monitored.	GRI 414: Supplier Social Assessment Disclosure 414–1, 414–2	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers and how they are implemented and monitored.	This indicator is not yet covered by the GRI Standards	
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy issues relating to products and services provided and relevant remedies.	GRI 3: Material Topics Disclosure 3–3 GRI 416: Customer Health and Safety Disclosure 416–2 GRI 417: Marketing and Labelling Disclosure 417–2 and 417–3 GRI 418: Customer Privacy Disclosure 418–1	Quality Builds the Brand

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

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

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<table>
<tr><th colspan="2">Part D: "Comply or Explain" Provisions
Climate-related Disclosures</th><th>Content applicable to GRI Standards:
GRI 3: Material Topics Disclosure 3–3;
GRI 305: Emissions</th></tr>
<tr><td colspan="3">(I) Governance</td></tr>
<tr><td colspan="2">19(a) Information about the governance body(ies) (which can include a board, committee, or equivalent governance body) or individual(s) responsible for oversight of climate-related risks and opportunities:</td><td rowspan="5">Addressing Climate Change</td></tr>
<tr><td>i)</td><td>how the body(ies) or individual(s) determine(s) whether appropriate skills and competencies are available or will be available to oversee strategies designed to respond to climate-related risks and opportunities;</td></tr>
<tr><td>ii)</td><td>how and how often the body(ies) or individual(s) is (are) informed about climate-related risks and opportunities;</td></tr>
<tr><td>iii)</td><td>how the body(ies) or individual(s) take(s) into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(ies) or individual(s) has (have) considered trade-offs associated with those climate-related risks and opportunities;</td></tr>
<tr><td>iv)</td><td>how the body(ies) or individual(s) oversee(s) the setting of targets related to climate-related risks and opportunities, and monitor(s) progress towards them (see "Climate-related targets" paragraphs), including whether and how related performance metrics are included in remuneration policies (see "Remuneration" paragraphs);</td></tr>
<tr><td colspan="2">19(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities:</td><td rowspan="3">Addressing Climate Change</td></tr>
<tr><td>i)</td><td>whether that role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</td></tr>
<tr><td>ii)</td><td>whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</td></tr>
<tr><td colspan="3">(II) Strategy</td></tr>
<tr><td colspan="3">Climate-related risks and opportunities</td></tr>
<tr><td colspan="2">20(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;</td><td rowspan="4">Addressing Climate Change</td></tr>
<tr><td colspan="2">20(b) For each climate-related risk the issuer has identified, explain whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</td></tr>
<tr><td colspan="2">20(c) For each climate-related risk and opportunity the issuer has identified, specify the time horizon over which its effects could reasonably be expected to affect the issuer (short, medium, or long term);</td></tr>
<tr><td colspan="2">20(d) Explain how the issuer defines short term, medium term, and long term, and how these definitions are linked to the planning horizons used in strategic decision-making.</td></tr>
</table>

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Part D: "Comply or Explain" Provisions Climate-related Disclosures		Content applicable to GRI Standards: GRI 3: Material Topics Disclosure 3–3; GRI 305: Emissions
Business model and value chain		
21(a) Describe the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain;		Addressing Climate Change
21(b) Describe where in the issuer's business model and value chain climate-related risks and opportunities are concentrated.		
Strategy and decision-making		
22(a) Information about how the issuer has responded to, and plans to respond to, 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 it is required to meet by law or regulation:		Addressing Climate Change
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 (direct or indirect) that have been or are expected to be undertaken;	
iii)	any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan and dependencies on which the plan relies), or an appropriate negative statement where the issuer does not have such a plan;	
iv)	how the issuer plans to achieve any climate-related targets described in the "Climate-related targets" paragraphs (including any GHG emissions targets, if applicable); and	
22(b) Information about how the issuer currently plans and will plan to resource the actions disclosed in accordance with paragraph 22(a).		
23. The issuer is required to disclose the progress against the plans disclosed in accordance with paragraph 22(a) in previous reporting periods.		
Financial position, financial performance and cash flows		
Current financial effects		
24(a) How climate-related risks and opportunities have affected the issuer's financial position, financial performance and cash flows during the reporting period;		Addressing Climate Change
24(b) Where there is a significant risk that will result in a material adjustment to the carrying amounts of assets and liabilities in the financial statements for the next reporting year, information about the climate-related risks and opportunities identified under paragraph 24(a).		

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Part D: "Comply or Explain" Provisions Climate-related Disclosures		Content applicable to GRI Standards: GRI 3: Material Topics Disclosure 3–3; GRI 305: Emissions
Anticipated financial effects Anticipated financial effects		
25(a) How the issuer anticipates its financial position to change over the short, medium, and long term, given its strategy to manage climate-related risks and opportunities, considering:		Addressing Climate Change
i)	its investment and disposal plans;	
ii)	its planned sources of funding to implement its strategy;	
25(b) How the issuer anticipates its financial performance and cash flows to change over the short, medium, and long term, given its strategy to manage climate-related risks and opportunities.		
Climate resilience		
26(a) The issuer's assessment of its climate resilience as at the reporting date, which should enable an understanding of:		Addressing Climate Change
i)	the implications of the issuer's findings for its strategy and business model (if any), including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
ii)	the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
iii)	the issuer's capacity to adjust its strategy and business model over the short, medium, and long term in response to climate developments;	
26(b) How and when the climate-related scenario analysis was conducted, including:		
i)	the inputs used, including: (1) which climate-related scenarios the issuer used for its analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a scenario consistent with the latest international agreement on climate change; (5) why the issuer decided that the climate-related scenarios it selected are relevant to assessing its resilience to climate-related changes, developments, or uncertainties; (6) the time horizons the issuer used in the analysis; and (7) the scope of operations covered by the analysis (e.g. the operating locations and business units covered);	
ii)	the key assumptions made by the issuer in the analysis;	
iii)	the reporting period in which the climate-related scenario analysis was conducted.	

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Part D: "Comply or Explain" Provisions Climate-related Disclosures		Content applicable to GRI Standards: GRI 3: Material Topics Disclosure 3–3; GRI 305: Emissions
(III) Risk Management		
27(a) The processes and related policies the issuer uses to identify, assess, prioritise, and monitor climate-related risks, including information about:		Addressing Climate Change
i)	the inputs and parameters the issuer uses (for example, information about data sources, the scope of operations covered);	Addressing Climate Change
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 those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds, or other criteria);	
iv)	whether and how the issuer prioritises climate-related risks relative to other types of risk;	
v)	how the issuer monitors its climate-related risks; how the issuer monitors its climate-related risks; and	
vi)	whether and how the issuer has changed the processes it uses compared with the prior reporting period.	
27(b) The processes the issuer uses to identify, assess, prioritise, and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to identify climate-related opportunities); and		Addressing Climate Change
27(c) The extent to which, and how, the processes for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management process.		Addressing Climate Change
(IV) Metrics and Targets		
Greenhouse gas emissions		
28. The issuer is required to disclose its absolute gross GHG emissions (in metric tonnes of CO_2 equivalent) generated during the reporting period, classified as: (a) Scope 1 GHG emissions; (b) Scope 2 GHG emissions; and (c) Scope 3 GHG emissions.		Addressing Climate Change
29(a) Unless otherwise required by a jurisdictional authority or the exchange on which the issuer is listed, the issuer shall measure its GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004);		Addressing Climate Change

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<table>
<tr><th colspan="2">Part D: "Comply or Explain" Provisions
Climate-related Disclosures</th><th>Content applicable to GRI Standards:
GRI 3: Material Topics Disclosure 3–3;
GRI 305: Emissions</th></tr>
<tr><td colspan="2">29(b) Disclose the approach it uses to measure its GHG emissions, including:</td><td rowspan="6">Addressing Climate Change</td></tr>
<tr><td>i)</td><td>the measurement approach, inputs, and assumptions the issuer uses to measure its GHG emissions;</td></tr>
<tr><td>ii)</td><td>the reason the issuer has chosen that measurement approach, inputs, and assumptions to measure GHG emissions; and</td></tr>
<tr><td>iii)</td><td>any changes the issuer has made to the measurement approach, inputs, and assumptions during the reporting period and the reasons for those changes;</td></tr>
<tr><td colspan="2">29(c) Disclose its location-based Scope 2 GHG emissions and provide information about any contractual instruments that is necessary to inform users' understanding of the issuer's Scope 2 GHG emissions;</td></tr>
<tr><td colspan="2">Disclose the categories included within the issuer's measure of Scope 3 GHG emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</td></tr>
<tr><td colspan="3">Climate-related risks, opportunities and carbon pricing</td></tr>
<tr><td colspan="2">30. The issuer is required to disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</td><td rowspan="4">The Group has currently identified the potential scope of impact of climate-related risks and opportunities on key financial indicators, but has not yet conducted quantification in specific monetary amounts or percentages. As a next step, the Group will undertake relevant data collection and economic impact assessment to progressively enhance quantitative disclosures.</td></tr>
<tr><td colspan="2">31. The issuer is required to disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</td></tr>
<tr><td colspan="2">32. The issuer is required to disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</td></tr>
<tr><td colspan="2">33. The issuer is required to disclose the amount of capital expenditure, financing or investment deployed toward climate-related risks and opportunities.</td></tr>
</table>

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Part D: "Comply or Explain" Provisions Climate-related Disclosures	Content applicable to GRI Standards: GRI 3: Material Topics Disclosure 3–3; GRI 305: Emissions
34(a) Explain whether and how the issuer applies an internal carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and 34(b) The price per metric tonne of GHG emissions the issuer uses to assess the cost of its GHG emissions.	The Group has not yet adopted an internal carbon pricing mechanism, primarily because the coverage scope and industry-applicable rules of the domestic carbon market are still being refined. The Group continues to monitor policy developments and industry practices, and is evaluating the feasibility of introducing a carbon pricing mechanism.
Remuneration	
35. The issuer is required to disclose whether and how climate-related considerations are factored into remuneration policies, or provide an appropriate negative statement. This may form part of the disclosure made in accordance with paragraph 19(a)(iv).	Climate-related factors have not yet been incorporated into remuneration policies. The Group will assess the feasibility of integrating relevant metrics in the future.
Industry metrics	
36. The issuer is encouraged to disclose industry-based metrics associated with one or more particular business models and activities, or with characteristics common to participants in a particular industry.	ESG Data Summary

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<table>
<tr><th colspan="2">Part D: "Comply or Explain" Provisions
Climate-related Disclosures</th><th>Content applicable to GRI Standards:
GRI 3: Material Topics Disclosure 3–3;
GRI 305: Emissions</th></tr>
<tr><td colspan="3">Climate-related targets</td></tr>
<tr><td colspan="2">37. The issuer is required to disclose (a) each climate-related target the issuer has set, whether qualitative or quantitative, to monitor progress toward achieving its strategic objectives; and (b) any target the issuer is required to meet by law or regulation, including any GHG emissions target. For each target, the issuer shall disclose:</td><td rowspan="24">The Group is studying and formulating medium-to-long-term greenhouse gas reduction targets in alignment with national "dual carbon" policy directions and industry development trends, while evaluating the impact of different emission reduction pathways on operating costs, technology upgrades, and capital investment. The relevant targets will be disclosed once determined, and progress will be communicated to stakeholders on an ongoing basis.</td></tr>
<tr><td>(a)</td><td>the metric used to set the target;</td></tr>
<tr><td>(b)</td><td>the objective of the target (for example, mitigation, adaptation, or conformity with science-based initiatives);</td></tr>
<tr><td>(c)</td><td>the scope of the target (for example, whether the target applies to the issuer as a whole or only a part of it, such as a specific business unit or geographic region);</td></tr>
<tr><td>(d)</td><td>the period over which the target applies;</td></tr>
<tr><td>(e)</td><td>the base period from which progress is measured;</td></tr>
<tr><td>(f)</td><td>any milestones or interim targets (if any);</td></tr>
<tr><td>(g)</td><td>if the target is quantitative, whether it is an absolute target or an intensity target; and</td></tr>
<tr><td>(h)</td><td>how the latest international agreement on climate change (including the jurisdictional commitments arising from it) has informed the target.</td></tr>
<tr><td colspan="2">38. The issuer is required to disclose its approach to setting and reviewing each target, and how it monitors progress against each target, including:</td></tr>
<tr><td>(a)</td><td>whether the target and the approach to setting the target have been validated by a third party;</td></tr>
<tr><td>(b)</td><td>the issuer's processes for reviewing the target;</td></tr>
<tr><td>(c)</td><td>the metrics used to monitor progress toward the target; and</td></tr>
<tr><td>(d)</td><td>any revisions to the target and the reasons for those revisions.</td></tr>
<tr><td colspan="2">39. The issuer is required to disclose information about its performance against each climate-related target, as well as an analysis of trends or changes in the issuer's performance.</td></tr>
<tr><td colspan="2">40. For each GHG emissions target disclosed in accordance with paragraphs 37–39, the issuer shall disclose:</td></tr>
<tr><td>(a)</td><td>which GHGs are covered by the target;</td></tr>
<tr><td>(b)</td><td>whether the target covers Scope 1, Scope 2, or Scope 3 GHG emissions;</td></tr>
<tr><td>(c)</td><td>whether the target is a gross GHG emissions target or a net GHG emissions target. If a net GHG emissions target, the issuer shall separately disclose its associated gross GHG emissions target;</td></tr>
<tr><td>(d)</td><td>whether the target was derived using a sectoral decarbonization approach; and</td></tr>
</table>

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<table>
<tr><th colspan="2">Part D: “Comply or Explain” Provisions
Climate-related Disclosures</th><th>Content applicable to GRI Standards:
GRI 3: Material Topics Disclosure 3–3;
GRI 305: Emissions</th></tr>
<tr><td>(e)</td><td>the issuer’s planned use of carbon credits to offset GHG emissions to achieve any net GHG emissions target. Regarding plans for the use of carbon credits, the issuer shall disclose:
(i) the extent to which, and how, achieving any net GHG emissions target relies on the use of carbon credits;
(ii) which third-party scheme(s) will verify or certify the carbon credits;
(iii) the type of carbon credit, including whether the underlying offset is nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or carbon removal; and
(iv) any other factors necessary for users to understand the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).</td><td>The Group has not currently purchased or used any carbon credits to achieve greenhouse gas emission reduction or net-zero targets.</td></tr>
<tr><td colspan="3">Cross-industry metrics and applicability of industry-based metrics</td></tr>
<tr><td colspan="2">41. In preparing disclosures to satisfy the requirements of paragraphs 21–26 and 37–38, the issuer shall refer to and consider the applicability of cross-industry metrics and industry-based metrics.</td><td>Not Applicable</td></tr>
</table>

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10.3 United Nations Sustainable Development Goals (SDGs) Mapping Index

SDGs Mapping		
Goal	**Content**	**Location of Disclosure**
1. No Poverty	End poverty in all its forms everywhere	—
2. Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	—
3. Good Health and Well-being	Ensure healthy lives and promote well-being for all at all ages	Occupational Health and Well-being
4. Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Talent Development and Training
5. Gender Equality	Achieve gender equality and empower all women and girls	Regulating Employment Management
6. Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all	Wastewater, Air Emissions, and Waste Management
7. Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	Resource Use Management
8. Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Regulating Employment Management; Protecting Employee Rights and Welfare; Talent Development and Training
9. Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	Innovation as the Driver of Development
10. Reduced Inequalities	Reduce inequality within and among countries	Protecting Employee Rights and Welfare
11. Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient and sustainable	Distributed in Each Chapter
12. Responsible Consumption and Production	Ensure sustainable consumption and production patterns	Distributed in Each Chapter
13. Climate Action	Take urgent action to combat climate change and its impacts	Addressing Climate Change; Environmental Management System; Resource Use Management; Wastewater, Air Emissions, and Waste Management
14. Life Below Water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	—

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SDGs Mapping		
Goal	**Content**	**Location of Disclosure**
15. Life on Land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	—
16. Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Distributed in Each Chapter
17. Partnerships for the Goals	Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development	Stakeholder Engagement and Materiality Management

YADEA

雅迪集團控股有限公司

YADEA GROUP HOLDINGS LTD.