Make Green Energy
Accessible and Sustainable

GOTION HIGH-TECH ESG REPORT 2024

Gotion

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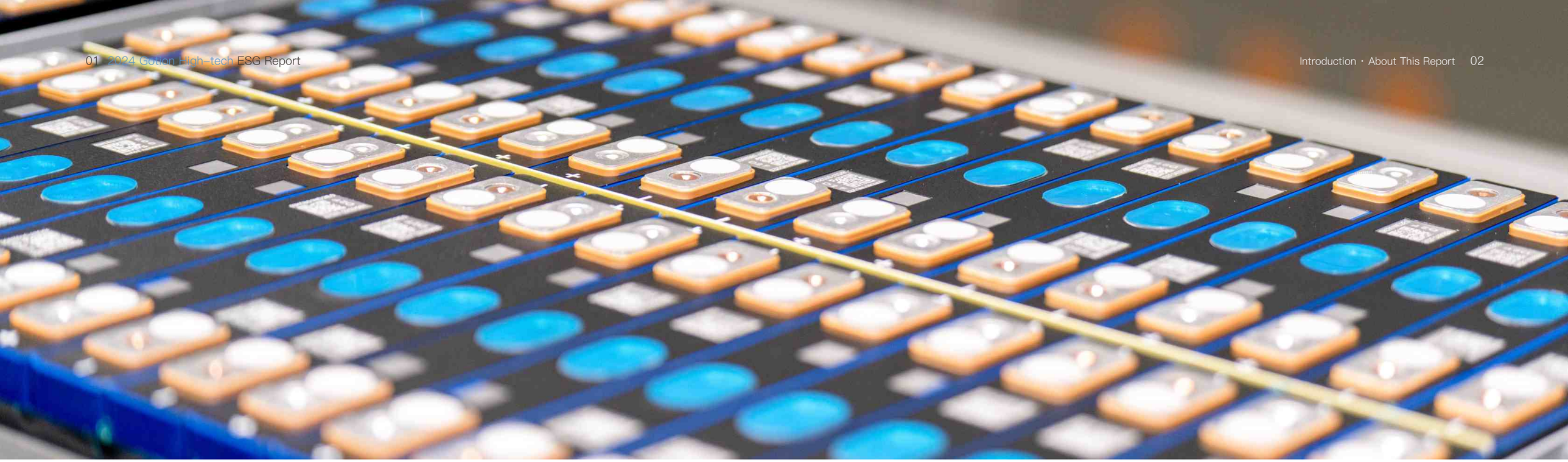

About This Report

This report is the fourth annual ESG report released by Gotion High-tech Co., Ltd. ("Gotion High-tech" or the "Company", "we" or "us"). It provides stakeholders with a detailed disclosure of the sustainability philosophy upheld, the management framework established, specific measures implemented, and the positive results achieved by the Company and its subsidiaries during operations in 2024. This report is available in both Chinese and English. In case of any discrepancies, the Chinese version shall prevail.

Timeframe

This report is issued on an annual basis, covering the period from January 1, 2024 to December 31, 2024. Some content is appropriately referenced from previous years.

Scope of the Report

This report covers Gotion High-tech Co., Ltd. and its subsidiaries, consistent with the scope of Gotion High-tech's (SZ.002074) annual report. For any discrepancies in data or information scope compared to the annual report, explanations will be provided in the relevant sections.

To facilitate expression, abbreviations or referential terms are used in the text instead of full company names, For details, please refer to the name and reference index in the appendix.

Reference Standards

This report is prepared primarily with reference to the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation), the Corporate Sustainability Disclosure Standards – Basic Standards (For Trial Implementation), Sustainability Reporting Standards (GRI Standards) and the United Nations Sustainable Development Goals (SDGs).

Data Description

The financial data in this report comes from the Company's audited financial statements, while other information is sourced from the Company's internal documents and compiled statistics. Unless otherwise stated, the currencies and amounts mentioned in this report are denominated in Chinese Yuan (RMB).

Release Method

This report is available in electronic format and can be downloaded from the official website of Gotion High-tech Co., Ltd. (https://en.gotion.com.cn/social-esponsibilities#gotion-csr).

Contact Information

The Company will remain committed to improving sustainability management and enhancing the report disclosure. If any questions or suggestions regarding this report, please feel free to contact us using the following details:

Gotion High-tech's ESG Management Office

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Chairman's Message

The progress of human civilization has always been linked to our understanding, acquisition, and harnessing of energy. Two decades ago, the United Nations introduced the concept of ESG (Environmental, Social, and Governance) to address the worsening climate issues and explore avenues for promoting global sustainability through corporate governance and the fostering of social responsibility. The key to achieving this lies in seeking new energy systems that do not harm the environment. It was also two decades ago that Gotion High-tech began exploring new energy storage systems, collaborating with scientists and entrepreneurs both in China and globally, to focus on the development of the new energy industry. Thanks to relentless innovation over the past two decades, solar power conversion efficiency has improved from under than 8% to 28%, marking nearly a fourfold increase. Similarly, the energy density of energy storage batteries has surged from below 80 Wh/kg to 300 Wh/kg, also nearly quadrupling. Proudly, the costs of both technologies have fallen to just 10% of their original levels. These progresses have established a solid foundation for the development of a new energy system and provided a technological basis for the implementation of ESG principles.

Continuous innovation is the cornerstone of corporate governance

Two decades ago, Gotion High-tech began exploring technologies in electrochemical energy storage and lithium battery energy storage. Starting with zero production capacity, Gotion has now become a leading enterprise in the industry with large-scale production capacity. Innovation has always been our top priority during our growth. Our R&D and technical team, consisting of over 8,000 members, has contributed more than 10,000 patents in the global battery technology sector. From our globally leading iron-lithium technology to high-energy-density ternary batteries; from semi-solid-state batteries to the all-solid-state Gemstone Battery; from defining energy storage systems to setting new grid standards; and from industrializing cathode and anode materials to redefining manufacturing processes with digital AI technology, we have consistently built from the ground up and pushed the boundaries of scientific frontiers. Gotion's standard battery cells have become a "passport" among top-tier international automakers, and our grid energy storage technology has set a benchmark for power system transformations across multiple countries. Additionally, our Atom Bit Laboratory is "composing an even more brilliant technological symphony".

Social harmony is the goal of corporate governance

The future of zero-carbon industry does not reside in emissions reduction figures in a report, but in the symbiotic and mutually beneficial relationships within the industrial chain and ecosystem. Gotion High-tech has implemented a full lifecycle battery management strategy, namely from "mine-to-mine". In 2024, we successfully recycled 14% of recyclable materials, a significant milestone in our resource efficiency revolution. Through a green traceability system covering suppliers in 57 countries, we redefine the ethical responsibility of global supply chains. At Gotion, we have seen the light of zero-carbon factories. Our facilities, from the material field to the battery field, have matured into zero-carbon plants. By leveraging integrated photovoltaic, energy storage, and charging technologies, we actively support rural revitalization and promote urban-rural integration. With over RMB20 million donated to education, emergency relief, and disaster response initiatives, we remain committed to social responsibility, to foster a harmonious ecosystem between people, society and nature, and fulfill the ultimate mission of the manufacturing industry.

Co-creating value is the foundation of corporate governance

At Gotion, our mission is to deliver products that provide real benefits to society. The creation of each product is a collaborative effort that involves numerous enterprises across the ecosystem. In the past year, we supported a large number of upstream partner companies. Through our assistance to these industrial chain enterprises, our own products have also gotten better. We do not trade investment for market access; instead, we partner with countries around the world to build new manufacturing systems that contribute to the transition to green energy. We also do not exchange technology for market entry; instead, we remain laser-focused to pursue research in battery innovation that is "one centimeter wide and one kilometer deep". Our Astroinno Battery has unlocked new growth opportunities in emerging markets, and our innovative energy storage solutions enables power grid transformation, improving efficiency by over 20%. Today, Gotion is not just a product manufacturer; we empower entire ecosystems. Co-creating value has become a shared principle that unites Gotion with our upstream, midstream, and downstream partners across the entire industrial chain.

"What is firmly established cannot be uprooted; what is tightly embraced cannot slip away"

Reflecting on this annual ESG report, I am reminded of what Lao Tzu said around 2,500 years ago. Gotion High-tech will steadfastly uphold our original mission of "making green energy accessible and sustainable", and continue to build an energy science system based on materials science and digital science. We will actively collaborate with global partners and address energy challenges through a scientific approach to write new chapters in the evolution of energy civilization through industrial practice.

About Gotion High-tech

Company Overview

Gotion High-tech was founded in May 2006 and successfully went public on the Shenzhen Stock Exchange in May 2015. As one of the first private enterprises in China's Electric Vehicle (EV) battery industry to enter the capital market, we have grown into a globally competitive new energy battery company and a provider of green energy solutions. The Company specializes in EV battery systems, energy storage battery systems, and transmission and distribution equipment.

Company Name	Gotion High-tech Co., Ltd.
Headquarter Address	Baohe District, Hefei City, Anhui Province
Year of Establishment	2006
Stock Code	SZ.002074

Mission

Make Green Energy Accessible and Sustainable

Vision

Build an Energy Science System Based on Materials Science and Digital Science

Values

Cherish, Pragmatic, Integrity, Innovation

Company's Green Strategy

Green Strategy

Centered on green energy and energy storage technologies, the Company builds zero-carbon energy infrastructure by driving the transition from fossil fuels to sustainable alternatives.

Focusing on high-safety power batteries, the Company leads the transformation of mobile energy systems, empower the global shift toward electric mobility.

With intelligent integration and scenario-based innovation at the core, the Company develops multidimensional solutions combining "battery + energy storage + digitalization" to advance the deep integration of industrial, transportation, and energy sectors.

Innovation Empowerment

Materials System Innovation: Advancing the research and development of cathode, anode, electrolyte, separators, and functional materials to enhance energy density and cycle life.

Digital Development Innovation: Building a simulation platform based on our material big data to reduce battery R&D cycle , accelerating technology iteration.

Smart Manufacturing Ecosystem Innovation: Adopting a "software-defined process + hardware-enabled production" model to build smart factories with full-chain synergy from R&D to production, supply, and sales.

Management Synergy Innovation: Driving the leapfrogging transition of green energy services from single-product offerings to systematic solutions through continuous breakthroughs in technology, products, and management.

Gotion High-tech's green strategy injects momentum into providing high-reliability, long-life battery products and integrated energy services, contributing to global decarbonization and sustainable advancement.

Scope of Services

Gotion High-tech, as a new energy battery manufacturer with global competitiveness and green energy solution provider, offers a product range that spans three core segments: EV battery systems, energy storage battery systems, and transmission and distribution equipment. The Company has built a full industry chain from battery material R&D to end-use applications, aiming to provide efficient, safe, and sustainable energy solutions for the Electric Vehicle and energy storage sectors and other sectors.

EV Battery System

As one of first companies in China to focus on EV batteriesfor Electric Vehicles, Gotion High-tech specializes in lithium iron phosphate and ternary lithium battery technologies. Our product portfolio includes:

Materials and Battery Cells: The Company independently developed lithium iron phosphate materials and battery cells, as well as ternary materials and battery cells, featuring high energy density and long cycle life as core advantages. The Company has been designated by Volkswagen as its first global supplier of standard battery cells, setting a benchmark for international technology.

EV Battery Pack and Battery Management System: By integrating battery modules, Pack encapsulation, and intelligent battery management systems (BMS), the Company can meet the diverse needs of passenger vehicles, commercial vehicles, specialty vehicles, and hybrid models.

Energy Storage Battery System

The Company has developed an all-scenario energy storage system covering power generation side, grid side, and user side. The core products include:

Basic Units

There are energy storage cells, standardized battery boxes, and battery clusters, supporting flexible combinations and scalable deployment.

System Integration

This involves lithium-ion battery compartments for power storage, outdoor cabinets for commercial and industrial power storage, and household energy storage systems. These products are compatible with centralized power stations, commercial and industrial parks, and household scenario, and have obtained international safety certifications including GB, UL, and IEC.

Our global operations cover the Asia-Pacific, Americas, Europe, and Africa, offering end-to-end services, from battery cell manufacturing to system integration, for clients worldwide.

Power Transmission and Distribution Equipment

As a traditionally strong sector of the Company, power transmission and distribution equipment focuses on the intelligentization of power systems and providing ancillary support for new energy projects.

Core Products

The portfolio covers high and low voltage switch gear, smart distribution network equipment, integrated charging piles, and energy storage cabinets, which are widely used in thermal power, renewable energy generation, rail transit, and other fields.

Service Extension

The Company expands the power transmission and distribution O&P services as well as EPC project contracting through technological innovation, driving the transformation from traditional equipment manufacturing to comprehensive energy services.

Technology-Driven and Global Strategy

Gotion High-tech continues to lead the industry with a strong focus on technology. Backed by five global business segments, eight R&D centers, over 20 manufacturing bases, and over 8,000 R&D and technical staff, the Company has filed over 10,000 patents, building on unparalleled technological strength in the industry. By deepening our collaboration with international partners like Volkswagen, the Company has created a full ecosystem that encompasses battery materials, cells, systems, application, and battery recycling and reuse. Leveraging the dual-driving force of "power + energy storage," the Company is rapidly advancing toward the goal of becoming a global integrated green energy service provider.

Honor

Fortune China 500	Top 100 Global Automotive Parts Suppliers
2024 China Top 500 Private Enterprises	Annual Innovative Enterprise (Battery)
2024 China Top 500 Manufacturing Enterprises	BNEF Energy Storage Tier 1
Hurun China 500 Most Valuable Private Companies 2024	National Intellectual Property Demonstration Enterprise
National Digital Pioneering Enterprise	National & Local Joint Engineering Research Center
National High-tech Enterprise	Laboratory Accredited by CNAS
National Enterprise Technology Center	National Postdoctoral Workstation
Smart Manufacturing Benchmark Enterprise	National Green Factory

Social Identity

Name of Company	Name of Association	Position
Gotion High-tech Co., Ltd.	China Listed Companies Association	Executive Director
	Anhui Listed Companies Association	Director
	Huishang Chamber of Commerce	Vice President of the Huishang Chamber of Commerce
	All-China Federation of Industry and Commerce	Executive Vice President
	China EV100	Director
	Global Renewable Energy & Electric Mobility	Director
	Haizhi Experts Association for Technological Innovation	President
Hefei Gotion High-tech Power Energy Co., Ltd.	Anhui Association for Science and Technology	Vice Chairperson
	Anhui Provincial Academicians and Experts Association	Vice President
	China Energy Storage Alliance	Council Member
	Chinese Automakers International Development and Innovation Alliance	Council Member
	China Automotive EV Battery Innovation Alliance	Council Member
	China Automotive EV Battery Innovation Alliance – Solid-State Battery Division	Member Unit
	China Automotive EV Battery Innovation Alliance – Recycling Division	Member Unit
	Anhui Environmental Federation	Vice Chairperson

Sustainable Development Governance

ESG Strategy

The Company prioritizes a holistic ESG strategy that emphasizes environmental protection, proactive social responsibility, and the optimization of corporate governance. We are committed to becoming a global ESG leader in the EV battery sector, staying true to the mission of "Making Green Energy Accessible and Sustainable".

Make Green Energy
Accessible and Sustainable

Become an ESG Benchmark for EV Battery Enterprises Across the World

Achieve the Company's Carbon Peak in Operations by 2027
Achieve the Company's Carbon Neutrality in Operations by 2040

Improvement of Environmental Performance Indicators	Improvement of Social Performance Indicators	Improvement of Governance Performance Indicators
Key Objectives (by 2027)		
Reduce greenhouse gas (GHG) emission intensity by 50% Reduce comprehensive energy consumption intensity by 50% Achieve 14% recycled material usage in battery cells	Maintain zero product recalls Maintain 100% employee training coverage Achieve year-on-year improvement in employee engagement Achieve year-on-year improvement in customer satisfaction	Maintain zero publicly reported regulatory violations or penalties Maintain zero regulatory warnings or accountability incidents for listed companies Continuously improve the Company's governance structure and processes

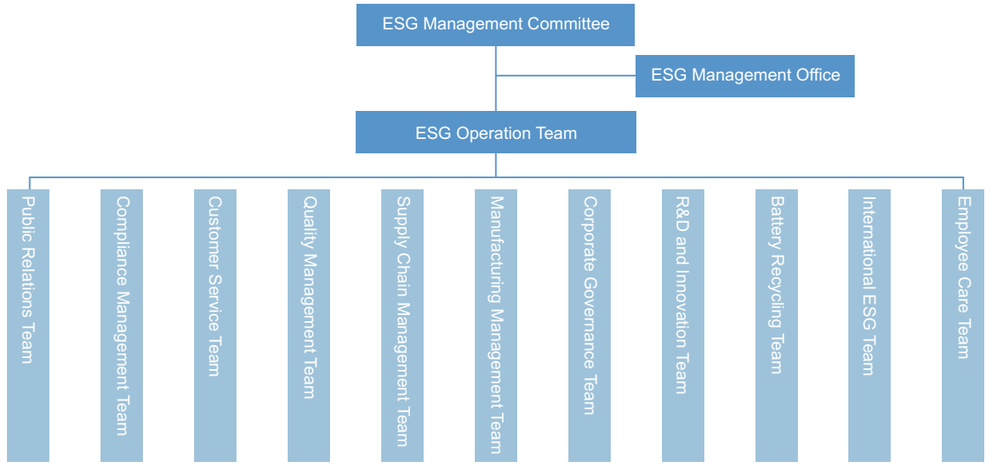
Green and Zero Carbon	Eco-friendly	Social Progress	Employee Development	Efficient Governance
·Zero-carbon supply chain ·Zero-carbon manufacturing ·Zero-carbon research ·Zero-carbon operation	·Waste and pollution Reduction ·Reduce energy consumption ·Save resource ·Nature positive	·Global security ·Charity event ·Technological equality ·Harmonious development	·Stable employment ·Rights and well-being ·Safety and health ·Training and development	·Compliance operations ·Control risk ·Anti-corruption ·Fair and transparent

Gotion High-tech has identified strategic indicators and set three-year targets by benchmarking against industry peers, ESG disclosure standards, the Company's operational realities, and material ESG topics. These indicators and targets serve as an action guide for our ESG efforts. To ensure effective implementation, quarterly tracking on key indicators, semi-annual ESG committee reviews, and annual board reports are utilized to monitor progress and ensure the realization of our sustainable development plan.

ESG Management System

During the Reporting Period, the Company set up an ESG Management Committee and held its first meeting, establishing a robust ESG management framework to ensure centralized leadership, science-based decision-making, and effective execution of ESG initiatives. At the meeting, the Company officially set the key ESG management priorities and improvement strategies for this year, significantly increasing the role of ESG in the Company's regular operations and strategic development. It also actively promotes carbon reduction initiatives across the entire supply chain. This marked a significant step in building a systematic and strategic ESG framework.

At the board level, the Company places great emphasis on ESG-related topics and coordinates meetings to drive the approval of key agendas, such as the employee stock ownership plan, the five-year rolling strategy update, and the ESG strategy planning, by the shareholders' meeting, the Board of Directors, the Board of Supervisors, and the senior management. This has effectively enabled the ESG Management Committee to implement sustainability governance practices.



ESG Management Committee

The leading body responsible for guiding and making decisions over the Company's ESG efforts. The ESG Management Committee operates through a meeting-based decision-making process, holding at least one meeting per year to review and approve the ESG strategy, annual key ESG initiatives, and major ESG-related matters. The committee is led by the Chairman.

ESG Management Office

The centralized management body responsible for overseeing the Company's ESG initiatives. The ESG Management Office is part of the Strategic Operations Platform's ESG Management Department. It is responsible for organizing and establishing cross-departmental ESG management tasks, building and maintaining the ESG management system, advancing and overseeing ESG strategies, preparing and publishing ESG reports, and formulating and executing annual ESG key initiatives.

ESG Operation Team

The dedicated team responsible for executing and managing the Company's ESG initiatives. The ESG Operation Team executes the resolutions of the ESG Management Committee as planned. It holds regular meetings, convened by the ESG Management Office, with a work progress meeting held quarterly to review the work progress.

During the Reporting Period, the Company made comprehensive progress in building an ESG management system, developing an ESG strategic plan, and setting up an ESG indicator management system, achieving a notable improvement in sustainable development governance performance. Meanwhile, the Company has established a carbon management system and developed a low-carbon development strategy. Furthermore, the Company took proactive measures to ensure compliance with ESG-related regulations, participated in the formulation and discussion of national standards, and facilitated the adoption of international frameworks such as the Carbon Border Adjustment Mechanism (CBAM) and the Regulation Concerning Batteries and Waste Batteries (EU) at the corporate level.

During the Reporting Period, the Company's ESG Management Department developed and released seven policy documents. The ESG Management Handbook, serving as the core guiding document for the Company's ESG initiatives, clearly defines key elements such as ESG management principles, organizational frameworks, scope of management, mechanisms for stakeholder engagement, and information disclosure requirements.

In addition, the Company actively organized and executed a range of targeted ESG training activities, ensuring full coverage of executives, key personnel, and general employees. These efforts notably enhanced overall ESG awareness among all staff and improved technical proficiency among technical personnel.

For executives	Carbon Neutral Strategy Planning and Global ESG Trends
For mid to senior-level managers	Pathways to Reducing Product Carbon Footprint and Building a Low-carbon Supply Chain
For all employees	Product Carbon Footprint
	Interpretation of ESG Standards、ESG Framework Building、 Interpretation of Regulation Concerning Batteries and Waste Batteries (EU)

ESG Honors

During the Reporting Period, Gotion High-Tech delivered exceptional accomplishments in the ESG field, earning a significant rise in our ESG ratings. This underscores the Company's steadfast dedication and remarkable efforts in promoting sustainable development and embracing ESG values.

- MSCI rating upgraded by one level
- ESG Pioneer in Gaogong Lithium Battery for the Year
- CSA score increased to 40 points
- Outstanding Corporate Governance Award of the Financial Year

ESG Topic Management

In accordance with the Stakeholder Communication and Management Measures, the Company regularly conducts the identification and analysis of ESG topics to deeply understand the multidimensional impact of its operations on ESG. This ensures the scientific nature and transparency of decision-making while meeting the expectations and needs of stakeholders.

ESG Topic Identification	·Evaluate potential ESG topics by aligning with global disclosure standards, industry best practices, the Company's ESG indicators, and stakeholder feedback ·Identify changes in issues by consulting expert opinions ·Classify the topics into three dimensions: environmental, social, and governance
Stakeholder Survey	·Ensure that the survey subjects include both internal and external stakeholders with diverse needs ·Conduct a questionnaire survey to collect opinions and concerns from stakeholders
Double Materiality Assessment of ESG topics	·Analyze survey feedback and create an impact and materiality assessment matrix on ESG topics ·Identify ESG topics of financial significance by consulting with the finance department and experts

ESG Topic Identification

The Company has consulted extensive authoritative standards and guidelines from both domestic and international sources, including, but are not limited to, GRI Standards, the Sustainability Accounting Standards, the Shenzhen Stock Exchange's Sustainability Report Guidelines, and SDGs. Meanwhile, the Company has thoroughly studied industry best practices and, in alignment with our own operational features and long-term strategic goals. This way, we have initially selected 23 critical ESG topics. We aim to provide a holistic overview of the Company's performance and commitments in environmental responsibility, social responsibility, and corporate governance.

Environment (E)	Society (S)	Governance (G)
Environmental Management System	Product Quality and Safety	Digitalization
Energy Management	R&D and Innovation	Risk Management
Pollution and Waste Management	Customer Service and Satisfaction	Compliance Operations
Biodiversity	Occupational Health and Safety	Business Ethics and Anti-Corruption
Clean Tech Opportunities	Employee Rights and Benefits	Corporate Governance
Resource Use and Recycling	Employee Development and Training	Information Security and Privacy Protection
Addressing Climate Change	Responsible Supply Chain	
	Anti-Discrimination and Equal Opportunities	
	Rural Revitalization and Charitable Initiatives	
	Community Engagement and Development	

To ensure the accuracy of topic descriptions and avoid overlap among topics, the Company has removed the topics "Equal Employment and Basic Rights Protection" and "Diversity and Equal Relationships." Instead, we introduced a new topic "Anti-Discrimination and Equal Opportunities" and refined the original "Employee Rights" to "Employee Rights and Benefits." Meanwhile, in accordance with Chinese and international disclosure standards and guidelines, the Company has standardized the wording of certain topics, such as "Clean Tech Opportunities," "Resource Use and Recycling," "Rural Revitalization and Charitable Initiatives," "Compliance Operations," and "Addressing Climate Change." Moreover, compared to the previous year's disclosures, the Company removed the topic "Economic Performance" and added the topic "Community Engagement and Development."

Stakeholder Survey

During the Reporting Period, the Company actively conducted a stakeholder survey, gathering opinions and suggestions on ESG topics via the official website and emails. The survey targeted key internal and external stakeholders such as shareholders and investors, suppliers, customers, employees, government and regulatory bodies, media and industry associations, as well as the general public and communities.

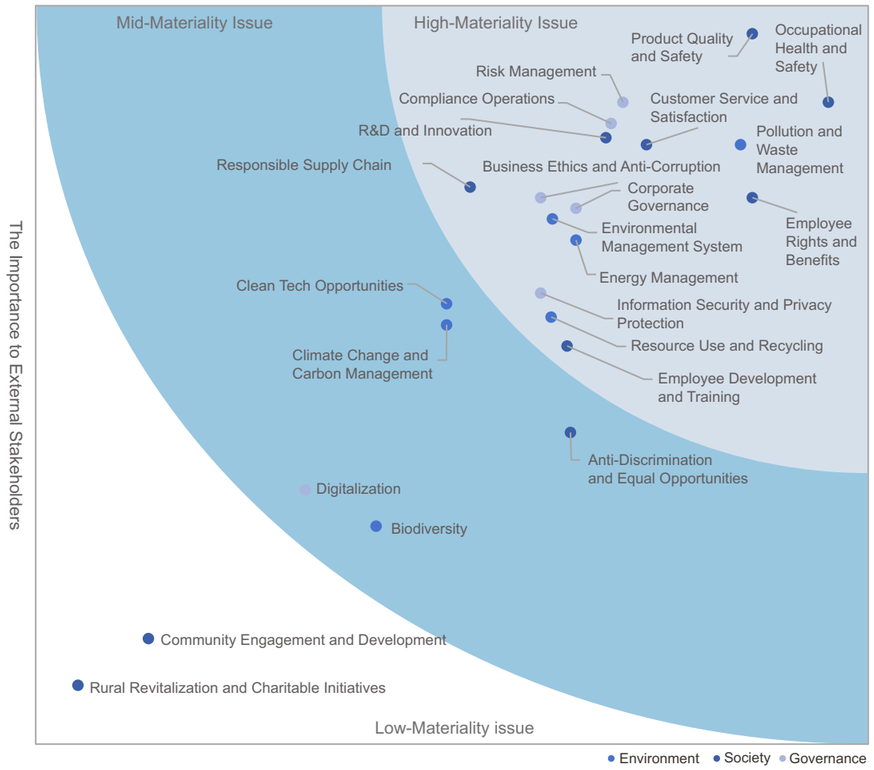
Using a survey questionnaire, the Company invited stakeholders to score the importance of each ESG topic on a scale of 1 to 5. Participants were also encouraged to provide valuable suggestions on the Company's sustainable development practices. A total of 356 valid responses were collected in this survey. By categorizing and analyzing the questionnaire data, the Company determined importance scores for each topic and conducted an importance assessment and ranking based on these results.

Double Materiality Assessment

Impact Materiality Assessment

Based on the survey results, the Company conducted a comprehensive evaluation and ranking of identified topics from two perspectives: "The Importance to the Sustainable Development of Gotion High-tech" and "The Importance to Stakeholders." This was used to create a materiality matrix (as shown in the diagram below). The high impact material topics are identified as the primary content for response and disclosure in the annual ESG report, and are reviewed and confirmed by the ESG Management Committee.

Impact Materiality Issue Matrix



The Importance to Sustainability of Gotion High-tech

List of Topics with High Impact Materiality

Environment	Society	Governance
Environmental Management System	Product Quality and Safety	Risk Management
Energy Management	Customer Service and Satisfaction	Compliance Operations
Pollution and Waste Management	Responsible Supply Chain	Corporate Governance
Resource Use and Recycling	Occupational Health and Safety	Information Security and Privacy Protection
	Employee Development and Training	Business Ethics and Anti-Corruption
	Employee Rights and Benefits	
	R&D and Innovation	

Financial Materiality Assessment

Working alongside external experts, the Company's finance department conducted a financial materiality assessment of each topic from two dimensions: "Dependence/Impact on Resources" and "Dependence/Impact on Relationships," with a particular focus on the parameters of cost and profit. This assessment highlighted "Addressing Climate Change" as a topic with substantial financial impact. For more details, please refer to the section "Addressing Climate Change" under the chapter "Environmental Protection" of this report. Regarding other ESG topics, due to limitations in current information access and other factors, they have not yet been clearly defined as having the same level of financial significance.

Stakeholder Communication

The Company places great importance on the concerns and needs of the stakeholders. By establishing diverse communication channels and regular communication mechanisms, we ensure close contact with all stakeholders. The relevant departments of the Company regularly gather feedback from stakeholders on material topics, promptly address their expectations and suggestions, and work together to advance the management and collaboration of these topics.

Stakeholders	Communication Channels	Topics Concerned
Shareholders and Investors	·Shareholders' Meeting ·irm.cninfo.com's Q&Rs Platform ·Investor Hotline ·Institution's roadshow ·On-site research ·Earnings Presentation	·Pollution and Waste Management ·Product Quality and Safety ·R&D and Innovation ·Corporate Governance ·Risk Management
Suppliers	·Supplier Conference ·Supplier Audit ·Supplier Meeting ·Questionnaire Survey	·Occupational Health and Safety ·Responsible Supply Chain ·Product Quality and Safety ·Risk Management ·Compliance Operations
Customer	·Customer Satisfaction Survey ·Customer Interview	·Pollution and Waste Management ·Resource Use and Recycling ·Occupational Health and Safety ·Product Quality and Safety ·Customer Service and Satisfaction ·Risk Management ·Compliance Operations
Employee	·Employee Engagement Survey ·Suggestion Box ·Internal Communication ·Face-to-face Communication	·Pollution and Waste Management ·Occupational Health and Safety ·Employee Rights and Benefits ·Product Quality and Safety ·Addressing Climate Change
Government and regulatory bodies	·Site visit ·Correspondence ·Policy implementation ·Government meeting	·Clean Tech Opportunities ·Occupational Health and Safety ·Employee Rights and Benefits ·Responsible Supply Chain ·Digitalization ·Business Ethics and Anti-Corruption Compliance Operations
Media and industry associations	·Social media ·Official statement ·Industry forum	·Biodiversity ·Pollution and Waste Management ·Resource Use and Recycling ·Product Quality and Safety ·Addressing Climate Change
Public and community	·Charity event ·Community meeting	·Product Quality and Safety ·R&D and Innovation ·Rural Revitalization and Charitable Initiatives ·Community Engagement and Development ·Addressing Climate Change

IMPROVING CORPORATE GOVERNANCE SYSTEM

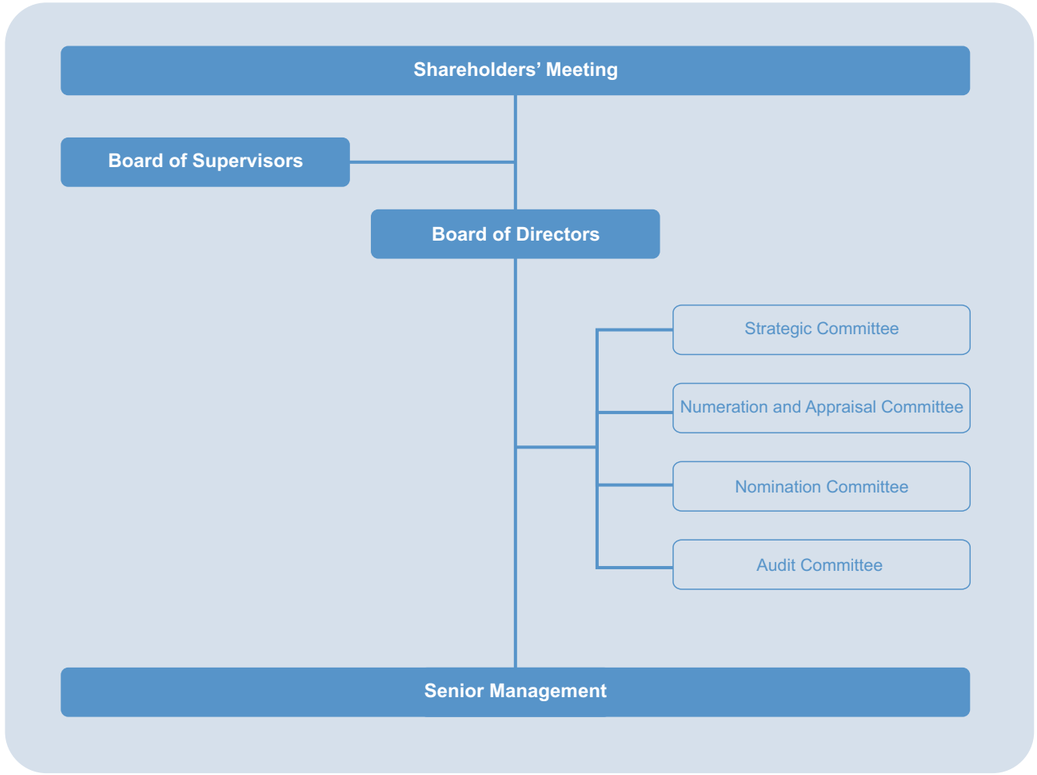
Responses to topics

Risk Management
Compliance Operations
Business Ethics and Anti-Corruption
Corporate Governance
Information Security and Privacy Protection

Responses to SDGs

Corporate Governance

Governance Structure



The Company strictly complies with laws and regulations including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Corporate Governance Guidelines for Listed Companies, and the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange. We consistently enhances our internal corporate governance structure, establishes robust internal control mechanisms, and further standardizes corporate behavior, so as to continuously advances our governance practices.

The Company has built a governance framework consisting of the shareholders' meeting, the Board of Directors, the Board of Supervisors, and the management. They operate with clearly defined duties and responsibilities, adhering to legal and regulatory standards while maintaining mutual checks and balances. This structure strengthens the independent operation and mutual supervision of the shareholders' meeting, the Board of Directors, the Board of Supervisors, providing a robust organizational foundation for the Company's efficient and stable operations. Most importantly, it ensures that shareholders' rights and interests are fully protected.

During the Reporting Period, the Company introduced new policies, including the Independent Director Working Policy, in response to changes in relevant laws and regulations and the Company's actual situation. Additionally, revisions were made to the Company's Rules of Procedure for Strategic Committee, Rules of Procedure for Audit Committee, Rules of Procedure for Numeration and Appraisal Committee, Rules of Procedure for Nomination Committee, and Investor Relations Management Policy to further enhance the corporate governance framework.

Functioning of Shareholders' Meeting, the Board of Directors, the Board of Supervisors

Shareholders' Meeting	The shareholders' meeting stands as the supreme authority of the Company, and is convened and held in accordance with the law. It is tasked with making decisions on significant business issues, and fostering effective communication with shareholders. It values the opinions and demands of minority investors, ensures that shareholders can fully exercise their rights, and guarantee equal rights for all shareholders.
Board of Directors	The Board of Directors is the decision-making body of the Company, accountable to the shareholders' meeting. Its duties include executing the decisions made by the shareholders' meeting and managing corporate disclosure and related matters. Under the Board of Directors, there are specialized committees including the Strategy Committee, Audit Committee, Numeration and Appraisal Committee, as well as Nomination Committee. This structure ensures clear division of duties and enhances the effectiveness of decision-making. Independent directors play an important role in enhancing corporate governance structures, overseeing standardized operations, and safeguarding the interests of minority investors. During the Reporting Period, the Company placed great emphasis on the supervisory role of independent directors, providing full support for their performance of duties. Dedicated meeting for independent directors were conducted in a regulated manner to ensure their rights to engage in corporate governance and oversight.
Board of Supervisors	The Board of Supervisors is the oversight body of the Company, independent from the Board of Directors and the management. It exercises its supervisory and inspection duties according to the law, overseeing the Company's financial status, business activities, and the conduct of senior management in their official capacities. This effectively safeguards the legal rights and interests of the stakeholders and promotes the Company's compliant operations.
The management	The management serves as the Company's executive body. Its main duties include overseeing production and operational activities, executing decisions made by the Board of Directors, and reporting to the Board of Directors. The management team drives the healthy growth of the business and maintain efficient internal governance to safeguard the Company's stable and sustainable development.

During the Reporting Period,

2 shareholders' meetings	6 meetings of the Board of Supervisors	4 Audit Committee meetings	3 Numeration and Appraisal Committee meetings
6 meetings of the Board of Directors	1 Strategy Committee meeting	1 Nomination Committee meeting	3 Dedicated meetings for independent directors

These meetings have facilitated thorough discussion and voting on various proposals, ensuring that the Company's decision-making process remained rigorous, compliant, and efficient.

Following the rules and procedures defined by laws, regulations, and the Articles of Association, the Company ensures strict compliance in the election of directors, supervisors, and senior management personnel. The Board of Directors is diverse in composition, with members who possess broad backgrounds and extensive professional expertise, providing a solid foundation and strong professional guidance for the Company's strategic decision-making. During the Reporting Period, the Company completed the election of a new non-independent director. Currently, the Board of Directors consists of nine members, and the Board of Supervisors comprises three members. The later includes one female member, representing 33% of the total.

Investor Protection

The Company prioritizes and continuously enhances investor relations management. By actively creating multiple online and offline communication channels, we have established a solid and effective engagement mechanism with investors. On December 11, 2024, the Company held the 11th meeting of the 9th session of the Board of Directors. At the meeting, the Investor Relations Management Policy was reviewed and approved. This further enhanced the protection mechanism for investor rights. This policy clarifies the communication standards between the Company and investors and provides a rule to protect the legitimate rights and interests of investors, especially minority investors.

Institutional Building	The Company has established and implemented the Investor Relations Management Policy to regulate communication between the Company and investors, effectively protecting investors' rights, with particular attention to safeguarding the legal rights of small and medium-sized investors.
Communication Channels	The Company engages in close communication with investors via various online and offline channels.
Information Disclosure	The Company strictly adheres to relevant laws and regulations for information disclosure, regularly publishes annual and semi-annual reports, and focuses on improving the quality and transparency of its information disclosure.
Investor Request Handling	The Company is committed to actively addressing investor requests, ensuring all requests are handled in compliance with laws and regulations, and refines relevant mechanisms to enhance processing efficiency and service quality.
Shareholder Returns	In accordance with the Articles of Association, we have established a clear cash dividend policy and are dedicated to providing shareholders with reasonable investment returns.

Investor Communication Channels

Company website, official WeChat account | **Shenzhen Stock Exchange' Interactive Easy Platform (irm.cninfo.com.cn)** | **Investor hotline** | **Earnings presentation** | **Shareholders' meeting**

In 2024, the Company engages with investors through the following channels

- Attended over **30** brokerage strategy meetings
- Participated in **5** investor engagement events (including earnings presentation)
- Responded to investor inquiries nearly **260** times on the Interactive Q&A platform
- Answered over **3000** investor calls

Compliance Operations

Compliance Management System

Gotion High-tech strictly adheres to the ISO 37301 compliance management system standards, consistently refining the compliance framework and strengthening both the establishment and enforcement of policies. The Company ensures that our business operations fully comply with domestic and international laws and regulations by optimizing our compliance organizational structure, conducting company-wide training, and deepening compliance risk assessment, thus laying a solid foundation for high-quality development.

Item	Detail
Functional Development	The Compliance Management Center independently handles all compliance-related matters and reports directly to the top management.
Institutional Building	Guided by the principle of "Integrity in Mind, Compliance in Action," the Company has established and continuously improved our compliance framework, ensuring that management policies are thoroughly reviewed and aligned with legal standards.
Training and Communication	We plan and conduct diverse training courses and cultural activities tailored to different compliance topics and target groups, aiming to enhance employees' compliance awareness and execution capabilities.
Risk Management	By conducting compliance risk evaluations, risk health check initiatives, and self-assessment activities, we support business departments in risk identification, control implementation, and root cause analysis, thereby driving continuous improvement in compliance risk management.
Integrity and Business Ethics Management	The Company has put in place a solid anti-corruption policy, encourages a culture of transparency, and works alongside the HR team to implement sanctions for non-compliance. The Company operates a reporting system, providing open and transparent channels for whistleblowing. We ensure all reports are received, recorded, and referred to the appropriate organizations as needed.
Compliance Assurance	The Company offers compliance consultation services through dedicated channels, delivering timely compliance recommendations. The Company advances supplier compliance due diligence investigations to mitigate potential compliance risks.

During the Reporting Period, the Company conducted a range of compliance awareness campaigns to enhance compliance consciousness and foster a compliance-oriented culture.

Name of Campaigns	Description	Target Audience
Gotion High-tech "International Anti-Corruption Day" Campaign	Conducted an anti-corruption campaign for all employees of the Company	All employees
Bilingual Compliance Bulletin – Issue No. 4	Interpreted compliance policies, and shared professional compliance knowledge to cultivate the Company's compliance culture	All employees
Compliance Reminders regarding Holidays and Business Partners	Raised the anti-corruption compliance awareness among employees and business partners	Employees and business partners
Marketing Compliance Awareness Week	Facilitated compliance training and case study discussions by organizing marketing-focused perception seminars, and released specific compliance reminders	Marketing staff and relevant personnel
Subsidiary Compliance Culture Activity – Compliance Perception Seminar	Gathered extensive insights on the current status of compliance culture in our subsidiaries and suggestions for improvement to promote the establishment of compliance culture and business ethics management	Employees and the management of the subsidiaries

Business Ethics and Anti-Corruption

The Company attaches great significance on business ethics and anti-corruption issues, and accordingly, has established a sound supervision and enforcement mechanism. The Board of Directors serves as the highest governing body for business ethics and anti-corruption. The Compliance Management Center and the Audit Center, as the primary supervisory bodies, are tasked with managing anti-corruption and anti-fraud activities, as well as investigating whistleblowing cases.

During the Reporting Period, the Company recorded no instances of commercial bribery or embezzlement, and no lawsuits or significant administrative penalties were incurred as a result of unethical competitive behavior.

Employee and Supplier Management

Employee Management

The Company has issued six internal policies related to business ethics, bribery and anti-corruption, which apply to all employees. Through regular training and awareness campaigns, the Company ensure that employees thoroughly understand and rigorously adhere to business ethics guidelines.

Supplier Management

The Company has issued and widely promoted the Code of Conduct for Business Partners, requiring suppliers to sign and strictly adhere to this code. Annually, the Company organizes one compliance training session and delivers two anti-corruption reminders to suppliers. Additionally, we incorporate the status of the supplier compliance management system into the supplier development audit process to ensure the compliance and transparency of the supply chain.

Compliance Policy

The Company has established and improved our internal compliance system in accordance with the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and other relevant laws and regulations. During the Reporting Period, the Company updated the Gotion High-tech Code of Conduct (Version A1) and Whistleblowing Handling and Whistleblower Protection Policy (Version B0), and published the Gotion High-tech Compliance Management Outline.

Name of Policy	Scope of Application
Gotion High-tech Code of Conduct	Gotion High-tech and its wholly-owned subsidiaries, and, for reference, other affiliated companies
Management Measures for Handling Employee Acceptance of Gifts and Monetary Gifts	Gotion High-tech and its wholly-owned subsidiaries, and, for reference, other affiliated companies
Gift and Hospitality Management Regulations	Gotion High-tech and its wholly-owned subsidiaries, and, for reference, other affiliated companies
Conflict of Interest Management Measures	Gotion High-tech and its wholly-owned subsidiaries, and, for reference, other affiliated companies
Code of Conduct for Business Partners	Business partners of Gotion High-tech
Whistleblowing Handling and Whistleblower Protection Policy	Gotion High-tech and its wholly-owned subsidiaries, and, for reference, other affiliated companies
Gotion High-tech Compliance Management Outline	Gotion High-tech and its wholly-owned subsidiaries, and, for reference, other affiliated companies

Cultural Development

The Company makes ongoing efforts to strengthen the compliance culture. Particularly, we offer compliance training sessions to all employees through an internal online platform, ensuring that all new hires complete compliance management training and pass the assessments. During the Reporting Period, the Company updated the Gotion High-tech Code of Conduct, which primarily focuses on compliance management. A special video was produced to disseminate this code to all employees.

During the Reporting Period,

the Company organized **53** compliance training sessions, attended by a total of **10,258** participants, achieving **100%** training coverage for key positions.

The training covers multiple areas, including anti-corruption, data security, business ethics, and legal regulations, boosting employees' compliance awareness and risk prevention skills.

Reporting Mechanism

Gotion High-tech is highly committed to building and executing a robust whistleblowing system, striving to provide a safe and accessible channel for employees and stakeholders. In the past two years, we have received a total of 42 complaints and rights protection cases, all of which have been accepted and properly handled.

The Company has formulated and issued the Whistleblowing Handling and Whistleblower Protection Policy, which outlines the principles and procedures for managing the whistleblowing system, with its operation overseen by the Compliance Management Center. The system operates under strict confidentiality, encouraging real-name reports while also accepting anonymous submissions. Throughout the handling of cases, the Company ensures strict protection of whistleblower identities and information provided by those involved. All whistleblowing records are managed as confidential files.

Promotion and Dissemination

The Company publicizes the whistleblowing policies through diverse channels, including the Employee Handbook, the Code of Conduct for Business Partners, compliance columns, and compliance notices, ensuring that employees and stakeholders are fully informed about reporting and complaint mechanisms. Leveraging internal training and the Company's official website, the Compliance Management Center consistently disseminates information about the whistleblowing system's usage and protective measures, aiming to promote compliance awareness among all employees.

Reporting Channels

The Company offers multiple reporting channels for employees and stakeholders to ensure that reporting is convenient and secure.

Reporting hotline: 0551 – 62100065

Reporting email: jubao@gotion.com.cn

Address for by-letter/face-to-face reporting: Compliance Management Center of Gotion High-tech Co., Ltd., No. 566 Huayuan Avenue, Baohe District, Hefei City, Anhui Province, China

Risk Management

Three Lines of Defense

Gotion High-tech has established a risk management system centered around the "three lines of defense", ensuring comprehensive risk control across all operational stages, thereby providing robust support for the Company's stable development. By the end of the Reporting Period, the Company had issued 60 risk management-related policies and documents, encompassing areas such as corporate governance, securities investment, finance, human resources, operations (including marketing, supply chain, manufacturing, safety, health and environment, quality management, engineering, after-sales, and R&D), as well as audit and compliance.

The first line of defense:

Business departments

Business departments serve as the forefront of risk control, responsible for identifying and managing risks in daily operations, ensuring that risks are effectively controlled at their source.

The second line of defense:

Risk management functional department

The Compliance Management Center, as the Company's risk management functional department, is responsible for developing risk management policies and procedures, overseeing and guiding the first line of defense. Through policy formulation, risk assessment, supervision of corrective actions, and training programs, it ensures a closed-loop compliance management framework, effectively minimizing potential risks.

The third line of defense:

Internal Audit Department and Audit Committee

The Audit Center, functioning as the Company's independent internal control evaluation body, is responsible for evaluating and verifying the effectiveness of the risk management system. The core tasks include performance audits, evaluation of internal control systems, and supervision of critical business processes. By systematically identifying and analyzing risks, it effectively prevents potential risks and ensures compliance and safety in business activities.

During the Reporting Period, the Company completed seven key compliance review tasks, covering compliance risk assessments for subsidiaries, specific evaluations, and third-party compliance management. By means of field visits, interviews, and data analysis, potential risk points were identified, compliance suggestions were made, and the follow-up on corrective actions was ensured. Throughout the year, the Company completed compliance self-assessments for seven major business lines and 11 business units, conducted specialized risk assessments for spare parts, marketing activities, and existing suppliers, performed due diligence on 82 suppliers, and raised 17 compliance risk alerts. These specialized compliance risk assessments have received third-party recognition, achieving a 95% accuracy in risk identification and a rectification rate of over 90%.

Tax Risk

The Company has created a tax risk management process, regularly inspecting and assessing tax risks to ensure they are promptly identified and controlled. By doing so, potential tax issues can be detected and resolved in a timely manner. Moreover, the Company has engaged external tax assurance audits to optimize tax governance, guarantee tax accuracy and reduce tax disputes.

Internal Control

The Company strictly complies with the Company Law of the People's Republic of China, the Basic Standards for Enterprise Internal Control and its supporting guidelines, as well as the regulatory requirements of the China Securities Regulatory Commission (CSRC) and the Shenzhen Stock Exchange. We have established a robust internal control and risk management system, encompassing areas such as corporate governance, securities investment, finance, human resources, operations (including marketing, supply chain, manufacturing, safety, health and environment, quality management, engineering, after-sales, and R&D), as well as audit and compliance. A total of 319 policies have been issued. The internal audit policy of the Company is centered on standardizing management processes and preventing risks. Guided by the Audit Accountability Management Measures, it aims to enhance the Company's internal control capabilities.

For external disclosure on auditing, the Company regularly discloses financial information and undergoes external audits annually, in line with the Company's annual financial reporting cycle. Quarterly audits are also conducted on raised funds and related-party transactions. We ensure compliance with regulatory requirements regarding the disclosure of the fundraising management, fund flows, fund usage, the scope of related parties, and the related transactions.

In terms of internal auditing, the Audit Center aims to standardize corporate governance and operational management systems, prevent operational risks, deter fraudulent activities, enforce financial discipline, and enhance management efficiency and economic performance. It conducts audit supervision from four aspects: internal control governance supervision, operational responsibility audits, performance and efficiency inspection, and fraud monitoring. This applies to all internal bodies of the Company, our subsidiaries, and affiliated companies that have significant impact on the Company. The focus is on operational planning and organization, business efficiency and economic responsibility, key business areas, and internal control systems. For any illegal or disciplinary actions, the responsible parties and accountability measures are clearly defined to ensure timely identification and rectification.

The Company, guided by regulatory and internal standards, adopts a risk-focused approach. By conducting routine and special audits, we keep enhancing the supervision of employee conduct and business ethics. The audit covers multiple risk areas, such as compliance with the Code of Business Ethics, the development and adherence to anti-corruption and anti-bribery frameworks, and ethical conducts of employees. Regular audits are carried out at least once every three years, with 100% coverage of all operational aspects. This ensures that the Company and our employees comply with relevant laws, regulations, regulatory requirements, and internal control standards, while maintaining a high level of adherence to business ethics.

ESG Risks

The Company prioritizes systematic ESG risk management, developing a comprehensive risk prevention and control framework by optimizing our governance structure and operational mechanisms. From a compliance management perspective, we strictly adhere to laws and regulations, implementing a regular compliance review mechanism. We also conduct regular compliance assessments across R&D, production, and supply chain operations to ensure full regulatory compliance. In terms of governance structure, we integrate ESG principles into strategic decision-making, establishing cross-departmental collaboration mechanisms with clearly defined roles and responsibilities. For supply chain management, we have developed supplier admission and evaluation standards, incorporating ESG factors such as environmental performance and labor rights into our supplier assessment system, thereby promoting responsible practices across the industry chain. Within EHS management, we have enhanced risk prevention and occupational health management systems, increased investment in green transformation initiatives, and ensured compliant disposal of hazardous waste. Looking ahead, we remain committed to enhancing ESG risk management, advancing collaborative governance, and driving risk management toward a more proactive and refined approach.

Information Security and Privacy Protection

Information Security

During the Reporting Period, no major information leaks or other cybersecurity incidents occurred within the Company, and no sanctions or fines pertaining to information security were imposed.

Policy Documents	20 information security policy documents, such as: Data Security Management Measures, Data Lifecycle Security Management Measures, Data Leakage Prevention Management Measures, Information Security Management Measures, Information Security Incident Management Measures.
Technical Measures	**Next-Generation Firewall:** Conducts in-depth inspection and granular control of network traffic. **Situation Awareness Platform:** Provides real-time network monitoring, detects potential threats, and assists in swift response and resolution of security events. **Threat Intelligence:** Facilitates the gathering, analyzing, and leveraging of information about potential cyber attacks. **Honeypot:** An advanced system designed for threat hunting and source tracing, powered by deception defense techniques. **Vulnerability Scanning:** The scanning platform enables the Company to promptly identify and resolve potential information security issues. **Bastion Host:** Provides a centralized solution for managing, tracking, and auditing network operational activities.
Employee Training	All new employees must attend the Information Security training course, ensuring 100% coverage. IT information security education training program, securing 100% coverage all IT personnel among subsidiaries. Information security awareness is promoted to all employees through emails, announcements, and various other forms. Information Security Compliance Awareness Week initiative, aimed at all employees. A series of digital-themed security training sessions, aimed at all employees.
Safety Drill	The Company designs and implements annual emergency drill plans. During the Reporting Period, we finalized the "Forging the Net-2024" industrial internet security live network exercise and an internal email phishing drills.
Emergency Management	**General information security incident:** The Company's Digital Center independently coordinates with relevant departments to quickly take action to address and resolve the incident. **Significant information security incident:** The Company's Digital Center handles the incident while reporting to the Information Security Management Team and informing the designated Management Representative. **Major information security incident:** The Company's Digital Center reports to the Information Security Management Team and notifies the Information Security Leadership Team, follows up on the incident response, records the incident handling process, provides an investigation report afterward, and conducts follow-up incident reviews and evidence collection.

Security Authentication

- Gotion High-tech's Headquarters Data Center System in Baohe District has obtained the "National Information System Security Level 3 Protection" certification (Completed filing/registration in 2023), approved and issued by the National Ministry of Public Security, and has successfully passed the 2024 assessment.
- Gotion High-tech, Hefei Gotion, and Jingkai Gotion have received the AL3 certification (Completed certification in 2022, valid from 2022 to 2025), the highest tier of the TISAX (Trusted Information Security Assessment Exchange) standard.
- Gotion Headquarter participated in the industrial internet security classification and grading management for three consecutive years from 2022 to 2024, and has been classified as a Level 1 networked industrial enterprise and a Level 3 platform enterprise based on multiple criteria.

Information Security Issue Reporting Channel

Email: info_sec_opt@gotion.com.cn / WeCom: Global IT Operations Department of the Digital Center / OA System

Privacy Protection

The Company strictly adheres to applicable laws and regulations such as the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and the Cybersecurity Law of the People's Republic of China in our daily operations. We are devoted to continuously advancing our data security and privacy compliance management system. During the Reporting Period, the Company focused on privacy protection efforts, emphasizing legal and regulatory compliance, system improvements, data security training, and the execution of supplier agreements. These measures ensure that personal information is securely managed throughout its entire lifecycle. In addition, we identify key clients' privacy protection requirements. No penalties were recorded for violations of information security and privacy protection laws and regulations during the period.

The Company has thoroughly reviewed the requirements of the Data Security Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China, incorporating data security and privacy compliance into the overall compliance management framework. We take active measures including monitoring regulatory changes and performing compliance risk evaluations and audits, ensuring that our business operations comply with legal standards. During the Reporting Period, the Company revised and released a new version of the Information Security Management Measures, focusing on strengthening the guidelines for the collection, storage, and usage of personal and sensitive information. The updated version clearly defines the principles of minimum necessity and transparent management requirements.

Training and Promotion

The Company conducts specialized information security training for all employees and key positions, focusing on compliance requirements for personal information collection (such as explicit consent, purpose limitation), data classification and hierarchical management, and security protection measures.

Throughout the year, 14 training sessions were held and 6 phishing alert awareness campaigns were initiated, reaching key personnel and successfully improving the privacy protection awareness and compliance capabilities of all employees.

Supplier and Partner Management

When outsourcing to external suppliers or sharing data with partners, the Company strictly adheres to the following requirements:

1. Sign a Data Confidentiality Agreement or Data Sharing Agreement to clearly define the responsibilities of both parties, the scope of data usage, and security obligations.

2. Conduct due diligence on the data protection capabilities of IT suppliers to ensure they meet the Company's compliance standards.

3. In scenarios involving cross-border data transfers, sign an additional agreement and complete a security assessment.

INNOVATION AND PRODUCT SERVICES

Responses to topics

Product Quality and Safety

Customer Service and Satisfaction

R&D and Innovation

Responses to SDGs

Product Quality and Safety

Gotion High-tech implements high standards and strict management requirements for product quality and safety, with a focus on customer needs. The Company optimizes the efficiency of quality and safety processes, strengthens product quality and safety management and ensures product reliability, enhancing customer satisfaction and driving the Company's sustainable development.

Product Quality Management

Gotion High-tech consistently adheres to high standards for quality management, focusing on customer needs and emphasizing the effectiveness and efficiency of customer-oriented processes.

Product Quality Audit System

To ensure compliance and control throughout the whole lifecycle from quality management and manufacturing to product management, the Company has established a multi-faceted audit system.

QMS Audit QMS Documents	Process Audit Production Management Quality Management Logistics Management	Customer Audit Company Operations Product Development Production Process Special Requirements

During the Reporting Period, the Company did not incur any penalties from regulatory authorities for violations of laws and regulations related to product and service quality or safety; and the Company did not experience any administrative penalties, market rectifications, or large-scale product recalls due to safety or quality incidents.

Case

Special Quality Improvement Initiative

To ensure the quality of its outgoing products, Gotion High-tech launched a special improvement initiative addressing the self-discharge phenomenon in battery cells. This initiative consisted of three key parallel modules: "Enhancing Demagnetization Capability", "Optimizing Cutting Tools", and "implementing Real-time Monitoring of the Work Environment". By optimizing manufacturing processes, introducing advanced testing technologies, and promoting digital management, the initiative achieved a 72% reduction in zero-kilometer self-discharge failure rate and a 30% reduction in the three months in service (3MIS) self-discharge failure rate. The Company continued to drive quality improvement initiatives, enhancing product performance in the market and reinforcing its reputation for high-quality products.

Product Quality Management System

In accordance with quality management system (QMS) standards and the current business landscape, the Company has established, implemented, and continuously improved its quality management system, integrating high-quality standards throughout the whole product lifecycle. Moreover, following the QMS requirements, the Company has developed a structured documentation framework, including quality manuals, procedural documents, management policies, and records. This ensures that QMS principles are effectively applied in daily operations. Additionally, the Company employs the PDCA (Plan-Do-Check-Act) cycle to drive continuous improvement throughout its operations.

All certified production bases of the Company have obtained either IATF 16949: Automotive Quality Management System Certification (scope: design and manufacturing of lithium-ion electric vehicle batteries) or ISO 9001: Quality Management Systems Certification (scope: design and manufacturing of lithium-ion batteries). Also, they have continuously ensured the effective operation of the quality management system, providing strong technical support for product design, development, validation, and quality control.

As of the Reporting Period, all of the Company's domestic subsidiaries have obtained IATF 16949 certification, with the exception of two new facilities that commenced operations in 2024. In addition, a total of 14 subsidiaries have been certified under ISO 9001, including 12 domestic entities as we ll as the overseas sites in Indonesia and Göttingen.

During the Reporting Period, the Company's Shanghai Testing and Validation Institute successfully passed CNAS (China National Accreditation Service for Conformity Assessment) Certification.

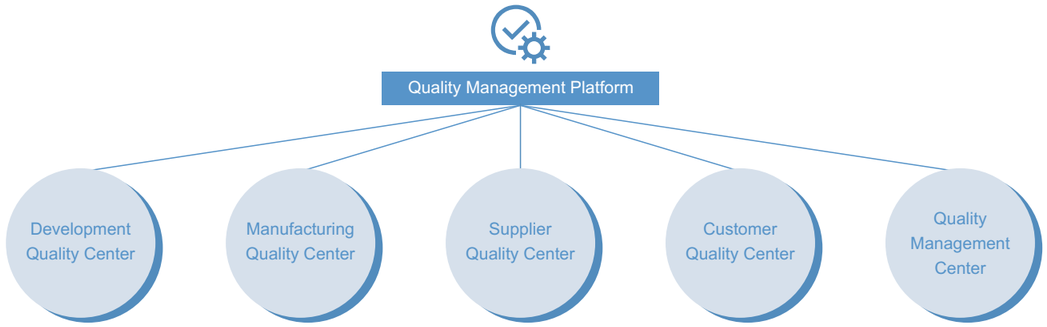
Case

Establishing a Hazardous Substance Process Management System to Ensure Product Quality and Safety

To meet regulatory and customer requirements regarding hazardous substances, Gotion High-tech has integrated RoHS (Restriction of Hazardous Substances, namely the Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment) into its corporate standards. In 2024, the Company began establishing the QC 080000 management system. During the Reporting Period, Gotion High-tech headquarters (certification scope: design of lithium-ion batteries and battery packs), Tangshan Hub, and Jinzhai Gotion (certification scope: manufacturing of lithium-ion batteries and battery packs) successfully passed audits by third-party agencies.

Based on the quality management system, the Company has developed management documents such as the Hazardous Substance Free Management and Control Procedures and Material Risk Level Assessment and Sampling Inspection Standards for Hazardous Substance Free in accordance with the requirements of the IEC-QC 080000 hazardous substance process management system. The Company has reviewed relevant laws, regulations, and customer requirements regarding hazardous substances, identifying associated risks from multi-dimensional aspects of design, materials, procurement, manufacturing, and management. On this ground, the Company has implemented control measures to manage these risks.

To ensure product quality control throughout its whole lifecycle, from product development to customer service, the Company has built a quality management platform. Additionally, based on the modular management design of the quality management platform, the Company has established the Quality Domain Process Management System, following the Company's hierarchical process structure.



Quality Domain Structure	
Level 1	Overall quality management coordination.
Level 2	This includes seven areas of business: QMS quality construction, R&D quality management, supplier quality management, manufacturing quality management, customer quality management, quality operations, and continuous improvement.
Level 3	This includes sub-processes for each business area, refining the quality management tasks to achieve management and control over quality-related risks.

Product Recall Management

Gotion High-tech has established a comprehensive product recall management system, clearly defining the management requirements for product recalls. The Company proactively collaborates with automotive OEMs to carry out product recalls, swiftly addresses customer complaints, and promotes product quality improvements and enhanced after-sales service levels. This ensures that customers receive timely, thoughtful, and satisfactory service, thereby enhancing the Company's reputation. Internally, the Company has developed the Customer Quality Management Measures and After-Sales Service Management Measures to improve internal customer service management and enhance the efficiency of responding to customer needs. During the Reporting Period, the Company did not experience any product recall incidents.

Quality Culture Development

Gotion High-tech consistently upholds the business philosophy of "Excellence in Product, Strength in Talent, Commitment to Customer Success". The Company strives to win the market through product excellence and build a strong reputation through quality, emphasizing employee awareness of quality and fostering a deep-rooted quality culture within the organization.

During the Reporting Period, the Company's quality management platform organized 8 specialized product quality training sessions, covering 21 topics, with the participation of 551 person-times. Among these, there was 1 specialized product safety training, with the participation of 53 person-times.

Quality Culture Promotion

The Company has been in the era of quality for ten years, continuously strengthening quality awareness and cultural development. We have been committed to becoming a benchmark for quality in the battery industry by analyzing and keeping pace with industry leaders. To build a strong quality culture system, we regularly organize Quality Month events and hold quality-themed and review meetings, reinforcing quality principles and driving product quality improvements.

During the Reporting Period, we hosted the 10th Quality Month event under theme "Leading Domestically, Sailing Globally, Benchmark Quality in Motion" and launched the 11th Quality Month event under theme "Leading Domestically, Navigating Globally, Excellence Beyond Horizons".

Case

Gotion High-tech Hosted Quality Month Event under the Theme "Leading Domestically, Sailing Globally, Benchmark Quality in Motion"

Gotion High-tech organized its 10th Quality Month event under the theme "Leading Domestically, Sailing Globally, Benchmark Quality in Motion". We launched a company-wide quality knowledge competition across to enhance all employees' awareness of quality, deepen the cultural significance of quality, and expand their knowledge base. By fostering a habit of continuous learning and improving professional expertise, the initiative aimed to help cultivate an environment where quality is studied, valued, and embraced by all employees. This, in turn, has supported Gotion High-tech's strategic goal in achieving its strategic goal of leading the nation and expanding globally through strengthening quality awareness among all employees.

Our business in the Americas area and the Eurafrica area organized activities such as quality competitions and 8D (Eight Disciplines Problem Solving) reviews and other activities to identify and address gaps from multiple perspectives. These initiatives broadened employees' professional horizons, enhanced engagement, and empowered their career development. The Asia-Pacific Plate, based on the actual production conditions of its overseas bases, conducted quality activities from multiple perspectives, such as knowledge competitions and QCC (Quality Control Circle) initiatives. These efforts helped communicate quality standards to frontline employees and strengthened their awareness of quality.

Photo of the Quality Knowledge Competition Final

During the Reporting Period, the Company successfully held special meetings on quality and an annual quality review meeting. We have been organizing a series of special meetings to deepen quality awareness and embed a strong quality culture throughout the Company. At the end of each year, we proactively organize an annual quality review meeting. This event not only reflects on the year's quality performance but also sets the direction for the digital transformation of quality management. By focusing on this transformation, we establish a solid foundation for continually improving both product and service quality.

Case

Special Quality Meeting under the Theme "Implementing Quality Awareness to Enhance Process Capability and Improve Cell Utilization"

On July 11 to 12, 2024, Gotion High-tech held the special quality meeting in 2024, which received significant attention from the Company's senior management. Li Zhen, Chairman of Gotion High-tech, Wang Qisui, President of the China business sector of the Company, and Wang Qiang, President of the General Institute of Engineering Research attended the meeting and provided guidance.

The Company places great importance on and supports quality-related activities, driving quality culture from superior to inferior throughout the Company. For this training session, we have specially invited external experts to deliver the Quality Awareness Enhancement Training for Management to senior management. The session was attended by over 100 leaders from both the Company's headquarters and subsidiaries. We remain committed to integrating an unwavering pursuit of quality into every aspect of our operations, continuously driving quality improvement. We follow a market-driven approach, ensuring that all efforts originate from market needs and are ultimately validated by the market.


2024 Quality Special Meeting

Personnel Capability Enhancement

To enhance employees' quality capabilities, the Company organizes diverse training activities annually, aligning with annual work and job personnel requirements. These trainings cover various aspects, including quality tools, general quality skills, quality audits, and quality management systems. In addition, we actively organize personnel training sessions, coaching, consulting, and meetings to enhance individual capabilities, improve process efficiency, and strengthen quality awareness of senior leaders.

During the Reporting Period,the Company organized a QC 080000 standard training for all employees.

APQP Training

Inspection Tool Training

Case

Conducting Six Sigma Training to Enhance Quality Management Awareness among All Employees

During the Reporting Period, Gotion High-tech launched a Six Sigma training project spanning multiple business lines, regions, and organizational levels. The project covered the quality management platform, engineering technology platform, subsidiaries and hubs. The class consisted of 23 members, including deputy managers and above, as well as 11 engineers at level eight and above. The project lasted for six months, and by its completion, 33 participants had passed the Six Sigma Green Belt exam, while eight participants had passed the Six Sigma Black Belt exam.

Product Safety Management

During the Reporting Period, no incidents of controversy concerning product safety or quality occurred within the Company.

Recognizing safety as the core and most crucial attribute of products, Gotion High-tech remains committed to enhancing our product safety management system. The Company has launched company-level improvement programs for battery cells and packs, detecting product safety risk points in each production line and process, and developing and executing preventive measures.

Product Safety Management System

Gotion High-tech's product safety management system plays a vital role in identifying safety-related elements within each business module (R&D, manufacturing, procurement, delivery, and service). It defines a series of safety standards for each process and ensures their effective implementation to achieve a systematic upgrade in product safety.

The Company has established a Product Safety Conformity Representative (PSCR) working group and developed the Battery Cell Product Safety Management Procedure. We regularly update product safety-related technologies, standards, and procedural documents. During the Reporting Period, the Company refreshed the safety design baseline for battery cells. This involved formalizing safety design reviews, updating on-site storage standards, safety material technical protocols, material safety characteristic inspection standards, and the Production Stop and Line Shutdown Management Measures. An emergency response procedure for safety accidents was also created.

Establishing a product safety organization	The Company established a formal product safety organization by issuing the Product Safety Task Force Appointment Notice. The document outlines that the organization's duties involve ongoing monitoring of safety indicators, periodic reporting to senior management through regular meetings, implementing safety-focused improvement initiatives, and driving the achievement of the zero-safety-issue target.
Specifications for product and process development	After identifying the safety characteristics of the products, the Company's Battery Research Institute has established corresponding design standards and issued the Battery Cell Safety Design Checklist, which will be used for the safety design of future projects. Meanwhile, the Company's Technology Center has identified process safety characteristics based on product safety characteristics and produced the Battery Cell Process Safety Characteristics Checklist. These process safety characteristics have been designated as items requiring special control during process development and incorporated into PFMEA (Process Failure Mode and Effects Analysis), CP (Control Plan), and SOP (Standard Operating Procedure).
Supplier development and assessment requirements	The Supplier Management Procedure outlines the entry threshold for safety material suppliers, stipulating that any supplier failing to meet the safety entry criteria will be subject to a one-vote veto. The Supplier Performance Management Measures define the performance scoring rules for safety material suppliers, and the Commitment Letter on Cell Safety Material states that material-related safety issues will incur penalties up to the maximum amount specified in the quality agreement.
Emergency handling of product safety incidents	The Safety Management Procedure for Lithium Iron Phosphate Battery Cells specifies the emergency response process and responsible personnel for product safety incidents, involving tasks covering cause analysis, risk assessment, and risk inventory freeze. The procedure also mandates that investigation results and progress updates must be reported to customers and senior management within 24 hours, with the highest level of reporting reaching the President.
Safety performance assessment	At the beginning of the year, the Company released the 2024 Company-Level Quality Indicators and the 2024 Subsidiary Quality Performance Plan. These documents set out the product safety indicators and incentive mechanisms for specific business units and personnel.

Product Safety Lifecycle Management

The Company integrates product safety and reliability management throughout the entire product lifecycle, design, production, and usage.

Product Design and Development Phase → Product Process Design andPilot Production Phase → Series Production Phase → Product Service Phase

During the product design and development phase

The Company follows the requirements outlined in the Battery Product Development Process, and identifies applicable legal and regulatory standards. We continuously develop and optimize reliability models through mechanisms such as simulation, failure analysis, and testing method standardization. In line with regulations such as GB 38301-2020 Electric Vehicles Traction Battery Safety Requirements, we conduct relevant safety tests (such as vibration, mechanical shock, collision, compression, humidity and heat cycles, immersion, thermal stability, and temperature shock) during the project phase to verify and ensure the reliability of product design.

Safety and Reliability Testing Process for New Battery Cell Materials		
Material physicochemical testing	Test the physical and chemical properties of the raw materials to ensure that the performance indicators of the new materials meet the technical standards.	Testing aligns with the benchmarking of new material testing standards and the testing activities at each stage of new material introduction.
Battery cell performance testing	In cases where the performance testing of the battery cell samples does not meet the standards, the supplier will be required to resubmit samples for testing, and new material development with that supplier may even be halted.	
Test data output	Provide relevant evidence for the review of new material introduction.	

Gotion High-tech has established verification branches in Hefei and Shanghai, which are responsible for the safety and reliability testing of components, cells, modules, and battery systems for R&D, series production, and after-sales. Equipped with nearly 100 test rigs, including vibration testers, mechanical shock tables, environmental chambers, integrated nail penetration and shredding machine, and high-temperature explosion-proof boxes, the branches meet over 97% of domestic and international standards, ensuring comprehensive product testing capabilities.

During the product process design and pilot production phase

The Company clearly defines product and process characteristics related to product safety and regulatory compliance in accordance with the Battery Product Development Process and the Special Characteristics Management Measures. Additionally, risk analysis and control measures for product safety characteristics are stipulated in documents such as the Failure Mode and Effects Analysis Management Measures (FMEA), and are explicitly outlined in the Control Plan. During the transition from project to series production, the Company implements several measures to ensure that the requirements for product safety features are met and executed. These measures include error-proofing, 100% inspection, and SPC (statistical process control).

During the series production phase

The Company sets up a sound and reliable oversight mechanism. This includes regular monitoring of production process indicators, ORT (Ongoing Reliability Tests), and occasional process audits, product audits, and cleanliness audits. These measures are designed to continuously monitor product quality trends and ensure the safety and reliability of the products.

During the product service phase

The Company has established an industry-standard remote battery data monitoring platform (namely the big data early warning platform) to ensure user safety and the security and reliability of the batteries. Based on this platform, the Company has also developed monitoring applications and big data analysis systems specifically for Electric Vehicle Batteries. This system supports TCP/IP, HTTP, Kafka-based open data access, offline and online algorithm analysis. It enables the querying of battery-related information and displays battery operation and health status through multiple channels. Additionally, the system is capable of million-level monitoring and early warning. The smart battery network's big data analysis platform can monitor no fewer than 1 million vehicles per system and has expanded to provide battery safety services for at least 20 OEMs, offering professional battery safety services to downstream vehicle manufacturers.

Customer Service

During the Reporting Period, the number of complaints from OEMs decreased by **19.02%**.

Upholding the philosophy of "customer first, attentive service," Gotion High-tech continuously provides customers with convenient, professional, and high-quality services, delivering comprehensive and accurate market quality information, and ensuring market service support for sales.

After-sales Service System

Five Centers

- Domestic service center
- International service center
- Technical support center
- Spare parts center
- Management center

Three Systems

- Service system
- Safety system
- Spare parts system

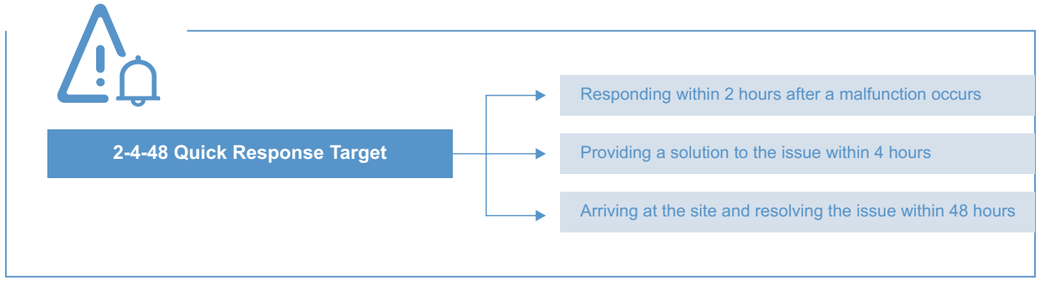
Two Platforms

- Big data early warning platform (namely the battery remote data monitoring platform)
- After-sales service platform

Gotion High-tech is committed to providing customers with high-quality after-sales service. These services include maintenance, warehousing, recycling, electricity sales, and technical support. By establishing a "joint + authorized" service model with professional service stations, we collaborate with OEMs to implement a joint maintenance service while recruiting high-quality service providers into our service system.

As of the Reporting Period, the Company has established a total of **500** service centers worldwide, including **485** domestic service centers and **15** overseas service centers.

To ensure a quick response, the Company has set a 2-4-48 (2-Hour Response, 4-Hour Arrival, 48-Hour Resolution) quick response target for fault handling and repair in China. By utilizing remote monitoring and early warning systems, service hotlines, and on-site repair requests, we assign the nearest service personnel or emergency service team to promptly arrive at the scene for fault resolution. This forms a service radius of 200 kilometers with a 2-hour service response, ensuring the safe operation of the products.



With the growth of overseas customers and delivery volumes, the Company is progressively improving the overseas after-sales service system. The Company has established 15 overseas service centers in Vietnam, Germany, and the United States, covering the Asia-Pacific, Europe, Africa, and the Americas. Additionally, based on the actual overseas business needs, we have developed standardized service procedures, clearly defining after-sales service guarantees with a response time within 24 hours, a solution within 3 days, and issue resolution within 7 days to ensure efficient and timely service. Furthermore, we strictly adhere to the laws and regulations of each country and region, ensuring full compliance in service processes. This has enabled the comprehensive implementation of service support capabilities across overseas markets, providing strong support for the high-quality growth of our overseas business.

To achieve digital transformation in after-sales service, the Company actively advances the development of a digital after-sales service system. We have established a Battery Remote Data Monitoring Platform, also known as the Big Data Early Warning Platform. This system includes a 24/7 remote monitoring and early warning system, capable of efficiently integrating data from millions of vehicles. Through real-time battery data prediction and analysis, it enables electric vehicle alarm management, intelligent battery status forecasting, battery fault analysis, after-sales work order processing, and access control management, ensuring the safe operation of its products.

The after-sales service system can monitor and accurately record the entire service process, while also conducting scientific performance management of various operational metrics. The system conducts in-depth mining and analysis of vast market service data to compile fault classifications, providing comprehensive and accurate product quality data for the quality management platform. Based on this, the system continuously improves product quality, ensuring a steady enhancement in service quality. Furthermore, it provides customers with customized service manuals and solutions to meet their individual needs, supporting the Company's high-quality development.

Gotion High-tech 24-hour customer service hotline:
400-110-8181

Gotion High-tech after-sales service email:
gxshkf@gotion.com.cn

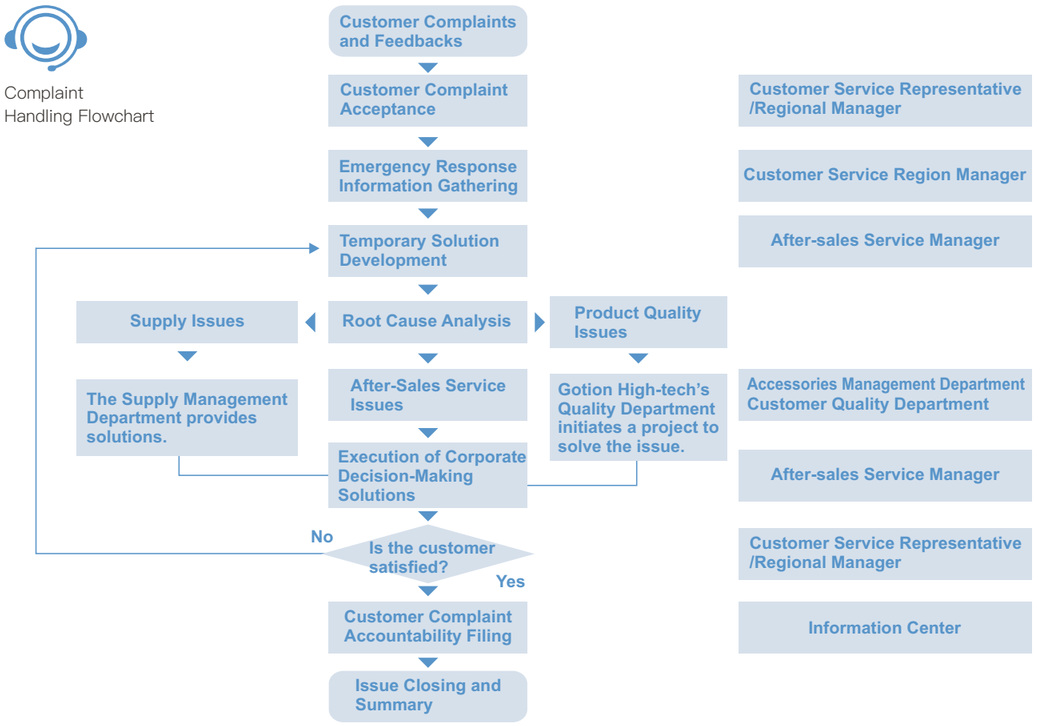
Certificate of "Five-Star" Product After-Sales Service

Gotion High-tech was awarded the "Outstanding Enterprise for After-Sales Service Response" by Customers

Customer Complaint Handling

Gotion High-tech upholds the philosophy of "customer first, dedicated service". We has established a customer complaint handling network that primarily relies on after-sales service personnel at our bases, supplemented by selected third-party service providers. This network ensures extensive coverage across numerous countries and regions, forming a timely and effective customer complaint handling mechanism. Complaints are assigned to a dedicated representative, and we have standardized the requirements for response efficiency to customer inquiries. After customers submit complaints or feedback through channels such as phone, WeChat, or our official website, our internal service staff will assess the validity and nature of the complaints and handle them in accordance with the Customer Quality Management Measures and other relevant regulations. Once the complaint or issue is resolved, we report back to the customer, finalize the complaint case, and confirm whether the resolution has been achieved.

Complaint Handling Flowchart



Gotion High-tech has established a set of regulations to standardize the process for handling customer quality complaints. Upon receiving quality complaints from customers, the Customer Service Center utilizes the 8 D quality tool to analyze product quality and resolve customer quality issues. The Company continuously refines the Customer Quality Management Measures, actively collects customer feedback, and promptly addresses customer concerns. These initiatives provide services and support to meet quality-related needs. The Company has established an Early Quality Prevention Guideline, clearly defining the processes and responsibilities of all parties involved. We actively implement early quality prevention measures in new projects to reduce quality risks during the initial delivery, acceptance, and assembly stages, thereby improving the vehicle qualification rate. Additionally, we improved the Failure Analysis Management and Product Safety Management policies. Systematic failure analysis and verification processes drive product quality analysis and improvement, reducing product failure rates in the market, enhancing customer satisfaction, and supporting the Company's operations.

Furthermore, the Company has implemented a structured process for regularly compiling monthly reports on customer complaints, categorizing and summarizing faults, and coordinating systematic rectifications across relevant departments. We also strengthen the statistical evaluation of failure rate indicators in the market. Based on the correlation between business operations and quality, quality metrics are broken down and assigned to respective departments, fostering better identification and resolution of quality issues.

Customer Satisfaction Management

The Company has formulated the Customer Satisfaction Follow-Up Guidelines, and conducted annual customer satisfaction surveys. Based on the survey results, the Company compiles a list of common issues, implements targeted improvements, and provides feedback within the timeframe requested by customers. The effectiveness of these specific improvements is then verified in subsequent surveys.

The Company adheres to responsible marketing practices, providing customers with accurate and true product information. We avoid false advertising, exaggeration, or concealment of facts, aiming to build long-term trust with our clients and achieve sustainable development for the Company.

In 2024, the overall customer satisfaction score for after-sales service reached 99.42.

Evaluation Dimensions of After-sales Customer Satisfaction	
User satisfaction, end-user feedback	40%
User satisfaction is obtained through user satisfaction surveys and post-sales ticket data terminal investigations.	
Customer complaint, customer complaint registration form	30%
The annual scoring system is as follows: For each valid complaint received, a deduction of 2 points will be applied, with no upper limit on the total number of points that can be deducted. If no complaints are received, no points will be deducted.	
OEM satisfaction, OEM customer survey	20%
The OEM Satisfaction Survey (comprising 50% survey ratings and 50% objective evaluations) is conducted to regularly monitor objective customer satisfaction data.	
400 Hotline follow-up, maintenance satisfaction survey	10%
Follow-up with users on maintenance, including feedback on service attitude and repair quality.	

Paths for Improving Customer Satisfaction	Personnel	1. Develop piratical performance evaluations to enhance service awareness. 2. Analyze the capability matrix of department personnel and develop a training plan based on actual needs.
	Equipment	1. Increase investment in on-site service repair equipment and machinery. 2. Establish appropriate policies and assign specific personnel to specific roles, ensuring the normal functioning of equipment.
	Materials	1. Establish regional accessory centers to enhance supply efficiency. 2. Allocate battery packs proportionally for key projects to ensure customer vehicle usage. 3. Maintain regional safety stock to prevent extended repair delays due to waiting for spare parts.
	Rules	1. Develop operational guidelines for each stage, ensuring all actions are carried out according to standardized procedures. 2. Formulate a complaint handling policy to address customer complaints promptly.
	Environment	1. Strictly enforce requirements at the service site and effectively implement the 6S management strategies. 2. Enhance the environment of the customer lounge by focusing on details and ensuring excellent service for every customer.

R&D and Innovation

During the Reporting Period, R&D investment was RMB2.93 Billion, accounting for 8.28% of the main business revenue; and the number of R&D personnel was 3,754, accounting for14.68%.

The Company adheres to a long-term vision and upholds the spirit of "continuous exploration and steadfast technological breakthrough". We deeply implement our R&D strategy, consistently enhance product strength, and ensure that we maintain an industry-leading position in technological innovation from battery materials to finished battery products.

R&D Innovation System

R&D Strategic Planning

Focus on enhancing R&D team capability	The Company continues to advance the development of a 10,000-person R&D team to strengthen large-scale innovation capabilities. We introduce high-end talent through multiple channels and continue to focus on core technological breakthroughs. By collaborating with globally renowned universities and key enterprises across the industry chain, we establish a technological cooperation network that meets the Company's developmental needs. We aim to cultivate leaders in specific technological fields and host an annual technology conference. The Company has added over 2,000 patent technologies, accelerating the transformation of technological achievements into production lines. We fully utilize government support policies to effectively promote joint breakthroughs in foundational technologies, core technologies, and cutting-edge science.
Focus on building a materials science system	The research team focuses on improving the phosphate compaction density, processing, and rate performance of manganese iron lithium. We advance key breakthroughs in technologies and industrialization, such as medium-nickel single-crystal high-voltage materials, high-nickel 9-series materials, high-rate graphite, high initial efficiency low-expansion silicon-based anodes, wide-temperature-range fast-charging electrolytes, and ultra-thin safety membranes. Additionally, we strengthen the research and development of core lithium salts, solvents, and additives.
Focus on building a digital science system	The Company has precisely defined and released the Extreme Manufacturing 2.0 standard system, actively promoting AI systems to support the digital implementation at the five major hubs in Hefei, Nanjing, Tangshan, Liuzhou, and Tongcheng. This has significantly enhanced our manufacturing engineering capabilities. We construct an AI control tower platform based on extreme manufacturing, achieving full digitalization of production processes on new production lines and transforming traditional lines with digital management. We accelerate the digital control of the entire lifecycle of batteries from design to manufacturing, application, and eventually recycling. We continuously optimize our big data intelligent early warning system to monitor and ensure the safe operation of automotive and energy storage systems in real-time.
Focus on Creating World-Leading Product Strength	The Company enhances the performance and manufacturing yield of second-generation battery cells, reducing manufacturing costs, and enabling mass production of third-generation cells with high energy density, high safety, and 4C ultra-fast charging capabilities. This help break into the B and C vehicle markets. We have achieved mass production of a new chemical system with 230Wh/kg energy density and create Pack 3.0 platform-based solutions. We accelerate the development and promotion of high-safety, long-life, low-cost energy storage products and conducting research on 900Wh/L all-solid-state batteries and 1000V/5C ultra-fast charging technology.
Focus on enhancing prototype testing capabilities	The Company upgrade the prototype platforms for ternary battery cells, lithium iron phosphate cells, and Pack systems. We have built an all-solid-state battery prototype platform to support the verification and prototyping capabilities across the entire industry chain, further improving testing and qualification rates. The Company has also established nine major verification platforms in Baohe, Xinzhai, Lujiang, Tongcheng, Nanjing, Qingdao, Liuzhou, Yichun, and Tangshan, and fully launched the LIMS 2.0 intelligent management system to improve the efficiency of experimental resource allocation.

R&D System Development

Gotion High-tech continually updates R&D and innovation systems, standardizes R&D processes, and clarifies the responsibilities at each stage. During the Reporting Period, in accordance with the Trial Production Process for Battery Products in Trial Production Line, the Company clarified and detailed the procedures, responsibilities, and requirements during the trial phase, to better serve the trial process of battery product development projects. Based on the R&D Project Management Policy, We also clearly stipulated the classification and grading of R&D projects, the management of project development responsibilities, and team performance incentives, offering a standardized reference for execution. Additionally, we have established a production line management system based on the New Line Construction Project Management Measures, the Production Line Construction Project Management Measures, Production Line Project Planning Management Process, Production Line Project Change Management Process, and Production Line Project Milestone Review Management Process. This aims to clarify the comprehensive management processes for production line project grading, team responsibilities and work scope, project planning management, milestone reviews, change management, and performance management.

The Company has revised the Postdoctoral Research Workstation Management Measures, which clearly defines the organizational structure and responsibilities for postdoctoral management, as well as the entire process and requirements for the recruitment, admission, tenure, and exit of postdoctoral researchers. This standardizes and strengthens the management of postdoctoral researchers, enhances the quality of postdoctoral training, and accelerates the development of a young postdoctoral team with independent innovation capabilities, to support the Company's technological innovation.

To drive technological innovation and enhance industry competitiveness, the Company has released the Regulations on the Application and Management of Science and Technology Projects. This clarifies key requirements such as the responsible entities for government projects, the application process, and management standards. It plays a significant role in improving the success rate of government project applications, strengthening project management, and improving research and development capabilities.

The Gotion High-tech External Cooperation Project Management Measures is a management document formulated by the Company to standardize collaborative projects with external research institutions, universities, and well-known enterprises. This measure clearly defines the concept, scope, and management principles of external collaboration projects, and provides detailed guidelines for the entire process, from project need identification, project initiation, process management to project closure. It also covers various aspects such as project evaluation, contract signing, funding management, results and archives management, as well as incentive and penalty mechanisms. These provisions ensure the scientific, standardized, and efficient execution of external collaboration projects, thereby fostering the enhancement of the Company's R&D capabilities and facilitating the resolution of key technical challenges.

To promote the transformation of scientific and technological achievements into standards and enhance the enthusiasm of R&D personnel in drafting and revising standards, we clarified the scope of rewards for participation in domestic and international technical standards and the management and rewards for the "Top Ten Standard Experts" project under the category of standard innovation talents based on the Gotion High-tech Standard Management Measures.

Case

Gotion High-tech Wins Multiple Awards in the Energy Electronics Industry Competition

Gotion High-tech organized a team to compete in the 2nd Energy Electronics Industry Innovation Competition and the 3rd Advanced Energy Storage Technology Innovation Challenge, jointly hosted by the Industry Development and Promotion Center Ministry of Industry and Information Technology of the People's Republic of China along with local government departments. Our three projects won the First Prize, Third Prize, and Excellence Award, respectively.

With these efforts, the Company has made further breakthroughs in new energy technologies, strengthened our product supply capabilities, and contributed to the high-quality development of the new energy industry.

The 2nd Energy Electronics Industry Innovation Competition and the 3rd Advanced Energy Storage Technology Innovation Challenge

R&D and Innovation Platform

The Company's research and development covers every link across the entire battery industry chain, including materials, products, manufacturing, and recycling. We have established eight major global R&D centers in Hefei (2 centers) and Shanghai (China), Silicon Valley and Cleveland (United States), Singapore, Tsukuba (Japan) and Germany. The Company has established over ten national and provincial technology R&D and innovation platforms, including the National Enterprise Technology Center, the National-Local Joint Engineering Research Center, the National Postdoctoral Research Station, and the Anhui Industrial Innovation Research Institute. We have also been awarded numerous honors, such as the National Intellectual Property Demonstration Enterprise, the Advanced Enterprise for International Standardization of Lithium-ion Batteries, the National Green Supply Chain Management Enterprise, the National Green Factory, the National Smart Manufacturing Demonstration Factory, and China Well-Known Trademark. In addition, our laboratories and testing centers have obtained top-tier domestic and international certifications, including the "China National Accreditation Service for Conformity Assessment (CNAS) Laboratory", the "Volkswagen Group Authorized Cell Testing Laboratory", the "TÜV SÜD-Qualified Witness Testing Laboratory", and the "Canadian Standards Association (CSA)-Authorized Laboratory".

We encourage our subsidiaries and their subsidiaries to pursue the technological research and innovation. Hefei Gotion Battery Material Co., Ltd[1]. has been recognized as a "national-level specialized and sophisticated enterprise that produces new and unique products", earning the title of a "Little Giant" enterprise. Additionally, six subsidiaries have been acknowledged as specialized and sophisticated SMEs in their respective provinces and cities. These subsidiaries are Hefei Gotion New Materials Technology Co., Ltd.[2], Hefei Gotion Battery Co., Ltd., Tangshan Gotion Battery Co., Ltd., Yichun Gotion Battery Co., Ltd., Jiangxi Weihong Lithium Co., Ltd.[3], and Qingdao Gotion Battery Co., Ltd.

During the Reporting Period, the Company was awarded 4 Anhui Provincial Science and Technology Progress Awards and was granted approval for the Anhui Provincial Power and Energy Storage Industry Innovation Research Institute. We have been approved for 1 national key R&D project, with 3 ongoing projects; approved for 2 provincial-level major science and technology projects, with 4 ongoing projects.

Certificates of Anhui Provincial Science and Technology Progress Awards

Digital Transformation

We are steadfast in pursuing the strategic vision of "starting from within, advancing with quality, and growing from the roots" for our digital and intelligent transformation. We are committing to achieving a deep integration of digitization and intelligence to drive sustainable development. Axtrem, our self-developed platform, powered by big data and artificial intelligence (AI) technologies, provides innovative solutions for key processes such as data collection, transmission, storage, management, and application. It has developed multiple software product lines, including lean digitalization, big data for smart manufacturing, and industrial AI, which has enhanced the Company's production efficiency and provided robust technical support for achieving green production and resource optimization. Furthermore, the platform supports the entire smart manufacturing process at Gotion High-tech, driving the industry towards a greener, smarter, and more sustainable future.

Axtrem platform	
Digital lean product line	Gotion-MOM (intelligent manufacturing operations management system) Gotion-QMS (digital quality management system) Gotion-TPM (total productive maintenance system)
Intelligent manufacturing big data software product line	Gotion-QDAP (quality big data analysis platform) Gotion-DPM (digital performance management system) Gotion-IOT (industrial internet of things platform)
Industrial AI product line	Gotion-APIE (AI intelligent process software platform) Gotion-AIQG (AI intelligent selection system)

1. It is a subsidiary controlled by Hefei Gotion High-tech Power Energy Co., Ltd.
2. It is a subsidiary controlled by Feidong Gotion New Materials Co., Ltd.
3. It is a subsidiary controlled by Yichun Gotion Battery Co., Ltd.

Industry-University-Research Cooperation

To drive the high-quality development of Gotion High-tech and enhance our core competitiveness, we adhere to the principles of open collaboration and innovation-driven growth. We actively establish and deepen cooperative relationships with prestigious universities and research institutions such as the Chinese Academy of Sciences, Tsinghua University, Fudan University, Tongji University, University of Science and Technology of China, Hefei University of Technology, National University of Singapore, Nanyang Technological University, Columbia University, Massachusetts Institute of Technology, Argonne National Laboratory of United States, Lawrence Berkeley National Labora tory , the Bratislava University of Economics and Management, Slovakia, San Diego State University and other leading universities and research institutions. Building on established long-term, stable strategic partnerships with both domestic and international universities and institutions, we leverage our significant strengths in cutting-edge technology research and development, innovative talent cultivation, and theoretical studies. Meanwhile, we fully integrate our practical experience and production capabilities in frontier technologies, manufacturing, market applications, process optimization, and other fields, achieving deep complementarity and collaborative advancement of advantages.

Gotion High-tech has strengthened its efforts to integrate the "industry, academia and research, including establishing close cooperative relationships with leading global companies in the EV battery supporting sector, such as DENSO, Mitsui Chemicals, and Scienlab". Together with these organizations, we conduct research in battery materials, battery pack technology, and battery management systems, and work collaboratively to address technical challenges in EV battery technology.

During the Reporting Period, the Company won two awards at the 13th Corporate Learning and Development Forum hosted by Shanghai Jiao Tong University Education Group, namely High-Value Corporate Learning Platform Award and Outstanding Practice in Industry-Education Integration Award.

Case

Battery Explosion-proof Valves Designed and Developed by Gotion High-tech and University of Science and Technology of China

Gotion High-tech collaborated with University of Science and Technology of China to conduct research on the impact of safety design parameters for cell explosion-proof valves on the thermal runaway reaction process. Through model building and experimental testing, our research team understand the evolution mechanism of internal pressure in battery cells. Using the internal pressure evolution model and experimental results from this project, the team developed a forward development and simulation model for safety valves. This approach enabled the identification of optimal safety design parameters for safety valves, effectively guiding the development of new product safety valves. The research findings have been applied to several battery products of Gotion High-tech.

An Intelligent Monitoring Platform for Battery Cell Production Line Jointly Developed by Gotion High-tech and Hefei University of Technology

Gotion High-tech partnered with Hefei University of Technology to develop an equipment monitoring and maintenance management platform for battery cell production lines based on industrial internet technology. Guided by the needs for equipment monitoring and maintenance management in Gotion High-tech cell production line, our R&D team leveraged the Industrial Internet and data intelligence to create a management core centered around "databases, knowledge bases, algorithm libraries, and component libraries". This served as the AI hub and intelligent brain for the Gotion High-tech cell production line's equipment monitoring and maintenance management platform. It achieved integrated control of "digital monitoring" and "intelligent operation and maintenance", enabling efficient management and smart maintenance of Gotion High-tech's production line equipment.

Gotion High-tech and San Diego State University Jointly Developing Wireless BMS Pack Technology

Amid increasingly fierce global competition in Electric Vehicle technologies, Gotion High-tech actively expands its frontier technology collaborations. The Company has established an in-depth partnership with San Diego State University to advance the full-scale development of wireless Battery Management System (BMS) Pack technology. This technology offers the advantage of lower manufacturing costs, significantly improves space utilization, and greatly enhances safety, reliability, and production efficiency. In addition, it features excellent scalability and flexibility, enabling precise and full-lifecycle battery management. This leads a major step forward in advancing EV technology toward greater efficiency and intelligence.

Case

The "Anhui Lithium Battery Innovation Consortium" Collaboratively Established by Gotion High-tech and Multiple Institutions

Gotion High-tech, in collaboration with seven institutions including the Hefei Institutes of Physical Science of the Chinese Academy of Sciences, Anhui University, Hefei Intelligent Connected Vehicle Innovation Center, Hefei Lixiang Battery Technology Co., Ltd., created the "Anhui Lithium Battery Innovation Consortium". This initiative aimed to bridge fundamental research, applied research, technological innovation, and industrial development, fostering the integration of innovation chains and industrial chains. Furthermore, the consortium focused on theoretical innovation and cutting-edge technology research, jointly implementing collaborative R&D projects to promote the collaborative innovation of industry-academia-research-application. Guided by market, it was committed to developing and manufacturing high-quality lithium batteries and systems. Leveraging the strengths of universities, research institutes, and upstream and downstream enterprises, it concentrated premium resources for strengthening, supplementing, and extending the industrial chain, ultimately achieving the scaled development of the lithium battery industry.

Intellectual Property Protection

As of the Reporting Period, the Company has filed a total of 10,556 patents, including 303 international patents; a cumulative total of 6,029 patents have been granted, including 101 international patents; the total number of active patents is 5,834; and a total of 298 copyrights have been registered.

Quantity (Unit: Nos)	As of the end of 2022	As of the end of 2023	As of the end of 2024
Cumulative number of patent applications	6,344	8,083	10,556
Cumulative number of invention patent applications	2,836	3,573	4,622
Cumulative number of granted invention patents	1,121	1,253	1,367
Cumulative number of granted patents	4,274	5,065	6,029

We are committed to legally protecting our own intellectual property and trade secrets, ensuring that our legal rights are safeguarded against infringement. Furthermore, upholding the principle of integrity, we respect others' intellectual property and trade secrets, maintain a fair market competition order, and promote the healthy and sustainable development of the Company.

The Company has formulated multiple internal regulations such as the Intellectual Property Management Measures (Version A6) and the Intellectual Property Expert Management Measures. We have also developed a batch of professional talents, maximizing the role of experts in technological advancement, innovation protection, and high-quality development of intellectual property. Additionally, the Company has formed a dedicated intellectual property team that is responsible for domestic and international patent portfolio management, copyright registration, as well as the registration and protection of overseas domain names. In addition, the Company undertakes a multitude of intellectual property-related tasks, including supporting domestic and international technology licensing collaborations, conducting intellectual property risk assessments for products entering international markets, providing training on international intellectual property matters, and managing risks in international business contracts.

During the Reporting Period, the Company won the Gold Prize at the 11th Anhui Provincial Patent Award, and developed 10 intellectual property experts.

Our efforts in intellectual property protection have been widely recognized. We have earned titles such as National Intellectual Property Advantage Enterprise and National Intellectual Property Demonstration Enterprise. We have also successfully passed the national intellectual property management system certification and supervision audit, and received prestigious awards such as the China Patent Award and the Anhui Province Patent Award.

BUILDING SUSTAINABLE SUPPLY CHAIN

Responses to topics

Responsible Supply Chain
Risk Management
Addressing Climate Change

Responses to SDGs

Supply Chain Sustainability Management

The Company is committed to advancing sustainability across our supply chain. The Company has developed and implemented the Supplier Sustainability Management Measures, integrating sustainable supply chain principles into every aspect of our supply chain management. The Company has established sustainability awards and released the Code of Conduct for Business Partners, setting clear expectations for suppliers in areas such as environmental protection, social responsibility, and regulatory compliance.

Green Supply Chain

Hazardous substance management system

The Company has established a hazardous substance management system based on GB/T 30512-2014, ensuring full-process monitoring of high-risk substances such as lead, mercury, and cadmium. This system guarantees 100% compliance with material restrictions.

The Company prioritizes suppliers with strong environmental and hazardous substance management practices. We maintain a zero-tolerance policy toward suppliers that cause significant environmental or community pollution.

Supply chain carbon reduction initiatives

Emission reduction targets management: Since 2022, the Company has integrated "Carbon Peaking and Carbon Neutrality" goal into our supply chain management and driven suppliers to achieve a 5% annual carbon reduction target.

Carbon management: In 2024, a carbon emission data survey was sent to suppliers in the manufacturing sector, with approximately 75% of suppliers responding with relevant data. In 2024, through modeling and analysis of battery cell products, the Company achieved the carbon emissions from the main materials accounted for over 95% of the total carbon emissions of the battery cell. In 2024, the Company promotes carbon footprint certification for the main material suppliers of battery cell products, including cathodes, anodes, electrolytes, separators, copper foil, and aluminum foil.

Capacity building: A total of 293 people participated in the Company's supply chain carbon inventory training, with suppliers accounting for 62.7% of the participants. At present, 100% of the main material suppliers for battery cells have carried out product carbon footprint certification work.

Supply Chain Social Responsibility Management

Supplier social responsibility audit mechanism: The Company has implemented a risk-based supplier social responsibility management strategy. We manage the sustainability performance of suppliers through a combination of supplier self-assessments and on-site social responsibility audits. During the Reporting Period, the Company conducted social responsibility audits on 186 suppliers, with 82.3% meeting compliance standards (either fully or conditionally) and 17.7% deemed non-compliant. For identified non-conformities, we actively worked with suppliers to ensure corrective actions were completed.

Supply chain due diligence: The Company conducts supply chain traceability assessments on seven key materials, including nickel, cobalt, and lithium, tracing back to the original mining sources. This ensures that all raw materials come from ethically responsible suppliers, free from child labor, forced labor, or other human rights violations.

Supply Chain Compliance Management

Standardized contract terms: The Company incorporates EHS (Environmental, Health, and Safety), ethical business practices, and responsible supply chain management clauses into procurement framework agreements and quality contracts, ensuring that all suppliers understand the Company's compliance requirements.

Regulated agreement implementation: The Company requires all suppliers to sign the Code of Conduct for Business Partners and Integrity Agreement, establish anti-corruption policies, and comply with relevant regulations.

Institutionalized compliance measures: Suppliers found to be in serious violation of the Company's sustainability management requirements will be subject to escalated risk management measures, including contract termination or blacklisting when necessary.

Supply Chain Resilience

To mitigate the risks of raw material shortages and factory shutdowns, the Company employs a dual-sourcing and backup manufacturing strategy, ensuring a stable supply of materials and uninterrupted production.

Responsible Minerals Due Diligence

Company's Due Diligence Framework: The "Five-Step Method"

Five steps of the OECD guidelines	Gotion's due diligence framework: The "five-step method"
Establish a robust corporate management system	·Develop a responsible mineral due diligence management policy ·Set a code of conduct for business partners ·Implement sustainability management measures for suppliers ·Define audit standards, corrective action reports, and appeal mechanisms ·Maintain audit records, CMRT/EMRT (and communication records) for at least 10 years
Identify and assess supply chain risks	·ESG risks ·Mineral supply chain risks ·Product traceability risks
Develop and implement risk mitigation strategies for identified risks	·Establish supplier due diligence, SAQ (Supplier Assessment Questionnaire), and audit entry mechanisms ·Incorporate zero-tolerance criteria into key thresholds ·Track supplier corrective actions ·If connections to smelters involved in armed conflict or human rights violations are uncovered, we consider suspending business transactions.
Conduct independent third-party audits for targeted supply chain due diligence	·Perform third-party assessments of the due diligence system ·Conduct on-site audits ·Encourage smelters to participate in RMAP (industry-wide implementation)
Report on supplier due diligence findings	·Publish due diligence efforts through ESG reports and corporate website disclosures ·Provide other regulatory compliance disclosures

Given the potential negative impacts of mining and trading mineral resources in conflict-affected and high-risk areas, the Company is firmly committed to upholding human rights and opposing conflict and environmental damage.

The Company strictly adheres to the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains of China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC), the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas issued by the Organization for Economic Co-operation and Development (OECD), the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), and the relevant requirements of the Responsible Business Alliance (RBA). Regarding conflict minerals used in products, such as tantalum, tin, tungsten, gold (3TGs), cobalt, and mica, the Company has implemented measures to effectively identify and eliminate conflict minerals sourced from the Democratic Republic of Congo (DRC) or their neighboring countries. The Company requires suppliers to sign the Declaration of Minerals Conflict-Free and conductssurveys using the Conflict Minerals Reporting Template (CMRT & EMRT) from the Responsible Minerals Initiative (RMI). If any conflict minerals are identified, the Company will immediately terminate the relationship with the supplier or require them to change their source of raw materials. In 2024, the Company sent conflict mineral surveys (CMRT & EMRT) to all newly developed and qualified manufacturing suppliers, and suppliers were required to sign the Commitment Letter on Non-Use of Conflict Minerals.

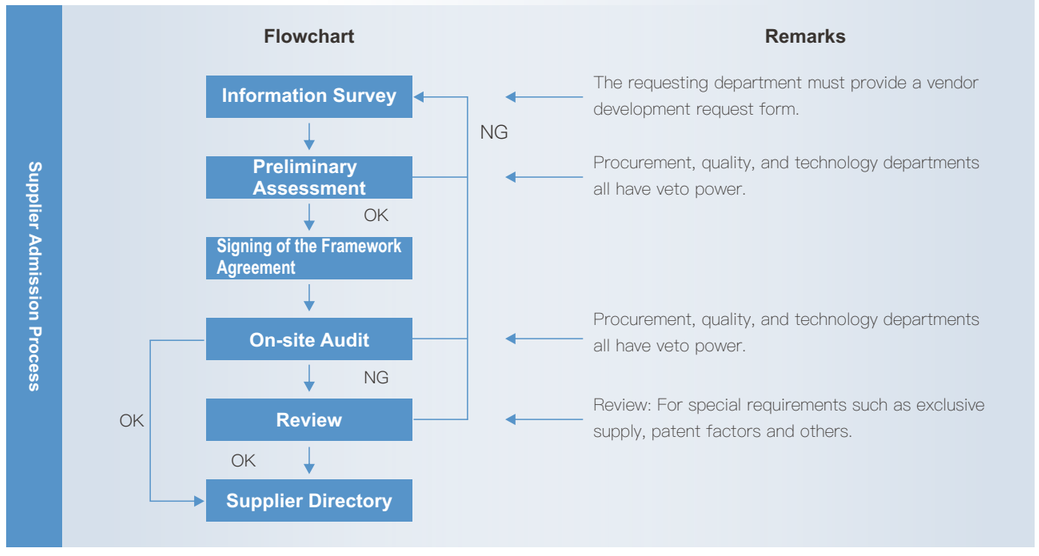
To expand the scope of supply chain due diligence, the Company has implemented a supply chain mapping investigation. During the Reporting Period, due diligence covered key materials such as nickel, cobalt, manganese, lithium, natural graphite, copper, and aluminum, with the supply chain traced back to level 7 (mining) to ensure full traceability and transparency.

Supplier Procurement Management

Supplier Admission and Evaluation

The Company has established the Supplier Management and Control Procedure, Supplier Performance Management Measures, and Supplier Audit Checklist. These documents set forth regulations on supplier admission, assessment, performance evaluation, and exit management, while also outlining specific requirements for suppliers' social responsibility and sustainability. A three-tier A,B,C classification system is implemented based on the criticality of components. A/B-level suppliers must obtain IATF 16949 certification, while C-level suppliers are required to have ISO 9001 certification. The Company maintains 100% annual audit coverage for A/B-level suppliers, while C-level suppliers are monitored through a dynamic oversight system. Potential suppliers undergo a comprehensive evaluation covering multiple aspects, including management systems, operational processes, social responsibility, and compliance, to ensure a stable and reliable supply chain. In 2024, the Company conducted admission audits for 168 suppliers and facilitated corrective actions. The initial audit pass rate was 83.3%. Non-compliant suppliers will be re-evaluated, and based on a review of multiple opinions, further progress may be halted.

During the Reporting Period, the Company had a total of 41.8% suppliers based in Anhui Province. The proportion of our domestic procurement accounted for more than 99%.



Supplier Performance Management

The Company has established a dynamic evaluation system through the Supplier Performance Management Measures, monitoring four key indicators quality, delivery time, cost, and service on a monthly basis. Based on the evaluation results, suppliers are categorized into four levels: A, B, C, and D. In 2024, the Company introduced a dedicated safety assessment indicator and incorporated a "one-strike veto" clause for safety issues in quality agreements. Additionally, differentiated management measures, such as quality deposits and order quotas, have been implemented. To enhance process control, the Company has established 12 key quality indicators, which are published monthly. In addition, the Supplier Audit Checklist was updated to include 8 new EHS audit requirements. The Commitment Letter on Cell Safety Material explicitly states that safety and quality violations will be penalized at the maximum level allowed by the agreement. Based on monthly performance evaluations, the Company generates an annual performance assessment. Additionally, the Company has a comprehensive result management strategy for suppliers with varying performance levels.

Supplier Exit Management

Suppliers may be removed from the Company's supply system upon request by the Supplier Management Department or the Supplier Quality Center under any of the following circumstances:

- Suppliers who voluntarily exit the Company's supply chain system.
- Suppliers with security issues or significant quality problems.
- Suppliers who fail to meet the Company's quality requirements within six months of corrective action.
- Qualified suppliers that have been inactive for over two years with no plans for future cooperation.
- Suppliers found to have integrity or ethical violations during collaboration.

During the Reporting Period, the Company removed a total of 18 suppliers.

Supplier Quality Management

Supplier Quality Control

The Company prioritizes supplier quality management, continuously enhancing quality standards through a systematic management framework and stringent evaluation mechanisms. The Company performs quality audits on our suppliers, with A/B-level suppliers undergoing at least one audit per year. Additionally, suppliers that receive unsatisfactory audit ratings are provided with quality training and instruction for improvements. To further ensure effective quality management across the supply chain, the Company has implemented a tiered quality deposit system based on supplier classification and material type.

Material level	Management initiatives		
	Quality audit	System certification	Production part approval process (PPAP) level
A	⩾1 time/year	IATF 16949	Level 3
B	⩾1 time/year	IATF 16949	Level 3
C	NA	ISO 9001	As required

In terms of supplier quality control, the Company has established a comprehensive monitoring system, setting key quality indicators such as incoming material defect rate, product yield rate, and zero-kilometer failure rate. These indicators are regularly tracked, published, and evaluated on a monthly and annual basis. By implementing quality improvement initiatives and a key supplier support program, the Company has effectively driven continuous enhancements in supplier shipment quality.

Supplier Quality Support

Embracing the philosophy that "Our success grows from fostering mutual success", Gotion High-tech is committed to enhancing supplier capabilities. Since 2020, the Company's Supplier Quality Center has provided comprehensive support to long-term partners, focusing on site management, process quality control, and system optimization. Over the past four years, the Company has organized hundreds of training sessions, conducted on-site diagnostics at supplier facilities, and delivered specialized lectures on improvement methodologies. These initiatives have significantly enhanced the expertise of key supplier personnel and helped establish effective daily maintenance and quality improvement systems.

During the Reporting Period, the Company launched a targeted quality assistance improvement program for 34 suppliers, achieving 100% coverage of key material suppliers. Through this initiative, the Company successfully addressed 2,177 on-site quality issues, achieving a 98% resolution rate. During the Reporting Period, the Company also organized 43 quality capability enhancement training sessions for 18 suppliers, ensuring full coverage of strategic suppliers. The training covered a range of critical topics, including 5S workplace management, cleanliness control, Measurement System Analysis (MSA), tooling and equipment management, key position oversight, and Statistical Process Control (SPC). The total participation of these sessions achieved over 1,000 person-times. These initiatives delivered significant results. During the Reporting Period, the defect rate of incoming materials from strategic suppliers decreased by 58% compared to 2023. The proportion of performance rated as A jumped from 25% to 75%, the incidence of minor issues declined by 19%, and batch delivery capability saw a remarkable 263% improvement.

IMPLEMENTING ENVIRONMENTAL PROTECTION

Responses to topics

Environmental Management Systems
Energy Management
Pollution and Waste Management
Biodiversity
Clean Technology Opportunities
Resource Use and Recycling
Addressing Climate Change

Responses to SDGs

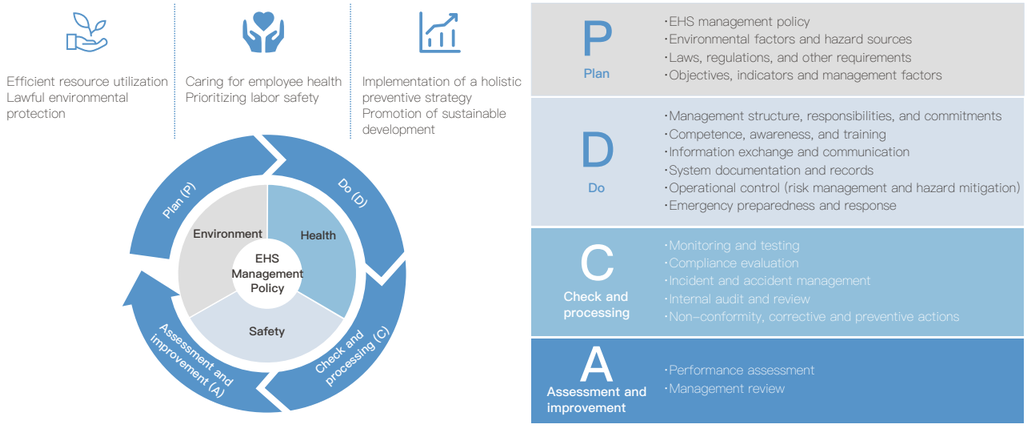
Environmental Management System

Establishing Environmental Management System

Gotion High-tech adheres to the principle of "Efficient resource utilization and lawful environmental protection" and has established a standardized and transparent environmental management system. This framework defines full-chain responsibilities, ranging from climate change mitigation and resource recycling optimization to pollution prevention. Through initiatives such as setting quantifiable carbon management targets, strengthening energy efficiency controls, and advancing waste resource utilization, the Company systematically minimizes the environmental footprint. Furthermore, environmental performance is incorporated into management assessments, continuously driving green and sustainable business practices.

Gotion High-tech strictly complies with the Environmental Protection Law of the People's Republic of China and the ISO 14001 Environmental Management System standard, systematically establishing an environmental management framework that covers all business processes. The Company has developed a comprehensive set of environmental management regulations and compiled the Hefei Gotion High-tech EHS Management Manual as a guiding document. This manual outlines the Company's environmental policy, legal and regulatory compliance requirements, and execution standards, creating a closed-loop system from top-level strategy to on-the-ground implementation. In addition, the Company have developed a series of regulations, including the Management Measures for the Prevention and Control of Water Pollution, Management Measures for the Prevention and Control of Atmospheric Pollution, Waste Management Measures, Radiation Prevention and Control Management Policy, Emergency Preparedness and Response Plan Development and Management Guidelines, Control and Management Measures for Environmental Factors, Hazard Source Identification, and Risk Assessment, Safety and Environmental Protection Reward and Punishment Management Policy, and the Work Safety and Environmental Protection Accountability Policy.

The Company adheres to the EHS management policy and follows the logic of PDCA cycle to ensure the effective operation and continuous improvement of its EHS management system.



The EHS Management Center establishes a sound EHS management system to regulate EHS activities, ensure compliance with stakeholder requirements and applicable laws and regulations, and maintain the orderly operation of the Company's production and business activities. It is committed to protecting the safety of employees, property, and the environment, ensuring the effective operation and continuous improvement of the system, and ultimately promoting the Company's sustainable development.

During the Reporting Period, the Company refined our EHS Management Manual to clearly define the elements of the environmental management system, enabling a granular, tiered management approach. At the headquarters level, the Company established an EHS Management Committee to oversee compliance audits, safety, and environmental management, ensuring that environmental goals align with overall corporate strategy. The committee's permanent executive body is the Headquarters EHS Management Center, structured as follows: the Director is the Division President, the Deputy Director is the Division Vice President, and the Office Director is the head of the EHS Management Center. Committee members consist of the general managers of subsidiary bases, forming a top-down vertical management structure. Additionally, the Committee Director and relevant members regularly report to the Board of Directors on matters such as environmental and safety management, as well as progress toward related objectives.

Gotion's EHS management commitment:

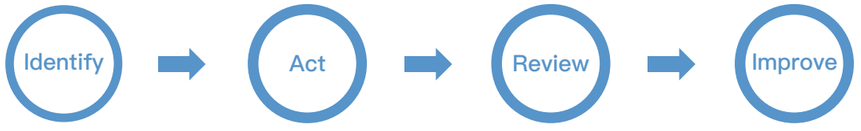
Each year, the Company signs an annual EHS target responsibility agreement with the president, vice presidents in charge, department heads, and general managers of subsidiaries. This agreement defines environmental management assessment criteria and reward and penalties targets, covering aspects such as pollutant emission reduction rates, compliance rates of pollutant emissions, and environmental pollution incidents. In 2024, all annual targets were successfully achieved.

- Wherever we operate, we comply with the laws and regulations of the country and region, respect local customs and traditions, and maintain a consistent approach to EHS management across all business areas.
- We care for life and health, protect the ecological environment, maintain zero tolerance for violations, and strive to achieve the goals of "zero harm, zero pollution, and zero accidents".
- We actively address the impacts of climate change, accelerate the transition to zero carbon, and provide clean, green, and high-quality products and services to society.
- To ensure the achievement of our goals, we provide support in human resources, materials, and financial resources.
- We regularly disclose our EHS performance to the public, pay attention to the needs of investors, customers, suppliers, and other stakeholders, actively accept supervision from all sectors of society, and strive for continuous improvement.

Category	Indicator	Definition	Target value	Compliance
Environmental protection	Pollutant reduction rate	Reduction in pollutant emissions per unit of output (GWh or t) compared to the previous year	10%	Qualified
	Compliance rate of pollutant emissions	(Number of compliant monitoring results / Total monitoring results) * 100%	100%	Qualified
	Environmental pollution incident	Any violation of company or national regulations that results in excessive emissions, soil or groundwater contamination, or confirmed external pollution complaints, leading to administrative penalties from government regulatory authorities	0	Qualified

During the Reporting Period, the Company tied the annual EHS target responsibility documents to the performance evaluations of the responsible personnel. In cases where EHS incidents are not reported within the stipulated time or there are instances of underreporting, concealing, or falsifying reports, the EHS Management Center will systematically collect and organize relevant evidence. After approval by the division president or the vice president in charge, the relevant topics will be included in the safety performance assessment system for the subsidiary's chairman or general manager. For incidents involving safety and environmental responsibilities, the responsible parties will be held accountable based on the severity and impact of the incident. A differentiated reward and punishment system, as well as a tiered accountability system for personnel, will be implemented according to the specific EHS incident types of each subsidiary hub. This ensures that accountability and the consequences of the incident are scientifically aligned.

Each hub subsidiary establishes a dedicated safety and environmental department responsible for environmental monitoring, risk management, and daily operations. Each platform appoints an EHS liaison to build a cross-departmental collaboration network. During the Reporting Period, the Company established a dynamic management mechanism based on the ISO 14001 standard requirements, following the "Identify-Act-Review-Improve" process.



Environmental factor identification	Regular environmental risk assessments are conducted, covering all production processes, and resulting in a key control checklist.
Compliance review	A combination of internal and external audits ensures compliance with laws, regulations, and ISO 14001 standards.
Regular inspections	Led by the safety and environmental departments, quarterly checks and corrective actions are conducted to ensure the implementation of policies.
Supervisory audit	Every year, a third-party consulting firm is invited to conduct a supervisory audit of the Company's EHS system. All battery manufacturing hubs under the Company, including the Göttingen hub have achieved 100% ISO 14001 certification coverage. Additionally, other bases that are under construction or newly built are prepared to meet the certification standards.

In 2024, training sessions were conducted on topics such as environmental protection regulations, wastewater and exhaust gas emissions standards, environmental monitoring and assessment, waste disposal, carbon emission management, and radiation management. A total of 74 sessions were held across the headquarters, subsidiaries, and research institutes, with the participation of 5,961 person-times. The total training duration was 95,812.50 hours, averaging 11.68 hours per person.

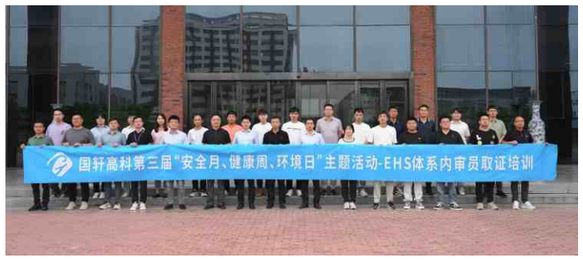
A total of	With the participation of	The total training duration	Averaging
74 sessions	5,961 person-times	95,812.50 hours	11.68 hours

Environmental Audit and Cleaner Production Audit

During the Reporting Period, the Company strictly adhered to relevant environmental protection laws and regulations, completing environmental impact assessments for construction projects. We also fully implemented the "Three Simultaneities" policy and the pollutant discharge permit system for these projects.

The Company conducts process guidance on topics identified during self-inspections, corrective actions, and special audits at monthly meetings, ensuring they are addressed and implemented. Additionally, cross-audits between subsidiaries are conducted quarterly, and system development and on-site audits are carried out annually, with performance evaluated based on audit results. All subsidiaries are required to strictly comply with pollutant discharge permit regulations, conduct thorough monitoring of the "three wastes" (waste gas, wastewater, and solid waste), and complete the annual implementation of the pollution discharge permit. The Company also organizes internal environmental management auditor training to ensure consistent understanding and implementation of standards across our subsidiaries. By regularly revising the EHS management manual and updating environmental goals, we drive continuous optimization of the management system, creating a positive cycle of "policy constraints, implementation supervision, and continuous improvement". During the Reporting Period, the Company engaged a third-party organization to provide internal auditor certification training on environmental management systems for internal auditors and EHS personnel across subsidiaries, further strengthening the effective operation of the Company's EHS system.

Environmental management system supervision



Environmental management system internal auditor certification training

Gotion High-tech is consistently advancing its clean production initiatives, actively responding to national policies by systematically promoting green technology upgrades and process optimization across its subsidiaries. In 2021, Qingdao Gotion became the first to pass the government-led comprehensive clean production audit, successfully implementing all mid-to-high-cost improvement initiatives. In 2023, Nanjing Gotion completed upgrades to its core processes in two phases, investing a total of RMB3.05 million.

These improvements significantly reduced waste battery cells, organic waste gases, and waste electrolyte generation, while also saving over 150,000 kWh of electricity annually. Meanwhile, Tangshan Gotion was selected for Hebei Province's first batch of mandatory clean production audits and successfully passed a dedicated production line inspection in July 2023, setting a benchmark for regional clean production. The Company has established a dynamic management system for subsidiaries on the audit list to ensure that each technical improvement plan is fully implemented.

A clean production system enables the Company to achieve both environmental benefits and enhanced operational capabilities. Through process innovation and resource recycling optimization, the relevant subsidiaries have achieved a significant breakthrough in annualized comprehensive economic benefits, while environmental risks have been notably reduced. At the same time, employee skill training programs have fostered a core team with strong clean production management capabilities. By improving operational standards and resource efficiency at the source, these efforts have established a robust technical and managerial foundation for sustainable, high-quality growth.

Clean Technology Opportunities

During the Reporting Period, the Company filed 57 patents related to clean technology. As a global leader in the EV battery sector, Gotion High-tech makes "zero-carbon manufacturing" a strategic priority, driving the implementation of emission reduction measures across its manufacturing bases. By deeply integrating industry chain resources and fostering innovation in clean technology, the Company is building a closed-loop green energy ecosystem. The Company focuses on advancing high-energy-density and long-cycle-life battery technologies while simultaneously upgrading energy storage systems with intelligent solutions. These efforts have led to the development of highly efficient and energy-saving solutions tailored for applications such as new Electric Vehicles and smart grids. Relying on collaboration with global partners on cutting-edge technologies, the Company has established a comprehensive technology matrix, spanning from battery material recycling to full lifecycle carbon footprint management. This has helped downstream clients reduce overall energy consumption costs and effectively accelerate decarbonization in sectors such as public transportation and industrial energy storage, creating a dual impact—unlocking the value of green technology while driving the industry's low-carbon transition.

Environmental Emergency Response Capabilities

Gotion High-tech is fully strengthening its environmental emergency management system, laying a solid foundation for safe and sustainable development. To prevent and respond to environmental incidents, the Company has established a comprehensive emergency response framework covering all business operations. This framework focuses on key risk areas, including chemical spills (such as NMP, SBR, lubricants, and electrolytes), hazardous waste leakage, excessive pollutant emissions, radiation source management, and secondary environmental disasters (such as fires and explosions). Standardized emergency procedures and drill plans have been developed to address these risks. During the Reporting Period, the Company conducted 22 environmental emergency drills, covering six types of critical emergency scenarios, with a total of 751 participants. These exercises ensure the practicality of emergency plans and enhance the response capability of all employees. Additionally, the Company strictly implements the decisions and arrangements of regarding EHS management. In line with the core requirements issued by several national ministries in 2024, such as "Every employee possesses safety awareness and emergency skills" and "Comprehensive advancement of the beautiful China initiative", the Company is deeply engaging in employee safety and environmental protection education activities. These efforts systematically enhance employees' environmental risk awareness and emergency response capabilities.

Anchored in compliance, we fortify our environmental safety defenses. Each subsidiary strictly follows the Emergency Preparedness and Response Plan Development and Management Guidelines, detailing the control requirements for wastewater, exhaust gases, noise, and solid waste according to national pollutant discharge standards and industry practices. They ensure comprehensive implementation, filing, and ongoing updates of emergency response plans. Through regular hands-on drills, training, and assessments, we seamlessly integrate emergency response protocols into job responsibilities, effectively mitigating major environmental risks and strengthening the foundation for the Company's green and sustainable operations.

Example of factory emergency drill

Resource Usage and Recycling

Water Resource Management

Gotion High-tech always regards water resource management as a crucial part of our environmental responsibilities. We advocate water conservation in our operations, establishing a refined water usage system that spans the whole production process. Each subsidiary relies on local municipal water supplies for production while continuously improving water resource efficiency. During the Reporting Period, Feidong Gotion implemented a targeted water-saving modification for the wrap-around spraying process. By adopting physicochemical treatment technology, we enabled wastewater recycling and reuse. This system can save 40 cubic meters of water resources per hour, significantly reducing freshwater consumption.

At the Wuhai production hub, a dual approach of technological innovation and process optimization has driven the development of a multidimensional water-saving model. A dual-effect mechanism of "closed-loop management of process water + evaporation control" has been integrated into the production process. In the desulfurization process, by precisely adjusting the density of the gypsum pool (increased from the original 1,180–1,200 kg/m^3 to 1,250 kg/m^3) and optimizing the frequency of filter cloth washing, water efficiency in the pulping and dewatering processes has been improved. Additionally, an innovative smart temperature control system is used to automatically adjust the operating parameters of the cooling tower, maintaining circulating water at an optimal temperature. This system, combined with electrode temperature monitoring linked to the water supply system, effectively reduces water evaporation. In domestic water management, we balance human-centered care with regulatory requirements. Our measures include adopting the tiered water pricing system, scheduled water supply management, and upgrades to terminal drip irrigation. These efforts are further reinforced by water-saving sign-based advocacy and a water meter monitoring system. In doing so, we have successfully translated water-saving awareness into action across all employees. In particular, in managing the fire protection water supply system, we have adopted a dual approach of detecting leaks in the fire protection pipeline network and implementing regulatory requirements to establish a prevention and control system throughout its entire lifecycle.

During the Reporting Period, Hefei No.3 Plant creatively upgraded its cleaning process by establishing a steam backwater recycling system. This system recovers steam condensate from dehumidifiers, previously discharged directly, by cooling and filtering it before reusing it in the cleaning process. This not only saved RMB116,800 in annual water costs but also significantly enhanced the cleanliness of battery surfaces.

Green Packaging

The Company rigorously selects environment-friendly packaging materials, primarily using recyclable options such as cartons, wooden crates, plastic collar containers, steel racks, and paper-wood hybrid boxes. These are supplemented by recyclable auxiliary components like EPP foam and EPE cushioning materials. Additionally, by continuously updating the Gotion Product Packaging Management Regulations, we have clearly defined the processes for packaging design and evaluation, procurement, usage and scheduling, ensuring a regulated and standardized management approach.

We are committed to increasing the recycling rate of packaging materials. During the Reporting Period, Feidong Gotion implemented targeted improvements for hazardous waste handling scenarios and made a breakthrough by using discarded flexible intermediate bulk containers (FIBCs) to replace brand-new packaging. By strictly selecting undamaged second-hand FIBCs, we achieve resource regeneration while ensuring safety and compliance. As a result, nearly 500 FIBCs were saved from procurement in 2024. This initiative has effectively lowered packaging costs and minimized waste generation at the source, creating a synergy between cleaner production and economic benefits.

During the Reporting Period, the Company continuously explored opportunities to reduce carbon emissions in the packaging process through a dual approach of technological innovation and institutional support. From material substitution to process optimization, from standard execution to data tracking, we have gradually established a comprehensive control network covering packaging design, usage, and recycling. In the future, we will prioritize modifying or borrowing existing recyclable packaging to reduce the need for new packaging and conserve resources. Our goal is to make product packaging lighter while still meeting basic requirements, and to decrease the reliance on single-use packaging by increasing the use of recyclable, biodegradable, and reusable packaging materials. Moreover, we will collaborate with packaging material suppliers to research and develop green materials as alternatives to traditional high-consumption, low-yield packaging, achieving fully sustainable packaging and driving continuous reductions in resource consumption throughout the packaging process. These efforts will provide new momentum for the green transformation of the industry supply chain.

Green Packaging Methods and Achievements of Gotion High-tech Products

	Packaging Lightweighting	Packaging Recycling
Target	During the Reporting Period, the utilization rate of packaging materials per unit product increased by 5% compared to the same period last year.	To implement the green packaging concept, in 2024 we ensure that the packaging materials used for products launched in the market were either recyclable or 100% biodegradable.
Method	1. Reduce the use of wooden packaging materials by adopting a paper-wood hybrid solution for certain heavy products instead of an all-wood approach; 2. Use EPP (expanded polypropylene) combined with large paper or plastic collar containers. The structural design of EPP reduces packaging weight while maintaining tested and verified strength.	1. For domestic shipments, some projects use adapted packaging from existing designs to repurpose stagnant or discarded packaging materials. 2. For domestic shipments, projects are added adjustable stops in the X and Y directions to the existing packaging. This can accommodate more products, save resources, and improve resource efficiency. 3. For projects exported overseas, such as large modules, biodegradable corrugated fiberboard is used for packaging. 4. Develop paper-based packaging as an alternative to plastic to match the automation requirements of production lines. This solution, already implemented in export projects, is recyclable, biodegradable, and environmentally friendly.
Effectiveness	1. During the Reporting Period, the Company adopted a paper-wood hybrid solution to replace the all-wood solution. This change reduced the packaging rate by 0.32 kg/kWh per kWh of solid materials, a decrease of about 27%. 2. During the Reporting Period, we used EPP (expanded polypropylene) combined with large collar containers for battery cell packaging, achieving a packaging rate of 0.14 kg/kWh per kWh of solid materials, which is a reduction of about 79.7%.	1. In 2024, we developed approximately 95 new green packaging products for export projects, accounting for about 35.5% of the total. Domestically, around 111 new packaging products were introduced, accounting for about 41.5%. The remaining 23% were adapted from existing designs. 2. In 2024, all export projects 100% used recyclable and biodegradable materials. 3. The paper-based packaging solution designed for automation has been fully validated and is now in mass production.

Battery cells' cartons + carton-plastic hybrid solution

Battery cell's collar containers + EPP foam solution

Recycling

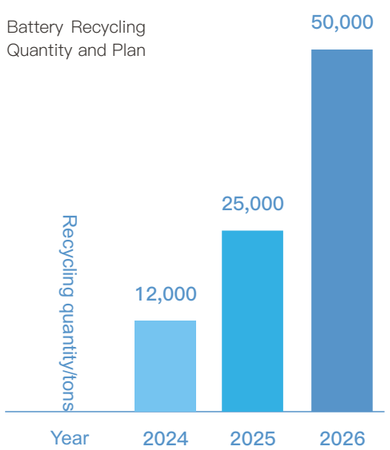
The Company places great emphasis on the circular economy strategy for batteries. Leveraging both systematic infrastructure development and technological innovation, we have established a closed-loop process covering recycling networks, dismantling procedures, and material regeneration. During the Reporting Period, we continued to refine and update the Gotion Waste Battery Recycling Plan, developing a three-tiered recycling network based on the principles of "safety, environmental protection, cost-efficiency, and proximity". We established a battery recycling and disposal base, arranged the tiered-utilization of reprocessing plants in key regions, and built nationwide recycling stations based on the existing after-sales network. Currently, the system includes 34 primary stations and 81 secondary or higher-tier stations, forming a coordinated and three-dimensional structure of "central hub – processing plant – terminal outlets". This lays a solid foundation for large-scale battery recycling.

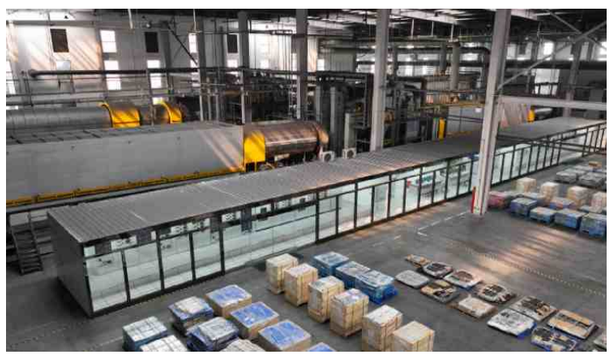
In the recycling and disposal process, we have established a science-based and standardized operational process and accountability mechanism. A strict classification and collection, testing and evaluation, dismantling and separation, and material purification process is implemented. The efficiency of battery pack dismantling has reached 2 to 3 units per team per day, while a single person can handle the dismantling of 500 kilograms of battery cells daily. Approximately 60% of the recovered batteries are repurposed for tiered utilization. Meanwhile, we have strengthened the management of responsibility traceability. We strictly complied with the requirements of Management Measures for the Comprehensive Utilization of Electric Vehicle Batteries, ensuring the compliance through information tracking and dynamic monitoring of the whole process. In response to the newly released 2024 Industry Standards for the Comprehensive Utilization of Waste EV Batteries, we have specifically strengthened our standards for handling lithium-ion batteries, upgraded our technical indicator system, and fully harnessed the residual value of retired batteries.

Technological breakthroughs are the key support for implementing a circular economy. Through innovative processes, we have achieved precise dismantling and efficient recycling of individual battery cells. The comprehensive material extraction rate, excluding electrolyte, has exceeded 99.5%. This refined dismantling capability can significantly improve resource utilization while minimizing environmental risks. In the future, we will continue to enhance the "recycling-dismantling-regeneration" technology chain, invest in overseas hydrometallurgical refineries, and complete a closed-loop of the whole industry chain. This will enable independent overseas production, recycling, and reuse across the whole industry chain, driving the value reconstruction of EV batteriesfrom industrial products to raw materials.

During the Reporting Period, through innovative process technology, the recovery rates for iron and phosphorus elements in battery recycling, and the comprehensive recovery rate for lithium resources reached 92.5%.

Taking into account production process losses, the whole waste disposal process was rendered harmless, and iron phosphate and lithium carbonate products meeting battery-grade standards were successfully produced.





Electrified Battery Shredding Production Line

Product Yield Ratio of Cathode Material Recycling

Types of primary product	Product yield ratio
Black powder (including lithium, iron phosphate, carbon materials, etc.)	89.55%
Aluminum powder	10.26%
Total	99.81%

Product Yield Ratio of the Main Material in Battery Shredding Line

Name of primary product	Product yield ratio
Black powder (including lithium, iron phosphate, carbon materials, etc.)	60.48%
Aluminum shell	8.83%
Separator	0.04%
Copper powder	5.62%
Aluminum powder	4.35%
Pure aluminum	1.89%
Pure copper	0.54%
Mixed copper-aluminum	4.18%
Electrolyte	14.07%
Total	100%

Pollution and Waste Management

Waste Management

The Company strictly adheres to national laws, regulations, and industry standards in environmental management, establishing a comprehensive compliance management system that covers the whole pollution prevention and control process. During the Reporting Period, we prioritized corporate environmental responsibility by fully implementing the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, and other key regulations related to air, water, and noise pollution prevention and control. We rigorously followed the Emission Standard of Pollutants for Battery Industry and other special regulations, and took the initiative to align our operations with regional environmental regulatory requirements of each production hub through dynamic management. By establishing a series of environmental management policies, such as the Management Measures for the Prevention and Control of Water Pollution, we have developed a whole-lifecycle management mechanism for waste, covering everything from classification and collection to compliant storage and safe disposal. In view of the unique characteristics of the battery manufacturing industry, we introduced specialized regulations like the Radiation Prevention and Control Management Policy. We have implemented comprehensive pollution control strategies, including dual control of pollutant emission concentration and total volume, and real-time monitoring of the plant environment, to continuously improve the refined management of the environmental system. These efforts have effectively enhanced pollutants prevention and control systems and steadily improved environmental performance, supporting our transition to green manufacturing through a regulatory framework.

During the plant manufacturing process, we strictly adhere to the "three simultaneities" policy of environmental protection, ensuring that environmental protection facilities are designed, constructed, and commissioned alongside project developments. Through scientific planning and strict management, plant construction and operations meet the requirements of the environmental impact assessment (EIA), particularly in safety buffer zones and pollution emission control, minimizing the impact on surrounding communities and residents. During the Reporting Period, we were not subject to any major administrative penalties or criminal liability. Additionally, no significant deficiencies were found in the environmental monitoring plans and risk management measures. We conducted environmental pollutant data monitoring, ensuring that wastewater, exhaust gas, and noise levels all complied with standards.

Wastewater	
Name of external laws, regulations, and internal management policies followed	**External laws and regulations:** GB/T 31962–2015 Quality Standards for Discharge to Municipal Sewers, GB 30484–2013 Emission Standard of Pollutants for Battery Industry, and GB 8978–1996 Integrated Wastewater Discharge Standard. **Internal management policies:** Management Measures for the Prevention and Control of Water Pollution, Control and Management Measures for Environmental Factors, Hazard Source Identification, and Risk Assessment, Safety and Environmental Protection Reward and Punishment Management Policy, and Work Safety and Environmental Protection Accountability Policy.
Emission type	Industrial/domestic wastewater.
Test items	Industrial wastewater: pH value, suspended solids, chemical oxygen demand (COD), total nitrogen, ammonia nitrogen, total phosphorus, fluorides. Domestic wastewater: pH value, suspended solids, COD, total nitrogen, ammonia nitrogen, total phosphorus.
Name of pollution prevention and control facilities	Sewage treatment station and septic tank.
Treatment process	**Domestic wastewater treatment:** 1. process through a septic tank and then discharge into the municipal sewage network; 2. process at the on-site wastewater treatment plant and discharge in compliance with standards. lindirect discharge of industrial wastewater (If meeting factory pre-treatment standards, industrial wastewater was directed to the municipal sewage treatment plant).
Measures to reduce wastewater discharge and achievements	**Tangshan Gotion:** Treated wastewater is reused, with a daily reuse of approximately 120 tons under normal operation. **Chuzhou Gotion:** The water in the recycling tank is used for slurry recycling unit backwash make-up, dosing, production line cleaning, and circulating water system makeup. A constant pressure water supply system is maintained to ensure balanced pipeline pressure, reducing wastewater discharge by approximately 98 tons per year.

Exhaust Gas	
Name of external laws, regulations, and internal management policies followed	**External laws and regulations:** GB 16297–1996 Integrated Emission Standard of Air Pollutants, GB30484–2013 Emission Standard of Pollutants for Battery Industry, GB37822–2019 Standard for Fugitive Emission of Volatile Organic Compounds, GB18483–2001 Emission Standard of Cooking Fume (for trial implementation), GB14554–93 Emission Standards for Odor Pollutants, and GB13271–2014 Emission Standard of Air Pollutants for Boiler. **Internal management policies:** Management Measures for the Prevention and Control of Atmospheric Pollution, Control and Management Measures for Environmental Factors, Hazard Source Identification, and Risk Assessment, Safety and Environmental Protection Reward and Punishment Management Policy, and Work Safety and Environmental Protection Accountability Policy.
Emission type	Boiler flue gas, canteen fume, dust from unpacking and feeding, NMP exhaust gas, dust from cutting, welding fume, electrolyte exhaust gas.
Test items	VOCs/PM/nitrogen oxides/sulfur dioxide/blackness of smoke plumes.
Name of pollution prevention and control facilities	Workshop dust collector, NMP recovery device welding fume purifier, two-level alkali liquor spraying + precise filtration + secondary activated carbon adsorption.

Continued table

Treatment process	**Indirect discharge:** During the feeding process, dust is generated. The dust is then collected and treated by the internal pulse-jet filter cartridge dust collector within the system. Additionally, the whole process is enclosed, resulting in minimal dust escape. After being treated with an explosion-proof inclined plug filter cartridge dust collector, the dust is recirculated back to the feeding workshop through the return air system without being externally discharged. (Fugitive exhaust gas). **NMP system:** a high-tower recovery device (waste heat recovery + condensation recovery + tail gas absorption tower), with no external discharge and minimal fugitive emissions.

Hazardous Waste	
Name of external laws, regulations, and internal management policies followed	**External laws and regulations:** Solid Waste Pollution Prevention and Control Law of the People's Republic of China, National Catalogue of Hazardous Wastes (2021 Edition), GB18597–2023 Standard for Pollution Control on Hazardous Waste Storage, and HJ1276–2022 Technical Specification for Setting Identification Signs of Hazardous Waste. **Internal management policies:** Waste Management Measures, Control and Management Measures for Environmental Factors, Hazard Source Identification, and Risk Assessment, Safety and Environmental Protection Reward and Punishment Management Policy, and Work Safety and Environmental Protection Accountability Policy.
Name of hazardous waste category	Waste engine oil, waste slurry, sludge, waste electrolyte, waste activated carbon, filter cartridges, waste packaging containers, waste rags, waste gloves, etc.
Name of pollution prevention and control facilities	Hazardous waste warehouse.
Treatment process	After being collected by the team in the waste production process, the waste is stored in a hazardous waste warehouse and periodically handed over to the related qualified units for disposal.

General industrial Solid Waste	
Name of external laws, regulations, and internal management policies followed	**External laws and regulations:** Solid Waste Pollution Prevention and Control Law of the People's Republic of China, GB/T39198–2020 Classification and Code for General Solid Waste, and GB34330–2017 Identification Standards for Solid Wastes – General rules. **Internal management policies:** Waste Management Measures, Control and Management Measures for Environmental Factors, Hazard Source Identification, and Risk Assessment, Safety and Environmental Protection Reward and Punishment Management Policy, and Work Safety and Environmental Protection Accountability Policy.
Name of solid waste category	Waste copper foil, waste aluminum foil, waste separators, dust collected by dust remover, waste packaging materials, waste electrode sheets, defective battery cells, waste adhesive tape, waste permeable membranes, NMP waste liquid, etc.
Name of pollution prevention and control facilities	General solid waste warehouse.
Treatment methods	After being collected by the team in the waste production process, the waste is stored in a normal solid waste warehouse and periodically handed over to the related qualified units for disposal.

Note: The statistics cover all battery manufacturing bases under the Company, including Hefei No.3 Plant, Lujiang Battery, Tongcheng Gotion, Nanjing Hub, Tangshan Gotion, Qingdao Gotion, Liuzhou Gotion, Jingkai Gotion, Xinzhan No.1 Plant, Xinzhan No.2 Plant, Chuzhou Gotion, Jinzhai Gotion, Yichun Gotion, Nantong Gotion.

Case

Emission Reduction Practices

During the Reporting Period, Jinzhai Gotion implemented a comprehensive environmental management system to establish a multi-dimensional pollution prevention and control system. The company introduced a sealed collection and purification process for fugitive exhaust gas from the electrolyte storage, effectively reducing VOCs emissions. Additionally, the company optimized the Phase II production process of the plant by eliminating the original battery cleaning procedure, leading to an annual reduction of approximately 730 tons of wastewater discharge. To mitigate risk of soil pollution, the company also installed anti-seepage protection, collection pools, and specialized anti-seepage flooring in the NMP tank area and electrolyte storage, creating a whole-process prevention and control network for leakage of hazardous chemicals.

Wastewater Treatment Project of Material

Wastewater discharge

In 2024, the Gotion Material discharged **25,757** tons of wastewater, marking a **46.86%** reduction compared to the total discharge in 2023. The discharge per unit product decreased by **64.46%** year-over-year.

Analysis of discharge variations

In 2024, Gotion Material achieved significant progress in the intelligent upgrading of its production lines, with particularly notable advancements in the technical optimization of the magnetic separation and slag discharge systems. Additionally, Gotion Material implemented clearer regulations and enhanced policy execution for trench cleaning within workshops, effectively reducing the concentration of raw wastewater. As a result, the frequency of equipment cleaning was reduced by approximately 40%, significantly cutting wastewater discharge. These measures have delivered a dual improvement in both production efficiency and environmental performance.

Emissions by Pollutant Category

Information on Pollutant Emissions

	Indicator	2022	2023	2024
Wastewater	Wastewater produced (t)	125,770	128,403	231,147
	COD (t)	6.81	4.79	14.15
	Ammonia nitrogen (t)	2.31	1.75	2.48
	Wastewater emission per unit product (t/GWh)	5,239.57	3,408.15	4,241.50
	Total non-methane hydrocarbon (NMHC) emissions (t)	10.73	4.59	10.23

Continued table

Exhaust Gas	Sulfur dioxide (t)	6.64	7.88	16.59
	Nitrogen oxides (t)	5.53	9.46	13.82
	Particulate Matter (t)	1.66	2.36	4.15
	Exhaust gas emission per unit product (t/GWh)	0.74	0.61	0.82
Solid Waste	General industrial solid waste (t)	15.965	18,580.02	29,679.57
	General solid waste emissions per unit product (t/GWh)	595.25	464.73	544.58
	Hazardous waste emission (t)	838.3	1050.21	1,017.30
	Hazardous waste generation per unit product (t/GWh)	31.22	26.27	19.00

Hazardous Waste Emission Information

Hazardous Waste Statistics Table (t)					
Hazardous Waste Name	Type	Generation	Disposal Volume	Disposal Method	Disposal Unit Name
Waste electrolyte	HW06	72.83	65.33	Incineration	Qualified unit
			7.5	Physicochemical treatment	Qualified unit
Waste activated carbon	HW49	12.82	12.82	Incineration	Qualified unit
Waste slurry	HW49	561.70	417.85	Incineration	Qualified unit
			93.85	Landfill	Qualified unit
			50	Physicochemical treatment	Qualified unit
Waste sludge	HW49	102.39	102.14	Incineration	Qualified unit
			0.25	Landfill	Qualified unit
Waste lubricating oil	HW08	6.96	6.96	Incineration	Qualified unit
Waste packaging drums and bags	HW49	90.83	90.83	Incineration	Qualified unit
Waste rags and gloves	HW49	109.69	109.69	Incineration	Qualified unit
Waste chemical packaging materials	HW49	6.02	6.0142	Incineration	Qualified unit
			0.0058	Landfill	Qualified unit
Waste ethanol	HW06	4.19	4.19	Incineration	Qualified unit
Waste acid bottles	HW49	3.24	3.24	Incineration	Qualified unit
Waste liquid	HW49	46.64	46.64	Incineration	Qualified unit

Note: 1. The increase in the absolute value of the total amount of partial emissions and waste in 2024 is primarily due to the expanded scope of data collection and increased battery production capacity.
2. The statistical scope includes Hefei No.3 Plant, Lujiang Battery, Tongcheng Gotion, Nanjing Hub, Tangshan Gotion, Qingdao Gotion, Liuzhou Gotion, Jingkai Gotion, Xinzhan No.1 Plant, Xinzhan No.2 Plant, Chuzhou Gotion, Jinzhai Gotion, Yichun Gotion, Nantong Gotion, and Gotion Material (Generally, the scope of industrial solid waste statistics is limited to battery manufacturing Hubs).
3. There is no recorded data on high-level radioactive waste emissions within the Company's statistical scope.
4. In the table, "waste liquid" refers to liquid lithium iron phosphate, nickel-cobalt-manganese, and lithium hydroxide.

Hazardous Waste Generation and Management Measures

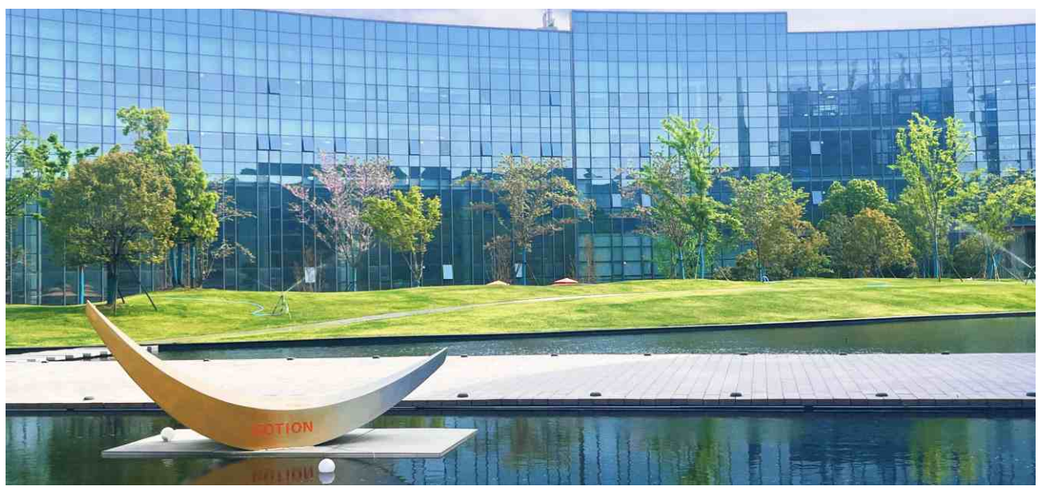
During the Reporting Period, the Company aimed to reduce hazardous waste per unit product by 10%. The primary types of hazardous waste generated by the Company include four main types: waste slurry, sludge from wastewater treatment stations, waste electrolyte and other waste liquid, and contaminated materials such as rags and packaging drums. By implementing solid-liquid separation management, the Company strictly differentiates between liquid waste, such as waste slurry, and solid contaminated materials, such as waste rags and gloves, for categorized storage. We enforce strict property classification management to prevent general solid waste, such as scrapped parts and workshop waste, from being mixed into the hazardous waste system. Simultaneously, packaging methods are optimized to reduce the use of intermediate bulk containers by adopting standardized packaging for sludge and solid contaminated materials using waste ton bags. This approach establishes a waste reduction pathway based on "source separation, process control, and end-of-life management", ensuring compliant disposal while promoting the recycling and resource utilization of hazardous waste. During the Reporting Period, we organized hazardous waste management. In 2024, we achieved a 40.6% year-on-year reduction in hazardous waste generation, significantly exceeding the reduction target.

Nanjing Gotion Zero-Waste Factory Plan

1. Hazardous and general industrial solid waste reduction plan: The plan aims to reduce general industrial solid waste by 300 tons in 2024 and 500 tons in 2025, ensuring a gradual annual reduction in hazardous and general industrial solid waste generation. Future efforts will focus on monitoring waste generation and encouraging full participation from all employees.

2. We continuously enhance the standardized management of solid waste storage, transfer, and disposal. During the transfer process, we implement the manifest system and have fully digitalized transfer records. General industrial solid waste and hazardous waste are handed over to qualified companies for proper disposal, ensuring resource recycling and utilization.

3. We encourage all employees to actively participate in "zero-waste city" and "zero-waste factory" initiatives, strengthen awareness and education efforts, and actively guide customers and relevant suppliers in achieving "zero-waste factory" implementation.



Ecological and Environmental Protection

During the Reporting Period, the Company emphasized comprehensive impact prevention and control across all environmental factors in production and operations. We integrated key ecological protection measures, including groundwater conservation and biodiversity preservation, into the environmental management of industrial parks. We invested RMB22.4124 million in ecological and environmental protection initiatives. During the project planning phase, all new construction projects strictly adhere to the Technical Guidelines for the Preparation of Environmental Impact Report Form for Construction Projects (Pollution Impact Category) (for trial implementation) and the Technical Guidelines for Environmental Impact Assessment Ecological Impact to conduct environmental impact assessments. Project locations are chosen to avoid ecologically sensitive areas and environmental functional zone protection targets. All existing production bases and operational sites are within the ecological carrying capacity of their respective regions, with no significant impact on soil, surface water, groundwater, or biodiversity.

Jingkai Gotion

It has implemented an ecological barrier project within the plant area and carried out afforestation and landscape restoration to enhance biodiversity and improve the ecological environment. It utilized advanced wastewater treatment technologies to minimize the impact of pollutants on the surrounding environment. Additionally, it took preventive measures to avoid chemical leaks or seepage into the soil and conduct annual monitoring of soil and groundwater quality.

Nanjing Hub

The hub undertook afforestation and landscape restoration around the plant.

Jinzhai Gotion

The hub installed protection, collection pools, and ground anti-seepage systems at the NMP tank area and electrolyte storage.

Yichun Gotion

Yichun Gotion fully advanced its eco-friendly plant development by enhancing the environmental carrying capacity through large-scale greenery initiatives across the plant. The company reinforced water pollution prevention and control by implementing dual-layer anti-corrosion and anti-seepage treatment for the wastewater treatment pools. Also, the production workshops were equipped with acoustic insulation systems to manage noise pollution at the source. Furthermore, part of the treated wastewater meeting discharge standards was reused, reducing the total volume of external wastewater discharge. These engineering measures have effectively improved both environmental benefits and resource utilization efficiency.

Yichun Gotion Lithium

Several measures have been implemented to promote ecological protection, such as formulating a professional plan for mineral resource development and ecological restoration, constructing a drainage system and side slope protection facilities in the mining area, and adopting hanging net and spray-seeding technology for soil erosion control.

Huaqiao Mining

The Baishuidong Kaolin Mine has been certified as a provincial-level green mine in Jiangxi Province, establishing a dynamic balance mechanism for mining operations and land reclamation.

Note: Huaqiao Mining is a subsidiary of Yichun Gotion Lithium Industry Co., Ltd.

Energy Management

Energy Management System

The Company has established a systematic energy management model, continuously improving a documented energy management system within its organization. This system focuses on standardized control throughout the whole business process, implementing a whole-process control mechanism for energy consumption activities to drive continuous optimization of production process elements. In daily operations, energy-saving monitoring, energy audits, and energy efficiency benchmarking are integrated and implemented while simultaneously conducting internal auditing and assessment as well as energy consumption measurement and testing. By integrating energy balance statistics analysis with regular management reviews, a closed-loop management system has been established that covers self-diagnosis, technological upgrades, and performance evaluation. This has ensured both the effectiveness of the system's operation and the continuous improvement of energy management practices. The operation of this management framework is always centered around the Company's established energy policy commitments, effectively supporting the achievement of energy consumption control targets. Additionally, the Company continues to innovate by developing a digital energy management system. During the Reporting Period, subsidiaries such as Jinzhai Gotion were being rolled out and replicated the system.

In terms of energy management standardization, the Company has made new progress in systematically advancing certification efforts for key units. In 2024, six new subsidiaries, including Tangshan Gotion, Yichun Gotion , Nanjing Gotion New Energy, Jiangsu Gotion New Energy, Lujiang Battery, and Jinzhai Gotion, obtained energy management system certification (ISO 50001 Certification Certificate). A total of 10 subsidiaries of the Company had completed certification, reached 62.5% (The coverage does not include overseas hubs, Feidong Gotion, Dongyuan Electrical Appliance, and Yichun Gotion Lithium), in compliance with ISO50001:2018. This has marked a crucial step toward deepening the Company's energy management and control capabilities across the industry.

10 subsidiaries of the Company had completed certification

reached 62.5%

Energy Policy Development

The Company has developed a hierarchical regulatory framework for energy consumption compliance management. The Management Measures for Energy Consumption serve as the overarching document, while the Management Measures for Energy Consumption Indicators of Production Sections provide detailed breakdowns of energy consumption targets. For critical aspects, we regulate equipment admission and maintenance processes through the "Implementation Rules for the Management of Key Energy-using Equipment", while enhancing operational efficiency with the Management Measures for Economic Operation of Key Energy-using Equipment. To strengthen personnel capability assurance, we have introduced the Management Measures for Energy Training alongside. Additionally, the Management Measures for Energy Contracts offer an innovative management approach, forming a standardized control system that covers all key elements and processes.

Energy Audit Mechanism

During the Reporting Period, the Company continued to innovate and implement the G+ Energy Audit Mechanism. Developed jointly by Gotion High-tech and strategic partner Volkswagen Group China, this comprehensive evaluation tool is based on lean production management principles. We construct an audit matrix from multiple aspects, including overall equipment efficiency optimization, on-site operations standardization, energy system control, and equipment performance enhancement, to systematically evaluate and improve production operations. Audits are conducted twice a year: in April for the first half of the year and in November for the second half. Within specialized audits, the energy management module promotes subsidiaries' energy management upgrades through systematic evaluations. By conducting regular diagnostics and improvement guidance, we continuously strengthen energy-saving and consumption reduction measures, ensuring the mechanism for meeting energy consumption targets. In terms of specific implementation path, this audit is based on 35 evaluation criteria to set evaluation benchmarks. It also incorporates the achievement rate of unit energy consumption and the effectiveness of energy-saving projects into a comprehensive evaluation system. This creates a multi-dimensional quantitative scoring mechanism, with final annual ranking-based rewards for high-performing units. In the honor evaluation system, a comprehensive award for Best Energy Management and a special award for Best Practice Case are established, fostering a multi-tiered benchmark demonstration effect. Simultaneously, a long-term technical support mechanism has been established. Expert teams are regularly dispatched to key units for specialized improvement support, providing tailored solutions for weak areas in the energy management system. This helps systematically refine the energy control structure across all units.

Energy Consumption Target Management

In 2024, the total energy consumption reached 2,373,172.56 MWh, with unit energy consumption targets driving energy-saving technological reform improvements and management enhancements, collectively reducing energy costs.

The actual unit consumption for 2024 was 29.5 kWh/kWh, achieving 85% of the target, representing a 16% reduction compared to 35.2 kWh/kWh in 2023.

Total energy consumption and intensity per unit of revenue, including but not limited to gasoline, diesel, natural gas, electricity, steam, and water.

Type	2022	2023	2024
Electricity (including photovoltaic) (MWh)	580,805.70	1,268,695.61	1,762,400.47
Water withdrawal (t)	1,558,964	2,834,897.08	3,040,712.89
Natural Gas (m^3)	31,526,800	43,232,924.21	56,976,995
Steam (t)	48,600	73,139.00	59,430
Total Electricity Consumption (Total Energy Consumption) (MWh)	930,759.292	1,754,068.487	2,373,172.56
Total Unit Consumption Intensity (kWh/kWh)	39.5	35.2	29.5

Note: 1. The statistical scope of electricity consumption and water withdrawal in this report includes Liuzhou Gotion, Tangshan Gotion, Qingdao Gotion, Yichun Gotion, Nanjing Hub, Tongcheng Gotion, Lujiang Gotion, Jingkai Gotion, Hefei No.3 Plant, Jinzhai Gotion and Gotion Material.
2. The statistical scope of natural gas includes Qingdao Gotion, Nanjing Hub, Jingkai Gotion, Hefei No.3 Plant, and Gotion Material.
3. The statistical scope of steam includes Hefei No.3 Plant (excluding purchased steam).

According to General rules for calculation of the comprehensive energy consumption GB/T 2589-2020, other energy sources (water, natural gas, municipal steam) are converted into electrical energy using the standard coal conversion factor.

Conversion coefficient:

(1) Water: 0.2571 kgce/m^3, equivalent to 2.0919 kWh/m^3.

(2) Electricity: 0.1229 kgce/kWh, equivalent to 1 kWh/kWh.

(3) Natural gas: 1.2143 kgce/m^3, equivalent to 9.8804 kWh/m^3.

(4) Steam (0.8MPa, 170.42°C): Conversion is based on GB/T3102.4 using the international steam table calorie (1 cal = 4.1868 J), with the coefficient of 0.0945 kgce/kg, equivalent to 0.7689 kWh/kg.

Energy Conservation for Consumption Reduction and Renewable Energy

Energy-saving and consumption reduction

In 2024, in the energy saving and consumption reduction work, the Company continued implementing energy conservation retrofits across subsidiaries, achieving total energy cost savings of RMB145 million through dedicated initiatives. Based on the annual unit energy consumption targets, we formulated specific energy-saving project goals for subsidiaries and promoted energy efficiency improvements through various dimensions, including technical energy conservation, equipment management, field control, waste reduction, special audits, and awareness training. Subsidiaries were required to break down targets step by step and identify potential energy-saving opportunities.

In the subsidiary's technology upgrade project, key focus areas included daily management optimization, energy-efficient equipment upgrades, photovoltaic energy storage applications, and process innovations. By replacing liquid nitrogen injection with compressed air in vacuum pumps, nitrogen generation compressed air consumption was reduced by 80%, resulting in an annual energy-saving benefits of RMB6 million. Additionally, a zero gas consumption drainer optimization project for air compressors was implemented. By utilizing new drain trap technology in refrigerant dryers, air pressure losses were minimized, leading to a 13.28% reduction in comprehensive energy consumption per unit and an annual energy-saving benefits of RMB774,000.

The headquarters-led energy-saving initiatives focus on comprehensive optimization and upgrades in key areas, including power distribution systems, compressed air systems, refrigeration systems, and nitrogen generation systems. Furthermore, for key energy-consuming equipment such as dehumidifiers, compressed air stations, refrigeration stations, coating ovens, and nitrogen generators, the Company has established a quantitative management system for performance indicators. Operational data is monitored monthly and targeted corrective actions are taken in response to any anomalies to ensure stable and efficient equipment performance.

No.	Main projects	Subsidiary	Benefits
1	Vacuum pump liquid nitrogen injection replaced with compressed air	Tongcheng Gotion	80% reduction in compressed air for nitrogen production, saving RMB500,000 monthly and achieving an annual energy-saving benefits of RMB6 million annually.
2	Zero gas consumption drainer project for air compressors	Nanjing Gotion	13.28% reduction in comprehensive energy consumption per unit, resulting in annual energy-saving benefits of RMB774,000.
3	Improvements in coating ovens and dehumidifier heating mode	Nanjing Gotion	By altering the coating heating control mode output from phase angle control to zero-crossing control, harmonic current generation was reduced, thereby decreasing active power loss. 1) The coating machines at Plant (Phase V) have achieved an annual energy-saving benefits of RMB2.01 million annually. 2) The dehumidifiers at Plant (Phase V) have achieved an annual energy-saving benefits of RMB1.44 million annually.
4	Modification of compressed air direct blowing for 102 and 104 top cap all-welding	Yichun Gotion	The 104 cap all-welding process was replaced with induction-based blowing system which uses 24-hour compressed air for direct purging, resulting in annual energy savings of RMB930,000.
5	Coating machines with speed improvement for energy conservation	Hefei No.3 Plant	By increasing the speed of coating machines, production time was saved, with an annual energy-saving benefits of RMB764,800.
6	Optimization of air cabinet electric heating parameters	Yichun Gotion	By optimizing the PLC program and adding functions to control the start/stop and activation levels of electric heating, the annual energy-saving benefits amounted to RMB1.4153 million.

During the Reporting Period, the company completed 163 energy-saving and consumption-reduction projects, achieving total energy-consumption savings of 200 million kWh and an annual energy-saving benefits of RMB 145 million.

Case

Energy-saving Case

The headquarters led a project to enhance on-site management capabilities, integrating equipment adjustments to achieve energy-saving effects. These projects were replicated across subsidiaries, collectively resulting in energy-saving benefits of RMB44.28 million as of November 2024.

Distribution System	Principle: Improve power factor to save costs, Project benefits: Approximately RMB9.39 million saved annually; Achieved revenue: RMB5.06 million
Air Compression System	Principle: Enhance equipment efficiency and reduce losses; Project benefits: Approximately RMB10.54 million saved annually; Achieved revenue: RMB9.32 million
Refrigeration System	Principle: On-demand device management, Project benefits: Approximately RMB20.89 million saved per year ; Achieved revenue: RMB18.23 million

Renewable Energy

During the Reporting Period, the Company continued to deepen our green energy strategy distribution and renewable energy, achieving a solar power generation of 50,743 MWh, a 2.2% year-over-year increase. Simultaneously, we have been advancing global solar infrastructure planning, aiming to establish 11 new solar power facilities at home and abroad between 2025 and 2026. During the Reporting Period, the Company signed a green power purchase agreement with a power retail company, using 376,674 MWh of green electricity annually. Through a multi-faceted approach, we have steadily increased the proportion of green electricity usage, marking significant progress in energy transition and structural optimization.

Types of Renewable Energy	2022	2023	2024
Total Photovoltaic Power Generation (MWh)	39,190	49,649	50,743
Green Power Supply (MWh)	/	/	376,674

Company	Photovoltaic Power Generation in 2024 (MWh)		
Liuzhou Gotion	5,343		
Qingdao Gotion	1,826		
Nanjing Hub	574	3,951	21,333
Lujiang Battery	4,383		
Gotion Material	3,693		
Jingkai Gotion	6,693		
Hefei Gotion	1,857		
Hefei No.3 Plant	1,090		

Note: Currently, the collection scope includes battery manufacturing hubs, with rooftop solar installations in ten of them (three factories at the Nanjing Hub). The plan is to achieve full photovoltaic coverage at all hubs by 2027.

Grid Green Energy Supply

No.	Company	MWh	No.	Company	MWh
1	Xinzhan No.2 Plant	6,520	7	Gotion Headquarter	3,400
2	Lujiang Battery	12,760	8	Tongcheng Gotion	70,394
3	Gotion Material	75,198	9	Jinzhai Gotion	51,740
4	Xinzhan No.1 Plant	53,410	10	Chuzhou Gotion	670
5	Jingkai Gotion	22,260	11	Tangshan Gotion	62,682
6	Hefei Gotion	17,640	Total		376,674

Addressing Climate Change

Against the backdrop of an escalating global climate crisis and accelerating low-carbon transition, climate change has become a core issue impacting corporate long-term value and resilience. As a new energy industry enterprise, the Company fully recognizes that addressing climate change is not only a key pathway to fulfilling environmental responsibilities but also a strategic choice to drive innovation, mitigate risks, and seize opportunities in the green economy.

By deeply integrating climate action into corporate governance and the whole business lifecycle, the Company systematically builds low-carbon competitiveness through "Carbon Peaking and Carbon Neutrality" goal, innovative emission reduction strategies, and climate resilience development. We have continued to make progress in climate governance, transparent carbon emission management, and emission reduction technologies, demonstrating our substantial contributions and long-term commitment to the global carbon neutrality vision.

Climate-related Governance

Amid the urgent global response to climate change, the international community has tightened emission reduction targets, with nations worldwide strengthening climate policies to drive green transitions. Recognizing our responsibility and mission in addressing climate change, we are committed carben peak in business operations by 2027 and carbon neutrality in business operations by 2040.

During the Reporting Period, we incorporated climate change governance function into the ESG Management Committee. The ESG Management Committee is responsible for making key decisions on climate response, ensuring adequate resources for related initiatives. The ESG Management Office is responsible for leading the development of the Company's climate change response strategy, coordinating with relevant departments to formulate work plans and implementation pathways, and ensuring effective execution. It also organizes specialized training sessions for key personnel to enhance awareness of climate-related risk prevention. Additionally, the office facilitates communication and exchange meetings between the ESG Task Force and relevant departments to discuss climate response strategies, promote risk identification, assessment, and management processes, and oversee the implementation of climate governance policies to ensure effectiveness.

During the Reporting Period, the Company took further steps to standardize climate change response governance and mitigate risks associated with domestic and international climate change policies, formulating and releasing a series of company-level management documents. In particular, the release of the Management Measures for the EU's Carbon Border Adjustment Mechanism (CBAM) Reporting ensures compliance with the latest carbon tariff policies in international trade. By establishing a transparent carbon data reporting and verification system, the Company has effectively managed and reduced product carbon emissions associated with cross-border trade, enhancing our market competitiveness. The Management Measures for Product Carbon Footprint standardize the carbon footprint accounting process across the whole product lifecycle, starting from raw material procurement to production, distribution, usage, and final disposal. This helps the Company identify and optimize key processes affecting product carbon footprints, driving a green transition of the products and strengthening customer trust in the environmental impact of products. The Management Measures for Corporate Response to Climate Change serve as a comprehensive strategic framework for climate change response, developed in alignment with recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and International Financial Reporting Standard S2 (IFRS S2) Climate-related Disclosures. Tailored to the Company's business operations and growth strategies, the framework covers the whole process from risk assessment and response strategy formulation to implementation and monitoring. It enables the Company to systematically identify and evaluate climate-related risks and opportunities while developing and executing effective adaptation and mitigation measures. The formulation of these climate change response policies reflects the Company's firm commitment to addressing climate change and demonstrates our leadership and sense of responsibility in the face of global climate challenges.

Climate-related Strategy

To achieve "Carbon Peaking and Carbon Neutrality" goal, the Company has established a green zero-carbon strategy. This involves creating a zero-carbon supply chain, zero-carbon manufacturing, zero-carbon research and development, and zero-carbon operations. By continuously improving the management system, we aim to enhance our ability to manage greenhouse gas emissions.

We actively address the impacts of climate change by identifying associated risks, opportunities, and challenges while proactively implementing measures to mitigate risks and seize opportunities. During the Reporting Period, we conducted a comprehensive assessment of climate-related risks and opportunities, gaining deeper insights into the impact of climate change on our sustainable development. This enabled us to take proactive and effective measures to respond to climate changes.

Climate-related Risks, Impacts and Actions

Type	Climate-related Risks	Impact	Impact Duration	Action Measures
Transition Risks	Policies and Law			
	Carbon Border Adjustment Mechanism, EU Battery and Waste Battery Regulation, etc.	Increased compliance costs for exported products; Strict carbon footprint accounting requirements and threshold limits, resulting in higher design and raw material procurement costs.	Medium to long term	Develop and release management measures for the CBAM response. Establish a response system for the EU Battery and Waste Battery Regulation. Participate in multiple climate change research discussions and standards development. Arrange overseas markets and build production factories in EU region.
	China's Policies and Actions on Carbon Peaking and Carbon Neutrality, Work Plan for Accelerating the Establishment of a Dual Control System for Carbon Emission, etc.	High energy-consuming production lines faced the risk of production limits, limiting business production expansion.	Long-term	Increase investment in distributed solar power and energy storage construction projects. Increase the proportion of green electricity purchases, with some factories achieving 100% green electricity coverage.
	Market			
	Carbon footprint limit requirements from downstream customers	Rising decarbonization costs increase the risk of products failing to meet standards.	Long-term	Build a carbon footprint accounting platform and develop personnel's carbon footprint accounting capacity. Complete carbon footprint accounting for over 20 products, obtain verification for three product carbon footprint reports, and plan carbon reduction pathways for five products.
Physical Risk	Extreme weather such as floods, droughts, hurricanes, and prolonged heatwaves.	Disruption in raw material extraction and transportation, leading to supply chain interruptions. Damage production facilities, leading to higher energy costs or interruptions in production.	Short to medium term	Establish a diversified supply chain and stockpile essential raw materials. Enhance flood and wind prevention measures. Develop products adapted to extreme environments and emergency energy storage solutions.
	Rising average temperatures. Rising sea levels.		Long-term	

Climate-related Opportunities, Impacts, and Actions

Type	Climate-related Opportunities	Impact	Impact Duration	Action Measures
Resource Efficiency	·Efficient use of production and distribution equipment ·Use of recycling materials ·Reduction in water usage and consumption	·Lower procurement and operational costs ·Reduce carbon emissions from raw material acquisition	Long-term	·Implement robotic transportation within some factories ·Utilize recycled metals, solvents, and other raw materials, as well as recyclable packaging materials ·Optimize production processes to improve the reuse rate of reclaimed water
Energy Efficiency	·Green energy procurement ·Energy-saving technological transformation project construction ·Energy usage optimization	·Lower the cost of greenhouse gas emissions reduction ·Reduce greenhouse gas emissions and decrease sensitivity to carbon emission cost fluctuations ·Mitigate impacts associated with future fossil fuel price increases ·Reduce energy costs	Long-term	·Significantly increase the proportion of green electricity usage ·Expand distributed solar power construction projects ·Increase investment in energy storage infrastructure
Products and Services	·Demand for new energy products	·Surge in demand for EV batteries and energy storage systems (like those used with wind and solar power)	Long-term	·Enhance efforts in green product design and R&D of low-carbon materials ·Enhance product performance, safety, and durability ·Increased investment in R&D of core product technologies to strengthen market competitiveness
Adaptability	·Zero-carbon certification project	·Optimize production processes to enhance factory efficiency ·Reduce factory greenhouse gas emissions and implement energy-saving and emission reduction initiatives ·Raise employee awareness of energy-saving and emission reduction	Long-term	·As for zero-carbon certification, we obtained the Carbon Neutrality Implementation Certificate

Note: Short-term refers to 0-3 years, medium-term refers to 3-10 years, and long-term refers to over 10 years.

Climate-related Risks and Opportunities

To effectively mitigate climate change risks, the Company has established climate change management regulations. Before launching new projects, a comprehensive assessment of potential climate change impacts must be conducted, along with the development of a robust climate risk management plan.

Risk Management Flowchart

The Company identifies risks from three key dimensions: physical risks, transition risks, and liability risks. Using professional assessment methods, we recognize direct damage from extreme weather events (such as heavy rain, floods, droughts, heatwaves, hurricanes, etc.) to corporate facilities, equipment, supply chains, and production operations. Challenges arising from policy and regulatory changes that drive the Company's low-carbon transition, including technology upgrades, increased costs, and shifts in market demand. Furthermore, we face potential threats such as legal disputes and reputation damage due to carbon emissions and environmental impacts. As such, a structured risk identification process has been established, resulting in a comprehensive risk identification list.

Based on the risk identification results, we employ a combination of qualitative and quantitative assessment methods to evaluate risks. We focus on the likelihood of occurrence, impact severity, and effectiveness of existing control measures. For quantifiable risks, we use professional statistical models and data analysis software to conduct precise calculations. The output is a project risk assessment report, providing a comprehensive basis for decision-making.

Risk management measures include the development of emergency response plans for critical risks, covering early warning, real-time response, and post-event recovery to ensure timely and effective loss control in crisis situations. Additionally, we regularly monitor and evaluate the execution of risk management measures, promptly identifying topics and making necessary adjustments to continuously enhance climate risk resilience.

The opportunity management process related to climate change follows a similar structure to risk management but focuses on identifying opportunities in energy and resource efficiency improvements, product and service transformation, and evolving market demands.

Climate-related Indicators and Targets

During the Reporting Period, the Company conducted a greenhouse gas emissions inventory for all production facilities and two research institutes (This scope refers to the greenhouse gas data scope of this report), following the ISO 14064 standards using the operational control approach. The inventory covered greenhouse gases like carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O),and sulfur hexafluoride (Sf_6). Compared to the previous year, the scope of the inventory was expanded to include additional overseas production facilities and other domestic production sites.

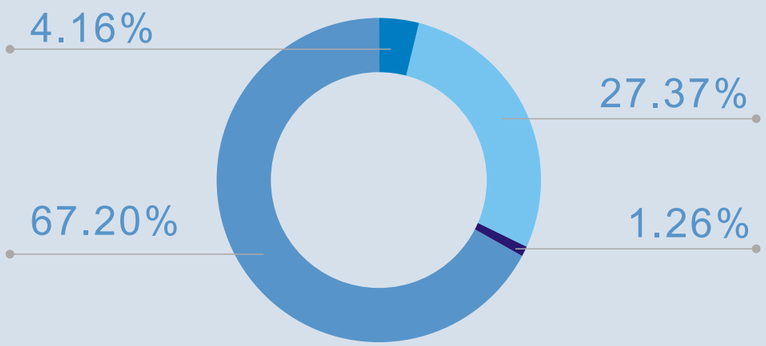
During the Reporting Period, the total greenhouse gas emissions the Company amounted to **5,970,644.30** tCO_2e.

Greenhouse gas emissions per million in revenue were **168.70** tCO_2e.

2024 GHG Emissions by Scope and Volume of Gotion High-tech

Scope	Main Sources	Emissions (tCo_2e)
Scope 1: Direct GHG emissions	Natural gas, diesel	248,513.00
Scope 2: Indirect GHG Emissions from energy	Purchased electricity, purchased thermal energy, steam	1,634,316.90
Scope 3: Indirect GHG Emissions from transportation	Gasoline, diesel, employee transportation	75,454.60
Scope 4: Indirect GHG emissions from products used by the organization	Lithium iron phosphate, graphite, electrolyte, copper foil, metal products	4,012,359.80
Total		5,970,644.30
GHG emissions per million revenue (tCO_2e/RMB million)		168.70

During the Reporting Period, the proportion of greenhouse gas emissions by Scope for the Company is shown in the chart. Among them, Scope 4 (indirect GHG emissions from products or services used by the organization) accounted for the highest proportion, at 67.2%.



Proportion of GHG Emissions for Gotion High-tech in 2024

Emission Reduction for Green Development	To achieve the "Carbon Peaking and Carbon Neutrality" goal, we implemented measures such as transforming our energy structure in 2024, increasing the use of green energy, and applying digital and intelligent technologies, resulting in a series of emission reduction achievements.
Energy Consumption and Emission Reduction	During the Reporting Period, the proportion of the Company's renewable energy usage as a whole further increased. We intensified the construction of distributed photovoltaic projects and increased our procurement of green electricity, significantly reducing indirect carbon emissions from electricity consumption. During the Reporting Period, solar photovoltaic power generation reached 50,743 MWh, reducing greenhouse gas emissions by 30,406 tons. Compared to 2023, photovoltaic power generation increased by 2.2%. In 2024, we purchased 376,674 MWh of green electricity, reducing 225,904 tons of GHG emissions.
Manufacturing Emission Reduction	During the Reporting Period, we enhanced production efficiency and further reduced GHG emissions from manufacturing through technological upgrades, energy-efficient equipment upgrades, and process optimizations. The headquarters of the Company led comprehensive improvements in key systems, including power distribution, compressed air, refrigeration, and nitrogen generation systems, while establishing a quantitative indicator management framework to enhance equipment energy efficiency. Subsidiaries focused on daily management optimization, energy-efficient equipment upgrades, photovoltaic energy storage applications, and process innovations, achieving a year-on-year reduction in comprehensive unit consumption of products.
Supply Chain Emission Reduction	In recent years, the Company has been promoting and assisting suppliers in collaborative carbon reduction, integrating the "Carbon Peaking and Carbon Neutrality" concept into the supply chain management system. Additionally, we set an annual carbon reduction goal of 5% for the supply chain. We encouraged suppliers to actively adopt emission reduction measures, collectively striving toward the carbon reduction goal of 5%.
Circular Recycling for Emission Reduction	During the Reporting Period, the Company continued to refine the Gotion Waste Battery Recycling Plan. We arranged the ladder utilization of reprocessing plants, and built nationwide recycling stations. During the Reporting Period, the battery recycling volume reached 12,000 tons, with a primary cathode material recovery rate exceeding 99%. Except for electrolytes, the overall extraction rate of various materials surpassed 99.5%. This significantly enhanced resource circular utilization, substantially reducing greenhouse gas emissions from mineral extraction, raw material processing, and transportation.

Setting the Benchmark for Zero-Carbon Factories Through Green Practices

Gotion High-tech remains steadfast in its commitment to green development, striving to build a green manufacturing system across its entire value chain. The Company continuously drives the transformation of the industry toward a higher level of "green development", making tangible contributions to address global climate change. Through its own practices, the Company actively advances the decarbonization of factories. Xinzhan No.1 Plant and Jinzhai Gotion have respectively obtained the PAS 2060 certification for corporate carbon neutrality and the zero-carbon factory certificate, marking the official launch of Gotion's zero-carbon manufacturing.

Xinzhan No.1 Plant is the Company's first facility to achieve carbon neutrality certification, laying a solid foundation for Gotion's journey toward zero-carbon factories. The plants have proactively reduced carbon emissions through energy structure adjustments, the use of green energy, and the adoption of digital and intelligent technologies. It also employs advanced processes to enhance efficiency and product quality while reducing resource and energy consumption at the source.

Building on the experience of Xinzhan No.1 Plant in zero-carbon, the Company completed the zero-carbon certification of Jinzhai Gotion. And Jinzhai Gotion have achieved full life-cycle carbon emission monitoring throughout the manufacturing process through a comprehensive set of measures, including infrastructure optimization, application of smart energy and carbon management systems, use of energy and resources, eco-design of products, process optimization, and raw material control.

The zero-carbon certifications of these two plants not only represent high recognition of Gotion's past green practices but also highlight the Company's leadership and unwavering commitment in the field of green manufacturing. They set a benchmark for the industry's green transformation and continue to guide the value chain toward a more sustainable future.

SAFEGUARDING EMPLOYEE RIGHTS AND INTERESTS

Responses To Topics

Occupational Health and Safety

Employee Development and Training

Employee Rights and Benefits

Anti-discrimination and Equal Opportunity

Responses to SDGs

Employee Hiring and Benefits

Gotion High-tech has clear targets across various human resource metrics, including talent allocation, talent development, HR efficiency management, and HR operations, all of which are linked to the performance of management personnel.

Promoting Equal Employment

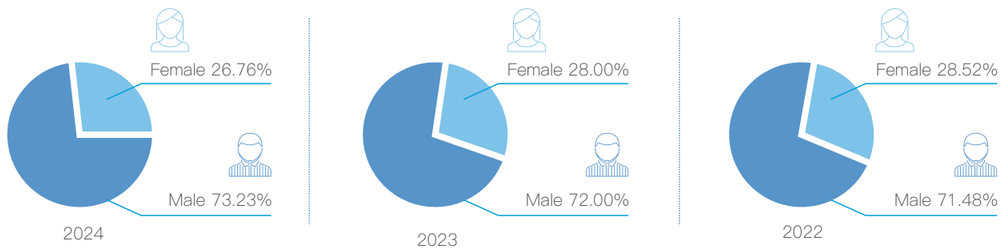
The Company strictly complies with Chinese laws and regulations, the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, as well as applicable laws and regulations in overseas operational locations. Additionally, the Company aligns with international standards such as the International Labor Organization (ILO) conventions, the International Labor Organization core conventions, the UN Global Compact (UNGC), and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. These guidelines govern our management in recruitment, dismissal, promotion, compensation and performance evaluation, working hours, safeguarding employees' legitimate rights and interests.

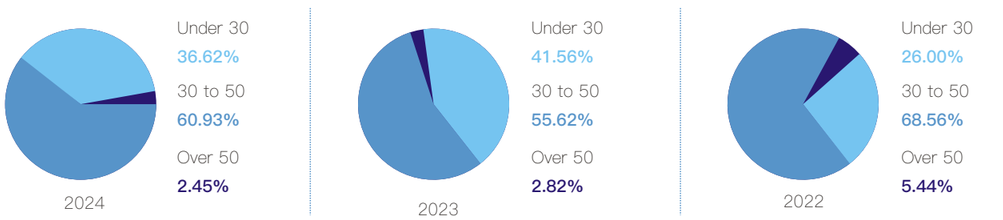
We adhere to lawful employment practices, refrain from hiring or employing child labor and prohibit forced labor. For minors and female employees, we establish special protection systems to safeguard their rights and interests. We also have formulated a series of management policies, such as the Employee Handbook and Recruitment Management Policy, to standardize employment management.

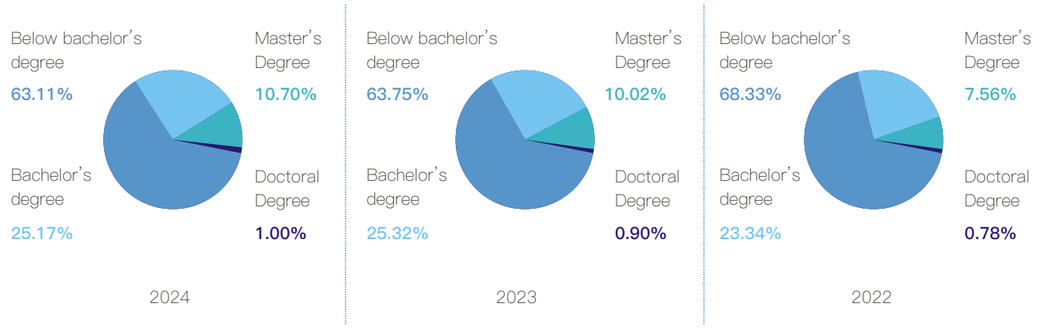
We adopt an open recruitment approach, publicly announcing job vacancies, allowing all qualified individuals to submit their resumes, regardless of ethnicity, age, gender, marital status, or religious beliefs. This ensures equal employment opportunities for all job seekers. For candidates who pass the resume screening, we conduct a comprehensive assessment through in-person or online interviews and select the best candidates for employment.

During the Reporting Period, the Company had 907 foreign employees, accounting for 3.55%, and the proportion of local employees was 55.01%.

Total number of employees	2024	2023	2022
	25,575 Persons	22,939 Persons	19,564 Persons







The Company actively answers the calls from the government and human rights organizations by hiring individuals with disabilities and facilitating the reemployment of retired personnel. During the Reporting Period, the Company employed 77 employees with disabilities, accounting for 0.3%, and 75 retired employees, accounting for 0.29%. The Company purchased employer liability insurance for rehired retirees, and other staff to safeguard their legitimate rights and interests.

Annual overall employee turnover rate

Indicator	2024	2023	2022
Annual overall employee turnover rate	25.10%	28.40%	27.04%

Note: Annual overall employee turnover rate = total number of departures during the year / (total number of employees at the beginning of the year + total number of new hires during the year); In the calculation of the total number of departures of turnover rates, interns, retirees, and rehired retirees are excluded.

Democratic Management

The Company consistently promotes a culture of equality, fairness, and harmony, prohibiting any form of discrimination and treating every employee objectively and fairly. The Company strictly adheres to the principle of equal employment in recruitment, compensation, training, and promotion. We strongly oppose any form of discrimination against employees based on factors protected by law or policy, including but not limited to ethnicity, race, gender, religious beliefs, age, sexual orientation, physical condition, political stance, or social origin. We strictly comply with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Special Provisions on Labor Protection for Female Employees, the Employee Handbook, and the Recruitment Management Policy. Meanwhile, we are committed to ensuring equal employment opportunities, safeguarding the rights of workers, and fostering a diverse, equitable, and inclusive work environment.

Based on the foundations of the union, employee representative meetings, and the living committee, the Company promptly receives and handles various complaints through channels like email, phone, and WeChat. We widely adopt employees' opinions and suggestions, focus on their needs, and respond quickly to their concerns.

The Company establishes a labor union in accordance with the law and strictly adheres to the Trade Union Law of the People's Republic of China and the Constitution of the Chinese Trade Union. We respect the autonomy of the union, giving employees the freedom to choose whether or not to join the union. In addition, the labor union regularly organizes a variety of club activities, creating a diverse platform for employees to exchange and showcase their interests.

During the Reporting Period, all employees of Gotion Headquarter were union members, with a 100% membership rate.

The employee congress serves as the foundation for democratic management, covering aspects such as production and operations, personnel management, and workplace safety. It enhances employees' sense of involvement and initiative, ensuring the integration of administrative decision-making and democratic management. The Company convenes an employee congress to ensure employees' rights to information, participation, expression, and oversight. This fully leverages the role of employee representatives in democratic management and supervision, safeguarding employees' legitimate rights and personal interests.

The Company has established diversified communication channels and adopted various methods to facilitate democratic communication and supervision. These include an annual work summary conference to inform employees about the year's operational performance, strategic development, as well as a monthly flag-raising ceremony to report on the month's business performance, key metrics, and important decisions.

Furthermore, the Company actively conducts employee engagement surveys. These surveys focus on the following aspects: employees' perceptions and level of agreement with key factors related to their department's work achievements, their feelings and acceptance of the overall work environment and their direct supervisors, their satisfaction and identification with their job and work status, their confidence in the Company and their future career development, and their agreement with the Company's core values as implemented in practice.

	2024	2023
Number of employees participating in the engagement survey	19,034	17,476
Participation rate (%)	91.30	76.13
Score	89.30	87.70

The Company is committed to fostering harmonious labor relations and prohibits forced labor and related disciplinary measures. During the Reporting Period, the Company did not engage in any forced labor practices, nor did we require employees to pay deposits or surrender their identity documents during employee onboarding. The Company strongly opposes inappropriate behaviors such as physical punishment, mental or physical coercion, and verbal abuse, and is committed to creating a safe, healthy, and inclusive work environment. By improving internal management policies and strengthening employee training, the Company ensures that every employee can grow their career in an environment of equality and respect, contributing to the sustainable development of the enterprise.

The Company places great importance on protecting employees' rights and interests. Through a collective agreement mechanism, we collaborate with employee representatives to clearly define core matters that directly affect employees' personal interests. These include labor compensation, working hours, rest and vacation, labor safety and hygiene, insurance benefits, employee training, labor discipline, and labor quota management. This ensures a balance between employee interests and the Company's growth.

Furthermore, the Company places a high priority on employee privacy management, strictly implementing and promoting confidentiality policies for recruitment and employment information, employee personal identity records, and individual salary and benefits.

100%

The employee labor contract signing rate reached 100%

100%

The social security coverage rate for full-time employees was 100%

100%

The employer liability insurance coverage rate for non-permanent staff, including interns, rehired retirees, also achieved 100%

Ensuring Fair Employee Compensation

Compensation System

Upholding the philosophy of "people-oriented", we determine employees' basic salaries based on job value and individual performance contributions. With a fair and impartial performance evaluation system, we have established short-term and medium-to-long-term incentive plans to achieve mutually beneficial growth for both the Company and our employees. The Company adheres

to the principle of equal pay for equal work, and provides employees with a base salary that is competitive externally and fair internally, based on their position, abilities, performance, and market standards. Additionally, we continually optimize our internal incentive system for all employees, implementing comprehensive, broad-based, and multi-level talent incentives and retention through annual incentives, special incentives, and equity incentives.

Our Numeration Committee consists of five directors, with independent directors constituting the majority and serving as the convener. Members of the Numeration Committee are nominated by the Chairman, more than half of the independent directors, or more than one-third of the board members, and are elected by the Board of Directors. Our Numeration Committee conducts annual performance evaluations of the directors and senior management to assess their fulfillment of duties, monitor the implementation of the compensation system, and propose or amend equity incentive plans and employee stock ownership plan. It also makes recommendations on the conditions under which incentive recipients can gain or exercise their rights.The Company annually engages international human resources consulting firms to systematically assess and research the compensation level. Benchmarking against market salary standards and the impact of the overall CPA index growth, we optimize compensation levels and the fixed-to-variable pay ratio in the salary structure to continuously enhance employees' sustained sense of fulfillment and satisfaction.

Each year, the Company develops a targeted salary adjustment plan based on compensation survey results, aligning with the annual strategic business plan and organizational performance achievements. This approach aims to promote both internal and external equity in compensation, encourage employee motivation, and ensure a sense of accomplishment.

Performance System

The Company has developed a comprehensive performance management system, which includes the Organizational Performance Management Measures and the Employee Performance Management Measures. There are specific processes and rules in place for target setting, performance evaluation, performance appraisal interviews, results application, and performance appeals.

The Company ensures the achievement of performance targets at all levels and promotes the personal growth and development of employees through a well-established performance management system, processes, methods, and tools, achieving a win-win situation for both the Company and employees. The performance appraisal covers all employees, and the subjects of appraisal are the organization, management, and employees, respectively. The appraisal cycle includes annual, semi-annual, quarterly, and monthly assessments. The appraisal relationships encompass direct appraisals, matrix appraisals, project appraisals, and professional line evaluation. The appraisal process is conducted both online and offline, with regular performance interviews held periodically and the evaluation results are applied to motivation, promotions, and employee development.

Incentive Mechanisms

The Company implements diversified incentive policies to actively implement various measures, including employee stock ownership plans, stock option incentives, salary reforms, monthly "Gotion Star" awards, and annual outstanding employee rewards. We optimize special incentive management policies, encourage all departments to create value and motivate employees to innovate in management, technology, quality, and cost reduction. During the Reporting Period, over 100 projects were successfully completed, with project bonuses totaling more than RMB5 million awarded.The Company further improves medium to long-term incentive plans, establishing a profit-sharing mechanism for employees and improving a sustainable incentive and restraint system. This initiative aims to attract and retain management talent and key personnel, fully stimulating their enthusiasm and creativity, thereby enhancing the cohesion of the core team and the Company's core competitiveness.

During the Reporting Period, the Company completed the initial grant of the fourth employee stock ownership plan, benefiting a total of 468 employees with 8.025 million shares. The Company successfully executed the second phase of unlocking and settlement for the 2022 stock option incentives. 1,463 eligible participants completed the necessary procedures for exercising their options independently, with a total of 12.3264 million stock options available for exercise.

Supporting Employee Growth

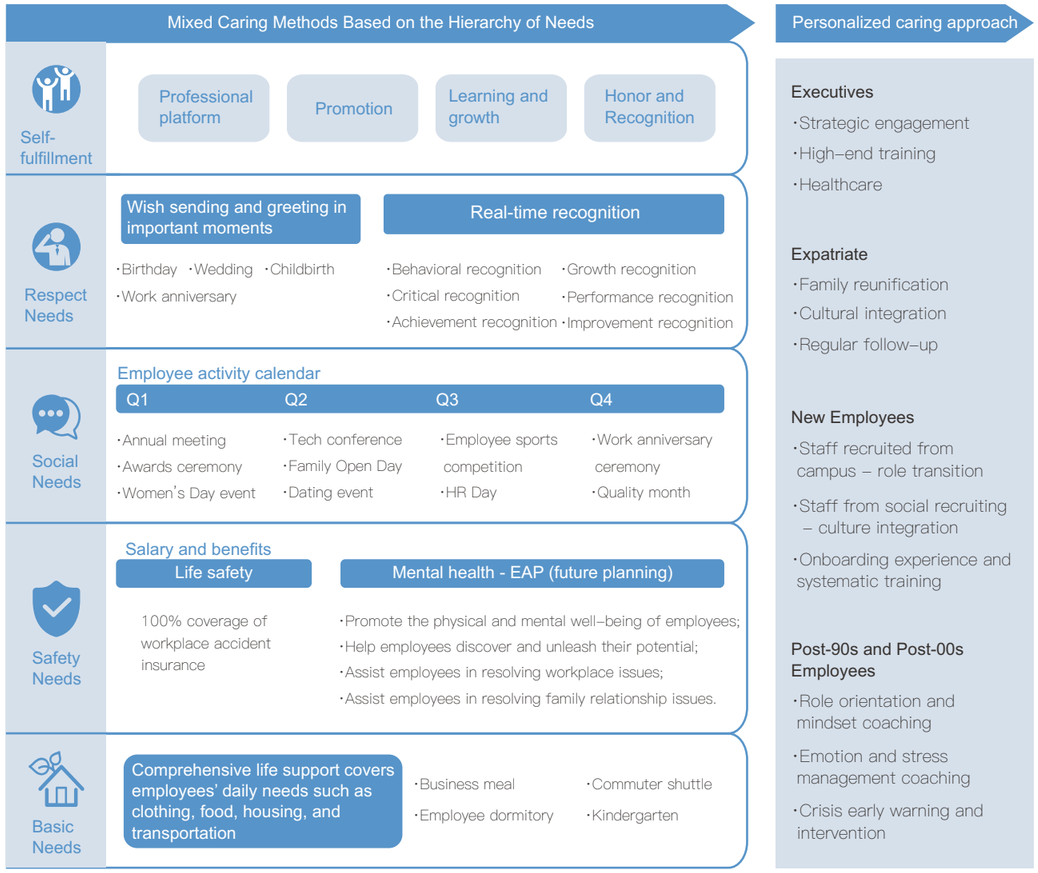
To implement employees' basic benefits and enhance their sense of belonging, the Company has established and improved a comprehensive welfare system. We are committed to providing all employees with a diverse range of benefits including statutory benefits, lifestyle benefits, care benefits, and growth benefits, aiming to improve their quality of life.

We place great importance on the physical and mental health of our employees, especially our female employees, offering them comprehensive health support and fostering a positive work environment. This approach helps employees achieve a work-life balance, enhances their overall happiness, and drives the sustainable development of the enterprise.

Assistance for Difficulties	Delivering warmth during the two festivals	At the beginning of 2024, we continued to carry out the spread warmth initiative in the two festivals. We provide a greeting allowance of RMB3,000 for each of the 200 employees in need, totaling RMB600,000.
	Assistance fund	The assistance fund is a special support program established by the Company to assist employees facing difficulties. During the Reporting Period, the assistance fund supported 26 employees, with a total assistance amount of RMB312,000.

Employee Activities	International Women's Day event	The Company organized a team-building event themed "Conquer the Highest Peak of Luzhou, Become a Spirited Yang Lady".
	2024 Gotion Yi Qi Xing cultural festival	The Company held the "Gotion Yi Qi Xing" cultural festival, featuring two main exciting segments: a hiking event and a music festival.
	Single youth social gathering	During the Reporting Period, the Company held two events.In the first half of the year, we organized the "Beautiful Moments, Heartfelt Bonds Powered by Battery Cells" event. In the second half of the year, we invited five well-known companies to join in this event, which attracted over 140 single youth participants.
	Family activity day	The Company actively organizes Family Day events, inviting employees and their families to visit the factory and learn about the Company's development.

Thematic Events	March	The first season of the Gotion Badminton Club league kicked off with great enthusiasm.
	April	The Cycling Club embarked on a spring riding journey to Dashu Mountain in Hefei, Anhui.
	May	The Spring Reading Club event was held as scheduled.
	July	the labor union actively organized the Gotion Badminton Club to participate in friendly matches against other companies.
	August	The first season of the Gotion Sports Club league was launched with great energy.
	October	The Autumn Book Club event was held again, Staffs make friends with books.
	November	The first season of the Gotion Photography Club competition was grandly held.



Statutory Holidays	Legal holidays, marriage leave, bereavement leave, maternity leave, paternity leave, annual leave, sick leave, etc.
Lifestyle Benefits	Staff meals, employee dormitories, commuter shuttles, Electric Vehicles purchase subsidies, employee fitness centers, employee kindergartens, childcare services, team-building activities, etc.
Employee Welfare	Holiday bonuses and gifts, birthday vouchers and greeting cards, wedding bonuses, childbirth bonuses, bereavement allowances, illness and injury compensation, employee hardship assistance fund, annual health check-ups, and service tenure allowances, regular free medical consultations, medical assistances, baby-care rooms, etc.
Development Benefits	Employee incentives such as bonuses, stocks, and options, as well as employee training.

During the Reporting Period, we recognized 79 female employees for their outstanding performance at work; the return-to-work rate after maternity leave was 100%; and the employee retention rate 12 months after their returning from maternity leave was also 100%.

Employee Training and Development

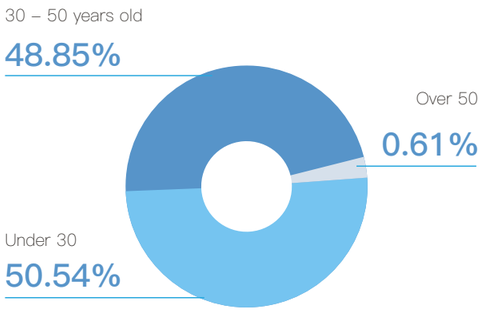
The Company places great importance on employee training and development, striving to create a learning-oriented organization and providing employees with diverse platforms for growth. In addition, we assist employees to continuously enhance their core competitiveness through customized training programs, professional skill improvement courses, and leadership development projects, supporting them in realizing their self-worth in their career development.

External Talent Acquisition

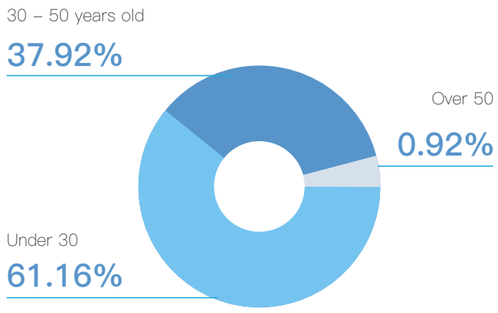
The Company is dedicated to becoming a respected enterprise and building an outstanding employer brand in the industry. We make efforts to attract talent through various channels such as social media, job portals, internal referrals, and school-enterprise partnerships. Additionally, we establish a talent pipeline development plan to ensure a strong talent pool for the Company's future growth. During the Reporting Period, we conducted campus recruitment and promotional activities at multiple universities such as University of Science and Technology of China, National University of Singapore, and University of Hong Kong to attract top talent.

With the comprehensive talent support system, we have been recognized with several prestigious honors, including a Beisen Model Leader, the 2024 Best Employer in Anhui Enterprise Brand Recognition, the 2024 China Annual Employer with the Most Innovative Spirit, and the 2024 Anhui Annual Extraordinary Employer.

During the Reporting Period, we hired 6,827 new employees, including 5,353 males and 1,474 females. A total of 432 employees joined through campus recruitment, comprising 286 males and 146 females, among whom there were 81 with bachelor's degrees, 302 with master's degrees, and 49 with doctoral degrees. Approximately 4,000 employees transitioned to new roles internally.



New female employee Percentage



New male employee Percentage

To promote talent mobility and encourage diverse career development, the Company allows employees to apply for internal positions through job postings shared via company email and the internal website. During the Reporting Period, the Company updated the internal talent mobility policy to encourage positive and orderly transitions within the organization. Approximately 4,000 employees transitioned to new roles internally.

Talent Training System

Focusing on the Company's strategic objectives, cultural inheritance, talent development, and technology incubation, Gotion College offers training programs on corporate culture, leadership enhancement, and key business skills development.

Gotion Training System

Job Skills	Curriculum System		Training Category
Advancement skills	Professional skill series	Management skill series	Professional skills/Leadership training
	High-level professional series	High-level leadership series	
	Intermediate professional series	Manager and director series	
	Basic professional series	Reserve pipeline series	
Professional skills	Human resources management Strategic investment series Financial management series Technology R&D series Quality management series Production line practical series	Product basics Procurement management series Sales management series After-sales service series Logistics management series	Onboarding/On-the-job enhancement training
General Skills	Lithium battery expertise course		Onboarding training
	Employee core competency course		

Gotion College is responsible for providing Tier 1 employee training, which primarily encompasses three major categories: general skills training, professional skills training, and advanced skills training. The Company's training is available not only to full-time employees but also to retired rehires.

General skills training

Professional skills training

Advanced skills training

During the Reporting Period, the average training duration per employee was 26.71 hours, a total training investment RMB 10.7776 million.

General Skills Training

New employee training is a mandatory program for both campus recruits and social recruits. New employees are seen as a new driving force. The Company remains committed to nurturing "new Gotion members" Through professional induction training, we ensure that every "new Gotion member" can quickly understand and embrace the corporate culture. The 2024 campus recruitment training camp, named "Battery Cell Power", is divided into four stages: "introduction to Gotion High-tech, headquarters training, production line experience, and department probation". The training content covers "inheriting corporate culture, accumulating business knowledge, enhancing workplace skills, and strengthening team integration". The training lasts six months, with a total of 432 new graduates recruited by campus.

New Employee Training for the 122nd Batch of External Recruitment

The 2024 Campus Recruitment "Battery Cell Power" Training Camp

Professional Skills Training

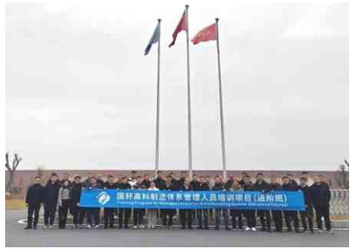
Professional skills training is designed around our entire industry chain of research, production, supply, and sales. At the same time, we align with the career development system and key competency requirements of various professional framework, creating tailored curriculum systems for each pathway and constructing a knowledge map.

Case

Talent Development Program for the Manufacturing System

During the Reporting Period, the Company continuously updated manufacturing system training programs, focusing on developing key talent within the production and manufacturing system. We conducted training sessions for manufacturing system managers (basic and advanced classes), section chief training camp, and special training camps for equipment engineers. A total of 12 sessions were held, covering directors, managers, first-line managers, and equipment engineers across 16 bases or subsidiaries. By focusing on key job responsibilities, merging theory with practice, and leveraging both internal and external resources, this program comprehensively broadened participants' perspectives, enhanced systematic capabilities, and promoted the practical application of knowledge.

The Talent Development Program for the Manufacturing System was conducted in a total of 12 sessions, with 4 sessions each for the manufacturing system managers (basic and advanced classes), the section chief training camp, and the special training camps for equipment engineers. A total of 462 participants attended. The total training duration was 321 hours, with a cumulative total of 14,160 training hours. Remarkable achievements had been made in the training program, including: the improvement of 22 practical projects, 77 post-training retraining and improvement tasks, the development and updating of 48 courses, and the addition of 6 new reserve instructors.



Manufacturing System Training Program

Advanced Skills Training

The leadership training program is offered by Gotion College for managers at all levels within the Company and young reserve cadres. It aims to equip participants with crucial skills such as understanding corporate strategy, team planning, communication, and collaboration, driving sustained business growth and leading teams to achieve outstanding results.

The Gotion Young Cadres Training Camp (the "Youth Cadre Camp") is designed for young reserve cadres. Candidates apply voluntarily and are selected through an academy screening process combined with leadership interviews. As of the Reporting Period, the Camp has organized 3 overseas study tours, 11 thematic course sessions, 1 team-building activity, 1 corporate visit, and 1 development training, with a total of over 220 participants.

- 3 times — overseas study tours
- 11 times — thematic course sessions
- 1 times — team-building activity
- 1 times — corporate visit
- 1 times — development training
- 220 Persons — participants

Leadership Training Program

DDI leadership transition program	The DDI leadership transition program is an online learning course designed for all management personnel. By adopting an open, self-directed learning approach, it promotes the development of a learning-oriented organization, equips managers with core leadership skills and enhance the overall management level of the organization. From November 2023 to November 2024, a total of 1,026 participants completed the DDI leadership transition program.
New leadership training	The Company offers training for newly appointed first-line and mid-level managers, focusing on the core themes of "integration" and "transition". Training courses are more closely tailored to the Company's business development and the growth needs of management personnel. Each training session lasts for 7 days, with a total of 297 participants.
International two-way training initiatives (Asia-Pacific, Europe-Africa, and the Americas)	Focusing on the Company's global strategy, the international two-way training program provides specialized training for foreign employees in production, quality, and marketing departments at the Göttingen bub in the Europe-Africa region, the Indonesia base in the Asia-Pacific region, and the Chicago base in the Americas. This initiative aims to enhance cross-cultural understanding, foster recognition of the corporate culture, and strengthen the employer brand of overseas subsidiaries. This program is dedicated to cultivating a talent pool skilled in multicultural proficiency, international collaboration, and technical excellence. The total training duration is 519 hours, with 211 participants.
TTT program and internal trainer development initiative	The TTT program is designed with basic and advanced training for internal trainers at different stage. The training model for internal trainers combines various forms such as "theoretical courses, self-directed learning, course certification and refinement, competition practice, and selection and recognition", running throughout the year. TTT conducted 7 sessions with over 250 participants and a cumulative training duration of 70.50 hours. A total of 163 trainers were certified, including 14 who advanced to the intermediate level. Additionally, a new review for "trainer and course resources" has been undertaken. Currently, there are over 800 internal trainers and more than 500 first-level courses.

Employee Career Development

Gotion High-tech has always viewed employee development as key to the Company's success. Through a well-established career development path, we help employees enhance their professional skills and overall capabilities. We also prioritize innovation in incentive mechanisms to inspire the enthusiasm and creativity of all employees, enabling them to benefit from the Company's growth.

The Company, in accordance with the Employee Rank Management Measures, encourages employees to continuously enhance their personal skills and has established two career development paths for them.

The Company adopts an open, fair, and transparent promotion management system, continuously optimizing the promotion process to ensure that outstanding talent is recognized and given fair advancement opportunities for personal growth. In terms of job rank design, the Company offers multiple career development paths, including management, R&D, engineering and technology, specialization, marketing, and operations, respecting and supporting employees' choices in their career development paths.

During the Reporting Period, 286 employees were promoted in management roles, and 3,522 employees received rank promotions.

The Company encourages employees to pursue further education and learning, and establishes channels for industry–academia–research collaboration. During the Reporting Period, we collaborated with top research institutions such as University of Science and Technology of China, Tsinghua University, Fudan University, Tongji University, Hefei University of Technology, Anhui University, and the Yangtze Delta Region Industry Development Institute. These collaborations focused on cutting-edge technological innovation projects in areas such as new energy battery materials, digital science, battery safety, and next-generationEV batteries, forming a stable cooperative innovation mechanism and a talent development framework. Particularly, we established the "USTC–Gotion High–tech Advanced Materials and Characterization Joint Laboratory for Power Batteries" in collaboration with the National Synchrotron Radiation Laboratory of University of Science and Technology of China. We also partnered with Hefei University of Technology to create the "HUT–Gotion High–Tech Innovation Research Institute". Additionally, we formed a strategic partnership with the team of Academician Ouyang Minggao from Tsinghua University in the field of key technologies for next-generation power batteries.

During the Reporting Period, 17 new school–enterprise cooperative innovation projects were initiated. We actively participated in the development of Anhui Advanced Research Institute. Through these collaborations, we jointly nourished 76 master's and doctoral students, including 21 engineering doctorates from Gotion High–tech, contributing to the cultivation of high–level technical talent in the new energy industry.

Unveiling Ceremony of Hefei University of Technology–Gotion High–tech Innovation Research Institute

Launch Event for the Collaborative Project between Gotion High–tech and Tsinghua University

Furthermore, the Company places great emphasis on talent development, supporting the continued education of technical professionals and encouraging employees to participate in vocational skill training programs (such as Six Sigma training, occupational health and safety training, etc.) and professional certification activities. These efforts provide a solid talent foundation for Company's high–quality development.

During the Reporting Period, 431 employees obtained Anhui professional and technical personnel continuing education certification.

Case

Equipment Engineer Special Training Camp Program was awarded the "Outstanding Practice in Industry-Education Integration" prize.

During the Reporting Period, our Equipment Engineer Special Training Camp Program was honored with the "Outstanding Practice in Industry–Education Integration" prize from the Corporate Benchmark Learning Platform for its innovative practical approach and significant results. This program, jointly organized by Gotion College and Anhui Vocational and Technical College, offers specialized training for equipment technicians in manufacturing plants, particularly targeting core engineers with a background in electrical engineering.

Occupational Health and Safety

During the Reporting Period, the injury rate per thousand workers was 1.41‰ ; the number of recordable workplace injuries was 36, with no cases of severe injuries (excluding fatalities); no work–related fatalities occurred per RMB100 million in revenue; and the number of working hours lost due to work–related injuries was 5,116.00 hours.

Workplace Safety

The Company is committed to providing a safe and healthy work environment for employees, strictly complying with national and local laws and regulations on occupational health and safety.

Workplace Safety System

The Company has established an efficient and stable workplace safety system to ensure the effective execution and implementation of all policies and measures. We have established an EHS Management Committee, while each subsidiary has set up a Safety Production Committee to oversee and guide safety production activities. We have also implemented regular audits and risk assessment mechanisms to promptly identify and address potential safety hazards in the production process. In addition, the Company enhances employees' safety awareness and self–protection skills through training and education. We implement various control procedures to ensure the smooth execution of health and safety policies. Furthermore, we are actively exploring the digital transformation of EHS (Environment, Health, and Safety). We have piloted the establishment of an EHS smart management platform, launched an EHS inspection system and a monitoring system for combustible and hazardous gas leakage. Our plan is to integrate all these systems into a unified platform, enabling intelligent cloud–based EHS management.

The Company regularly monitors updates and changes in laws and regulations to ensure that policies and operations comply with the latest standards. We have established various occupational health and safety management systems and control procedures, including the Safety and Environmental Protection Reward and Punishment Management Policy, the Personal Protective Equipment Management Policy, the Chemical Safety Management Measures, the Gotion High–tech Building Fire Extinguisher Configuration, Maintenance, and Disposal Management Measures, the Implementation Rules for General Guidelines on Hidden Hazard Investigation, the Management Measures for EHS Accidents and Incidents, the Special Equipment and Operator Safety Management Procedures, the Occupational Health Management System, the Fire Safety Management Control Procedures, the Related Party Safety Management Procedures, the Emergency Preparedness and Response Control Procedures, the LOTO (Lock Out Tag Out) Management Measures, and the EHS Red Line Management Regulations.

During the Reporting Period,we, along with our 9 subsidiaries updated our emergency response plans for production safety incidents and filed them with the local emergency management authorities.

Gotion High–tech is committed to providing a safe working environment for employees and continually improving safety management performance. In accordance with the national requirements for the standardization of occupational safety, we advance the development of safety production standardization. We also establish a "Safety Standardization Leadership Group" to promote comprehensive safety management involving all employees, in all areas, and throughout the entire process.

During the Reporting Period, Our five subsidiaries were approved as Level 3 enterprises for safety production standardization, while three subsidiaries were approved as Level 2 enterprises; We, along with our subsidiaries, ensure that all new projects comply with the "Three Simultaneities" procedures as required.

Approved as Level 3 enterprises for safety production standardization 5

Approved as Level 2 enterprises for safety production standardization 3

Certificate of Level 3 Enterprise in Safety Production Standardization

The Company has set clear objectives and indicators for occupational health and safety management, outlining specific goals for key indicators such as accident rates, occupational disease incidence, and the completion rate of potential risk rectification. To achieve these goals, we actively promote the innovation and application of safety production technologies, enhance safety measures, and reduce safety risks. Additionally, we regularly conduct safety training to improve employees' safety knowledge and skills. We also propose systematic improvement measures to continuously refine the health and safety management system, providing a sustained and effective safeguarded for employees' health and safety.

Workplace Safety Goals for the Year

Category	Indicator	Target Value
Workplace safety	Level-3 and above incident rate	0
	Injury rate per thousand	⩽3‰
	Rectification completion rate	⩾98%

Workplace Safety Culture

The Company places workplace safety at the core of our operations, striving to enhance employees' safety awareness and competencies. Through a systematic safety education and training program, the Company regularly conducts training sessions on safety responsibilities, operating procedures, and regulatory compliance. This includes specialized training, simulation drills, and a series of activities during "Safety Month". These multi-level safety education initiatives encourage employees to develop a strong safety awareness, clearly understand their safety responsibilities, and strictly adhere to safety operating procedures. This approach ensures the maintenance of safety standards and fosters a culture where everyone participates in and prioritizes safety, laying a solid foundation for the Company's stable operations.

Occupational health and safety training sessions conducted
1,170 sessions

Averaging hours per person
50.43 hours

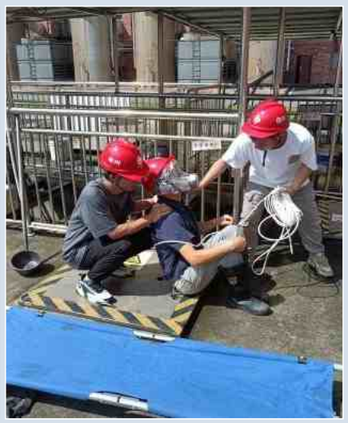
The total participation of
42,289 person-times

Occupational health and safety drills conducted
99 sessions

The total training duration
2,132,603 hours

The total participation of
28,297 person-times

Fire Emergency Drill at Nanjing Gotion



Confined Space Emergency Drill at Liuzhou Gotion

Nighttime Emergency Fire Drill at Jingkai Gotion

Occupational health and safety training	Trainings for fire safety, safety management regulations, occupational health, hazard identification and environmental factors recognition, workplace safety management knowledge, incident case studies and job-specific safety measures, high-temperature safety in summer operations, and pre-holiday safety education.
Emergency response drills	Emergency drills for heavy rain and flooding, fire, electric shock, liquid nitrogen leak, mechanical injury, vehicle accident, confined space, gas leak, first aid for injuries, and evacuation.

Case

Conducting a Safety Month Event to Promote a Safe Environment, Cultivate a Safety Culture, and Set a Safety Benchmark

From June to July 2024, Gotion High-tech launched a series of Safety Month activities focused on promoting a culture of safety and emergency preparedness. The initiatives were centered around key themes: "Safety for Everyone, Emergency Preparedness for All — Ensuring Clear Life-Saving Passages", "Advancing the Construction of a Beautiful China", and "Prioritizing Prevention to Safeguard Occupational Health". Through a variety of EHS (Environment, Health, and Safety) awareness and educational programs, the Company aimed to enhance employees' awareness of workplace safety, environmental protection, and occupational health. These activities also strengthened emergency response capabilities, effectively preventing major accidents and ensuring a safe, healthy, and stable working and living environment. These efforts support Gotion High-tech's commitment to sustainable development.

Safety Month Activities of Gotion High-tech

Organizing a Fire-Safety Family Event to Eliminate Household Fire Hazards

On June 19, 2024, Gotion High-tech organized a fire-safety drill for employees and their families. The Company's EHS Management Center invited professional instructors from the Xinzhan Fire Brigade to conduct a fire safety seminar for both parents and children. A detailed fire evacuation drill plan was developed, along with a series of interactive escape simulation activities. Through this fire safety family event, parents gained a deeper awareness of fire prevention, while children learned essential fire safety skills in a fun and engaging environment.

Fire Safety Drill Family Event

Occupational Health

The Company places great emphasis on the physical and mental well-being of every employee, recognizing occupational health protection as a key component of its social responsibility and sustainable development efforts.

Occupational Health Management

To effectively prevent and control occupational health hazards while safeguarding employees' rights, the Company has established a comprehensive set of management policies and control procedures in compliance with local laws and regulations. By implementing these policies, the Company ensures that occupational health protection measures are thoroughly integrated from policy development to execution, providing a full-spectrum safeguard for employees' occupational health and safety.

The Company is committed to continuous improvement and innovation, enhancing the scientific and effective nature of occupational health management. Adhering strictly to the ISO 45001 Occupational Health and Safety Management System, the Company consistently refines and optimizes our management framework. Through these efforts, we ensures the effective implementation of occupational health protection measures, fosters a safer and healthier work environment for employees, thereby advancing the Company's sustainable development.

During the Reporting Period, our **19** subsidiaries have successfully passed the **ISO 45001** Occupational Health and Safety Management System certification.

Occupational Health and Safety Management System Certification

0%

Annual Occupational Health Targets

Occupational disease incidence rate

The Company adheres to the principles of "prevention first, full participation, and continuous improvement", establishing clear occupational health management goals and key performance indicators. By closely monitoring critical metrics such as the occupational disease incidence rate, the Company is committed to implementing systematic management measures to continuously reduce occupational disease occurrences and create a healthier and safer work environment for employees.

Occupational health control

Engineering controls	Improve production equipment, processes, and work environments to reduce or eliminate harmful factors. For example, installing ventilation systems to reduce the concentration of harmful substances in the air.
Administrative controls	Develop and implement strict safety management systems, including reasonable work schedules, regular equipment inspections, and timely maintenance or replacement of equipment with potential hazards.
Personal protective equipment	Provide workers with appropriate personal protective equipment, such as masks, protective gloves, and safety goggles, and ensure proper use and maintenance.
Environmental monitoring	Regularly monitor the workplace environment to detect harmful gases, dust, noise, and other hazardous factors. Take appropriate measures based on the monitoring results.
Health monitoring	Conduct regular occupational health check-ups for employees to promptly identify and address potential health issues, and provide necessary medical and rehabilitation services.
Education and training	Conduct awareness and educational campaigns on occupational disease hazards to enhance employees' understanding and awareness of these risks.

Occupational Health Protection

To identify occupational health and safety risks, the Company has established a series of procedures, including the Occupational Health Management Control Procedure, Occupational Disease Hazard Risk Classification and Management Control Procedure, Job Hazard Source Identification Control Procedure, and Environmental Factors, Hazard Source Identification, and Risk Assessment Control Procedure. These procedures enable systematic risk assessments and on-site inspections, classifying identified risks according to their level of acceptability and implementing corresponding control measures. Additionally, to protect employees from potential risks or reduce the impact of those risks, the Company provides employees with Personal Protective Equipment (PPE), such as gas masks, safety helmets, goggles, earplugs, dust-proof clothing, safety shoes, and heat-resistant gloves, in accordance with regulations such as the Regulations on the Management of Labor Protection Articles by Employers and Standards for the Provision of Labor Protection Articles. PPE is regularly replaced according to the established standards.

To ensure the health and safety of employees at work, the Company has established and implemented safety alert indicators. These are used to monitor and assess potential safety risks in systems, equipment, environments, or personnel. This initiative is crucial for enhancing safety management and protecting the lives and property of employees. The headquarters of the Company has set reasonable warning thresholds based on actual data feedback from the monthly EHS meetings of each subsidiary. These monthly data are published on the Gotion High-tech manufacturing management platform.

The Company annually monitors occupational hazard factors to assess the occupational hazard levels in the work environment. Based on the results, appropriate control measures are implemented. Employees in positions with occupational hazards undergo health checkup before, during, and after employment to promptly identify potential occupational risks and protect their health.

Occupational Health Examination

On-Site Occupational Hazard Testing

The Company has established a comprehensive set of procedural documents, including the EHS Incident Control Procedure, EHS Incident Bulletin, EHS Incident Investigation Report Form, EHS Incident Ledger, and Employee Injury Return-to-Work Assessment Form. These documents outline a detailed response process for handling unexpected incidents, classify the severity of incidents, and initiate corresponding investigation procedures. Additionally, we facilitate incident warnings and cross-case analysis to prevent similar accidents from recurring.

Incident investigation process

CREATING SOCIAL VALUE

Responses to topics

Rural Revitalization and Philanthropy

Community Engagement and Development

Responses to SDGs

Driving Industry Growth

The Company actively organizes and participates in various industry events, leveraging our own development strengths and extensive experience to share best practices and provide support to industry peers and supply chain partners. Through these efforts, we continues to contribute to the high-quality and sustainable development of the industry.

Industrial Chain Development

With the support and guidance of the Anhui provincial government, the Company actively leverages our leadership role in the industry by collaborating with top universities, research institutes, and upstream and downstream enterprises in the supply chain. Together, we have established the "Anhui Industrial Innovation Research Institute for Power & Energy Storage Batteries", aiming to build an innovative ecosystem for power and energy storage batteries. By integrating technological expertise, talent, and financial resources, we drive technological advancements and industrial upgrades, providing strong support for the growth of the Electric Vehicles industry. Additionally, the Company actively undertakes or participates in industry events. During the Reporting Period, we organized several key initiatives, including the 2024 Capacity Building Training Program for Enterprise (Industrial Park) Science and Technology Associations of Anhui Provincial Association for Science and Technology and the Supply-Demand Matching Conference for the New Energy Industry Chain among Anhui Merchants.

2024 Capacity Building Training Program for Enterprise (Industrial Park) Science and Technology Associations of Anhui Provincial Association for Science and Technology

Industry Forums & Exchanges

The Company maintains robust participation in industry forums and academic exchange events. During the Reporting Period, the Company participated in several industry events, including the Shanghai China Optoelectronic Materials Conference, the Phoenix Global Forum hosted by the International Economic Forum of the Americas (IEFA), the European Forum organized by the Federation of Chinese Professional Associations in Europe (FCPAE), the Indonesia Electric Vehicle Industry Development Seminar, and the Indonesia International Sustainable Development Forum.

Furthermore, the Company has established a close partnership with the China EV100, and participated in eight cutting-edge industry forums during the Reporting Period. We delivered keynote speeches on topics such as sustainable development, domestic and international new energy markets, and safety regulatory mechanisms, engaging in discussions with government authorities, research institutions, and renowned industry experts to explore new pathways for industry growth.

Speech at the Global Electric Vehicle Cooperation and Development Forum

Case

"Gotion Intelligence Sharing Platform (GISP)" Series Forums: Building a Platform for Industry Exchange and Industry Innovation

Gotion High-tech actively fosters discussions on cutting-edge industry topics and has organized eight sessions of the "Gotion Intelligence Sharing Platform (GISP)" series. These forums serve as a platform for exchange, structured around three key themes: G-Insight, G-Tech, and G-Talks. Renowned experts from industry associations and leading academics from top universities were invited to Gotion High-tech to engage with company professionals on industry trends. The discussions covered a range of forward-looking topics, including cross-cultural management, solid-state batteries, new lithium battery materials, industry outlook, and standards & regulations.

"Gotion Intelligence Sharing Platform (GISP)" Series Forums

Participation in Standard Development

The Company places great emphasis on and actively participates in the drafting and revision of industry standards. Leveraging its extensive experience in technology R&D, production practices, and market applications, the Company has assembled professional teams to deeply engage in the formulation and revision of multiple industry standards. Through these efforts, it contributes to the standardization of the industry, offering valuable insights to enhance the overall industry standards framework.

Participate in standard formulation

25 standards

including

4 national standards,

13 industry standards,

6 group standards,

and **2** local standards.

Case

Gotion High-tech Honored as an "Advanced Work Unit" by the National Technical Committee of Auto Standardization

In December 2024, the Company participated in the 13th meeting of the Working Group on Automotive EV Battery Recycling Standards and the 2024 annual meeting of the Working Group. In recognition of its outstanding contributions to the field of automotive EV battery recycling, the Company was honored with the title of "Advanced Work Unit" for the 10th anniversary of the Vehicle Traction Battery Recycling Standard Working Group under the National Technical Committee of Auto Standardization.

The Company places great importance on the full lifecycle management of automotiveEV batteries, with a strong focus on recycling and repurposing retired batteries. The Company contributed to drafting the General Requirements for Automotive EV Battery Recycling (GB/T 44132-2024), which was officially approved and implemented on May 28, 2024. This standard enhances the national regulatory framework for battery recycling and establishes clear guidelines for the recycling process.

Moving forward, the Company remains committed to advancing battery recycling, refining related technical and management processes, and further promoting the full lifecycle management ofEV batteries. These efforts aim to drive sustainable development within the industry.

"Advanced Work Unit" Honorary Certificate

Commitment to Public Welfare

The Company is actively involved in public welfare initiatives, fulfilling its corporate social responsibility through concrete actions. These include creating job opportunities, supporting disadvantaged groups, promoting traditional culture, advancing rural revitalization, organizing volunteer activities, and contributing to the development of sports. Through these efforts, the Company continues to make a meaningful and lasting contribution to social progress.

During the Reporting Period, the company made cumulative external donations 26.48 million

Stabilizing Employment	Nanjing Hub hired 520 people through the "Spring Breeze Action" recruitment initiative. Yichun Gotion recruited 235 local employees. The Tongcheng Gotion hired 255 local residents.
Supporting Disadvantaged Groups	The Company donated RMB100,000 to the Tongcheng Disabled Persons' Federation, demonstrating our care and support for the disabled community and contributing to the well-being and social inclusion of people with disabilities. Tangshan Gotion , Nanjing Hub and Yichun Gotion have created job opportunities for 22 people with disabilities.
Promoting Traditional Culture	The Company donated RMB100,000 to the Tongcheng Huangmei Opera Troupe to support the inheritance and development of this local cultural treasure.
Advancing Rural Revitalization	The Company installed solar-powered streetlights worth a total of RMB610,000 along the rural roads in Fanshan Town, Lujiang County. Tangshan Gotion established a special fund to support rural education. Yichun Gotion launched the "Compassionate Education Support" initiative to contribute to the development of rural education. Tangshan Gotion hired 700 workers from surrounding rural areas. ongcheng Gotion organized a job fair in rural areas to stabilize the workforce returning to their hometowns and promote employment. It also arranged visits for returning workers to the company, fostering a direct connection between the enterprise and rural talent resources.
Organizing Volunteer Activities	Tangshan Gotion organized volunteers to participate in the "Warmth from Caring Enterprises" event, and donated 1,000 bottles of mineral water. Heifei Gotion delivered a total of 446 sets of summer relief supplies to urban management officers, traffic police, local police stations, and firefighters in Baohe District, Hefei. Qingdao Gotion participated in the Laixi City "Warm Orange Action" by providing heatstroke prevention supplies for sanitation workers. Jingkai Gotion organized volunteers to participate in the "Warmth in Jingkai, Rays of Hope" event dedicated to supporting left-behind seniors. The Company donated RMB3,000 to the community and provided winter essentials such as hats, scarves, and cotton shoes. The Company donated desks and chairs, filing cabinet, podiums, and tea cabinets, totaling RMB545,000 in educational supplies, to Fangang Central Primary School in Tongcheng City.
Contributing to the Development of Sports	Sponsored the 13th Hefei sports games with RMB500,000 donation. Sponsored RMB500,000 for the Lu'an marathon event. Sponsored the table tennis invitational tournament for the six provinces and one city in East China. Hosted the Anhui provincial urban table tennis league.
Overseas Public Welfare Initiatives	The Slovakia hub sponsored local running events and organi zed the Šurany music concert and cultural activities. The Indonesia hub held community c ycling events, made charitable donations to a local orphanage, and supported the organi zation of traditional holiday celebrations in the region.

Commitment to Community Development

The Company is dedicated to fulfilling its corporate social responsibility by actively contributing to community development. Through partnerships with vocational schools, we provide hands-on learning opportunities and resources to support vocational education and nurture highly skilled talent. The Company also organizes various initiatives to promote scientific knowledge, fostering greater scientific literacy among community members.

Supporting Vocational Education

The Company places great importance on the vocational and technical education, striving to bridge the gap between vocational and technical education and industry advancement. Actively engaged in vocational education, the Company promotes industry-education integration to align vocational training with industry needs, driving innovation and upgrades within the vocational education system and fostering a sustainable talent development cycle. The Company collaborated with several vocational institutions. During the Reporting Period, we hosted various initiatives, including the Hefei Higher Vocational College Teachers' Summer Practice Program and the Anhui Vocational and Technical College Teacher Development Program, among others.

Additionally, the Company joined the "China-CEEC Vocational Education and Industry-Education Alliance", the first vocational education institution incorporated into the China-Central and Eastern European Countries (CEE) Cooperation Framework. This marks a milestone in the Company's global vocational education partnerships, further promoting exchanges and mutual learning between China and CEE countries in the field of vocational education.

Corporate Practicum Training Program for Secondary & Higher Vocational Educators

Gotion High-tech Joins the China-CEEC Vocational Education and Industry-Education Alliance

Enhancing Science Popularization Education

The Company is committed to advancing science popularization by combining theoretical research with practical initiatives, guided by the "IDEA" four-dimensional model . This approach has resulted in a significant leap in both the quality and efficiency of science outreach efforts, greatly boosting public scientific literacy and fostering innovation. During the Reporting Period, the Company organized over 80 sessions of the "IDEA" Young Artisan Research and Study Program and the "IDEA" Skill Enhancement Camp, with the total participation of over 20,000 person-times.

Furthermore, the "Gotion High-tech Young Artisan Science Popularization Base" was recognized as a 2024 Hefei City Demonstration Base for Research Study Tours, a 2024 Hefei City Demonstration Base for Industrial Tourism, and a 2024 Hefei City Science Popularization Education Demonstration Base.

The Company will continue to leverage its strengths, actively fulfill its social responsibilities, and consistently innovate in science education methods. It aims to enhance public awareness and acceptance of new energy technologies, contributing to the growth of the new energy industry and the improvement of national scientific literacy.

Case

Illuminating Innovation Dreams with the Power of Technology – Corporate Science Exhibition Hall Open Day

On September 21, 2024, the Company hosted the National Science Popularization Day Corporate Science Exhibition Hall Open Day under the theme "Unveiling Tech Frontiers, Co-Creating a Sustainable Future". The event attracted over a hundred participants, including technology enthusiasts, students, and their parents.

As part of the event, a guided tour of the production workshop was organized. Led by senior science experts, visitors observed the entire battery manufacturing process—from raw materials to finished products—including key stages such as material feeding, slurry mixing, coating, assembly, and testing. Through real-world examples, company experts explained the critical role of new energy batteries in energy conservation, emission reduction, and environmental sustainability.

The Company also set up an interactive experience zone within the production workshop, allowing visitors to operate basic production equipment or participate in simulated experiments. This hands-on experience provided visitors with a deeper understanding of the practical applications of new energy technologies while enhancing their practical skills and fostering innovation.

Appendix

ESG Report Index

Index for Shenzhen Stock Exchange's Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)

Aspects	No.	Topic	Corresponding Terms	Corresponding Section in the Report
Environment	1	Addressing Climate Change	Articles 21 to 28	Addressing Climate Change
	2	Pollutant Emissions	Article 30	Pollution and Waste Management
	3	Waste Management	Article 31	Pollution and Waste Management
	4	Conservation of Ecosystems and Biodiversity	Article 32	Pollution and Waste Management
	5	Environmental Compliance Management	Article 33	Environmental Management System
	6	Energy Utilization	Article 35	Resource Use and Recycling
	7	Water Resource Utilization	Article 36	Resource Use and Recycling
	8	Circular Economy	Article 37	Resource Use and Recycling
Society	9	Rural Revitalization	Article 39	Commitment to Public Welfare
	10	Social Contribution	Article 40	Commitment to Public Welfare Commitment to Community Development
	11	Innovation Driving	Article 42	R&D and Innovation
	12	Tech Ethics	Article 43	Not applicable, as the Company's scientific research and technology development activities do not involve any issues related to scientific and technological ethics
	13	Supply Chain Security	Article 45	Supplier Procurement Management Supplier Quality Management
	14	Equal treatment for small and medium-sized enterprises	Article 46	The Group is not among the entities required to disclose under Article 46 of the guidelines, so we will not disclose this year.
	15	Product and Service Safety and Quality	Article 47	Product Quality and Safety
	16	Data Security and Customer Privacy Protection	Article 48	Information Security and Privacy Protection
	17	Employee	Article 50	Employee Hiring and Benefits Employee Training and Development Occupational Health and Safety
Sustainable Development Governance	18	Due Diligence	Article 52	Risk Management Supply Chain Sustainability Management Responsible Minerals Due Diligence
	19	Stakeholder Communication	Article 53	Stakeholder Communication
	20	Anti-Commercial Bribery and Anti-Corruption	Article 55	Compliance Operations
	21	Anti-Unfair Competition	Article 56	Compliance Operations

GRI Content Index

Instructions for Use: Gotion High-tech has formulated this report in compliance with the GRI standards for the period from January 1, 2024, to December 31, 2024.

GRI 1 Used: GRI 1: Foundation 2021

Applicable GRI Industry Standards: No applicable industry standards

GRI Standard	Disclosure Item	Corresponding Section
General Disclosure		
GRI 2: General Disclosure 2021	2-1 Organizational details	About Gotion High-tech
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	ESG Key Performance Indicators
	2-5 External assurance	Third-party Assurance
	2-6 Activities, value chain and other business relationships	About Gotion High-tech Supply Chain Sustainability Management Product Quality and Safety Customer Service Driving Industry Growth
	2-7 Employees	Employee Hiring and Benefits
	2-8 Workers who are not employees (Workers who are not employees include rehired retirees)	Employee Hiring and Benefits
	2-9 Governance structure and composition	Corporate Governance ESG Management System
	2-10 Nomination and selection of the highest governance body	Corporate Governance Please refer to the Articles of Association for details
	2-11 Chair of the highest governance body	Please refer to the 2024 Annual Report for details
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance ESG Strategy Stakeholder Communication
	2-13 Delegation of responsibility for managing impacts	Corporate Governance ESG Management System
	2-14 Role of the highest governance body in sustainability reporting	ESG Management System ESG Topic Management
	2-15 Conflicts of interest	Corporate Governance Compliance Operations Please refer to the 2024 Annual Report for details
	2-16 Communication of critical concerns	Corporate Governance Stakeholder Communication
	2-17 Collective knowledge of the highest governance body	ESG Strategy ESG Management System
	2-18 Evaluation of the performance of the highest governance body	Environmental Management System
	2-19 Remuneration policies	Please refer to the 2024 Annual Report for details
	2-20 Process to determine remuneration	Please refer to the 2024 Annual Report for details
	2-22 Statement on sustainable development strategy	ESG Strategy
	2-23 Policy commitments	Compliance Operations ESG Management System Supply Chain Sustainability Management Responsible Minerals Due Diligence Employee Hiring and Benefits
	2-24 Embedding policy commitments	Compliance Operations ESG Management System Supply Chain Sustainability Management Responsible Minerals Due Diligence Employee Hiring and Benefits
	2-25 Processes to remediate negative impacts	Compliance Operations Employee Hiring and Benefits
	2-26 Mechanisms for seeking advice and raising concerns	Compliance Operations Employee Hiring and Benefits
	2-27 Compliance with laws and regulations	Please refer to the respective sections of the report
	2-28 Membership associations	About Gotion High-tech
	2-29 Approach to stakeholder engagement	Stakeholder Communication
	2-30 Collective bargaining agreements	Employee Hiring and Benefits

GRI Standard	Disclosure Item	Corresponding Section
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Topic Management
	3-2 List of material topics	ESG Topic Management
	3-3 Management of material topics	ESG Topic Management
Economic Performance		
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	Please refer to the 2024 Annual Report for details
	201-3 Defined benefit plan obligations and other retirement plans	Employee Hiring and Benefits
Market Presence		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Employee Hiring and Benefits
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Employee Hiring and Benefits
Indirect Economic Impact		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Commitment to Public Welfare Commitment to Community Development
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Commitment to Public Welfare Commitment to Community Development
	203-2 Significant indirect economic impacts	Commitment to Public Welfare Commitment to Community Development
Procurement Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Supplier Procurement Management
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supplier Procurement Management
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Compliance Operations
	205-1 Operations assessed for risks related to corruption	Compliance Operations
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Compliance Operations
	205-3 Confirmed incidents of corruption and actions taken	Compliance Operations
Anti-competitive Behavior		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Compliance Operations
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance Operations
Tax		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Compliance Operations
GRI 207: Tax 2019	207-1 Approach to tax	Risk Management
	207-2 Tax governance, control, and risk management	Risk Management
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Resource Use and Recycling
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Resource Use and Recycling
	301-2 Recycled input materials used	Resource Use and Recycling
	301-3 Reclaimed products and their packaging materials	Resource Use and Recycling
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Energy Management
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management
	302-2 Energy consumption outside of the organization	Omitted.[1]
	302-3 Energy intensity	Energy Management
	302-4 Reduction of energy consumption	Energy Management
	302-5 Reductions in energy requirements of products and services	Omitted.[2]

1. Information is lacking. Accurately assessing the actual energy consumption of external organizations is challenging due to the Company's intricate business relationships and extensive value chain.
2. Information is lacking.The flow and specific application scenarios of the company's products and services are quite complex, making it impossible to quantify the actual decrease in energy demand for products and services.

GRI Standard	Disclosure Item	Corresponding Section
Water and Effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Resource Use and Recycling Pollution and Waste Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Resource Use and Recycling
	303-2 Management of water discharge related impacts	Pollution and Waste Management
	303-3 Water withdrawal	Resource Use and Recycling
	303-4 Water discharge	Pollution and Waste Management
	303-5 Water consumption	Resource Use and Recycling
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Climate-related Indicators and Targets Pollution and Waste Management
GRI 305: Emissions 2016		Climate-related Indicators and Targets[3]
	305-2 Energy indirect (Scope 2) GHG emissions	Climate-related Indicators and Targets[3]
	305-3 Other indirect (Scope 3) GHG emissions	Climate-related Indicators and Targets[3]
	305-4 GHG emissions intensity	Climate-related Indicators and Targets[3]
	305-5 Reduction of GHG emissions	Climate-related Indicators and Targets[3]
	305-6 Emissions of ozone-depleting substances	Omitted[4]
	305-7 Nitrogen oxides (Nox), sulfur oxides (SOx), and other significant air emissions	Pollution and Waste Management
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Pollution and Waste Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pollution and Waste Management
	306-2 Management of significant waste related impacts	Pollution and Waste Management
	306-3 Waste generated	Pollution and Waste Management
Waste		
GRI 306: Waste 2020	306-4 Waste diverted from disposal	Pollution and Waste Management
	306-5 Waste directed to disposal	Pollution and Waste Management
Supplier Environmental Assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Supply Chain Sustainability Management Supplier Quality Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Sustainability Management
	308-2 Negative environmental impacts in the supply chain and actions taken	Supplier Quality Management
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Employee Hiring and Benefits
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Hiring and Benefits
	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	Employee Hiring and Benefits
	401-3 Parental leave	Employee Hiring and Benefits
Labor/management relations		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Employee Hiring and Benefits
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Employee Hiring and Benefits
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Occupational Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety Employee Hiring and Benefits

3. The Company conducts greenhouse gas emissions inventories based on the ISO 14064 standard.
4. Not applicable: During the Reporting Period, the Company did not have significant emissions of ozone-depleting substances (ODS) so this data was not recorded.

GRI Standard	Disclosure Item	Corresponding Section
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Employee Hiring and Benefits
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
	403-6 Promotion of worker health	Occupational Health and Safety Employee Hiring and Benefits
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Employee Hiring and Benefits
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injuries	Occupational Health and Safety
	403-10 Work-related ill health	Occupational Health and Safety
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Employee Training and Development
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Training and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Training and Development
Diversity and Equal Opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Corporate Governance Employee Hiring and Benefits
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Employee Hiring and Benefits
	405-2 Ratio of basic salary and remuneration of women to men	Omitted.[5]

5. Confidential restrictions: The Company has confidentiality requirements for this information and therefore does not disclose.

GRI Standard	Disclosure Item	Corresponding Section
Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Employee Hiring and Benefits
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Hiring and Benefits
Freedom of Association and Collective Bargaining		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Employee Hiring and Benefits Supply Chain Sustainability Management
GRI 407: Freedom of Association and Collective	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Hiring and Benefits Supply Chain Sustainability Management
Child Labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Employee Hiring and Benefits Supply Chain Sustainability Management
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employee Hiring and Benefits Supply Chain Sustainability Management
Forced or Compulsory Labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Employee Hiring and Benefits Supply Chain Sustainability Management
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Hiring and Benefits Supply Chain Sustainability Management
Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Environmental Management System Resource Use and Recycling Pollution and Waste Management Commitment to Public Welfare Commitment to Community Development

GRI Standard	Disclosure Item	Corresponding Section
Local Communities		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Environmental Management System Environmental Management System Resource Use and Recycling Pollution and Waste Management Commitment to Public Welfare Commitment to Community Development
	413-2 Operations with significant actual and potential negative impacts on local communities	Environmental Management System Environmental Management System Resource Use and Recycling Pollution and Waste Management Commitment to Public Welfare Commitment to Community Development
Supplier Social Assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Supply Chain Sustainability Management Supplier Quality Management
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Sustainability Management
	414-2 Negative social impacts in the supply chain and actions taken	Supplier Quality Management
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Product Quality and Safety
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Quality and Safety
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality and Safety
Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Topic Management Information Security and Privacy Protection
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection

Specific Actions by Gotion High-Tech Contributing to the SDGs

Contributing to the SDGs	Our Specific Actions	Corresponding Section in the Report
1 NO POVERTY	· Supporting Disadvantaged Groups. We provide employment opportunities for people with disabilities and have made donations to the Tongcheng Disabled Persons' Federation; ·Advancing Rural Revitalization. We establish special funds to support rural education development and absorb rural labor force.	Commitment to Public Welfare
4 QUALITY EDUCATION	· Supporting compulsory education. We have donated educational supplies to Fangang Central Primary School in Tongcheng City; · Supporting Vocational Education. We collaborate with various vocational colleges to provide industry practice training for their teachers; Have joined the China-CEEC Alliance of TVET Institutions for Industry-Education Collaboration; ·Enhancing Science Popularization Education. We have organized over 80 sessions of the "IDEA" Young Artisan Research and Study Program and the "IDEA" Skill Enhancement Camp.	Commitment to Public Welfare Supporting Vocational Education Enhancing Science Popularization Education
7 AFFORDABLE AND CLEAN ENERGY	· Green strategy. With green energy and storage technology at our core, we drives the transition from fossil fuels to create zero-carbon energy infrastructure; focusing on high-safetyEV batteries to lead the revolution in mobile energy systems, we empower the global transition to electric transportation; with intelligent integration and scenario-based innovation at the core, we develop multidimensional solutions combining "battery + energy storage + digitalization" to advance the deep integration of industrial, transportation, and energy sectors; · Using Clean Energy. We deepen the strategy for green energy, advance the global solar infrastructure planning, and gradually increase the proportion of green electricity usage.	About Gotion High-tech Energy Management Product Quality and Safety R&D and Innovation Industry-University-Research Cooperation
8 DECENT WORK AND ECONOMIC GROWTH	· Adhering to lawful employment practices, we refrain from hiring or employing child labor and prohibit forced labor. For minors and female employees, we establish special protection policies to safeguard their rights and interests. · Through a collective agreement mechanism, we collaborate with employee representatives to clearly define core matters that directly affect employees' personal interests. These include labor compensation, working hours, rest and vacation, labor safety and hygiene, insurance benefits, employee training, labor discipline, and labor quota management. In this way, we ensure a balance between employee interests and the Company's growth. · Dedicated to providing a safe working environment for employees, we accelerate the advancement of occupational health protection initiatives by establishing safety policies, supplying protective gear, and implementing safety alert measures. This ensures comprehensive protection of employees' occupational health and safety from policy formulation to execution.	Employee Hiring and Benefits Occupational Health and Safety

Specific Actions by Gotion High-Tech Contributing to the SDGs

Contributing to the SDGs	Our Specific Actions	Corresponding Section in the Report
	· We actively establish strong partnerships with multiple universities and research institutions to engage in deep collaboration, achieving a complementary and synergistic advancement of theoretical research and practical experience. · We deeply implement the R&D strategy and continuously enhance product capabilities, ensuring technological innovation from battery materials to battery products.	R&D and Innovation Industry–University–Research Cooperation
	· We integrate the concept of a sustainable supply chain into the entire supply chain management process. In particular, we establish sustainability awards and release the Code of Conduct for Business Partners to regulate suppliers' management in areas such as environmental protection, social responsibility, and compliance. · We emphasize a circular economy strategy for batteries by establishing a comprehensive and closed loop that covers recycling networks, dismantling processes, and material recycling. · We establish a comprehensive lifecycle management system for waste, covering classification, collection, compliant storage, and safe disposal. · We regularly publish an ESG report each year and develop an ESG Management Manual to clearly define key elements such as ESG management principles, management organization, scope of management, stakeholder communication mechanisms, and information disclosure.	Supplier Quality Management Resource Use and Recycling Pollution and Waste Management Product Quality and Safety
	· We pledge to achieve peak carbon emissions by 2027 and carbon neutrality by 2040. · We has developed a green zero–carbon strategy, creating a zero–carbon supply chain, zero–carbon manufacturing, zero–carbon research and development, and zero–carbon operations.	Addressing Climate Change
	· We place a strong emphasis on managing and controlling the comprehensive environmental impact of production operations, integrating aspects like groundwater and biodiversity conservation throughout the environmental protection processes of the park. · We implement an ecological barrier project within the plant area, conduct afforestation and landscape restoration, and develop professional plans for mineral resource development and ecological rehabilitation.	Environmental Protection
	· We establish a robust anti–corruption system, promote a culture of integrity, set up compliance consultation channels, offer real–time compliance advice, advance due diligence for suppliers, and rigorously prevent compliance risks.	Compliance Operations

Name Referencing Index

Gotion Headquarter	Refers to	Gotion High–tech Co., Ltd.
Hefei Gotion	Refers to	Hefei Gotion High–tech Power Energy Co., Ltd.
Hefei No.3 Plant	Refers to	Hefei Gotion High–tech Power Energy Co., Ltd. Directly Affiliated Plant No. 3
Xinzhan No.1 Plant	Refers to	Hefei Gotion Battery Technology Co., Ltd.
Xinzhan No.2 Plant	Refers to	Hefei Gotion Advanced Battery Co., Ltd.
Jingkai Gotion	Refers to	Hefei Gotion Battery Co., Ltd.
Lujiang Battery	Refers to	Gotion New Energy (Lujiang) Co., Ltd.
Tongcheng Gotion	Refers to	Tongcheng Gotion New Energy Co., Ltd.
Nanjing Hub	Refers to	Nanjing Gotion Battery Co., Ltd. (Nanjing Gotion)
		Nanjing Gotion New Energy Co., Ltd.
		Jiangsu Gotion New Energy Technology Co., Ltd.
Tangshan Gotion	Refers to	Tangshan Gotion Battery Co., Ltd.
Qingdao Gotion	Refers to	Qingdao Gotion Battery Co., Ltd.
Liuzhou Gotion	Refers to	Liuzhou Gotion Battery Co., Ltd.
Chuzhou Gotion	Refers to	Chuzhou Gotion New Energy Power Co., Ltd.
Jinzhai Gotion	Refers to	Jinzhai Gotion New Energy Co., Ltd.
Yichun Gotion	Refers to	Yichun Gotion Battery Co., Ltd.
Yichun Gotion Lithium	Refers to	Yichun Gotion Lithium Industry Co., Ltd.
Dongyuan Electrical	Refers to	Jiangsu Dongyuan Electrical Appliance Group Co., Ltd.
Nantong Gotion	Refers to	Nantong Gotion New Energy Technology Co., Ltd.
Gotion Material	Refers to	Hefei Gotion Battery Materials Co., Ltd.
Feidong Gotion	Refers to	Feidong Gotion New Materials Co., Ltd.
The Göttingen Hub	Refers to	Gotion Germany Battery GmbH
The Indonesia Hub	Refers to	Pt Gotion Green Energy Solutions Indonesia

Third-party Assurance

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Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by Gotion High-Tech Co., Ltd. (hereinafter "Gotion" or "the Company") to conduct an independent third-party assurance of 2024 ESG Report of Gotion (hereinafter, "ESG Report"). The report disclosed sustainability information for the fiscal year 2024 (January 1, 2024 to December 31, 2024) of Gotion.

Responsibilities

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

TÜV Rheinland is a global service provider that provides CSR and sustainability services in more than 65 countries, with experienced and technical expertise in the areas of environment, CSR, sustainability and stakeholder engagement. TÜV Rheinland Assurance team follows the TÜV Rheinland Global Business Ethics Compliance Policy and Procedures, covering the principles of integrity compliance and conflict of interest. Therefore, our assurance services are based on the principles of independence and impartiality, and we do not participate in the writing and preparation of the report of Gotion. It is the duty of TÜV Rheinland to carry out independent assurance in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial judgments on ESG reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for the sustainability information disclosed in ESG report of Gotion in accordance with the AccountAbility AA1000 Assurance Standard v3 (AA1000AS v3), Type 1 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of Gotion and stakeholders concerned with the company's sustainability information and performance to provide an independent view of the assurance, including assessment of whether the content of the report adhered to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and verification of sustainability information disclosure.

Assurance Criteria

The following assessment criteria were used in undertaking the work:

- Self-Regulatory Guidelines No. 17 for Listed Companies - Sustainability Report (Trial) of the Shenzhen Stock Exchange
- Global Reporting Initiative Standards (GRI Standards)
- The United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000 AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

Methodology

Our assurance activities and procedures include:

- Inquiring management and those personnel responsible for collecting and aggregating sustainability performance information to understand the management processes, systems, and controls for sustainability performance information.

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- Reviewing and assessing the availability, adequacy, and relevance of performance information based on sampling principles.
- Applying analysis program to assess the accuracy of the information available for performance data.
- Collecting and examining the supporting evidence of available performance information to assess the extent to which the relevant evidence and information related to the scope of the assurance in the sustainability report supports and adheres to the AA1000AP AccountAbility Principles.
- Reporting assurance observations or recommendations to give the company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon in order to obtain all the information, evidence and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3.

The information and performance data relating to the assurance is limited to the disclosure of the contents of this report. Our assurance work did not include financial report and its financial data, as well as other information not related to the topic of sustainability.

Conclusions

Based on the above assurance procedures and methodology performed and the evidence obtained, we conclude that there are no instances or information that would be contrary to the following statements:

- 2024 ESG Report of Gotion and its contents are in adherence to the AA1000AP AccountAbility Principles.
- Gotion has implemented processes and systems to collect and aggregate performance information and data related to materiality issues within the reporting boundary, and the company's management practices have also shown that the company conducted materiality analysis and evaluation of issues.
- The sustainability-related information and performance disclosed in the report have been assessed and supported by documentary evidence.

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

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

The key stakeholders identified by Gotion included shareholders and investors, suppliers, customers, employees, governments and regulators, media and industry associations, as well as the public and communities that are disproportionately affected by greenhouse gas emissions. In 2024, the company conducted internal and external stakeholder questionnaire surveys, covering topics such as product quality and safety, occupational health and safety, pollution and waste management, and response to climate change (such as greenhouse gas emissions).

Materiality

Evidence indicated that in 2024, Gotion has carried out a materiality issue assessment process. Based on domestic and foreign ESG standards, industry best practices, the company's ESG indicator system, and stakeholder feedback, the company identified and screened ESG issues, and evaluated and prioritized the importance of these issues from two dimensions: importance to stakeholders and importance to corporate sustainable development. The issue matrix chart showed the top material issues of the current year (such as product quality and safety, occupational health and safety, pollution & waste management, employee rights and welfare, etc.). The ESG Management Committee reviewed and confirmed the results of the assessment of the above materiality issues.

Responsiveness

Gotion's communication with key stakeholders was diversified, and the main channels included investor hotlines, supplier audits, customer interviews and satisfaction surveys, employee engagement surveys, suggestion boxes, government meetings, industry forums, public welfare activities, etc.

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The report disclosed data on key performance indicators (e.g., energy consumption, greenhouse gas emissions (including Scope 1, 2, and 3), pollutant emissions, waste, employee employment and benefits, etc., most of which are historically comparable, and also disclosed ESG (e.g., occupational health and safety, environment, climate) targets and attainment to appropriately respond to concerns of its stakeholders.

Impact

Evidence indicated that in 2024, Gotion established an ESG management committee to promote the systematization of ESG work, including formulating ESG strategic planning and building an ESG indicator management system. The company focused on ESG risks in the fields of compliance, environment and safety, and supply chain, and combined operation management and internal control systems to assess and control risks related to its own operations and supply chain and implemented a closed-loop rectification. The company conducted due diligence on responsible minerals in the supply chain.

In 2024, Gotion has taken measures such as decarbonization of the supply chain, transformation of energy structure (increasing the proportion of renewable energy), and energy conservation and consumption reduction (such as energy-saving equipment upgrades) to reduce the impact on the company's operations and supply chain. We recommend that Gotion further carry out the analysis, assessment, monitoring and management of sustainability-related impacts, risks and opportunities.

Daniel Pan
Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, April 7, 2025

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Feedback Form

Dear readers,

Thank you for your interest in the 2024 Gotion High-tech ESG Report. We greatly appreciate your feedback and suggestions. We invite you to share your thoughts and evaluations with us as we work together toward a brighter, zero-carbon future. Your input can be submitted via mail, email, or phone. Together, let's make green energy accessible and sustainable.

Name		Phone	
Organization		Email	

Report Evaluation	5 point	4 point	3 point	2 point	1 point	Remarks
Do you think this report provides a comprehensive understanding of Gotion High-tech's actual sustainability performance?	☐	☐	☐	☐	☐	
Do you find the overall structure of this report reasonable?	☐	☐	☐	☐	☐	
Do you think the ESG content in this report is thorough and complete?	☐	☐	☐	☐	☐	
Do you think this report is easy to read and understand?	☐	☐	☐	☐	☐	
Do you find the design and layout of this report well-organized?	☐	☐	☐	☐	☐	
Do you think this report shows significant improvement compared to 2023?	☐	☐	☐	☐	☐	
How would you rate this report overall?	☐	☐	☐	☐	☐	

1. Please share your suggestions for the 2024 Gotion High-tech ESG Report.

2. Please provide your feedback and recommendations on Gotion High-tech's social responsibility and sustainability efforts.

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