POWEROAD

2025

Environmental, Social and Governance (ESG) Report

Poweroad Renewable Energy Co., Ltd.

Description of Report

Scope of Report

This report is the first sustainable development report released by POWEROAD Renewable Energy Co., Ltd. and its subsidiaries, with report information and data primarily covering the company's various ESG management and practical activities from January 1, 2024 to December 31, 2024. Based on the continuity and comparability of the report, partial data and information do not limit to the year 2024.

Preparation Principles

This report has been prepared with reference to the standard requirements such as the "Global Report Initiative (GRI) Standards", the International Organization for Standardization "ISO26000:2010 Enterprise Social Responsibility Guidelines", the United Nations Sustainable Development Goals (SDGs), the TCFD Climate-related Financial Information Disclosure Recommendations, and the Ministry of Finance's "Enterprise Sustainable Development Disclosure Norms-Basic Norms (Trial)".

Content Selection

In the selecting process of report content, the company followed the principles of materiality, completeness, and responsiveness of GRI standards, stated from the economic, social, and environmental aspects, and emphatically reported the company's responsibility bearing in areas such as organizational governance, product liability, environmental protection responsibility, caring for employees, and Sustainable Procurement. The data and information collection for this report follows the company's existing working process.

Explanation of References

In the report, POWEROAD Renewable Energy Co., Ltd. is referred to as the "company" or "POWEROAD Energy Storage" or "POWEROAD" or "we". This report is copyrighted by POWEROAD Renewable Energy Co., Ltd.

Release Method

This report is released once a year, available in both printing and online versions. It is written in both Chinese and English. The online version for the report in Chinese is available on our company's website www.poweroad-ess.com.cn, and the online version for the report in English is available on website www.poweroad.com. If there is any discrepancy in understanding between the two versions, the Chinese text shall prevail.

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Message from the Chairman



Dear Partners, Investors, Colleagues, and Friends,

The past year has been one of profound transformation for the global energy storage industry. As market dynamics continued to evolve, we remained committed to long-term value creation, placing greater emphasis on technological innovation and customer success. Building on more than two decades of international market experience, we have continued to grow with resilience and confidence amid change.

2025 was a year of meaningful progress. We introduced our fully self-developed 3S integrated architecture, bringing together the Battery Management System (BMS), Power Conversion System (PCS), and Energy Management System (EMS) into a unified platform. This milestone demonstrates that our commitment to full-stack in-house development is not merely an ambition, but a proven capability. We believe that only companies with core technologies across the entire system stack will be able to deliver the reliability, performance, and service excellence demanded by the future energy market.

Throughout the year, more than 100 new projects were commissioned worldwide, bringing our cumulative installations to over 600 projects across diverse applicaations. Every project strengthens our understanding of real-world customer needs, enriches our application experience, and reinforces the reliability of our products. More importantly, it gives our customers confidence that their energy systems are built on proven technology and dependable execution.

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>
> —— We see ESG as a strategic investment—transforming compliance into lasting competitive advantage.

Innovation and sustainability remain inseparable from our long-term strategy. During 2025, we published our first ESG Report, marking an important step in embedding environmental, social and governance principles into every aspect of our business. We successfully completed independent ESG verification, while our headquarters, two manufacturing bases and branch offices obtained organizational carbon verification certificates. In addition, products supplied to the European market achieved Product Carbon Footprint (PCF) certification, further strengthening our commitment to transparent and sustainable manufacturing.

For companies expanding globally, compliance is the foundation—but sustainability goes beyond compliance. We see ESG not as an obligation, but as a strategic investment. By acting early and investing proactively, we transform regulatory uncertainty into long-term competitive advantage.

Europe remains our most important overseas market. In 2025, we established POWEROAD GmbH in Germany and expanded our local logistics network with warehouses in Belgium and the Netherlands. Together with our growing local service capabilities, these investments enable us to respond faster, support customers more effectively, and deliver solutions that better reflect local market requirements.

Throughout the year, our team traveled across four continents, participated in more than twenty international exhibitions, and engaged with customers, partners and industry stakeholders worldwide. Every conversation strengthened our belief that the energy transition is built on collaboration. By sharing new technologies, innovative products and practical project experience, we continue to contribute to the global adoption of cleaner and more sustainable energy solutions.

Another important milestone in 2025 was our successful corporate restructuring, completing our transition to a joint-stock company. This transformation represents far more than a change in corporate structure—it reflects twenty-four years of perseverance, continuous growth and an unwavering commitment to our original vision. It also marks the beginning of a new chapter in our journey.

Looking ahead, 2026 marks the 25th anniversary of POWEROAD. Over the past quarter century, we have built our own path in the energy storage industry and developed the capabilities that define who we are today. While challenges remain, our direction has never been clearer.

Innovation creates value. Quality builds trust.

As we enter a new chapter, we will continue to move forward together with our customers, partners and colleagues—guided by professionalism, driven by innovation, and committed to creating lasting value for a more sustainable future.

Thank you.

Chairman: Henry Hao

Jan., 30 2026

Mission, Vision and Values

As of 2021, the company has delivered multiple solutions in key overseas markets, including Southeast Asia, Oceania, Europe, Africa, and South America. With energy storage technology as the core and market demand as the orientation, the company will continue to provide global customers with advanced, reliable, and most influential comprehensive solutions for lithium-ion battery energy storage systems.

Mission, Vision and Values

Vision

Powering Your Energy Revolution

Mission

Leveraging advanced battery management and energy management technologies, we provide more convenient, reliable, and intelligent solutions to promote the widespread adoption of clean energy, while constantly striving to enhance the spiritual and material well-being of all employees.

Core Values

Resilience, Collaboration, Innovation, Gratitude

Performance and Recognition

The product's first-pass inspection rate in 2025 was **100%**

Women in middle and senior management positions made up all management staff **29.49%**

The supplier EHS audit rate in 2025 **86%**

By the end of **2025**

The number of work-related fatalities and occupational disease cases from 2022 to 2024 was **0**

The number of product safety incidents occurred between 2023 and 2025 was **0**

The R&D investment in 2025 was **32.75** million yuan

The number of ESG violations (child labor and forced labor) found among suppliers was **0**

The annual training hours for employees in 2025 **30.56** hours / person / year

Honors and Recognition Received during 2022 to 2024

2025 Energy Storage Industry Innovation Leadership Award

2025 Best Behind-the-Meter (BTM) Energy Storage Innovation Project Award

2025 Outstanding Brand Enterprise in China's Energy Storage Industry

Xiamen Smart Energy Storage Innovation Center

National High-Tech Enterprise

2025 First Batch of Xiamen Future Industry Backbone Enterprises



01

Step into POWEROAD

We focus on the development and application of lithium batteries and energy storage systems, continuously promoting innovation in service models and product iterations, and continuously creating safer and more reliable renewable energy integrated solutions to support global energy revolution and development.

Overview of Company Development

POWEROAD Renewable Energy Co., Ltd. (“POWEROAD”), formerly known as Xiamen Yucell Supply Chain Co Ltd., was founded in 2001. The company integrates the R&D, design, manufacturing, sales and service of lithium-ion battery products and energy storage systems. It has been recognized as a National Key “Little Giant” Enterprise, a National High-Tech Enterprise, and a Xiamen Future Industries Backbone Enterprise.

Headquartered in Xiamen, POWEROAD operates five R&D centers, two manufacturing bases and two sales & marketing centers across China. Internationally, the company has established a subsidiary in Germany and overseas warehouses in Belgium and the Netherlands, forming a globally integrated operating network spanning R&D, manufacturing, marketing and local service.

Company Name	Poweroad Renewable Energy Co., Ltd. (abbreviated as “Poweroad Energy Storage”)
Establishment Time	2001
Company Business	Cover 70 countries and regions
Research and Development Center	Comprise five research and development centers located in Xiamen, Shenzhen, Xi'an, Hangzhou and Hefei.
Manufacturing Center	Xiamen Jimei/Longyan Shanghang
Sales Center	Domestic/International

As a global provider of intelligent energy storage system solutions and lifecycle services, POWEROAD remains firmly committed to in-house R&D and technological innovation. The company has developed its in-house full-stack 3S technologies—BMS, PCS and EMS, with all key system components except battery cells supported by proprietary development capabilities. To date, it has secured nearly 200 invention patents.

Backed by extensive project experience across diverse global applications and strong market performance, POWEROAD was ranked among the Top 6 Chinese C&I Energy Storage System Suppliers by Overseas Shipments in 2025 and named one of China’s Top 100 New Energy Storage Brands. The company has also received a range of industry recognitions, including 2025 Outstanding Brand Enterprise in China’s Energy Storage Industry and LinkedIn’s InAwards for Excellence in Intelligent Marketing.

Looking ahead, POWEROAD will continue to advance technological and application innovation, explore the full potential of clean energy, and support the global transition towards a greener energy future through high-quality products and comprehensive lifecycle services—creating lasting value and contributing to sustainable development.



Growth Journey of POWEROAD

2001

- POWEROAD established

2014

- Initiated the R&D of Li-battery

2015

- Initiated the Production of Li-battery

2016

- Initiated the Production of Energy Storage

2017

- Shenzhen R&D Center was established
- Own-developed BMS put into operation

2019

- Provided Energy Storage Solution to oversea market

2022

- Beijing Sales Office and Xi'an R&D Center were established
- POWEROAD established a joint venture as part of business expansion plan

2023

- Hefei and Hangzhou R&D Centers were established

2024

- Initiated the production of liquid-cooling ESS modules

2025

- POWEROAD GmbH (Germany subsidiary) established
- Warehouses in BE & NL Launched
- The First ESG Report Released

Lead-acid Battery → **Lithium-Ion Battery Pack** → **Energy Storage System Manufacture**

Awards & Recognitions



Products and Services

POWEROAD has been deeply involved in the energy storage industry for over 20 years, providing more convenient, reliable and intelligent solutions for the popularization of clean electricity based on advanced battery management, energy management technology, and system integration technology. The company currently offers a diverse range of products that are widely used in different scenarios across Agriculture, Commercial & Public, E-Mobility & Logistics, Energy Supplier & Trading, Industrial & Manufacturing, and Residential applications.

Built on the full-stack integration of BMS, PCS and EMS, POWEROAD Energy embeds real-time monitoring, risk alerts, system protection, intelligent dispatch and remote O&M into the entire lifecycle of its energy storage solutions. Multi-layer safety monitoring and coordinated fire protection improve risk detection and emergency response, while the EMS analyzes operating conditions, electricity prices, load demand and multiple energy sources to optimize system strategies across peak shaving, energy trading, microgrids and VPP applications. Supported by its local team in Germany, overseas warehouses in Belgium and the Netherlands, European service partners and a network of local technicians, POWEROAD Energy provides remote diagnostics, onsite support, spare-parts supply, system upgrades and preventive maintenance to enhance system availability, operational reliability and long-term asset value.

C&I ESS

Li-Ion Battery Cabinet



126 kWh
FLEX-126A10/M11
Air-cooling Outdoor Cabinet ESS



215 kWh
FLEX-215A05/M15
Air-cooling Outdoor Cabinet ESS



372 kWh
FLEX-372L10/M8
Liquid-cooling Outdoor Cabinet ESS

All-in-One Li-Ion Battery System



126 kWh
FLEX-126A10/M11P100
All-in-one Air-cooling Outdoor Cabinet ESS



215 kWh
FLEX-215A05/M15P100
All-in-one Air-cooling Outdoor Cabinet ESS



233 kWh
FLEX-233L05/M5P100
All-in-one Liquid-cooling Outdoor Cabinet ESS

Residential ESS

Li-Ion Battery Cabinet



Low-voltage Racking
H-U51100
Low-voltage Racking Battery



Low-voltage Stacking
H-S51100
Low-voltage Stacking Battery



Low-voltage Wall-mounted
H-W51100
Low-voltage Wall-mounted Battery



High-voltage Racking
H-U10250HV
High-voltage Racking Battery

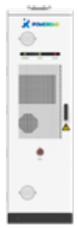


High-voltage Stacking
H-S10250HV
High-voltage Stacking Battery

Products and Services

C&I ESS

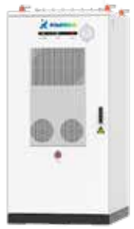
Li-ion Battery Cabinet



112 kWh
FLEX-112
Air-cooling Outdoor Cabinet ESS



241 kWh
FLEX-241
Air-cooling Outdoor Cabinet ESS



261 kWh
FLEX-261
Liquid-cooling Outdoor Cabinet ESS



418 kWh
FLEX-418
Liquid-cooling Outdoor Cabinet ESS

All-in-one Li-ion Battery Cabinet



105 kW / 241 kWh
FLEX-241 AIO
All-in-one Air-cooling Outdoor Cabinet ESS



125 kW / 261 kWh
FLEX-261 AIO
All-in-one Liquid-cooling Outdoor Cabinet ESS



130 kW / 261 kWh
FLEX-261 AIO-3S
All-in-one Liquid-cooling Outdoor Cabinet ESS

Containerized ESS



1600 kW / 3344 kWh
1600 kW / 3344 kWh
Liquid-cooling Containerized ESS



5015 kWh
CENTRIC-3344
Liquid-cooling Containerized ESS

Residential ESS

Li-Ion Battery Cabinet



Low-voltage Stacking
H-S51100
Low-voltage Stacking Battery



Low-voltage Wall-mounted
H-W51100
Low-voltage Wall-mounted Battery



High-voltage Stacking
H-S10250HV
High-voltage Stacking Battery

Product Application Scenarios

















Business Strategy Analysis

S

1. Deep Accumulation: With over 20 years of deep ploughing in the lithium battery industry, we have established a stable cash flow security system;
2. Technological Leadership: With five major R&D centers, we possess core and key technologies in the energy storage field;
3. Production Capacity Advantages: Two major intelligent manufacturing bases are established, covering energy storage systems with mainstream technology routes;
4. R&D Strength: We are backed by ample R&D funds and a team of skilled professionals;
5. Management Advantages: The core management team has over 10 years of experience in the cross-border business;
6. Talent Development: We have a comprehensive internal training system to continuously enhance our employees' professional skills.

W

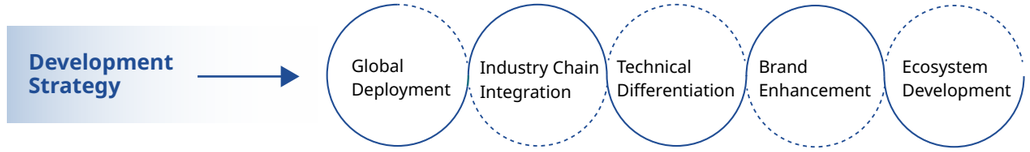
1. Development Cycle: The product development cycle is relatively long, and the market response speed needs improvement;
2. Product Homogeneity: The hardware differentiation is not enough, and the value-added service system needs improvements;
3. Brand Building: The international influence of our own brands needs to be further strengthened;
4. Scenario Coverage: The application scenarios have not been sufficiently expanded, and the ability to provide customized solutions needs to be strengthened;
5. Financial Support: The lack of supporting financing options affects the efficiency of the project implementation for customers;
6. Market Distribution: The reliance on the European market is heavy, and the global market share needs more balanced development.

O

1. Ecosystem Development: Collaborating with technology, channel and service partners to accelerate localization across Europe.
2. Policy Empowerment: With a strategic focus on carbon neutrality, we continue to receive government policy support and resource allocation bias;
3. First-mover Advantage: The deployment of commercial and industrial energy storage systems in Europe is in the lead, with highlight brand recognition and excellent customer reputation;
4. Customer Base: We have superior partners and a stable client base in the energy storage industry;
5. Regional Bonus: Rooted in the renewable energy industry highland in Xiamen, we benefit from the growth opportunities of strategic emerging industries;
6. Market Opportunities: Seizing the opportunities presented by the "Belt and Road Initiative", we accelerate business expansion into emerging markets;
7. Technical Endorsement: The energy storage safety joint R&D center is jointly established to create the industry benchmark for safety technology.

T

1. Industry Competition: The domestic energy storage market is highly competitive, increasing the pressure to expand business overseas;
2. Cost Bottleneck: The initial investment threshold for commercial and industrial energy storage is high, which limits the pace of market development;
3. Same-industry Competition: Leading companies are accelerating their localization deployment overseas, resulting in a loss of market share;
4. Brand Barrier: It's difficult to enter the high-end market, and the brand's international influence still needs to be strengthened;
5. Policy Risk: Fluctuations in the international trade environment pose challenges to business continuity;
6. Price Pressure: Fluctuations in both raw material costs and exchange rates are putting strain on product pricing strategies;
7. Technological Substitution: Emerging technological routes like sodium batteries are diverting some of the customer demands.



Based on the above SWOT analysis, the company has formulated its future development strategy

Global Deployment Strategy

With the German company as the European operation center, the localized service team is built, and a regional warehousing network is built, such that the delivery period is shortened. Leveraging the radiation of mature European market to emerging "Belt and Road Initiative" markets, the regions with high demands for commercial and industrial energy storage are emphatically developed.

Industry Chain Integration Strategy

The upstream joint ventures and partnerships are deepened, flexible manufacturing is achieved through two major manufacturing bases, the mainstream technology routes are covered, a raw material price warning mechanism is established, and hedging is implemented to reduce fluctuations in procurement costs.

Technological Differentiation Strategy

The R&D investment is continuously increased each year, the thermal management and system integration technologies are researched and developed, and a pool of safety technology patents is built in collaboration with the Institute of Building Fire Research of China Academy of Building Research; and a modular software platform is developed to support remote iteration.

Brand Enhancement Strategy

Build a brand communication system centered on real-world projects and supported by partner testimonials, continuously strengthening industry influence and market trust.

Ecosystem Development

By bringing together key upstream and downstream partners across the value chain, POWEROAD builds a collaborative ecosystem spanning products, projects, services and markets, enabling resource sharing, complementary capabilities and joint value creation to accelerate energy storage project deployment and market expansion.

Honors and Awards

Honorary Title	Award Year	Issuing Authority
Influential Overseas Energy Storage Supplier Award	2025	BJX Energy Storage
7th Annual Inverter & Energy Storage Product Award for China's Residential and C&I Solar-Storage-Charging Industry	2025	BJX Power
China's Top 100 New Energy Storage Brands	2025	Energy Storage Leaders Alliance (EESA)
2025 Polaris Cup Outstanding Integrated Energy Service Project	2025	BJX Power
Top 10 Global Behind-the-Meter Energy Storage Benchmark Projects (2024–2025)	2025	Storage Discovery
2025 Energy Storage Industry Innovation Leadership Award	2025	Energy Storage Leaders Alliance (EESA)
2025 Best Behind-the-Meter Energy Storage Application Innovation Project Award	2025	Energy Storage Leaders Alliance (EESA)
2025 Outstanding 3S Energy Storage Product Award	2025	Storage Discovery
2025 Outstanding Behind-the-Meter Energy Storage Application Innovation Project in China	2025	Carbon Exploration · Solarbe
2025 Outstanding Brand Enterprise in China's Energy Storage Industry	2025	Carbon Exploration · Solarbe
2025 InAwards for Excellence in Intelligent Marketing	2025	LinkedIn
First Batch of Xiamen Future Industry Backbone Enterprises (2025)	2025	Xiamen Municipal Bureau of Science and Technology
2025 Major Taxpayer of Jimei District	2025	People's Government of Jimei District, Xiamen
Xiamen Smart Energy Storage Innovation Center	2025	Xiamen Municipal Bureau of Science and Technology
National High-Tech Enterprise	2018/2022/2025	Xiamen Municipal Bureau of Science and Technology
National Key "Little Giant" Enterprise	2022/2025	Ministry of Industry and Information Technology of the People's Republic of China (MIIT)
Top 6 Chinese C&I Energy Storage System Suppliers by Overseas Shipments (2025)	2026	GGII (Gaogong Industrial Institute)
Top 10 Benchmark Projects for Behind-the-Meter Energy Storage (Energy Dispatch Support) (2025–2026)	2025	Storage Discovery

Honors



National-level High-tech enterprise



National-level "Little Giant" Enterprise



Key Enterprise in future industries of Xiamen City



POWEROAD Smart Energy Storage Innovation Center

Recognition



2025 Leading Innovator Award in the Energy Storage Industry



2025 Polaris Cup Award for Influential Overseas Energy Storage Supplier Award



2025 Top 100 New-Type Energy Storage Brands in China



LinkedIn 2025 InAwards for Excellence in Intelligent Marketing

02

Organizational Governance, Supporting Sustainable Development

The company strictly abides by the laws and the highest standards of ethical conduct in all its business activities, thereby establishing a fair, equitable, and integrity-driven business environment, implementing enterprise risk management, and ensuring the company's stable operation and growth.

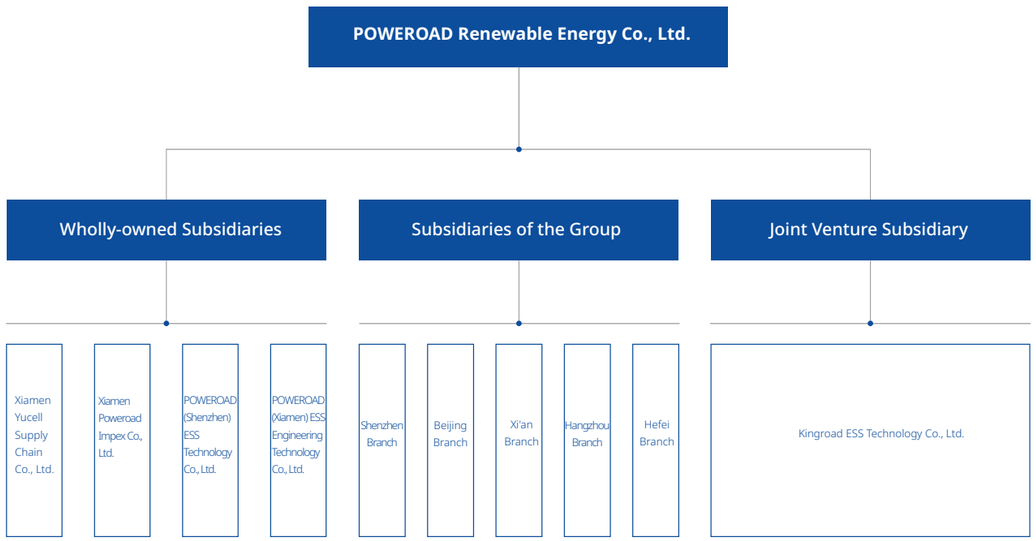




Organizational Governance Structure

Under the economic landscape of globalized development, business operating environments are facing unprecedented levels of complexity and uncertainty. Multiple factors such as intensified market fluctuations, accelerated technological advancements, and escalating geopolitical risks lead to a shrinking margin for errors in enterprise strategic decisions, and the stability of operational management is now under severe tests. Against this background, a robust governance structure is established, precise and efficient management mechanisms are implemented, and it has become the crucial factor for enterprises to maintain the development resilience and achieve sustainable growth in a dynamic competitive environment. Only through an institutionalized risk prevention and control system and a scientific decision-making process can enterprises gain the initiative in the ever-changing market environment and achieve sustainable growth.

Company Organizational Chart



The Chairman

The Chairman, as the company's top executive, is responsible for convening and hosting shareholder meetings and board sessions to ensure timely discussion and resolution of major enterprise decisions, and is responsible for organizing the formulation of the enterprise's business plans, investment plans, annual financial budgets and other major schemes. The Supervisors are responsible for overseeing the company's operations and financial management. If they discover any issues in their work, they shall promptly provide suggestions and feedback to the board of directors to protect the interests of the company and its shareholders, and to ensure that the company operates in a legal and compliant manner.

The General Manager

The General Manager is responsible for the company's overall operations and management, including R&D, production, quality control, marketing, procurement, finance, HR & administration, etc., and is responsible for formulating mid-to-long-term strategic objectives and driving their implementation in cooperation with the company's strategic policies. The Human Resources Administration Department is responsible for the implementation and continuous improvement of the company's QHSE management system to ensure its ongoing suitability, adequacy, and effectiveness of the management system. Each department within the company performs its own duties and works closely together, providing strong support for both short-term operational stability and long-term value growth through a systematic governance structure.



Code of Business Ethics

As a responsible company, we have zero tolerance for any violations of business ethics. Integrity and honesty are essential parts of our company's core values. The company is always customer-oriented to actively foster a culture of integrity, and is committed to building an honest and ethical enterprise, establishing and improving anti-corruption control mechanisms and reporting channels, and preventing corruption risks through internal management measures.

Anti-corruption Initiative

The company has issued management policies such as the "Anti-Corruption and Anti-Bribery Procedures" and the "Employee Handbook", clearly outlining the code of conduct for employees. All employees have signed the "Anti-Bribery and Anti-Corruption Commitment", committing to abide by the company's relevant regulations on honest business operations. In addition, all of the company's business partners are required to sign the "Supplier Anti-Bribery and Anti-Corruption Commitment" to collectively uphold a faithful, honest and fair business environment.

Audit and Supervision

The company has established audit and supervision mechanisms. Any violations of the code of business conduct will be dealt with seriously in accordance with laws and regulations. We conduct internal publicity to remind employees and ensure that the employees' behavior to conform to company standards.

Regular Training

Regular Training: The company regularly conducts integrity training to promote an ethical culture. Violations of the Business Conduct Code will be handled in accordance with laws and company policies. Employees can report suspected corruption through the designated reporting channel, and responsible departments will investigate and handle cases according to procedures.

From 2023 to 2025

Confirmed incidents of corruption or related reports	0
Complaints or lawsuits resulting from commercial bribery	
Cases of violations of business ethics	

Enterprise Risk Management

Risk management is the core safeguard mechanism for the company's sustainable development. By systematically identifying, assessing, and addressing strategic, operational, financial, and other multidimensional risks, the enterprise can strengthen its resilience against external shocks such as market fluctuations and policy changes, while also optimizing the resource allocation efficiency and reducing the company's compliance costs. Enterprise risk management not only helps prevent and control environmental and social risks to avoid major losses, but also improves decision-making quality and strengthens the trust of investors and interested parties. An effective enterprise risk management system transforms risks into strategic opportunities, enabling the enterprise to maintain their competitive edges in the face of changes and challenges and ultimately achieve the coordinated development of economic, environmental and social benefits.

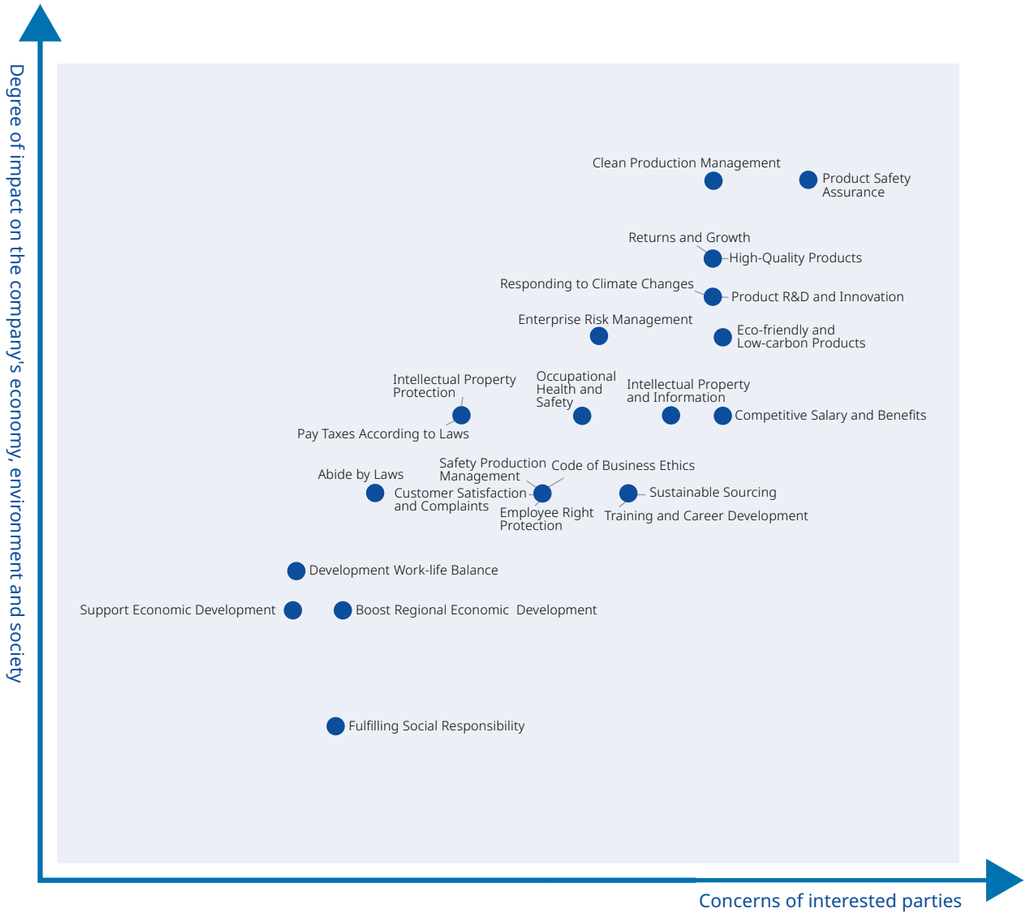
Legal and Compliance Risk Management	Operations and Financial Risk Management
The company has implemented contract management centered on "valuing contracts and maintaining trust". In accordance with the "Civil Code of the People's Republic of China" and other regulatory requirements, we have established a "Contract Management System" that clearly defines detailed requirements and approval authorities for the entire process of contract signing, review and approval, contract performance, modification and termination, dispute resolution, and contract management. Since 2020, the company has continuously retained The Universal Legal Corp. as our long-term legal advisor, leveraging their professional legal services to manage contract and compliance risks.	In 2023, the company signed a specialized service agreement with a professional accounting firm. The accounting firm conducts audits in accordance with the "Enterprise Accounting Standards" and issues professional adjustment opinions. It provides specialized training every six months, focusing on key areas such as financial regulations and internal control optimization. The professional auditing services have continuously enhanced the company's financial management level.



ESG Key Issues

To promptly obtain and respond to the demands of the interested parties, the company identified the requirements and expectations of the interested parties in accordance with the requirements of "ISO26000:2010 Guidelines for Enterprise Social Responsibility" and "GRI Sustainable Development Reporting Guidelines", and adopted the "matrix evaluation method" to evaluate the key issues that the interested parties were concerned about based on two dimensions - "the degree of impact on the company's economy, environment and society", and "the degree of impact on the interested parties". This year's sustainable development report is based on interested party surveys and key issue assessments. The company aims to achieve its strategic development goals by communicating with and involving the interested parties and responding to their demands and expectations.

ESG Key Issue Evaluation Matrix



Key Issue Statistical Table of Interested Party Communication and Concerns

Interested Parties	Concerned Issues	Communication Methods
Customers	• High-Quality Products • Product Safety Assurance • Customer Satisfaction and Complaints • Product R&D and Innovation	• Customer Satisfaction Survey • Customer Complaint • Customer Demands and Communication Meeting
Shareholders and Investors	• Returns and Growth • Enterprise Risk Management • Intellectual Property and Information • Safety Production Management	• Financial Report Release • Shareholder Communication Meeting • Internal Meeting • Shareholder Communication Meeting
Suppliers and Contractors	• Code of Business Ethics • Intellectual Property Protection • Sustainable Sourcing	• Supplier Meeting • Report Disclosure • Supplier Communication
Employees	• Competitive Salary and Benefits • Employee Right Protection • Occupational Health and Safety • Training and Career Development • Work-life Balance	• Employee Satisfaction Survey • Internal Meeting • Safety Management System • Internal Meeting • Employee Satisfaction Survey
Environment	• Clean Production Management • Responding to Climate Changes • Eco-friendly and Low-carbon Products	• Government Communication • Report Disclosure • Customer Communication
Government and Regulatory Authorities	• Abide by Laws • Pay Taxes According to Laws • Support Economic Development	• Government Meeting Seminar • On-site Visit and Communication
Community and NGO	• Boost Regional Economic Development • Fulfilling Social Responsibility	• Regular Information Disclosure • Visit

03

Innovation-Driven, Assisting in Energy Revolution

The company takes innovation as a key driving force for energy transformation and has achieved technological breakthroughs in the core technologies of energy storage;
We established manufacturing bases, utilized digital systems to implement a full-process quality management system, and ensured product safety and exceptional quality to create greater value for our customers.



R&D Innovation Mechanism

POWEROAD has been deeply involved in the battery industry for over 20 years. With the industry-leading lithium battery energy storage battery management system (BMS), energy management system (EMS) and independently-developed "POWEROAD Cloud" ESS Cloud Platform, it can be widely applied in various scenarios such as renewable energy power generation, EV charging piles, industrial parks, etc., providing a safer, more convenient, more reliable and more intelligent solution for the popularization of clean electricity.

In 2025, to continuously optimize our R&D management system, POWEROAD introduced the Integrated Product Development (IPD) methodology and the Product Lifecycle Management (PLM) system, integrating them with the Advanced Product Quality Planning (APQP) process to establish a more structured and digitalized product development framework. Tailored to the high complexity, long development cycles and stringent delivery requirements of commercial and industrial (C&I) energy storage projects, this framework enhances R&D efficiency, enables digital project management, and ensures full lifecycle product traceability, significantly shortening development and delivery timelines.

From 2023 to 2025,

Cumulative R&D to Sales Rate
32.75 million yuan

R&D centers
5

A cumulative deployment scale
1.8GWh+

The company's energy storage solutions had been implemented in worldwide
600+



The R&D center is equipped with dedicated testing laboratories and comprehensive validation facilities, supporting full-load system operation, structural reliability, environmental adaptability, cluster networking and other critical verification tests for C&I energy storage systems. Through rigorous testing and validation, POWEROAD ensures the safety, reliability and long-term performance of every solution delivered to customers.

2023-2025 Technological Innovation and R&D Performance Data Table

Indicators	2023	2024	2025
R&D Investment ratio (%)	2316	3122	3275
R&D Personnel (persons)	115	142	150
Granted Patent Data (items)	21	33	36
Patent Application Data (items)	44	50	87
Number of Software Copyright Applications (items)	40	44	75
Software Copyright Authorization (items)	37	39	76
Percentage of Revenue from New Product Sales (%)	24.09	28.17	21.18

Experienced R&D Team

POWEROAD consistently views talents and technologies as the core assets for sustainable development. The company has a professional R&D team of about 150 persons, forming an experienced technical team that covers the entire industry chain, including lithium battery cells, power battery systems, and energy storage systems. The R&D personnel has an average industry experience exceeding 10 years, including pioneers who were among the first in China to develop long-life lithium iron phosphate (LFP) energy storage cells, EV battery systems, and commercial energy storage cloud platforms. These experts form a robust talent base to fuel the company's technological innovation.



The R&D personnel is conducting product performance testing

R&D Management System

POWEROAD has established a systematic and standardized R&D management system, continuously enhancing the innovation efficiency through institutional development and digital upgrades. The company has established an R&D quality management system that covers the entire product lifecycle, and formulated and implemented over ten policies and procedures such as the "Design and Development Control Program" and the "New Product Pilot Production Management Measures". From the key links such as project initiation, development process, risk control (FMEA), technology output to product traceability, the standardized management of product R&D has been achieved, the controllability of the R&D process and the traceability of the results are ensured, and a solid management foundation is provided for technological innovation.

To continuously optimize our R&D management system, the company will focus on driving digital transformation in 2025 by introducing the IPD (Integrated Product Development) project management model and the PLM (Product Lifecycle Management) system to achieve three major improvements: First, the cross-regional R&D collaboration is strengthened, making cooperation among our five R&D centers more efficient; second, the process control is improved, and the digital means is used for refined management throughout the entire R&D process; and third, the quality and reliability are enhanced, and a full lifecycle quality tracking system from requirement analysis to product delisting is established. These measures will drive the company's technological innovation and R&D management to develop toward the more intelligent and more efficient direction.



Xiamen R&D Center

Core Product Technology

Since entering the renewable energy storage sector in 2016, the company has achieved comprehensive breakthroughs in four key technology areas: the high-precision battery management system (BMS) achieves accurate battery control, the energy management system (EMS) establishes the smart energy management, the ESS Cloud Platform initiates a new digital operation and maintenance model, and the advanced system integration technology breaks through the entire chain of innovation from components to systems.

High-precision Battery Management System (BMS)

The POWEROAD Battery Management System (BMS) integrates battery data collection, balancing management, insulation monitoring, energy metering, system self-check, thermal management, data processing and other functions into one solution. It supports mainstream communication methods and protocols, adopts a multi-level architecture, and can be flexibly adapted to energy storage systems of various sizes. The BMS has been widely deployed in commercial and industrial energy storage systems, ensuring safe and reliable system operation.

Energy Management System (EMS)

The POWEROAD Energy Management System (EMS) uses intelligent analysis to conduct intelligent energy management on distributed power sources, energy storage systems, photovoltaic systems, wind power systems, collection systems, and load systems, achieving the matching of resources and demands. It can provide early warnings and interventions for safety risks, conduct energy planning, energy efficiency analysis, consumption analysis, equipment and microgrid system management, enables maintenance personnel to better understand the status of the system and reduces overall operating costs. This also provides conditions for further mining, analysis, processing and handling of energy data.

Power Conversion System (PCS)

POWEROAD Power Conversion System (PCS) enables bidirectional power conversion between the battery system and the grid. It converts direct current (DC) into alternating current (AC) during discharge and alternating current (AC) into direct current (DC) during charging, allowing the energy storage system to charge and discharge in line with grid and application requirements. Serving as the critical link between the batteries and the grid, the PCS supports efficient power transfer and helps ensure stable, reliable system operation.

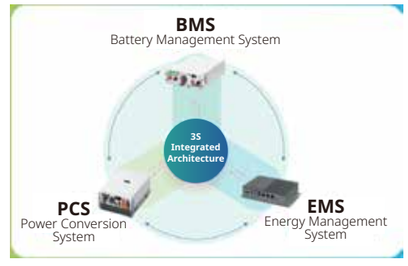
ESS Cloud Platform

The "POWEROAD Cloud" ESS Cloud Platform integrates visual maintenance, refined management, and big data analysis. After the energy storage system is connected into the power grid, it enables real-time data collection, big data analysis, and battery health prediction and alerts. With the "POWEROAD Cloud" ESS Cloud Platform, batteries can be monitored, operated, and maintained globally. Additionally, extensive data researches help optimize BMS design, improve configuration, perfect operational strategies, reduce operating and maintenance costs, and create greater economic benefits for customers.



Full-Stack In-House 3S Integrated Architecture

With five R&D centers and full-stack in-house capabilities, POWEROAD independently develops the core technologies of its energy storage systems, including BMS, PCS and EMS. In 2025, the company launched its 3S Integrated Architecture, integrating BMS, PCS, EMS and the high-voltage control unit into a single cabinet, reducing system cost and space while improving response speed to within 50ms through deeper hardware-software integration.



Xiamen Smart Energy Storage Innovation Center

The Xiamen Smart Energy Storage Innovation Center is a municipal-level R&D innovation platform officially recognized by the Xiamen Municipal Bureau of Science and Technology. Leveraging five R&D centers across China and full-stack in-house capabilities in BMS, PCS and EMS, POWEROAD continuously advances energy storage technologies and develops safer, smarter and more reliable solutions. With a standardized R&D management system and continuous investment in innovation, the company has obtained official recognition as the Xiamen Smart Energy Storage Innovation Center.



Best Practice | 16.34 MWh C&I Energy Storage Project

In early 2025, POWEROAD commissioned a 6.5 MW / 16.34 MWh commercial and industrial (C&I) energy storage project for one of Belgium's leading logistics real estate companies. The project has been operating safely and efficiently, delivering significant reductions in electricity costs and carbon emissions while providing a proven, replicable model for the energy transition of logistics facilities across Europe.

The customer's large-scale distribution centers faced several challenges, including limited grid connection capacity, a mismatch between PV generation and electricity demand, and rising energy costs. POWEROAD's ESS solution created a centrally managed energy storage power plant. Since entering commercial operation in March 2025, the system has significantly increased on-site solar self-consumption through intelligent energy management. By charging during off-peak periods and discharging during peak demand, the system effectively reduces peak electricity purchases, mitigates the impact of high electricity prices and grid capacity constraints, optimizes load profiles, lowers overall energy costs, and relieves pressure on the local power grid.

Beyond self-consumption optimization, the project also participates in ancillary service markets—including frequency regulation and peak balancing—as well as electricity spot market trading, creating multiple revenue streams and enhancing the long-term value of the energy storage asset.

More importantly, this innovative energy supply model has enabled the customer to translate its ESG commitments into measurable carbon reduction outcomes, further strengthening its leadership in sustainable logistics.



POWEROAD continues to provide reliable and diversified energy storage solutions worldwide. By the end of 2025, the company had delivered more than 600 C&I energy storage projects globally. Its systems operate in some of the world's most demanding environments, including Everest Base Camp at an altitude of 5,200 meters, the Qiangtang Plateau in Tibet with temperatures as low as -40°C, mining operations in Guyana near the equator with relative humidity reaching 100% during the rainy season, and high-temperature, high-salinity island environments in Indonesia. Across all global C&I deployments, POWEROAD has maintained a zero safety incident record, demonstrating outstanding product reliability, operational safety and engineering quality.



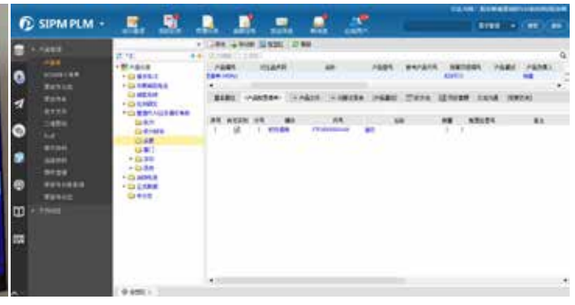
Smart & Digital Transformation

Smart manufacturing transformation and digitalization have become key drivers for the next stage of industrial development, enabling traditional industries to overcome conventional growth models and achieve upgrading through technological innovation. For energy storage manufacturers operating in the renewable energy sector, digital transformation is essential to improving operational efficiency, enhancing product quality, and strengthening long-term competitiveness.

Recognizing the opportunities brought by the rapid development of the digital economy, POWEROAD has continuously accelerated its digital transformation journey. Focusing on critical business processes—including efficient material and finished-goods management across the supply chain, as well as intelligent production scheduling for multi-product manufacturing lines—the company has developed and implemented digital management systems tailored to its operational needs, driving comprehensive digital upgrades across the entire value chain.

In 2025, POWEROAD further advanced its smart manufacturing and digital transformation initiatives across the full lifecycle, from product development and supply chain management to manufacturing and customer service. On the R&D side, the company introduced the Integrated Product Development (IPD) methodology and the Product Lifecycle Management (PLM) system, integrating them with its existing Advanced Product Quality Planning (APQP) process to strengthen digital capabilities throughout product development. On the manufacturing side, POWEROAD implemented dedicated Manufacturing Execution Systems (MES) across production lines, enabling precise control, real-time monitoring and full traceability of production and testing data, ensuring quality consistency from the source.







Product Quality Management

An effective quality management system creates value across multiple dimensions. Operationally, POWEROAD continuously optimizes manufacturing processes through the PDCA cycle, improving efficiency and driving lean operations. At the product level, rigorous process control ensures the reliability and safety of energy storage solutions. From a market perspective, internationally recognized certifications further enhance brand credibility and provide strong support for global expansion.

> “Compliance with regulations, scientific management, process control, and meticulous craftsmanship”



All of the company's production bases have passed the ISO9001 quality system certification

From 2023 to 2025, POWEROAD achieved a zero customer return rate and zero product safety incidents. The Finished Product First Pass Yield (FPY) of finished products reached 100%, while the First Article Inspection (FAI) pass rate improved from 99.70% to 100%, demonstrating the company’s continuous advancement in quality control capabilities and manufacturing maturity.

From 2023 to 2025

Finished Product First Pass Yield (FPY)

100%

First Article Inspection Pass Rate (FAI)

99.80% → 100%

The product safety incident ····· **0**

The customer return ····· **0**

The effective operation of the quality management system has brought multiple benefits to the company. In terms of operation, the PDCA cycle has enabled lean improvements in production processes, boosting the operational efficiency. In terms of products, strict process control ensures the reliability and safety of our energy storage products. In terms of market presence, international certification qualifications enhance the credibility of the brand and provide strong support for expanding the global market. According to statistics, from 2023 to 2025, the product safety incident was zero, the customer return was zero, the finished product shipment first-time inspection pass rate was 100%, and the pass rate for the first piece inspection was increased from 99.8% to 100%, demonstrating that the company's product quality control has been continuously improving.

2023-2025 Product Quality Performance Data

Data	2023	2024	2025
Customer Return Rate (%)	0	0	0
Number of Product Safety Incidents (times)	0	0	0
Final Product Shipment First-Inspection Pass Rate (%)	100%	100%	100%
Incoming Material Inspection Pass Rate (%)	95.53%	94.29%	95.35%
First Piece Inspection Pass Rate (%)	99.70%	99.80%	100.00%

APQP Quality Control

The company adheres to the principle of striving for excellence in production and manufacturing. It has introduced the APQP (Production Part Approval Process) product quality planning procedure, initiating early quality planning during the R&D stage of the project. Through a series of control processes such as quality control of R&D, materials, processes, and final products, it strictly controls each link to provide high-quality standard products, as well as OEM and ODM customized products and solutions for customers.

Quality Knowledge Training

Quality training is a key link for the company to improve product quality. The company regularly provides employees with quality knowledge training, with the training content covering quality awareness cultivation, interpretation of quality standards, production testing skills, quality case analysis, etc., to constantly enhance the professional skills of employees and the awareness of full participation, and to ensure the stability and reliability of product and service quality.



Quality Management Training for Employees

IE Improvements and Incentives

To promote IE improvements and management innovation and encourage employees to actively participate in product design and development, production process improvements, equipment and tooling upgrades, management process optimization, etc., the company has established and published the "CIP Promotion Management Guidelines". Based on the benefits generated from improvement proposals proposed by employees, the company provides employees with varying amounts of financial rewards as well as recognition for outstanding individuals or teams.

Quality Inspection and Monitoring

The company has established a comprehensive product inspection system and is equipped with advanced professional equipment for weather resistance testing, battery performance testing, and safety compliance checks. A full-process quality monitoring system for incoming material inspection, production process, finished product testing, etc. is established. Through standardized testing methods, precise instruments and equipment, and scientific analysis techniques, the company can accurately obtain key performance indicators of samples and rigorously verify the accuracy and reliability of test results, providing solid experimental data support for product quality.

Laboratory test and monitoring indicators

Weather resistance test	High temperature test, low temperature test, temperature and humidity cycling test, drop test, high temperature and high humidity test (85℃/85% RH), insertion and withdrawal force test, puncture test, vertical electromagnetic vibration test, automotive transport vibration test, salt spray test, heat deformation test, tensile test;
Battery performance test	Cell capacity test, cell low-temperature discharge capacity test, cell high-temperature discharge capacity test, rate discharge test, DC internal resistance test, pulse discharge test, cycle life test;
Testing and analysis	Temperature rise test, lithium battery protection board test, short circuit test, LCR digital bridge test, hardware parameter test, material test;
Safety compliance testing	Insulation test, withstand voltage test, leakage current test; cell capacity grading test, tensile test, intelligent safety compliance combined analysis test, salt spray test, DOE validation;
Incoming material inspection	Salt spray test, air tightness test, CCS test, battery cell capacity test, etc.;
Production process testing	Blue film appearance CCD inspection, cell OCV online test, post-welding CCD inspection, module single-pack insulation withstand voltage test, module single-pack total voltage and internal resistance test, complete unit insulation withstand voltage test, charge-discharge EOL test, complete unit air tightness test, aging test, etc.;



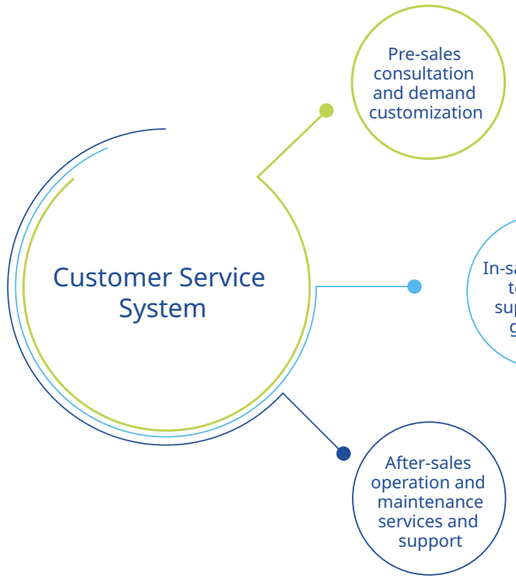


Product Laboratory Test

Improving Customer Satisfaction

Full Lifecycle Customer Support and Service Excellence

POWEROAD has established a full-lifecycle customer service system, providing technical support and turnkey solutions from application assessment, solution design and system deployment to operation and maintenance. Through professional engineering teams and intelligent cloud platforms, the company delivers onsite support, commissioning assistance, remote monitoring and rapid response to ensure stable system operation throughout the project lifecycle.



During the pre-sales phase, we offer professional and free consultations and customize the most cost-effective energy storage solutions based on our clients' budgets and needs. Relying on a global layout, the solution is ensured to comply with the policy requirements of each region.

During the project implementation process, a senior engineering team provides on-site technical support and deployment guidance.

In the post-sale stage, dual guarantees of a professional maintenance team and an intelligent cloud platform are adopted to achieve timely remote monitoring and rapid response, ensuring the continuous and stable operation of the system.

Customer Feedback and Complaint Management System

POWEROAD has established a closed-loop customer feedback and complaint management system based on rapid response, risk escalation, safety priority and continuous improvement. Upon receiving customer feedback, the after-sales team completes issue registration within 24 hours, while Quality and R&D teams provide preliminary solutions within 12 hours. Major issues will trigger an escalation mechanism, followed by cross-functional corrective actions and follow-up through service records.

The company has also established an issue-tracing mechanism to extend corrective actions from individual cases to product and process improvements. The after-sales department follows standardized service procedures covering customer requests, solution matching, progress tracking and issue closure, while regularly reviewing and optimizing processes to improve service efficiency and response capabilities.

Customer Satisfaction Survey

To fully understand customer needs, the company conducts customer satisfaction surveys every year through questionnaire methods, with the survey contents covering sales performance, delivery services, product quality, price competitiveness, handling of customer complaints, contribution to the customer brand, etc. The data is analyzed from customer satisfaction surveys to identify the current state of customer satisfaction, existing issues and their causes, and then improvement measures are developed and implemented.

Indicators	2023	2024	2025
Customer Satisfaction (%)	80%	86%	86%

Based on the results of the 2025 customer satisfaction survey analysis, the company will implement the following improvement measures:

Measure 1

By securing supplier partnerships through framework agreements, we effectively mitigate supply chain price fluctuation risks; and at the same time, leveraging the MES system, the smart upgrades in production are achieved, manufacturing costs are continuously optimized, and our products' market competitiveness is enhanced.

Measure 2

By increasing investment in R&D, we improved the R&D mechanism oriented by market demand, opened up a fast channel from product planning to technology R&D to market application, and continuously enhanced the transformation efficiency of R&D achievements.

Measure 3

Offer flexible pricing or product customization based on specific market needs; conduct joint marketing with customers and provide promotional support to help them expand their markets.



04

Low Carbon and Environmental Protection, Protecting the Future of the Earth

The company takes environmental protection as the cornerstone of sustainable development. We have established a systematic environmental management system based on international standards and implemented clean production management during our operations. We actively respond to climate changes and develop and produce efficient energy storage products for our clients, contributing to the global achievement of carbon neutrality.



Green Energy Storage Solutions

As a key hub in the energy transformation, energy storage products play an irreplaceable role in promoting global carbon neutrality. By efficiently storing renewable intermittent electrical energy, the energy storage system significantly enhances the utilization rate of clean energy sources such as wind and solar power, effectively solving the problem of integrating renewable energy into the grid. The intelligent energy storage solution possesses key functions such as grid frequency regulation, peak shaving and valley filling, as well as reducing fluctuations in wind and solar power. While improving the stability of the grid, it also significantly reduces the carbon emission intensity of the grid.

According to two 2024 reports by the International Energy Agency (IEA), achieving the global target of tripling renewable energy capacity by 2030 requires global energy storage capacity to reach 1,500 GW under the NZE scenario, including approximately 1,200 GW of battery storage. Large-scale deployment of energy storage has therefore become a key pathway for global energy transition and carbon neutrality goals.

Energy Storage Applications

Agriculture

With the growing adoption of renewable energy sources such as hydropower, solar and wind, energy storage is transforming agriculture beyond traditional fossil fuel dependence. Storage systems provide stable power support for irrigation, greenhouse climate control, and agricultural processing and storage, while reducing energy costs and carbon emissions. By improving energy reliability and efficiency, storage enables a greener and more sustainable agricultural future.



Commercial Applications

Commercial buildings, industrial parks, hotels, hospitals and retail facilities often face rising energy costs caused by peak-demand charges and time-of-use electricity pricing. Energy storage helps reduce electricity expenses through peak shaving, demand management and tariff optimization, while creating additional value through demand response programs. Combined with distributed energy sources such as solar PV, storage improves renewable energy utilization and supports sustainable operations.



EV Charging Stations

Energy storage enables EV charging stations to charge during off-peak periods and discharge during peak demand, reducing grid electricity purchases and avoiding high electricity prices and grid capacity constraints. By optimizing load profiles and reducing reliance on grid upgrades, storage lowers overall energy costs and alleviates grid congestion. It also helps avoid costly transformer expansion and distribution infrastructure upgrades.



Energy Trading

As electricity markets continue to evolve, energy storage systems can flexibly charge and discharge based on real-time prices and market signals, participating in energy arbitrage, ancillary services, demand response and capacity markets. Supported by intelligent energy management systems, storage can respond quickly to grid requirements through peak shaving, frequency regulation and load balancing. Multiple revenue streams enhance asset value and improve project returns.



Industrial Applications

Industrial facilities typically feature continuous operations, high-power loads and strict requirements for power reliability. Energy storage helps optimize energy consumption through peak shaving, load balancing and demand response, reducing electricity costs while relieving grid pressure during peak periods. It also provides rapid power support during grid fluctuations or outages, ensuring production continuity and improving renewable energy integration.



Remote Sites

Remote areas often face limited grid access, unreliable power supply or long-term dependence on diesel generation, resulting in high energy costs and challenging maintenance. Energy storage can work with solar, wind and diesel generation to build reliable microgrids, enabling continuous power supply while reducing fuel consumption and transportation costs. Through intelligent energy management, storage improves renewable energy utilization and provides cleaner, more economical solutions for mining sites, telecom stations, islands and remote communities.



Residential Energy Storage

With the growing adoption of distributed solar PV, residential energy storage enables households to store excess solar power generated during the day and use it during evenings or high-price periods. This increases solar self-consumption, reduces electricity costs and provides backup power for essential loads during outages. Combined with intelligent energy management, residential storage enables more efficient, flexible and sustainable home energy management.





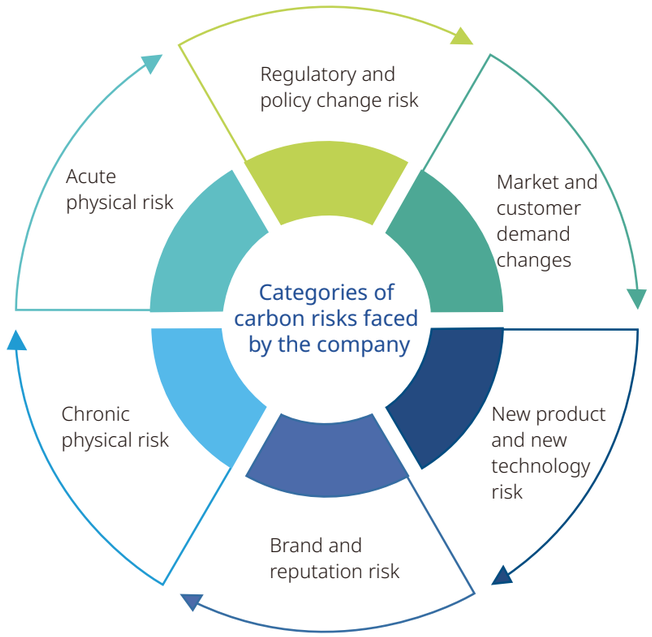


Responding Climate Changes

The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) highlights that as severe heat waves, heavy rainfall, and other extreme weather events and disasters occur more frequently, the negative impacts and risks caused by climate changes are becoming increasingly significant, and climate changes have already had widespread and profound effects on the environment, society, and the economy. To achieve the goal set by the "Paris Agreement" to "limit the global average temperature rise to below 2℃, and strive to keep it within 1.5℃", the issues of global climate changes and the green low-carbon economy have become important focuses of the international community. In September 2020, the Chinese government officially proposed the strategic goal of "achieving carbon peak by 2030 and carbon neutrality by 2060", promoting a comprehensive green transformation, orderly and safely reducing carbon, and strengthening responsibility implementation.

Identification of Carbon Risks and Opportunities

In the context of carbon neutrality, the battery energy storage industry will encounter transformational risks, physical risks, as well as opportunities brought about by the energy transformation in the short term, medium term and long term. Climate risks arise from policies, laws, technologies, market changes, as well as acute and chronic physical risks brought about by climate changes; opportunities may come from expanding, developing or emerging markets, or from the company's contribution to sustainable development, including new products, services, customers and markets, reputation benefits, supply chain security, process improvement, and innovation.



Risk and Opportunity Identification and Response

Key Risk Assessment Results and Response Strategies for Climate Changes

Risk category	Project category	Possibility	Financial impact	Risk level	Priority score	Short-term, medium-term, long-term	Company response strategy
Transition Risk	The EU Battery Regulations impose limits and requirements on the carbon footprint of products, thereby increasing the operational costs for companies and the entire value chain	Basically confirmed	High	Level 1	12	Short /Medium / Long	1) Carry out product carbon footprint assessments to understand the benchmark data for the carbon footprints of different products; 2) Based on the results of carbon footprint assessment, provide carbon knowledge training for suppliers to raise awareness of carbon risk management; 3) Encourage suppliers to develop carbon neutrality strategies and carbon reduction plans, and promote the suppliers to increase the proportion of clean energy usage; 4) Regularly review and track the carbon footprint performance of products, continuously reduce carbon emissions, and benchmark against the requirements of the EU Battery Regulation.
Transition Risk	The EU Battery Regulation's requirements for due diligence management in product supply chains increase operating costs for companies and their suppliers	Basically confirmed	High	Level 1	12	Short /Medium / Long	5) Establish a sustainable sourcing mechanism and a supplier due diligence management system in accordance with EU battery regulations; 6) Conduct ESG audits and assessments for suppliers, provide ESG knowledge training, and enhance suppliers' awareness of ESG risks and management capabilities; 7) Engage an EU-accredited third-party organization to conduct a due diligence management system audit and obtain a declaration of conformity; 8) Regularly review and monitor suppliers' ESG management performance to ensure the ongoing effectiveness of their due diligence systems.
Transition Risk	The requirements of EU Battery Regulation for the proportion of recycled cobalt, nickel, lithium, and lead in products will increase operating costs for the company and the value chain	Basically confirmed	High	Level 1	8	Short /Medium / Long	9) Conduct data surveys and assessments of recycled materials from cobalt, nickel, lithium, and lead raw material suppliers, and develop an implementation plan for using recycled materials; 10) Engage in technical exchanges and communication with raw material suppliers, and when necessary, carry out technology R&D and innovation to increase the proportion of recycled materials used; 11) Engage a third party to verify the proportion of recycled materials and obtain a compliance statement.
Transition Risk	Governments and regulatory agencies require enterprises to save energy, reduce carbon emissions, and disclose carbon information. Non-compliance can expose companies to regulatory risks	Basically confirmed	Medium	Level 1	8	Short/ Medium	12) Carry out carbon inventory work for emission sources of benchmark-year enterprise and supply chain scope 1, 2, and 3; 13) Based on the carbon inventory results, formulate carbon neutrality strategies, goals and action routes; 14) Take annual carbon reduction actions to advance the achievement of carbon neutrality goals, and disclose information each year through TCFD reports until carbon neutrality is achieved.
Transition Risk	China's "14th Five-Year Plan" requires companies to reduce their carbon emissions per unit of product each year from 2021 to 2025. Failure to comply could expose companies to regulatory and brand risks, as well as higher compliance costs	Basically confirmed	Medium	Level 1	8	Short/ Medium	15) Carry out carbon inventory work for emission sources of benchmark-year enterprise and supply chain scope 1, 2, and 3; 16) Based on the carbon inventory results, set targets and action plans to reduce carbon emission intensity; 17) Develop a clean energy procurement plan and increase financial investments in carbon reduction to ensure sufficient financial resources.

Key Risk Assessment Results and Response Strategies for Climate Changes

Risk category	Project category	Possibility	Financial impact	Risk level	Priority score	Short-term, medium-term, long-term	Company response strategy
Transition Risk	The development of low-carbon technologies and products, along with the transition to and adoption of low-emission technologies by the company, will lead to increased costs and reduced enterprise profit margins	Most likely	Medium	Level 2	6	Medium /Long	18) The company has allocated R&D funds for the R&D of low-carbon products and low-carbon technologies; 19) Improve the production efficiency through efficiency enhancement and optimization projects such as clean production and lean manufacturing.
Transition Risk	Changes in customer and consumer behaviors require companies to produce low-carbon and zero-carbon products, increasing both the company's direct and indirect operating costs	Most likely	Medium	Level 2	6	Medium /Long	20) Purchase and use clean energy every year, gradually increase the proportion of clean energy used, and reduce carbon emissions during operations; 21) Encourage key suppliers to use clean energy in their production processes to reduce the carbon emissions implied in raw materials; 22) Set carbon neutrality targets for products, and regularly review and track the performance of product carbon reduction efforts.
Transition Risk	The Chinese government has made an international commitment to the "3060" carbon peaking and carbon neutrality strategy. If the company fails to achieve its "carbon peaking and carbon neutrality" goals, it could face compliance risks and reputational damage	Possible	Medium	Level 2	6	Medium /Long	23) Carry out carbon inventory work for emission sources of benchmark-year enterprise and supply chain scope 1, 2, and 3 to establish benchmark-year data; 24) Develop the company's carbon reduction targets and action plans in response to the "3060" carbon peaking and carbon neutrality strategy; 25) Purchase and use clean energy, increase the proportion of clean energy used, implement energy-saving measures, and reduce Scope 1 and 2 carbon emissions.
Physical Risk	Climate changes have led to an increase in the frequency of severe weather events such as typhoons and floods, causing disruptions to company operations and asset losses	Most likely	Low /Medium /High	Level 2	12	Short /Medium / Long	1) Strengthen company operational risk management; develop contingency plans for severe weather; 2) Purchase and equip emergency supplies, conduct regular emergency drills, and enhance the company's emergency response capabilities; 3) Develop a diversified supply chain to enhance the business continuity of value chain operations and the ability to manage risks.
Physical Risk	Climate changes have led to prolonged summer heat and high temperatures, affecting the company's normal operations and increasing its operating costs	Basically confirmed	Medium	Level 1	8	Short /Medium / Long	4) Purchase and install high-efficiency, energy-saving refrigeration equipment; 5) Assign professionals to regularly maintain and service the refrigeration equipment to ensure its stable operation.
Opportunity	The battery industry is a crucial product for achieving global carbon neutrality. With the vigorous market demand for new energy products, the company's product sales and market demands will be increased significantly, thereby boosting the company's revenue.	Basically confirmed	High	Level 1	6	Short /Medium / Long	1) Increase investment in R&D of new products, and develop and produce battery products that meet customer needs; 2) Establish new product sales channels and expand market sales volume; 3) Actively respond to the requirements of the EU Battery Regulations and produce high-quality battery products that comply with the EU Battery Regulations.

Organizational Carbon Emission Accounting

In accordance with ISO 14064:2018, POWEROAD conducted an organizational-level carbon emissions inventory for 2025. According to the calculation results, the company's carbon emissions from purchased electricity amounted to 1,051.23 tCO_2e/year, while Scope 3 emissions totaled 65,491.04 tCO_2e/year, with emissions from purchased raw materials accounting for over 90% of Scope 3 emissions. To ensure data accuracy, POWEROAD engaged a third-party verification body to verify its 2025 carbon emissions data and obtained a carbon emissions verification statement issued by the third party.

Company Scope 1, 2 & 3 Carbon Emission Data Table

Environmental indicator	2025
Electricity Consumption (kWh/year)	2434939.02
Scope 1 Emissions (TCO2e/year)	8.29
Scope 2 Emissions (TCO2e/year)	1051.23
Scope 3 Emissions (TCO2e/year)	65491.04


Bureau Veritas Certification

Greenhouse Gases Statement Verification Opinion

is awarded to

POWEROAD RENEWABLE ENERGY CO., LTD.

ISO 14064 Third-Party Carbon Verification Statement



Product Carbon Footprint Assessment

To actively respond to the EU Battery Regulations and the low-carbon requirements of domestic and international customers, to understand the carbon emission situations of different processes during the product production cycle, and to seek opportunities for carbon reduction in the development of low-carbon products and supply chain management, the company initiated a product carbon footprint assessment in 2025. Based on ISO14067:2018 "Guidelines for the Evaluation of Greenhouse Gas Emissions during the Life Cycle of Products and Services", 11 energy storage products were selected for carbon footprint assessment and comparison, in order to promote the formulation and implementation of product carbon reduction strategies and provide a scientific basis for launching carbon-neutral products. To ensure the accuracy of the carbon emission figures, the company entrusted a third-party verification agency to conduct a verification of the carbon emission data for the year 2024, and obtained a carbon footprint verification statement issued by the third party.


Bureau Veritas Certification

Product Carbon Footprint Verification Opinion

is awarded to

POWEROAD RENEWABLE ENERGY CO., LTD

ISO14067 Product Carbon Footprint Verification Statement-For One Product

To actively address the requirements of the EU Battery Regulation and low-carbon expectations from domestic and international customers, POWEROAD initiated product carbon footprint assessments in 2025 based on ISO 14067:2018 "Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification." The company selected 11 energy storage products for carbon footprint assessment and comparison to identify carbon reduction opportunities throughout the product lifecycle, support the development and implementation of carbon reduction strategies, and provide a scientific basis for launching carbon-neutral products. To ensure data accuracy, POWEROAD engaged a third-party verification body to verify the carbon footprint data of the 11 energy storage products and obtained carbon footprint verification statements issued by the third party.

POWEROAD formulate carbon neutrality strategies

With 2024 as the base year, the company aims to achieve Scope 1 & 2 carbon neutrality by 2030, and achieve the Scope 3 value chain carbon neutrality by 2050.

Environmental Management System

Prevention at the source	Energy conservation and consumption reduction	Strengthened supervision	Continuous improvement
Tackle problems early, plan ahead, and start with planning;	Saving is honorable, and wasting is shameful.Processes are optimized, and the optimal energy consumption ratio is pursued while maximizing the utilization of resources;	Without supervision, there are no results. Supervision exists to help achieve goals more effectively;	There's no best, only better.

Adhering to the green development concept, the company actively promotes the harmonious development of products, environment and society. Centering on the management policies of "prevention at the source, energy conservation and consumption reduction, strengthened supervision, and continuous improvement", the company has established a systematic environmental management system based on the ISO14001 standard. By conducting the identification of environmental factors and formulating quantified environmental goals and environmental management procedures, the company has achieved continuous improvement in environmental performance. During the system operation period in 2024, the company strictly complied with national and local environmental protection regulations. All management systems were effectively implemented, environmental pollutants were discharged 100% in compliance with standards, and excellent environmental management performance has been achieved. In 2024, the company received ISO14001 Environmental Management System Certification Certificate.



ISO14001 Environmental Management System Certification Certificate

Environmental Responsibilities and Management Processes

The company has established a dedicated environmental management department with clearly defined responsibilities and authorities. Perfect environmental management procedures have been developed, covering key links such as risk identification, monitoring, assessment, and reporting. This ensures that environmental management not only complies with regulatory requirements but also meets the company's internal standards.

Environmental Performance Monitoring and Evaluation

The company has established a systematic environmental monitoring and assessment mechanism, regularly reviewing and evaluating its environmental management efforts. By combining internal and external audits, the operation status of the system was verified. Any identified problems were promptly rectified to ensure the continuous and effective operation of the system.

Environmental Training and Communication Feedback

The company has established a systematic environmental monitoring and evaluation mechanism, with regular reviews and assessments of its environmental management practices. Through a combination of internal and external audits, the company evaluates the effectiveness of its environmental management system and takes timely corrective actions when issues are identified, ensuring its continued and effective operation.



The company has organized employees to participate in environmental awareness training

The company continues to strengthen environmental management training and internal communication through targeted training and regular awareness programs, helping employees better understand environmental requirements and their responsibilities. Employees are encouraged to proactively identify and report environmental issues and improvement opportunities in their daily work. Through effective internal communication and timely follow-up, environmental practices are integrated into daily operations, fostering employee engagement and continuous improvement.

2023-2025 Environmental and Ecological Efficiency Statistical Table

Environmental indicator	2023	2024	2025
Environmental Protection Expenditures (10,000 yuan/year)	10.85	8.47	1.82
Water Consumption (tons/year)	0.11	0.15	0.11
Wastewater Emissions (tons/year)	3361.5	6886.5	6491.1
Total Electricity Consumption (MWh/year)	1205.57	1527.66	2434.93
Industrial Solid Waste Emissions (tons/year)	/	0.0001	0.0009
Hazardous Waste Emissions (tons/year)	0.000000	0.000009	0.000030
Waste Reuse Rate (%)	/	96%	96.86%

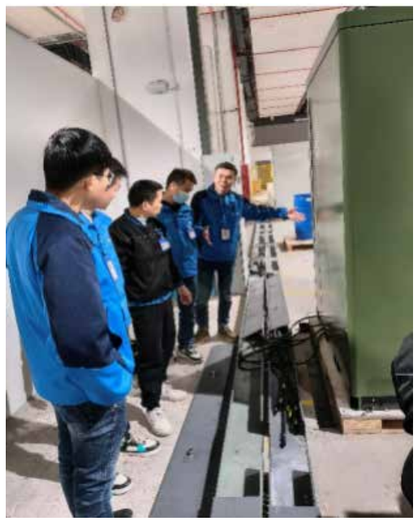
Clean Production Management

During the production and operation process, the company actively promotes green and low-carbon technologies. By optimizing processes, enhancing equipment efficiency, controlling pollutant emissions, and strengthening waste recycling and utilization, it achieves the environmental protection goals of Zero Accidents and Zero Pollution.

Promote 7S Standardized Management

To strengthen environmental and quality management and improve operational efficiency, POWEROAD has systematically implemented 7S management across its operations since 2022. The company established its 7S Management Procedures and formed a dedicated 7S team covering safety, health and environment (SHE) to coordinate implementation. Through regular communication and training, employee engagement, incentives and performance assessments, 7S requirements are translated into consistent practices across the workplace.

After more than three years of continuous implementation and improvement, 7S management has become increasingly embedded in daily operations, helping maintain a safer, cleaner and more organized workplace. It has also contributed to greater operational efficiency, stronger environmental and workplace safety management, and a culture of continuous improvement.





The company actively implements 7S management

Energy Conservation Management

The company systematically advances energy management through three key measures: raising awareness, promoting green office practices, and upgrading and transforming equipment. The company regularly conducts special training on energy conservation, embedding the concept of energy conservation into its enterprise culture; it fully implements electronic office operations and intelligent electricity management, conducts equipment energy efficiency evaluations, and gradually replaces high-energy-consuming equipment with efficient motors, energy-saving lamps, etc., to reduce energy consumption levels.

To reduce energy consumption and explore carbon reduction opportunities, POWEROAD has developed a closed-loop energy recovery system based on its product aging test process. Through process optimization and energy storage integration, the company achieves efficient energy management and reduces production energy consumption. By adopting a device-to-device power circulation approach, testing electricity is recovered and reused through bidirectional charging and discharging, minimizing unnecessary energy loss. In addition, the factory energy storage system stores and reallocates surplus energy when power matching between devices is insufficient, maximizing the utilization of excess electricity.

POWEROAD has established an integrated energy-saving model combining device-to-device energy recovery and energy storage-based peak regulation. The system minimizes reliance on grid electricity, with external power mainly used during equipment start-up or insufficient storage conditions. In 2025, the solution saved 563.97 MWh of electricity and reduced carbon emissions by 237.49 tCO_2e, achieving energy efficiency improvement and low-carbon production.

Energy Savings

Emissions Reduction

Reduced Grid Load



Environmental Pollutant Control

The company implements clean production management for all types of pollutants, combining hardware investment with soft management to reduce the negative impact of production and operation activities on the environment.

1) The company implements source control of domestic sewage and raises employees' awareness of water conservation through regular education and training.

2) A full-process system of "system - facilities - ledger - disposal" has been established for the management of hazardous waste, and storage sites are strictly built in accordance with the "three prevention" standards, achieving closed-loop management from generation to disposal.

3) A "filter cotton + activated carbon" combined process is adopted for the exhaust gas treatment. Through regular inspections and replacements, it ensures 100% compliance with emission standards.

4) The low-noise equipment is adopted for noise control, mechanized and automated processes, soundproofing and noise reduction, and regular monitoring measures are taken to help keep workers away from high-noise areas and prevent noise-related hazards.





Material Management

POWEROAD places great importance on the management of product raw materials and packaging materials. The company implements a sustainable materials management program, continuously promoting greener, reduced and circular use of production and packaging materials to minimize environmental impacts and support ecological protection and the circular economy. The company also conducts hazardous substance testing and strictly controls hazardous substance content from procurement through production to ensure product safety and environmental compliance.

Lifecycle Management of Hazardous Substances

POWEROAD has established a hazardous substance management mechanism to identify, review and control chemicals throughout raw material procurement, manufacturing and product delivery. The company continuously updates its hazardous substance inventory to ensure compliance with global environmental regulations and customer requirements.

In response to requirements including EU RoHS, REACH, POPs and PFAS (where applicable), POWEROAD regularly updates its restricted substance database, reviews material composition information provided by suppliers, and conducts compliance verification through third-party testing and customer requirements to reduce hazardous substance risks at the source.

The company also regularly conducts hazardous chemical risk identification, storage management and employee training, while standardizing the procurement, storage, use and waste disposal of hazardous chemicals to continuously improve production safety and environmental management.

Promoting the Use of Circular Materials

POWEROAD integrates circular economy principles into product lifecycle management and strengthens cooperation with upstream battery cell and material suppliers to promote green procurement and circular use of key materials, improving resource efficiency.

In product development and supply chain management, the company focuses on the sustainable use of key battery materials such as cobalt, nickel and lithium. It encourages suppliers to optimize material systems, increase the use of recycled materials, reduce critical resource consumption, and promote lower-carbon, lightweight and resource-efficient products.

POWEROAD also actively follows the development of recycling systems for EV and energy storage batteries, supports circular practices across the value chain, and promotes closed-loop resource management to contribute to the sustainable development of the new energy industry.

05

People-oriented, Building a Warm Community Jointly

The company adheres to a diversified and non-discriminatory human resources policy, legally safeguards the rights and interests of employees, provides a healthy and safe working environment, creates a stage for employees to showcase their talents, and enables the common growth of employees and the company.









Human Resource Policy

We firmly believe that a diverse and inclusive talent ecosystem is the source of vitality for the innovation and development of enterprises. The company adheres to the employment philosophy of "openness, fairness, and compatibility", and establishes a diversified talent system that encompasses people of different races, ethnicities, genders, ages, religious beliefs, and educational backgrounds. In the entire cycle management of talent selection, cultivation, utilization and retention, we adhere to the principle of equal opportunities, and provide a stage for every employee to showcase their talents. At the same time, we uphold the bottom line of business ethics with a zero-tolerance attitude, strictly prohibiting child labor and forced labor, prohibiting any form of discrimination, harassment and violent behavior, legally protecting the legitimate rights and interests of employees, and striving to create a safe, healthy, respectful and inclusive working environment, so that every employee can obtain dignity and development here.

As of 2025

The company has employees **525**

Ethnic minorities **30**

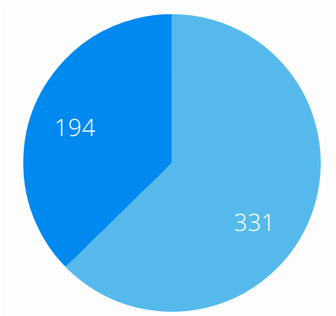
Women managers at the middle level and above account **29.49%**

An outstanding human resource team provides a guarantee and support for the sustainable development of the company.



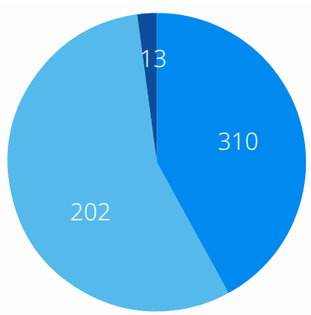
Human Resource Performance Data

Male-to-female Employee Ratio (%)



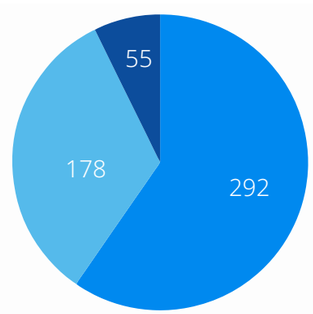
Male employee Female employee

Employee Age Ratio



30-50 Under 30 50 and above

Proportion of Employees by Education Levels



High school and above Bachelor's degree and above Junior high school and below



Protecting Employee Rights

In compliance with national regulations and international conventions, the company has formulated a number of measures to protect the rights and interests of its employees, ensuring that every employee can receive fair treatment and equal development opportunities.

Anti-Discrimination Policy

We strictly prohibit any form of discrimination, harassment, or retaliation. Our company has established an "Anti-Discrimination Administrative Measures", in all aspects such as recruitment, salary, and promotion, only the educational level, professional qualifications and work ability are used as evaluation criteria. It is strictly prohibited to influence decisions based on factors unrelated to work, such as gender, age, marital status, and religious belief. Through institutional construction, it is ensured that every employee can receive equal treatment.

Anti-Child Labor and Forced Labor

The company regards business ethics and morality as the bottom line for compliance. It has a zero-tolerance policy towards the use of child labor and forced labor. It strictly enforces employment standards and enhances compliance awareness through regular training and compliance checks, thereby avoiding the risk of human rights violations.

Employee Rights Protection System

The company has legally established labor unions and party organizations to address and prioritize employees' reasonable demands, ensuring their full participation rights in corporate governance. To build a harmonious labor relationship, various activities such as cultural and sports events and selection of outstanding employees are carried out to enhance employees' sense of belonging; and when employees encounter difficulties, we also actively offer assistance to help them overcome the difficulties, ensuring that every employee enjoys the right to speak and a sense of belonging.

Complaint and Feedback Mechanism

The company strictly adheres to labor regulations, encourages multi-channel communication between employees and management, and supports workers in safeguarding their rights through legal channels. When employees encounter unfair treatment or issues, they can first communicate with their direct supervisors or the HR department. If the problem remains unresolved, they may follow the company's grievance procedure to escalate the matter to higher management. The relevant department will conduct a fair investigation and handling of the complaints; employees can also file complaints with the labor security administrative department, or apply for labor dispute mediation and arbitration, or file a lawsuit in court.

Salaries and Benefits

The company upholds a "people-oriented" management philosophy and has established an industry-competitive salary and benefit system. Through continuous optimization of management policies and processes, we not only offer social insurance and various statutory holidays in accordance with national regulations, but also provide a range of welfare programs such as commercial insurance, annual physical examinations, and year-end bonuses. This not only provides a solid guarantee for the employees' lives, but also helps the company attract and retain more outstanding talents.

The company strictly complies with labor regulations to ensure employees enjoy fundamental benefits such as five social insurance and one housing fund, and paid leave. To address employees' needs at different life stages, the company has established specific leave policies for occasions like weddings, funerals, childbirth, and childcare, reflecting its commitment to supporting work-life balance. To further enhance employee happiness, the company has also established humanistic care benefits, ranging from condolences for illness and injury to congratulatory gifts for new births, and from cultural and sports activities to holiday benefits. Through comprehensive welfare provision, employees can share the fruits of the company's development. This "basic guarantees + distinctive care" welfare model enhances the cohesion of the enterprise and provides a lasting impetus for the company's sustainable development.



2023-2025 Human Resource Performance Data

Human resource indicator data	2023	2024	2025
Ratio of Average Employee Salary to Local Minimum Wage	6.0：1	6.5：1	6.5：1
Employee Satisfaction (%)	100%	100%	98.63%
Average Employee Salary Growth Rate (%)	0.73%	11.95%	5.66%
Coverage Rate of "Five Social Insurance and One Housing Fund" (%)	100%	100%	100%
Male-to-Female Same-Position Salary Ratio	1：1	1：1	1：1
Labor Contract Signing Rate (%)	100%	100%	100%

Occupational Health and Safety

> Advocate people-oriented values, care for employee health, pursue harmonious and sustainable development, and demonstrate social responsibility

The company places great importance on the safety and health of its employees and has established and implemented a comprehensive occupational health and safety management system in accordance with the international standard ISO45001:2018. We have established a safety management department, carried out hazard source identification and hidden danger investigation, conducted regular safety inspections and maintenance of the workplace, provided employees with necessary safety equipment and protective gear, offered safety knowledge and emergency handling training, and prevented safety accidents and occupational hazards during work. In 2024, the company successfully passed the ISO45001 occupational health and safety management system certification. From 2022 to 2024, the company reported no work-related fatalities or occupational disease cases.



ISO45001 Occupational Health and Safety Management System Certification Certificate

2023-2025 Occupational Safety Data Statistics Table

Occupational Health and Safety Data	2023	2024	2025
Total Investment in Safety and Health (10,000 yuan)	9.14	15.99	12.36
Number of Work-related Deaths (persons/year)	0	0	0
Number of Occupational Disease Cases (persons/year)	0	0	0
LTIFR (Lost Time Injury Frequency Rate /per 200,000 hours worked)	0	0	0
Safety Training Hours for Manufacturing Employees (class hours/year)	1.41	3.54	15.19

Safety Management Structure

The company has established a safety management system in accordance with the ISO45001 standard, set up an EHS (Environment Health Safety) management department, and appointed dedicated safety management personnel responsible for the daily management of safety, health, and fire protection. This ensures the comprehensive implementation of safety production responsibilities.

Risk Identification and Control

The company has established a hazard source identification and assessment management procedure, regularly organizing all departments to conduct hazard source analysis and risk level assessments. Based on the assessment results, targeted control measures are developed. At the same time, the company has regularly carried out the full-process management and tracking of hazard source identification, rectification and closure, ensuring the closed-loop hazard governance.

Safety Awareness and Training

To enhance employees' safety awareness, the company complies with regulatory requirements and formulates a safety training plan every year, conducting regular training sessions on safety knowledge. A three-level safety education program is carried out for new employees, namely "company-level, workshop-level, and team-level", enhancing their safety awareness and emergency response capabilities.

Emergency Response and Drills

In response to possible emergencies, the company has formulated a fire accident emergency plan. Through regular drills and reviews of the emergency plan, the company continuously enhances the emergency handling capabilities of its employees.



The company conducts a fire drill

Training and Career Development

The company places great importance on employees' professional education and skill development. Focusing on its core business, it assesses the needs of each position and creates annual talent development plans. The company invests funds and efforts in providing various knowledge training and continuing education for employees, building a learning-oriented and development-oriented organization, offering a platform for employees to enhance themselves and grow, retaining outstanding talents through incentive mechanisms, and achieving common growth with its employees. According to statistics, the company offered 142 types of training courses in 2024, with the per capita training hours of 30.65 class hours/person/year. The talent cultivation system not only meets the current business needs, but also reserves human capital for future development, forming a virtuous interaction mechanism between employee growth and enterprise development.

2023-2025 Employee Training Performance Statistics Table

Indicator Data	2023	2024	2025
Total Annual Employee Training Hours (hours/year)	6914.24	7094.64	16041.75
Average Training Hours Per Employee (hours/person/year)	18.59	16.65	30.56
Employee Performance Evaluation Coverage Rate	100%	100%	100%





The company offers various training programs on professional knowledge to its employees

Employee's Happy Life

Employees are the company's most valuable asset and a key driver of sustainable growth. POWEROAD values employees' cultural and recreational life and strives to create a balanced workplace through diverse activities, strengthening connections among employees and with the company, enhancing their sense of belonging and well-being, and fostering greater team cohesion.



POWEROAD Annual Employee Gala



International Women's Day Celebration



Kingroad ESS employees celebrate the Mid-Autumn Festival



Employees Participate in the Traditional Chinese Mid-Autumn Festival Dice Game

06

Win-Win Cooperation, Promoting Community Development

We actively practice responsible sourcing and promote sustainable development throughout our product value chain; and the company is dedicated to supporting vulnerable groups, giving back to society with compassion, collaborating with diverse sectors, and driving harmonious community development.



Sustainable Procurement

To effectively manage supply chain risks, the company sets compliance with laws and business ethics as the baseline during the process of supplier admission, assessment and performance evaluation. We select partners that meet ESG standards and monitor suppliers' environmental protection, safety management, and ethical business practices, and promotes balanced industry development through responsible sourcing.

Supplier Code of Conduct: The company has established a "Supplier Code of Conduct", requiring suppliers to commit to upholding business ethics and social responsibility, prohibiting the use of child labor and forced labor, and respecting the fundamental human rights of employees. In terms of environmental protection, suppliers must commit to complying with environmental laws and regulations, take effective measures to reduce pollutant emissions, and are encouraged to implement environmental protection measures such as energy conservation and emission reduction, and circular economy. In terms of safety, the suppliers are required to ensure that the production process complies with safety production laws and regulations, provide a safe working environment, and establish effective emergency plans to deal with possible safety risks.

● By 2025

The supplier integrity commitment signing rat
32.41%

The supplier EHS (Environment Health Safety) audit rate
86%

Negative cases of using child labor or forced labor
0

Supplier Admission System

The company has established supplier admission standards, including but not limited to qualifications, financial status, technical capabilities, and environmental certifications. Suppliers are categorized into different risk levels based on their importance and risk profiles, and a supplier database is maintained to enable differentiated management.

ESG Assessment and Rectification

Regular on-site assessments of suppliers are conducted during procurement to evaluate whether their production capacity, management level, employee rights, environmental protection, etc. comply with the requirements of the code of conduct. For the issues identified during the inspection, the suppliers are required to make rectifications within the specified time. After the rectification is completed, re-inspections are conducted to ensure that the issues have been properly resolved.

Supplier Performance Evaluation

The company has established a supplier ESG evaluation system, including multiple-dimensional evaluation contents such as quality, delivery time, costs, services, and sustainable development, set evaluation criteria and weightings, and established quantitative assessments. Based on the evaluation results, corresponding handling measures will be taken for the suppliers, including rewards, guidance, rectification or elimination.

POWEROAD Supplier Code of Conduct

Human rights

Suppliers are prohibited from employing child labor or forced labor.
Suppliers should respect employees' working hours, wages, benefits and collective bargaining rights.

Environmental protection

Suppliers must comply with national and local environmental protection regulations.
Suppliers should take measures to reduce the discharge ofwastewater, waste gas, andsolid waste.

Safety

Suppliers'production facilities should cimply with safety standards.
Suppliers should have an effective occupational health and safety management system.

2023-2025 Sustainable Procurement Performance Data

Procurement Indicators	2023	2024	2025
Supplier Integrity Commitment Signing Rate (%)	13.88%	22.61%	32.41%
Supplier EHS Audit Rate (%)	80%	85%	86.%
Number of Times That Suppliers Were Found to Violate ESG (Child Labor and Forced Labor)	0	0	0
Percentage of Suppliers Selected Based on EHS Standards (%)	80%	85%	86%

Sustainable Procurement Planning

To build a fair and healthy supply chain system and ensure the sustainable development of the value chain, the company will take the following actions in the future:

Short-term plan (1-2 years)

The company will set up a dedicated sustainable procurement team, develop sustainable procurement policies and guidelines, provide necessary resources, offer ESG knowledge training for procurement staff, and establish incentive mechanisms to ensure the achievement of sustainable procurement strategic goals. In addition, the company will also establish systematic supplier ESG evaluation standards to screen, monitor, and assess their ESG performance, and will pilot the procurement of environmentally friendly materials and energy-saving, low-carbon products.

Mid-term plan (3-5 years)

Long-term partnerships will be established with suppliers, a supplier ESG database will be built and improved, green procurement will be expanded to cover major purchasing categories, and sustainable procurement projects will be jointly promoted.

Long-term plan (over 5 years)

The corporate governance structure will be optimized, industry-leading sustainable procurement standards and evaluation systems will be established, innovative procurement models will be promoted, and a green, low-carbon, and harmonious supply chain will be jointly created with suppliers. The company will also regularly publish sustainable procurement white papers to share its experiences and achievements.

Responsible Conflict Minerals Management

The company is committed to establishing a responsible supply chain management system and continuously enhancing the transparency and traceability of critical mineral sourcing. Based on the five-step framework outlined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and with reference to internationally recognized tools such as the Conflict Minerals Reporting Template (CMRT) developed by the Responsible Minerals Initiative (RMI), the company has gradually established a conflict minerals management system, requiring upstream and downstream supply chain partners to jointly fulfill responsible sourcing obligations.

As the company's lithium battery energy storage system products involve critical minerals including lithium, cobalt, nickel, and natural graphite, the company places particular focus on potential high-risk issues associated with the mining, processing, and trading of these minerals, including armed conflicts, child labor, forced labor, and environmental degradation. The company has further extended risk identification to the refining and smelting stages within the upstream supply chain.

In 2025, the company took the initiative to conduct a preliminary conflict minerals risk assessment across its supply chain. Based on production processes and material categories, 19 suppliers were identified as potentially involving conflict minerals. CMRT questionnaires were subsequently requested from relevant suppliers to initiate the first round of due diligence. As of the reporting period, 9 completed CMRT questionnaires had been collected and reviewed, achieving a coverage rate of 47.36%. The review results indicated that the identified mineral sources originated from qualified smelters in countries including China and the United States. These smelters have implemented responsible management practices based on RMI methodologies, and no sourcing activities involving conflict-affected areas were identified during the preliminary assessment.

Going forward, POWEROAD will continue to advance questionnaire collection from remaining suppliers and gradually expand coverage based on assessment progress. Leveraging its battery lifecycle data management capabilities, the company will continuously improve the transparency and traceability of critical material sources, providing data support for recycled material management, resource recovery, and compliance with the requirements of the EU Battery Regulation (EU) 2023/1542. Meanwhile, the company plans to progressively enhance suppliers' responsible mineral due diligence capabilities and incorporate conflict minerals compliance requirements into supplier qualification and performance evaluation systems. Through these efforts, POWEROAD aims to build a transparent, responsible, and sustainable lithium battery supply chain while fulfilling its corporate responsibility in environmental protection and human rights protection.

Building an Ecosystem

POWEROAD embraces an open and collaborative development approach by building an industry ecosystem involving industry associations, certification bodies, universities, research institutions, supply chain partners and customers. Through close cooperation with ecosystem stakeholders, the company conducts extensive collaboration in technology innovation, standard development, product certification, talent development and market promotion, jointly advancing the high-quality development of the energy storage industry.

During the reporting period, POWEROAD received broad recognition from domestic and international industry organizations, including BJX Energy Storage, EESA, Solarbe and Storage Discovery. The awards and recognitions cover areas such as overseas market expansion, C&I energy storage, product innovation, brand development and benchmark applications. The company has also been continuously recognized in global rankings of benchmark behind-the-meter energy storage projects. These recognitions demonstrate POWEROAD's comprehensive capabilities in product innovation and market application, while reflecting its ongoing contribution to industry collaboration and the global transition toward green energy.



Sustainable Development Performance Data Table

Category	Performance Indicator	2023	2024	2025
Environment	Scope 1 Emissions (TCO2e/year)	/	5.14	8.29
	Scope 2 Emissions (TCO2e/year)	/	649.18	1051.23
	Scope 3 Emissions (TCO2e/year)	/	113229.06	65491.04
	Environmental Protection Expenditures (10,000 yuan/year)	10.85	8.47	1.82
	Water Consumption per Unit of Output Value (m^3/10,000 yuan)	0.11	0.15	0.11
	Wastewater Emissions (tons/year)	3361.5	6886.5	6491.1
	Total Electricity Consumption (kWh/year)	1205569.7	1527659.12	2434939.02
	Industrial Solid Waste Intensity (tons/10,000 yuan of output value)	/	0.0001	0.0006
	Hazardous Waste Intensity (tons/10,000 yuan of output value)	0.000000	0.000009	0.000030
	Waste Reuse Rate (%)	/	96%	96.86



Category	Performance Indicator	2023	2024	2025
Society	R&D Investment ratio (%)	2316	3122	3274.69
	R&D Personnel (persons)	115	142	150
	Granted Patent Data (items)	21	33	36
	Patent Application Data (items)	44	50	87
	Number of Software Copyright Applications (items)	40	44	75
	Software Copyright Authorization (items)	37	39	76
	Percentage of Revenue from New Product Sales (%)	24.09	28.17	21.18
	Customer Return Rate (%)	0	0	0
	Number of Product Safety Incidents (times)	0	0	0
	Final Product Shipment First-Inspection Pass Rate (%)	100%	100%	100%
	Incoming Material Inspection Pass Rate (%)	95.53%	94.29%	95.35%
	First Piece Inspection Pass Rate (%)	99.70%	99.80%	100.00%
	Customer Satisfaction (%)	80%	86%	86%
	Total Number of Employees	/	426	525
	Percentage of Female Managers at Mid-Level and Above Among All Management Staff (%)	/	35%	29.49%
	Ratio of Average Employee Salary to Local Minimum Wage	6.0：1	6.5：1	6.5：1
	Employee Satisfaction (%)	100%	100%	98.63%
	Average Employee Salary Growth Rate (%)	0.73%	11.95%	5.66%
	Coverage Rate of "Five Social Insurance and One Housing Fund" (%)	100%	100%	100%
	Male-to-Female Same-Position Salary Ratio	1：1	1：1	1：1
	Labor Contract Signing Rate (%)	100%	100%	100%
	Total Investment in Safety and Health (10,000 yuan)	9.14	15.99	12.36
	Number of Work-related Deaths (persons/year)	0	0	0
	Number of Occupational Disease Cases (persons/year)	0	0	0
	Accident Incidence Rate (cases/year)	0	0	0
	Safety Training Hours for Manufacturing Employees (class hours/year)	1.41	3.54	15.19
	Total Annual Employee Training Hours (hours/year)	6914.24	7094.64	16041.75
	Average Training Hours Per Employee (hours/person/year)	18.59	16.65	30.56
	Employee Performance Evaluation Coverage Rate	100%	100%	100%
	Supplier Integrity Commitment Signing Rate (%)	13.88%	22.61%	32.41%
	Supplier EHS Audit Rate (%)	80%	85%	86%
	Number of Times That Suppliers Were Found to Violate ESG (Child Labor and Forced Labor)	0	0	0
	Percentage of Suppliers Selected Based on EHS Standards (%)	80%	85%	86%

GRI Standards Indicator Index

Instructions	During the reporting period from January 1, 2024 to December 31, 2024, the company reported the information referenced in this GRI Content Index in accordance with the GRI Standards		
Use GRI 1	GRI 1: Basic 2021		
GRI Standards	Disclosure Items	Page number	Remarks
Organization and Reporting Practices			
2–1	Organization details		
2–2	Entities included in the organization's sustainable development report		
2–3	Reporting period, reporting frequency, and contact person		
2–4	Information restatement		
2–5	External audit		
Activities and Workers			
2–6	Activities, value chain, and other business relationships		
2–7	Employees		
2–8	Non-employee workers		
Governance			
2–9	Governance structure and composition		
2–10	Nomination and selection of the highest governance organization		
2–11	Chairman of the highest governance organization		
2–12	In the aspect of impact management, the supervisory role of the highest governance organization		
2–13	Delegation of responsibility for impact management		
2–14	The role of the highest governance organization in sustainable development reports		
2–15	Conflict of interest		
2–16	Communication on critical concerns		
2–17	Common knowledge of the highest governance organization		
2–18	Performance evaluation of the highest governance organization		
2–19	Compensation policy		
2–20	Salary determination procedures		
2–21	Annual total remuneration ratio		
Strategies, Policies, and Practices			
2-22	Statement on sustainable development strategy		
2-23	Policy commitment		
2-24	Integrated policy commitment		
2-25	Negative impact remedying procedures		
2-26	Mechanisms for seeking advice and raising concerns		
2-27	Comply with laws and regulations		
2-28	Membership of the association		
Interested Party Engagement			
2-29	Methods of interested party engagement		
2-30	Collective negotiation protocol		
Substantive Issues			
3-1	Process for identifying substantive issues		
3-2	List of substantive issues		
3-3	Management of substantive issues		

201 Economic Performance 2016			
201-1	Directly generated and distributed economic value		
201-2	The financial impacts and other risks and opportunities brought about by climate changes		
201-3	Mandatory defined benefit plans and other retirement plans		
201-4	Government subsidies		
202 Market performance 2016			
103	Disclosure of management method		
202-1	Ratio of standard starting salary by gender to the local minimum wage		
203 Indirect Economic Impact 2016			
103	Disclosure of management method		
203-1	Infrastructure investment and supportive services		
203-2	Significant indirect economic impact		
204 Procurement Practices 2016			
103	Disclosure of management method		
204-1	Proportion of spending on purchases from local suppliers		
GRI 205 Anti-Corruption 2016			
103	Disclosure of management method		
205–1	Operational sites with completed corruption risk assessments		
205–2	Communication and training on anti-corruption policies and procedures		
205–3	Confirmed corruption incidents and actions taken		
GRI 302 Energy Source 2016			
103	Disclosure of management method		
302–1	Energy consumption within the organization		
302–3	Energy intensity		
302–4	Reduce energy consumption		
GRI-303 Water and Wastewater 2018			
303–1	The interaction between the organization and water (as a shared resource)		
303–2	Manage the drainage-related impacts		
303–4	Drainage		
303–50	Water consumption		
GRI 305 Emissions 2016			
103	Disclosure of management method		
305-1	Direct (Category 1) greenhouse gas emission		
305-2	Energy indirect (Category 2) greenhouse gas emission		
305-3	Other indirect (Category 3) greenhouse gas emission		
305-4	Greenhouse gas emission intensity		
305-5	Greenhouse gas emission reduction		
305–7	Nitrogen oxides (NOX), sulfur oxide (SOX), and other major atmospheric emissions		
GRI 306 Waste 2020			
103	Disclosure of management method		
306–2	Waste classified by types and disposal methods		
306–3	Major leakage accident		

GRI 307	Environmental Compliance 2016
103	Disclosure of management method
307-1	Environmental law violation incident
GRI 308 Supplier Environmental Management 2016	
103	Disclosure of management method
308-1	New suppliers selected based on environmental standards
308-2	Negative impacts of supply chains on the environment and actions taken
GRI 401-409 Employee Management 2016	
103	Disclosure of management method
401	Employment
402	Labor-capital relationship
403	Occupational health and safety 2018
404	Education and training
405	Diversity and equal opportunity
406	Anti-discrimination
408	Child labor
409	Forced or compulsory labor
GRI 414 Supplier Social Assessment 2016	
103	Disclosure of management method
414-1	New suppliers screened using social standards
414-2	Negative impacts of supply chains on society and actions taken
GRI 419 Socioeconomic Compliance 2016	
103	Disclosure of management method
419-1	Violation of laws and regulations in the social and economic sectors

Reader Feedback

Hello, dear readers,

Thank you very much for reading this "ESG report for POWEROAD Renewable Energy Co., Ltd." . If you have any comments or suggestions about this report, please fill out the feedback form below and send it to us by mail, fax, or email. We sincerely appreciate your valuable feedback!

Name: _____ Contact number: _____ Email: _____

1. Which chapters do you think provide you with important information?

☐Step into POWEROAD
☐Organizational Governance: Supporting Sustainable Development
☐Innovation-Driven: Powering the Energy Revolution
☐Low Carbon and Environmental Protection: Protecting the Future of the Earth
☐People-oriented: Building a Warm Community Jointly
☐Win-Win Cooperation: Promoting Community Development

2. How do you evaluate this report?

Substantiality	☐Good	☐Average	☐Poor
Readability	☐Good	☐Average	☐Poor
Integrity	☐Good	☐Average	☐Poor
Balance	☐Good	☐Average	☐Poor
Typesetting design	☐Good	☐Average	☐Poor
Overall impression	☐Good	☐Average	☐Poor

3. Do you have any suggestions for our report next year?

_____

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