



Green Energy, Core Strength,
Uniting Forces for the Journey Ahead

20
25

Sichuan Changhong Newenergy
Technology Co., Ltd.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

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Notes on Preparation

This report is the first Environmental, Social and Governance (ESG) Report published by Changhong Newenergy.

Reporting Period

This report is an annual report.

Statement of Assurance

This report has been reviewed and approved by the Company's management. The directors, senior management of the Company warrant that the content of this report contains no false records, misleading statements, or material omissions, and assume several and joint liability for the truthfulness, accuracy, and completeness of its content.

Reporting Scope

Unless otherwise specified, the scope of this report is consistent with that of Changhong Newenergy's 2025 annual financial report.

The reporting period covers January 1, 2025 to December 31, 2025, with certain content extending beyond this period.

The organizational scope covers Changhong Newenergy's headquarters and its subsidiaries.

Reference Standards

- Guideline No. 11 for the Ongoing Supervision of Listed Companies on the Beijing Stock Exchange — Sustainability Reports (Trial).
- Guidelines for the Preparation of Sustainability Reports by Listed Companies on the Beijing Stock Exchange (Revised in January 2026): "No. 1 General Requirements and Disclosure Framework", "No. 2 Climate Change Response", "No. 3 Pollutant Emissions", "No. 4 Energy Utilization", and "No. 5 Water Resources Utilization"
- Guiding Opinions of the State-owned Assets Supervision and Administration Commission of the State Council on High-standard Fulfillment of Social Responsibilities by Central Enterprises in the New Era

- Guidelines for State-owned Enterprises to Better Fulfill Social Responsibilities of SASAC of the State Council
- Corporate Sustainability Disclosure Standards — Basic Standard (Trial) issued by the Ministry of Finance
- Application Guidance for the Corporate Sustainability Disclosure Standards — Basic Standard (Trial) issued by the Ministry of Finance
- China Enterprise Sustainability Disclosure Guidelines (CASS-ESG 6.0): General Framework
- China Enterprise Sustainability Disclosure Guidelines (CASS-ESG 6.0): Electrical Machinery and Equipment Manufacturing Industry
- United Nations Sustainable Development Goals (SDGs)
- Sustainability Report Guidelines (GRI Standards) of Global Reporting Initiative

Data Statement

The data and information contained in this report are mainly derived from Changhong Newenergy's statistical data and relevant documents. Unless otherwise specified, all monetary amounts mentioned in this report are denominated in Renminbi (RMB).

Access to this Report

This report is published in electronic form and is available on the Company's website (<http://www.changhongnewenergy.com/>) and the website of the Beijing Stock Exchange (<https://www.bse.cn/index.html>)

Message from Leadership



2025 marks both the final year of the 14th Five-Year Plan and the opening year for the 15th Five-Year Plan. It is also a pivotal year characterized by accelerated transformation and profound change in the global energy landscape. Changhong Newenergy remains committed to its corporate mission of "precision manufacturing, technological innovation, and benefiting humanity". We have embedded ESG principles into the core of our strategy and integrated them into all aspects of our operations. Focusing on four key dimensions - core business development, green and low-carbon transition, people-centered value creation, and strengthened governance—we have sustained long-term efforts to elevate ESG from a compliance baseline to a source of core value, injecting enduring momentum into high-quality growth.

Over the past year, we have strengthened our core business, upheld craftsmanship, advanced innovation, and set new benchmarks for quality. Guided by the principle of "survival through quality, market leadership through innovation, and growth through openness", Changhong Newenergy has driven value creation through both innovation and quality. We have reinforced our innovation-driven strategy, with R&D focused on frontier technologies, while accelerating intelligent upgrading and digital transformation. Our Thailand production base was successfully commissioned, and our global footprint continued to expand steadily. We have also strengthened quality and delivery excellence by improving our delivery assurance systems, achieving efficient coordination and high-quality delivery, and embedding a customer-centric philosophy throughout the entire service lifecycle. In addition, we have deepened ecosystem collaboration and win-win partnerships by enhancing the industrial chain ecosystem and working closely with partners to drive development, expand markets, and share value. In 2025, we demonstrated leadership as a pioneer in industrial development, a practitioner of deep integration, and a steadfast champion of quality excellence.

Over the past year, we have advanced green development with a focus on long-term sustainability, building a low-carbon ecosystem and reinforcing our commitment to environmental stewardship. Guided by the principle that "lucid waters and lush mountains are invaluable assets", Changhong Newenergy protects the environment through low-carbon development and circular economy practices. We have upheld strict environmental standards by improving closed-loop management systems, strictly complying with environmental requirements, and reinforcing ecological safeguards. We have focused on reducing carbon emissions and resource consumption, taken the lead in developing industry carbon footprint standards, and promoted cleaner, lower-carbon, and more efficient production systems. We have also advanced circular economy practices by strengthening lifecycle management of batteries and optimizing the green value chain spanning "resources-production-recycling-reuse". At the same time, we have fostered a culture of sustainability by promoting environmental awareness and advocating low-carbon workplace practices, making sustainability a shared commitment across the organization. In 2025, we demonstrated leadership as an active contributor to China's dual carbon goals, an effective responder to international regulatory developments, and a leader in green transformation.

Over the past year, we have embraced a people-centered approach, fostered a culture of care, and empowered employee development. With a strong sense of responsibility toward national priorities, Changhong Newenergy strives to create shared value through care and accountability. We have advanced talent development by improving incentive mechanisms, establishing tiered talent development systems,

and enhancing organizational vitality and innovation. We have upheld the highest standards of workplace safety by reinforcing accountability, ensuring comprehensive occupational health protection, and conducting regular emergency drills to safeguard employee health and well-being. We have also fulfilled our social responsibilities by actively engaging in community development and philanthropic initiatives, contributing to public well-being and responding to societal needs as a responsible state-owned enterprise. In 2025, we demonstrated leadership as a facilitator of talent development, a guardian of occupational health, and a contributor to social well-being.

Over the past year, we have strengthened governance foundations, advanced lean management, and reinforced the sustainability of our long-term development. Changhong Newenergy continues to modernize its governance systems and capabilities, ensuring sustainable development through integrity and compliance. We have upheld the leadership of Party building in guiding business operations, enhancing both effectiveness and efficiency. We have continued to improve our corporate governance framework, strengthened investor relations engagement, enhanced the standardization and transparency of information disclosure, and fostered stronger market communication and stakeholder trust. We have adhered to lawful and compliant operations, proactively responded to market demands, and built trust through transparent governance. In 2025, we demonstrated leadership as a continuous improver in corporate governance, a practitioner of compliant operations, and a driver of enterprise development.

With determination and resolve, we press forward to lead the way. At this new stage of development, Changhong Newenergy will continue to advance ESG practices with greater depth and effectiveness. Guided by a long-term perspective and a strong sense of responsibility, we will deepen our presence in the new energy sector, strengthen our core capabilities in green and intelligent manufacturing through pragmatic measures, and promote coordinated development across the industrial value chain. We will continue to pursue breakthroughs in technological innovation, lead in green and low-carbon development, foster a caring and people-centered culture, and enhance governance quality and efficiency. In doing so, we aim to contribute to the global energy transition, support the achievement of carbon peaking and carbon neutrality goals, and help build a more sustainable and beautiful China.

Chairman of Changhong
Newenergy

About Changhong Newenergy

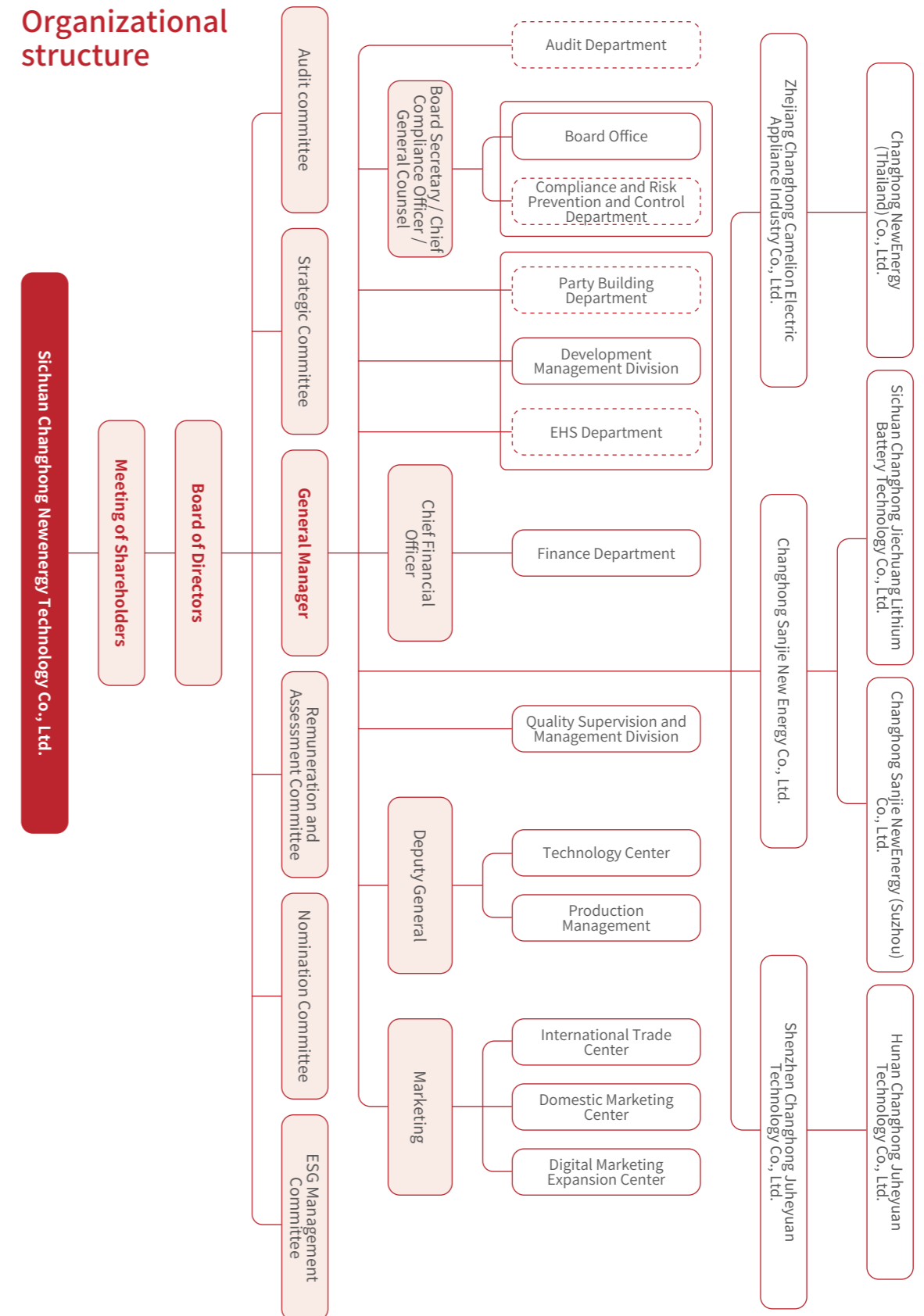
Company Profile

Sichuan Changhong Newenergy Technology Co., Ltd. (hereinafter referred to as "Changhong Newenergy") was established in October 2006 and was listed on the Beijing Stock Exchange on November 15, 2021 (A-share stock code: 920239; the stock code was changed from "836239" to "920239" with effect from October 9, 2025). The Company is a subsidiary of Sichuan Changhong Electronic Holding Group Co., Ltd., with its headquarters located in Mianyang, Sichuan Province. It has three controlled subsidiaries: Zhejiang Changhong Camelion Electric Appliance Industry Co., Ltd., Changhong Sanjie NewEnergy Co., Ltd., and Shenzhen Changhong Juheyuan Technology Co., Ltd. Changhong Newenergy has received honors, including "High-tech Enterprise", "Sichuan Province Science and Technology Progress Award", "Top 100 Enterprises in China's Battery Industry", "Sichuan Province Technological Innovation Demonstration Enterprise", "Top Ten Environmental Protection Enterprises of the Fourth Session in Mianyang", and "Mianyang Labor Medal".

Company Culture




Organizational structure





Business Portfolio

Changhong Newenergy is a national high-tech enterprise integrating the R&D, manufacturing and sales of a full range of alkaline batteries, cylindrical high-rate lithium batteries and polymer lithium-ion batteries. It is a provider of technical solutions and products for the design, development, production and sales of alkaline manganese batteries and lithium batteries, a national-level specialized, sophisticated, distinctive and innovative "Little Giant" enterprise, and the largest production base for high-rate cylindrical lithium batteries in western China.

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6 major manufacturing bases in Mianyang, Sichuan; Jiaxing, Zhejiang; Taixing, Jiangsu; Shenzhen, Guangdong; Huarong, Hunan; and Thailand.
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Electronic consumer products, power tools, cleaning tools, portable energy storage, smart terminals and other fields.
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Alkaline battery business, High-Rate Lithium-Ion Battery Business, and polymer lithium-ion battery business
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primary alkaline batteries rank No. 3 in China and among the global top five; high-rate lithium-ion batteries rank among the domestic top three in the high-rate niche market

2025 Highlights

Changhong Newenergy >>>>

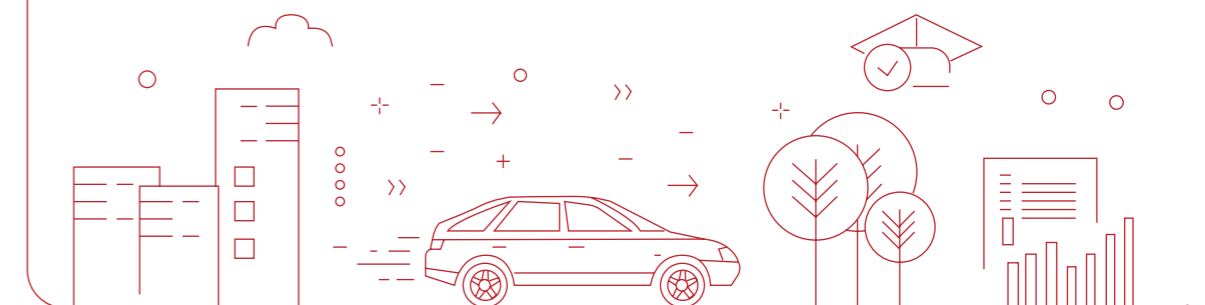
- Changhong Newenergy was selected for the Ministry of Industry and Information Technology's 2025 List of 5G Factories
- Changhong Newenergy's "Innovative Application of a Flexible Production Execution Management Platform for Discrete Manufacturing" was recognized as a **"2024 Typical Case of Real-Digital Economy Integration"** by the Ministry of Industry and Information Technology
- Changhong Newenergy was awarded the title of **"2024 Green Factory"** by Ministry of Industry and Information Technology
- Changhong Newenergy was awarded the title of **"2025 Advanced Smart Factory of Sichuan Province"**
- Changhong Newenergy was awarded the title of Benchmark Enterprise for **"intelligent transformation and digitalization"** in Mianyang's manufacturing industry for 2024
- Changhong Newenergy received the "ESG Value Pioneer" award among the Top Ten Pioneer Cases at the 8th Photovoltaic and Energy Storage Industry Investment and Financing Forum

Changhong Camelion >>>>

- Changhong Camelion was awarded the title of **"Zhejiang Green Factory"**
- Changhong Camelion was awarded the title of **"Zhejiang Industrial Internet Platform"**
- Changhong Camelion passed the review and retained the title of **"Zhejiang Province Specialized, Sophisticated, Distinctive and Innovative SME"**

Changhong Sanjie >>>>

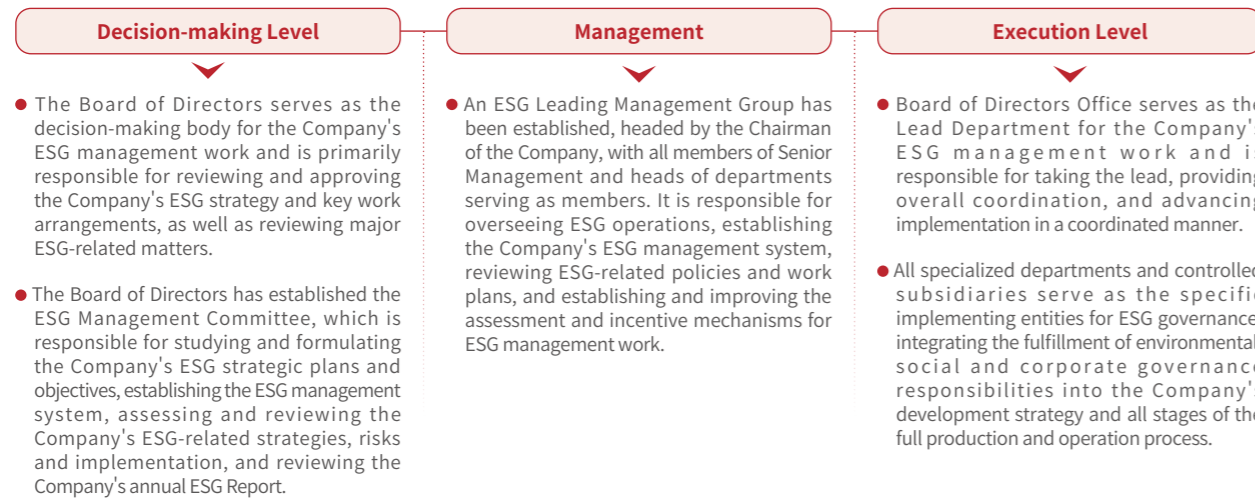
- Changhong Sanjie was awarded the title of **"Jiangsu Province Advanced Smart Factory"**



ESG Governance

ESG Governance Structure

Changhong Newenergy has formulated the Rules of Procedure of the Board ESG Management Committee, deployed sustainability work at different levels, clarified work objectives at each stage, and established a three-tier ESG governance structure of "decision-making-management-execution" with clear powers and responsibilities and efficient operations, thereby promoting the full integration of ESG work into all aspects of corporate development.



CASE | **Changhong Newenergy reviewed and approved the Rules of Procedure of the Board ESG Management Committee, strengthening the institutional foundation for ESG governance**

On September 4, 2025, Changhong Newenergy convened the 43rd meeting of the third session of the Board of Directors and reviewed and approved the Proposal on Formulating the Rules of Procedure of the Board ESG Management Committee. At the institutional level, this clarified the boundaries of powers and responsibilities, operating procedures, and management requirements for ESG governance, thereby providing solid institutional support for the Company's sustainability efforts. The main contents are as follows:

Clarifying the organizational structure and personnel requirements

The Board of Directors has established the ESG Management Committee, whose term of office is aligned with that of the Board of Directors. As a dedicated management body for ESG work, the Committee has an ESG Working Group under it to be responsible for day-to-day execution. The Committee shall comprise no fewer than three members, all of whom shall be incumbent directors, including at least one independent director, with the Chairman of the Board serving as the chair of the Committee. Committee members shall be capable of identifying ESG-related risks and opportunities that may have a material impact on the Company's development, providing guidance for enhancing the Company's ESG management, and overseeing the advancement and implementation of the Company's ESG work. Members of the Working Group shall be assigned as needed and are not limited to members of the Committee.

Defining the boundaries of core powers and responsibilities

The Committee is mainly responsible for top-level design, supervision and review. Its duties include studying and formulating the Company's ESG strategic plans and objectives, establishing the management system, assessing and reviewing the Company's ESG-related strategies, risks and implementation, and reviewing the Company's annual ESG Report. The Working Group focuses on implementation and execution, undertaking such work as drafting policies, cross-departmental coordination, identifying ESG risks and opportunities, preparing and disclosing the ESG Report, and tracking industry regulations and development trends. The Company provides the Committee with sufficient resources, and relevant departments offer full support. All proposals of the Committee are submitted to the Board of Directors for review.

Standardizing decision-making and meeting management

A decision-making process of "Working Group proposal - Committee review - Board approval - Working Group implementation" has been established. The Committee shall convene at least one meeting each year. Extraordinary meetings may be proposed by the Chairman of the Board, the convener, the General Manager, or others. A meeting requires the attendance of more than two-thirds of all Committee members, and resolutions shall be adopted by a majority vote of all Committee members. Minutes of meetings shall be retained by the Board Secretary for ten years, and all participants shall be subject to confidentiality obligations in respect of the matters discussed.

ESG Institutional System

Changhong Newenergy has established and improved its ESG-related institutional system. By formulating the Rules of Procedure of the Board ESG Management Committee, it has further clarified the top-level design, organizational development, duties and authorities, and workflow of ESG work. At the same time, focusing on key ESG material topics such as ecological and environmental protection, green and low-carbon development, safety and quality, and scientific and technological innovation, the Company has formulated special policies and measures to provide strong institutional support for its affiliated enterprises in advancing ESG management in a standardized manner and implementing sustainability requirements.

ESG capacity building

Taking the promotion of ESG concepts and capability enhancement as key priorities, Changhong Newenergy has steadily improved its professional ESG management capabilities. It regularly invites external experts and professional lecturers to provide ESG-specific training to Board members and management personnel at and above the middle-management level, while also organizing relevant personnel to participate in external ESG training programs. In this way, the Company continues to strengthen ESG capabilities across the workforce and build a solid capability foundation for improving the overall standard of its ESG work.

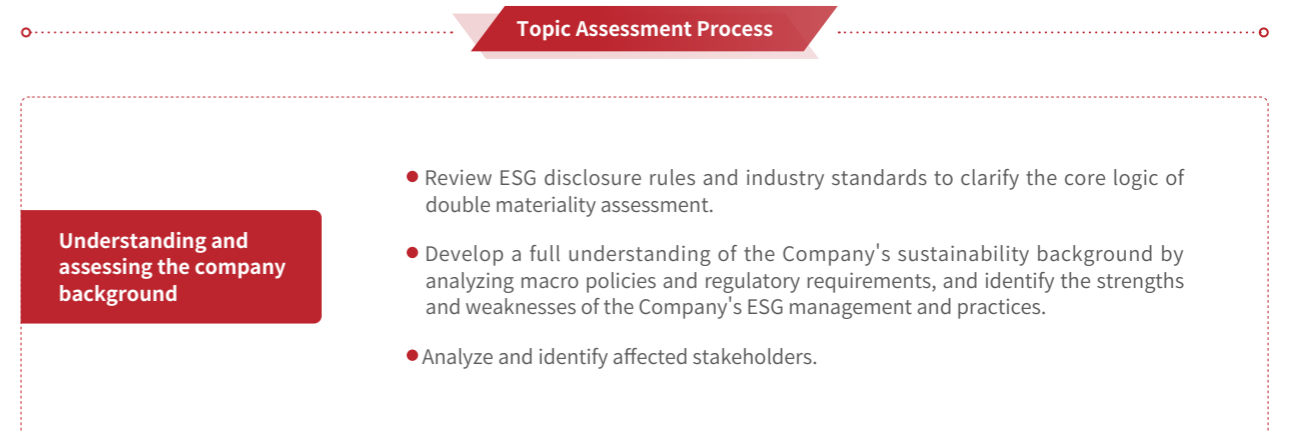
In 2025, the Company conducted ESG-focused training for the Board of Directors, effectively enhancing Board members' ESG awareness and management mindset, and further promoting the Board's in-depth participation in the Company's ESG-related decision-making and deployment.

ESG Due Diligence

To ensure the high-quality preparation of the ESG Report, Changhong Newenergy organized multiple departments, including the Development Management Division, General Human Resources Department, Safety and Environmental Protection Department, Procurement Department, Production Management Division, Technology Center, Quality Supervision and Management Division, Labor Union, and Compliance and Risk Prevention and Control Department, to jointly conduct ESG due diligence. A systematic internal review and comprehensive assessment were carried out on the ESG performance, risks, and compliance status of the Company and its key related parties. No priority non-conformities were identified in this due diligence exercise, and the Company's relevant performance is aligned with customers' requirements for supplier social responsibility and ESG management.

Materiality Analysis

In active response to the requirements of the Guidelines on Sustainability Reports for Listed Companies issued by the Shanghai, Shenzhen and Beijing stock exchanges regarding the identification and analysis of double materiality topics, and with reference to the methods and procedures for topic materiality analysis under sustainability disclosure standards such as the China Enterprise Sustainability Disclosure Guidelines (CASS-ESG 6.0), Changhong Newenergy conducted preliminary identification and screening of ESG topics in light of its corporate strategy and industry characteristics. The Company then carried out an assessment and analysis of this year's material topics from the two dimensions of financial materiality and impact materiality, and provided focused responses to them in this report.



Preliminary screening of topics

- Analyze macro trends, industry developments and regulatory requirements to determine the direction of topic relevance.
- Combine benchmarking against standards, peer benchmarking and policy analysis to preliminarily identify key sustainability topics and establish the 2025 topic pool.

Assessment of topic materiality

- Assess financial materiality:** determine the extent to which a topic affects the Company's business operations, financial condition and development strategy.
- Assess impact materiality:** determine the scope and scale of the actual or potential impact of a topic on the economy, society and the environment.

Dynamic adjustment and confirmation of topics









- Incorporate business materials accumulated during the preparation of the report to deepen understanding of the Company's operations and dynamically adjust the conclusions of the double materiality assessment.
- Optimize the topic materiality matrix based on the adjustment results.

Changhong Newenergy 2025 ESG Materiality Matrix

Highly Material	<ul style="list-style-type: none"> Pollutant emission Waste disposal Environmental compliance management Supply chain security Employee Occupational health 	<ul style="list-style-type: none"> and work safety Data security and customer privacy protection Stakeholder communication Anti-bribery and anti-corruption 	<ul style="list-style-type: none"> Combat with climate change Energy utilization Utilization of water resources Circular economy 	
Impact Materiality	<ul style="list-style-type: none"> Ecosystem and Biodiversity Protection Green Operations Industry Development Equal treatment for small and medium enterprises 	<ul style="list-style-type: none"> Rural revitalization and social contribution Due diligence Anti-unfair competition Technology Ethics 	<ul style="list-style-type: none"> Product and service safety and quality Innovation driving 	
	Material	Financial Materiality	Highly Material	

Communication with stakeholders

Changhong Newenergy attaches great importance to communication and exchanges with internal and external stakeholders. Centering on the concerns and development needs of various parties, the Company has kept communication channels open and, through an open, transparent, pragmatic and efficient communication mechanism, actively listened to stakeholder needs and responded positively to expectations. It works hand in hand with stakeholders for coordinated development and jointly builds a sustainable development ecosystem featuring win-win outcomes for the economy, society and the environment.

Stakeholder	Expectations and Demands	Communication and Response
 Government and Regulatory Authorities	Law-based compliance Further scientific and technological innovation	Tax payment according to laws Further intelligent transformation and digitalization
 Shareholders and Investors	Risk prevention and control Investment return and growth Enhancing information disclosure Investor communication	Strengthen risk management Improve business performance Issue announcements Results briefings Investor hotline
 Customer	Product quality and safety Providing quality services	Product quality, safety and testing Conduct customer satisfaction surveys Actively respond to customer complaints Data security and customer privacy protection
 Employee	Protection of rights and interests of employees Employee development and training Occupational health and safety All-round employee care	Workers' congress Conduct tiered and targeted training Organize employee medical examinations Upgrade equipment and optimize the working environment Provide care for employees in need
 Suppliers / Distributors / Partners	Industrial cooperation and development Mutual benefit and win-win cooperation with partners Supplier ESG Management	Industry exhibitions / seminars Build a green and clean supply chain Full lifecycle management of suppliers
 Community	Public welfare and charity and volunteer services Ecosystem and biodiversity protection	Regular public welfare activities Set up monitoring points around plant areas
 Media and the Public	Interviews and exchanges Accept media supervision	Media interviews and reports Proactive information disclosure
 Environment	Resource recycling and utilization Combat with climate change Pollution prevention and control	Optimize the recycling system Promote digital and intelligent technologies Use clean energy Classified treatment of wastewater, waste gas and waste

Responsibility Section

Sound Governance Empowers Operations, Refined Management Improves Quality and Efficiency

Guided by its vision of "becoming a world-class new energy enterprise", Changhong Newenergy focuses on both business and financial performance as dual priorities. By leveraging sound governance to empower operations and refined management to strengthen the foundation, the Company deepens value creation across the entire value chain and effectively enhances its operational and management capabilities. Adhering to the principles of stabilizing existing business, strengthening incremental growth, building development momentum, and improving quality, the Company is committed to establishing a new development paradigm in the new energy sector featuring multi-domain coordination and multi-pole support. With unwavering commitment, sustained confidence, and persistent resilience, it continues to forge ahead with determination.

Sound Governance Empowerment: Modernized Governance Activates Organizational Vitality

Management focuses on doing things right, aiming to improve efficiency. Following the development philosophy of "strengthening, expanding, and innovating", Changhong Newenergy has established a strategic system characterized by business specialization and integrated management. It has also developed incentive mechanisms aligned with human motivation, strengthened talent development, and continuously deepened management innovation and reform of operational systems and mechanisms, thereby fully unleashing endogenous organizational momentum and growth vitality.



In January 2025, Changhong Newenergy conducted an exchange on refined management practices with Changhong AI-Link Technology Co., Ltd.

Upgrade of Strategic System

- Three-pronged driving strategy:** Establishing the strategic direction of "strengthening alkaline battery business, expanding lithium battery business, and developing new specialty batteries"
- Integrated management:** Building a governance structure with the headquarters as the management hub and decision-making center, coordinating the formulation of development strategies, allocation of resources, and integration of supply chain and market resources
- Business specialization:** Tailoring mechanisms and development plans for subsidiaries; revising core institutional systems such as credit management, compliance, contract management, and supply chain management; standardizing R&D and manufacturing processes; and strengthening quality control

Innovation in Incentive Mechanisms

- Equity incentive:** As one of the pilot enterprises for employee stock ownership plans, the Company leverages policy support to implement equity incentives and stimulate employees' intrinsic motivation
- Performance alignment:** Promoting the "passion-driven management + KPI-based performance contract" model, integrating individual goals with organizational objectives for employees, and improving incentive and constraint mechanisms through KPI-based performance contracts
- System restructuring:** Fully restructuring the marketing system, shifting from individual-based operations to team-based collaboration, linking sales commissions with operational indicators such as cash collection and accounts receivable, and reinforcing a performance-oriented culture

Strengthening the Talent Pipeline

- Attracting top talent:** Building a high-level R&D talent team comprising professor-level senior engineers and senior engineers as the leading core
- Pipeline development:** Strengthening talent pipeline development and management team building through mechanisms such as master-apprentice mentoring, A/B role backup arrangements, and the assistant-to-manager scheme
- Targeted talent cultivation:** Implementing differentiated training approaches to enhance workforce competency

Refined Management for Quality Improvement: Enhancing Management Precision to Consolidate Development Foundations

Operations emphasize doing the right things, aiming to maximize efficiency and effectiveness. Anchored on the goals of "ultimate efficiency and minimal cost", Changhong Newenergy has advanced foundational strengthening initiatives in depth. By embedding refined management concepts throughout the entire production and operation value chain, leveraging lean management to unlock internal potential, and empowering efficiency through digital and intelligent transformation, the Company has made management refinement a core capability to navigate industry cycles and enhance market competitiveness.

In 2025, refined management delivered the following results:

- Battery performance uniformity on production lines improved by **6%**
- Production efficiency increased by **10%**
- Process scrap rate reduced by **30%–50%**
- Coverage rate of key quality control reached **100%**

Lean Management Penetrating to the Grassroots

Mechanism improvement: Establishing a company-wide problem-solving mechanism, from forming cost reduction and efficiency enhancement teams and equipment task forces to analyzing the cost structure of each order and marginal contribution gross profit of each product, enabling targeted management and mobilizing all employees' initiative

Model introduction: Introducing the Amoeba management model, treating each team as an independent operating unit, fostering a culture where everyone contributes to efficiency and innovation

Team Management to Build Synergy

Unified alignment: Upholding "unified thinking, unified goals, and unified actions", and regularly organizing operational analysis meetings and strategic seminars to ensure alignment and execution across all levels

Enhanced communication: Establishing shared platforms and communication mechanisms to strengthen resource and information connectivity

Cultural development: Promoting corporate culture development, strengthening mentoring for new employees, and fostering a culture of open knowledge sharing and meticulous guidance

Digital and Intelligent Management for Quality and Efficiency Improvement

Intelligent transformation and digitalization: Actively promoting intelligent transformation and digitalization initiatives, establishing a 5G intelligent control center, and deploying a 5G (SA) + MEC private network to enable full-process data management for production, quality inspection, and logistics across Mianyang and other subsidiary locations



Changhong New Energy Intelligent Control Center



Changhong New Energy Intelligent Manufacturing Production Line



Focus on Core Business:

Driving Value through Innovation and Quality

In 2025, Changhong Newenergy remained committed to its core business positioning, adhering to a dual-driven approach of innovation and quality. By deepening its presence in core sectors, the Company empowered industrial upgrading: Taking scientific and technological innovation as the core, it strengthened breakthroughs in key technologies to activate development momentum; Taking lean quality management as the guiding principle, it strictly safeguarded product safety and established new benchmarks for quality; Taking industrial collaboration as the link, it fostered consensus across the supply chain and cultivated technological innovation capability, industry leadership, and market influence. These efforts injected strong momentum into promoting high-quality industrial development and building a new industrial landscape.

Scientific and Technological Innovation: Leading the Future with Intelligence	18
Craftsmanship Manufacturing: Excellence in Safety	25
Industrial Collaboration: Connected Supply Chains for Shared Success	33

R&D investment: RMB **179**million

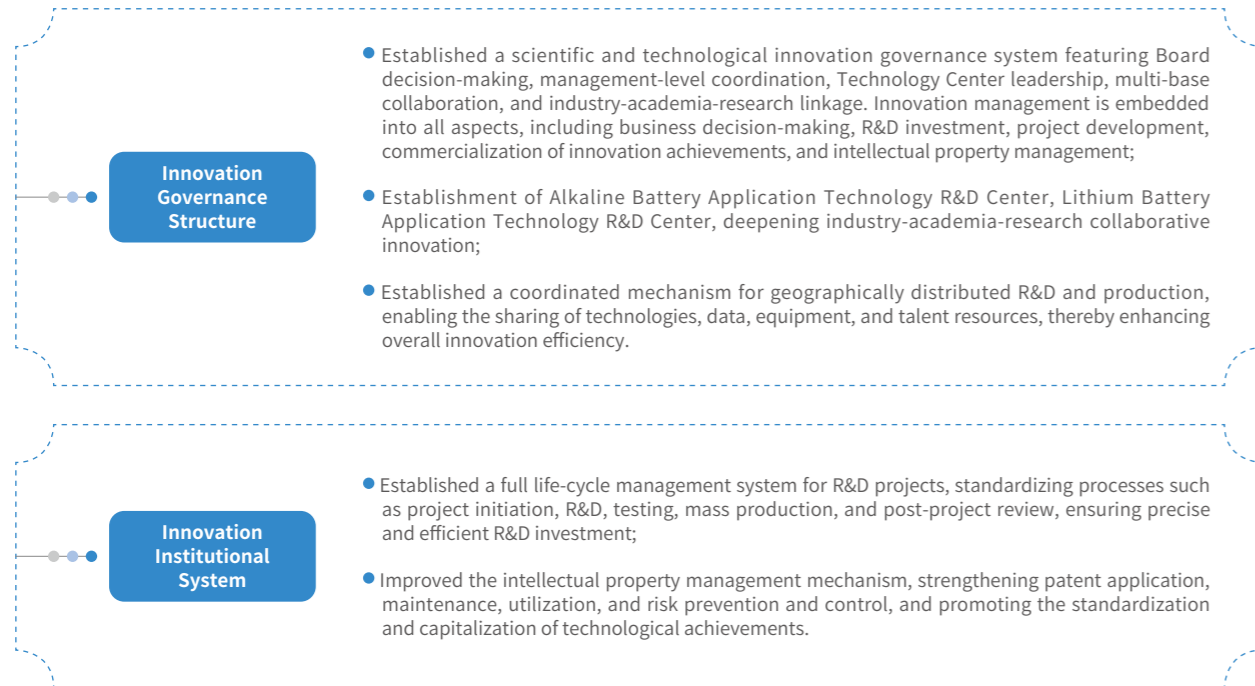
Total number of patents: **295**



Scientific and Technological Innovation: Leading the Future with Intelligence

Governance

Changhong Newenergy has incorporated scientific and technological innovation into its top-level governance framework, establishing a full-process innovation governance system covering R&D planning, technology management, commercialization of innovation achievements, and intellectual property protection. Through standardized management, specialized organization, and systematic support, the Company provides stable governance assurance for technological innovation and digital and intelligent transformation.



Strategy

Guided by its brand philosophy of "technology empowerment for good business", Changhong Newenergy adheres to the development strategy of "technology-driven leadership and product excellence" and the R&D orientation of "technology commercialization and market-driven technology development". Focusing on three core business lines—alkaline batteries, high-rate lithium batteries, and polymer lithium-ion batteries—the Company is driven by both technological innovation and digital and intelligent transformation. Through systematic identification of risks and opportunities across the innovation lifecycle, and by implementing measures such as breakthroughs in key technologies, development of high-end products, industry-academia-research collaboration, and efficient commercialization of achievements, the Company continuously builds technological barriers and core market competitiveness.

List of Risks Related to Scientific and Technological Innovation

Risks Type	Risk Description	Business and Financial Impact	Time Horizon	Risks Level	Management Strategy
Battery technology iteration risk	Accelerated iteration of new materials, processes, and structures in the battery industry; lagging deployment in cutting-edge technologies such as high-nickel, silicon-carbon, and semi-solid-state batteries may lead to substitution risks for existing alkaline and lithium battery products	Decline in product competitiveness, shrinkage in high-end market share, pressure on revenue and gross margin	Medium term (1-5 years) Long term (5+ years)	High	Building an R&D system that supports "production of one generation, reserve of another, and R&D of a third", focusing on tackling core technologies across three major business lines to maintain technology iteration leadership.
R&D investment and commercialization risk	High investment and long cycles in key technologies such as plastic-free alkaline batteries and high-rate lithium batteries; failure to achieve expected breakthroughs or insufficient mass production adaptability may result in failure to realize returns on R&D investment	Waste of R&D costs, delayed product iteration, missed market opportunities	Medium term (1-5 years)	Medium	Formulate annual technology innovation plans aligned with short-, medium-, and long-term trends; strengthen full life-cycle project management; establish pilot-to-mass-production linkage mechanisms to improve commercialization efficiency.
supply risk	Shortage of high-end R&D talent in high-rate lithium batteries, polymer batteries, and digital and intelligent manufacturing may constrain technological innovation and production line upgrades	Extended R&D cycles, delayed technology breakthroughs, increased innovation costs	Long term (5+ years)	Medium	Adhere to a people-oriented approach and innovation; improve talent attraction, development, retention, and utilization mechanisms; foster an inclusive and efficient R&D environment; support new employees' rapid growth through comprehensive mentoring
Overseas compliance and carbon barrier risk	Stricter overseas standards such as EU CBAM, plastic-free requirements, and SWAN certification; mismatch between product technology and compliance requirements may affect export of alkaline and lithium batteries	Increased compliance costs, restricted market access, loss of export orders	Short term (within one year) Medium term (1-5 years)	High	Proactively participate in domestic and international standard-setting; advance deployment of plastic-free and low-carbon compliance technologies to meet overseas certification and carbon footprint requirements
Supply chain technology coordination risk	Lagging technological upgrades of upstream raw materials (zinc, manganese, lithium) and equipment suppliers may constrain battery performance improvements and mass production efficiency, affecting product delivery	Limited product performance improvement, reduced production efficiency, extended delivery cycles	Medium term (1-5 years)	Medium	Strengthen supply chain technology coordination; integrate technical requirements into supplier management; promote synchronized technological upgrades among key suppliers, ensuring collaborative innovation across the industrial chain.

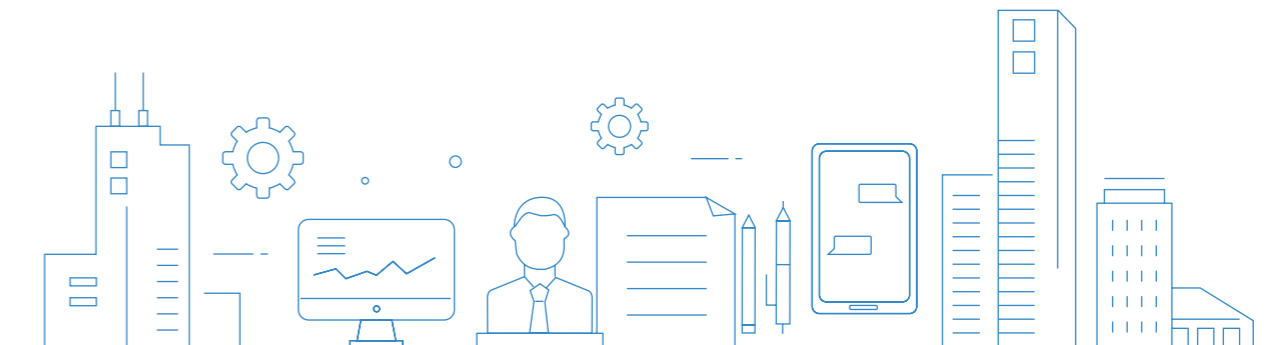


List of Opportunities Related to Scientific and Technological Innovation

Opportunity Type	Opportunity description	Business and Financial Impact	Time Horizon	Value of Opportunity Level	Management Strategy
Breakthroughs in core technologies	Breakthroughs in ultra-high-performance alkaline batteries, high-nickel silicon-carbon lithium batteries, semi-solid-state batteries, and L-shaped stacked batteries to create differentiated product competitiveness.	Increased product premium, expanded high-end market share, growth in revenue and gross margin.	Medium term (1-5 years) Long term (5+ years)	High	Tackling core technologies across the three major business lines, promoting the industrialization of ultra-high-performance alkaline batteries, high-rate lithium batteries, etc., and entering the supply chains of high-end customers.
Digital and intelligent manufacturing upgrade	Application of technologies such as 5G + digital twin, AI inspection, and IMES systems to achieve automated, unmanned alkaline and lithium battery production lines, improving production efficiency and yield.	Reduced operating costs, improved production efficiency, enhanced profitability	Short term (within one year) Medium term (1-5 years)	High	Using digital twin technology to build a cross-provincial remote collaborative management model, synchronizing all production scenarios at off-site plants to the headquarters' data center to achieve cross-regional production visualization and real-time data synchronization. Integrating 5G and the IMES big data system to enable efficient collaboration of intelligent equipment across production lines, achieving seamless coordination between collaborative robot packing and AGV cart transfer, and realizing unmanned, automated logistics operations.
Emerging market opportunities	Rapid growth in demand for high-safety, high-energy-density batteries in emerging terminals such as eVTOL, humanoid robots, and drones, opening up differentiated growth poles.	Expansion of market space, optimized order structure, cultivation of new performance growth drivers.	Long term (5+ years)	High	Addressing the core demand of emerging terminals such as eVTOL and humanoid robots for "increased energy density and safety within limited space", conducting technological breakthroughs to seize the high ground in industrial upgrading.
Industry standard leadership	Leading or participating in the formulation of national and industry standards for alkaline and lithium batteries to enhance industry influence and brand recognition	Enhanced brand value and market recognition, supporting domestic and international market expansion	Long term (5+ years)	High	Continuously participating in the formulation and revision of national standards, strengthening the coordinated layout of patents and standards, and consolidating the Company's leading technological position in the battery industry.
Green and low-carbon technology	Application of low-carbon processes, green power adaptation, and carbon footprint accounting technologies aligned with carbon peaking and carbon neutrality strategy and customer low-carbon demand, improving product market competitiveness.	Policy support, improved brand image, acquisition of high-end customer orders	Medium term (1-5 years) Long term (5+ years)	High	Promoting low-carbon process R&D, improving product carbon footprint accounting, empowering products with low-carbon technologies, and seizing green market opportunities.
Industry-academia-research collaboration	Leveraged the Lighthouse Laboratory for new energy materials to deepen industry-academia-research collaboration and overcome bottlenecks in new materials and processes	Shortened R&D cycles, reduced innovation costs, strengthened technological barriers	Medium term (1-5 years)	Medium	Leveraged the Group's Lighthouse Laboratory platform for new energy materials to establish a New Energy Competitiveness Laboratory, conducting cutting-edge new materials research, deepening industry-academia-research collaboration, and advancing the commercialization of technological achievements.

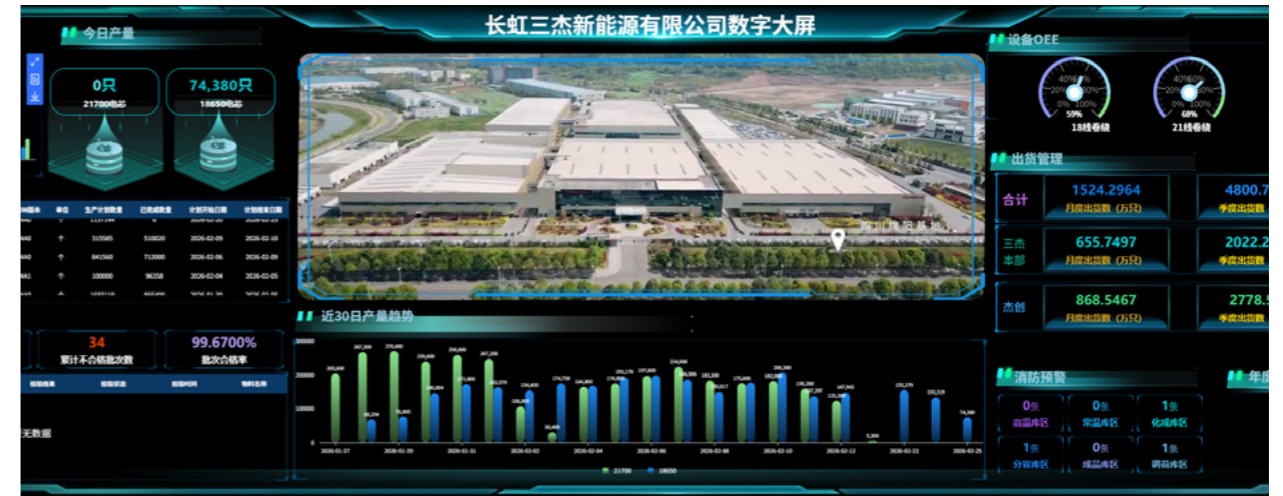
Impact, risk, and opportunity management

Changhong Newenergy has established a comprehensive management mechanism covering identification, assessment, monitoring, response, and optimization of innovation-related impacts, risks, and opportunities. Focusing on technology R&D, product iteration, digital and intelligent transformation, commercialization of achievements, and compliance standards, the Company ensures that innovation risks are controllable and opportunities are effectively converted, thereby continuously improving the effectiveness of its innovation system.



Indicators and targets

Key Indicators	Target at the Beginning of 2025	Performance / Progress by the End of 2025	Achievement Status
R&D investment	Maintain stable investment	R&D investment of RMB 179 million, up 13.41% year-on-year	Achieved
Number of valid patents	Steady growth	Total patents reached 295	Achieved
Digital and intelligent factory	Completion	Selected for the Ministry of Industry and Information Technology's "2025 5G Factory List"	Exceeded target
Key core technologies	Achieve breakthroughs	Formed key technologies such as ultra-high-performance alkaline manganese batteries, 10-year shelf-life alkaline manganese batteries, and automated and intelligent manufacturing technologies	Achieved
New product R&D application	Expand product categories and application scenarios	Successfully developed multiple battery types applied in smart home, medical testing, transportation tools, AR+ and other fields	Achieved
Mass production of new products	Expand product categories and application scenarios	Semi-solid-state batteries, L-shaped stacked batteries, silicon-anode batteries ,Full Tab Battery reached mass production stage	Achieved
Participation in standards	Participate in standard formulation and revision	Participated in the revision of three national standards: GB 8897.1/2/3	Exceeded target



Changhong Sanjie Intelligent Transformation and Digitalization Dashboard

Annual Highlights · Digital and Intelligent Innovation

- Changhong Newenergy was awarded the title of Benchmark Enterprise for "intelligent transformation and digitalization" in Mianyang's manufacturing industry for 2024
- The alkaline zinc-manganese battery production line technological transformation project of Changhong Camelion was awarded as a Jiaxing municipal-level industrial and information development funding project.

Annual Focus · Exhibition of Technological Innovation Achievements Across Changhong Newenergy's Three Major Business Lines

[Alkaline Battery Business]

Accelerating high-end R&D

Focusing on the development of ultra-high-performance products such as LR6H (E9+), LR14 (D9+), and LR03H (E9+), the Company has achieved breakthroughs in cathode formulation, structural design, and new material applications, promoting product performance upgrades and industrialization.

Breaking through technical bottlenecks

In response to EU plastic-free requirements, the Company has established full-series paper-based packaging capabilities for alkaline battery products, overcoming technical bottlenecks in steel shell anti-corrosion, structural design, and equipment adaptation.

Improving R&D efficiency

6 new pieces of equipment, including adhesive coating, crimping and scoring, and high/low temperature testing equipment, have been added to laboratories. The Camelion base has established dedicated cathode and anode laboratories, increasing R&D testing efficiency by **30%**.

Strengthening intellectual property protection

The Company has enhanced its intellectual property and standards system, applying for **16** new patents (**3** invention patents and **13** utility model patents) and obtaining **7** authorized patents (including **4** invention patents). It has also participated in revising three national standards—GB 8897.1/2/3—further strengthening its industry influence.

CASE | Changhong Sanjie Deepens Its Presence in the Lithium Battery Sector, Phase IV Project Enhances Capacity and Quality

In July 2025, the Phase IV project of Changhong Sanjie Taizhou, featuring an 18650 lithium battery intelligent production line, was officially put into operation. The production line is highly automated and intelligent, with an output of 300 batteries per minute. It is equipped with a full-line CCD inspection system and applies AI technologies for full-process quality inspection. Combined with a data center "smart brain", it enables refined production management. Changhong Sanjie has deeply focused on the high-rate battery segment, with direct R&D investment accounting for $\geq 4\%$ of annual sales revenue. As of December 2025, Changhong Sanjie had applied for over 110 patents, with approximately 100 patents granted. Its 21700-5000mAh battery has gained market recognition and successfully entered the supply chain of Anker, with products applied in high-end products such as the MagGo Power Bank.



Changhong Sanjie Phase IV Project Production Workshop



Lithium Battery Intelligent Production Line

High capacity and extended endurance

Batteries for smart security devices adopt EMC-compliant technologies to enhance adaptability in complex electromagnetic environments. Power solutions for smart locks improve energy density through structural optimization, increasing endurance by 20%, while innovatively replacing common-mode inductors with magnetic beads to balance cost and reliability.

High safety and ease of operation

Portable device batteries integrate multiple hardware protection schemes, covering scenarios such as overcharge and over-discharge. Backup power supplies adopt an "AFE + ARM" architecture to enable intelligent diagnostics and fault traceability. High-rate device batteries feature slide rails and quick-plug interfaces, improving battery replacement convenience and accuracy.

Strong adaptability and long service life

Aviation backup power supplies are compatible with dual charging ports, featuring military-grade structures and balanced sampling technology to operate under extreme conditions. Drone batteries optimize heat dissipation paths and introduce laser welding processes, effectively improving temperature rise and cycle life.

Intelligent and precise control

Power systems for sports equipment use the I2C protocol to enable precise monitoring of parameters such as SOC, with an error margin of less than 5%. Commuter vehicle batteries are equipped with RS485 communication and low-temperature startup mechanisms, enhancing adaptability in cold environments.

Rich intellectual achievements

4 patents have been accepted, covering design patents, utility models, and invention patents, demonstrating notable achievements in technological innovation and intellectual property protection.

Stable battery system

The Company has introduced 9-series high-nickel materials combined with CVD silicon-carbon composites, significantly improving battery energy density. It has also optimized electrolyte formulation to enhance impedance performance and cycle stability under high-rate conditions.

Optimized product performance

By precisely controlling the jelly-roll diameter and optimizing the electrode calendaring process, the Company has improved mechanical performance and safety. It has developed thin electrode technology and low-impedance electrolytes, and successfully launched tabless battery structures, effectively reducing temperature rise during high-rate discharge.

Improved production efficiency

Through measures such as adjusting material ratios, optimizing conductive networks, and improving electrolyte filling windows, the Company has further enhanced battery consistency and production efficiency.

Commercialization of innovation achievements

A total of 34 patents have been applied for, including 12 invention patents and 22 utility model patents.

Craftsmanship Manufacturing: Excellence in Safety

Governance

Changhong Newenergy upholds its corporate mission of "precision manufacturing, technological innovation, and benefiting humanity". It incorporates product safety and quality governance into its top-level governance framework, establishing a governance system featuring Board decision-making, management-level coordination, leadership by the Quality Supervision and Management Division, cross-departmental collaboration, and full accountability across all positions. This system covers the entire value chain, including R&D, procurement, production, inspection, sales, and after-sales service. Through institutional improvement, organizational safeguards, accountability implementation, and supervision and accountability mechanisms, the Company has established a standardized, regulated, and digitalized product safety and quality governance system, strictly adhering to safety baselines and quality red lines.

Improving Organizational Structure

- Established a Quality Management Committee, appointing quality leaders at all levels and implementing a joint sign-off mechanism to optimize quality control processes and review mechanisms;
- Designated the Quality Supervision and Management Division as the lead department for quality management, responsible for overall coordination of full-process quality control, system management, accountability for quality incidents, customer complaint handling, and quality supervision of subsidiaries;
- Established a cross-departmental coordination mechanism covering "R&D – procurement – production – inspection – sales – after-sales", ensuring full accountability for quality across all personnel and embedding the philosophy of building a quality-driven enterprise throughout the entire value chain.

Improving Institutional Mechanisms

- Enhancing traceability mechanisms:** The Company has established the Measures for Identification and Traceability Control, recording and labeling raw material batch information, production data, and product information. Through the construction and continuous improvement of the MES system, traceability timeliness and accuracy have been further enhanced.
- Strengthening process control:** Strictly implementing the accountability mechanism for quality incidents, the Company conducts daily sampling inspections of key processes, bi-monthly inspections of battery cell impurities, and monthly dual reviews of "compliance + effectiveness". It has also improved ODM product control processes to meet compliance requirements such as EU Battery Regulations and REACH.
- Standardizing emergency response:** The Company has established the Product Recall Management Measures to standardize response procedures and working methods for product recalls after delivery, ensuring rapid control of defective products in the market and minimizing customer losses.

Strategy

Changhong Newenergy adheres to the quality philosophy of "being responsible for the next process" and "manufactured with care for your confidence in use". Focusing on its three core product categories—alkaline manganese batteries, high-rate lithium batteries, and polymer lithium-ion batteries—the Company takes full-process quality control, full life-cycle safety assurance, digital and intelligent quality inspection upgrades, and customer-oriented service enhancement as strategic priorities. It systematically identifies risks and opportunities in areas such as product safety, quality stability, compliance certification, traceability management, and customer service, continuously improving product reliability, safety, and consistency, and building industry-leading quality competitiveness and brand reputation.

Description of Risk/Opportunity	Type	Business and Financial Impact	Time Horizon	Level of Risk/ Opportunity	Management Strategy
Product safety and compliance risk: Continuous upgrading of domestic and international battery safety standards, EU regulations, environmental protection, and certification requirements may lead to restricted market access, compliance penalties, or failed customer audits if not met.	Risks	Market access restrictions; Increased costs; Brand damage	Short term (within one year) Medium term (1-5 years)	High	Strengthen system certification and compliance testing to meet EU Battery Regulations, REACH, etc., and improve certification coverage for all product categories
Quality stability risk: Large-scale production across multiple bases, production lines, and product categories may lead to impurities, consistency fluctuations, and process deviations, resulting in quality incidents and customer complaints	Risks	Increased complaints; Higher rework costs; Customer loss	Short term (within one year) Medium term (1-5 years)	Medium	Strengthen sampling inspection of key processes and impurity control; implement daily reviews and monthly full-coverage supervision; enforce quality accountability
Traceability management risk: Untimely or inaccurate traceability of raw materials, production processes, and finished products may affect issue identification, complaint handling, and recall efficiency	Risks	Delayed response; Customer dissatisfaction; Compliance risks	Medium term (1-5 years)	Medium	Improve identification and traceability mechanisms through MES systems; conduct traceability drills to enhance full-chain traceability
Customer demand upgrade risk: Increasing requirements for battery safety, lifespan, and consistency from downstream sectors such as humanoid robots, power tools, medical devices, and smart homes may affect order acquisition if unmet.	Risks	Reduced orders; Decreased competitiveness	Medium term (1-5 years) Long term (5+ years)	Medium	Focus on high-end, high-performance, and high-safety product development; conduct customized R&D aligned with leading customer requirements
Digital and intelligent quality inspection opportunity: AI-based online inspection, CNAS laboratories, and SPC digital monitoring improve inspection accuracy and efficiency while reducing defect rates and labor costs	Opportunity	Reduced costs; Improved quality; Increased efficiency	Short term (within one year) Medium term (1-5 years)	High	Upgrade online inspection systems and promote full-process digital quality management with real-time monitoring and early warning
Full-chain traceability opportunity: Rapid and accurate traceability enhances emergency response capabilities, strengthens customer trust, and improves compliance competitiveness, and meets export and high-end customer requirements.	Opportunity	Increased trust; More orders; Reduced risks	Medium term (1-5 years)	High	Integrate production and supply chain data to significantly shorten traceability response time and support access to high-end markets
Quality brand enhancement opportunity: High-standard quality control and awards strengthen industry positioning and facilitate entry into high-end supply chains and emerging sectors	Opportunity	Brand premium market expansion Revenue growth	Long term (5+ years)	High	Participate in industry standards and pursue quality awards to build a high-performance, high-safety, and traceable brand image
Customer service upgrade opportunity: Efficient closed-loop complaint handling, privacy protection, and dedicated account-based service enhance customer satisfaction and loyalty, consolidating long-term cooperation.	Opportunity	Increased repeat purchases; Positive word-of-mouth; Stable market position	Short term (within one year) Medium term (1-5 years)	High	Establish closed-loop complaint handling mechanisms and customer satisfaction evaluation systems; strengthen customer data security management and precision services

Craftsmanship Delivers Quality Excellence

Focusing on three core battery categories—primary alkaline manganese batteries, high-rate lithium-ion batteries, and polymer lithium-ion batteries—Changhong Newenergy has established intelligent production capacity across multiple domestic and overseas manufacturing bases. The Company offers a full range of customized products and, leveraging advantages such as high performance and high safety, serves a wide array of application scenarios including household consumption, industrial equipment, and smart terminals. Through green and intelligent manufacturing, it empowers global markets and strengthens its industry competitiveness.

[Primary Alkaline Manganese Batteries]

- Production capability:** Has three major manufacturing bases in Mianyang, Sichuan; Jiaxing, Zhejiang; and Thailand, with dozens of advanced intelligent automated battery production lines; the highest production speed of intelligent lines reaches **900** batteries per minute
- Battery products:** Full range of alkaline batteries including LR20 (D), LR14 (C), LR6 (AA), LR03 (AAA), and 6LR61 (9V)
- Product features:** High performance, high capacity, high safety, long service life, flexibility, and consistency
- Application fields:** Medical testing, home life, audio-visual entertainment, office applications, and many other scenarios



Primary Alkaline Manganese Batteries



Application Fields

[High-rate Lithium-ion Batteries]

- Production capability:** Two major production bases in Mianyang, Sichuan and Taixing, Jiangsu, with **9** high-speed advanced production lines; the maximum speed of intelligent lines reaches **300** batteries per minute
- Battery products:** Cylindrical ternary lithium batteries, cylindrical lithium iron phosphate batteries, and cylindrical sodium-ion batteries
- Product features:** High charge-discharge rates, ultra-wide temperature performance, high safety, and high consistency
- Application fields:** Power tools, cleaning tools, transportation tools, household appliances, drones, robots, and other specialized applications



High-rate Lithium-ion Batteries



Application Fields

[Polymer Lithium-ion Batteries]

- ▶ **Production capability:** Two major production bases in Huarong, Hunan and Shenzhen, Guangdong, equipped with a full set of advanced polymer battery manufacturing equipment
- ▶ **Battery products:** Prismatic batteries, L-shaped batteries, curved batteries, tab batteries, semi-solid-state batteries, and others
- ▶ **Product features:** Ultra-wide temperature range, high energy density, flexible customization, fast charging, safety, and long cycle life
- ▶ **Application fields:** Consumer electronics, smart wearables, medical devices, smart home, and IoT terminals



Polymer Lithium-ion Batteries

Application Fields

Improving the Traceability Mechanism

- ▶ The Company has carried out product traceability drills to trace the manufacturing information of a specific batch of finished products and the corresponding batches of raw materials used, thereby verifying the effectiveness of the existing product identification and traceability system.
- ▶ It has strengthened the application of AI-based quality inspection by adding and upgrading online inspection systems in components, battery cells, packaging, and other processes, comprehensively upgrading the quality monitoring methods used during manufacturing and enhancing monitoring effectiveness.
- ▶ Relying on laboratories accredited by CNAS, the Company conducts comprehensive evaluations of discharge performance and safety performance for each batch of products before shipment to ensure shipment quality.

Strengthening Quality Control

- ▶ The Company has strengthened system certification and added control procedures for externally procured ODM products, reinforcing quality control in supplier admission, production supervision, product sampling inspection, and performance evaluation. It continues to meet product testing and certification requirements under the EU Battery Regulation, REACH SVHC, and other applicable requirements.
- ▶ It conducts daily sampling inspection of key product characteristics in critical processes and has increased the frequency of battery cell impurity risk inspections to twice a month, comprehensively screening for impurity risks across production lines. Each month, it performs full-coverage process supervision and audits, upgrading from compliance review to a dual review of "compliance + effectiveness", thereby improving process quality control.
- ▶ It has also improved shipment quality control by implementing full-process supervision and management, strictly reviewing shipment quality inspection reports, with particular focus on reports for key customers. For regular customers, it has optimized the format of outgoing inspection reports and adopted inspection ledger records to improve issuance efficiency.

CASE

Official Commissioning of Changhong Newenergy's Thailand Subsidiary Unleashes New Global Momentum for Green Batteries

In December 2025, Changhong NewEnergy (Thailand) Co., Ltd. was officially put into operation in the Chonburi Industrial Park. The project involved a total investment of RMB 246 million, and in its first phase established five intelligent production lines for high-end alkaline batteries, covering the full range of alkaline battery products including AA batteries. The plant adopts intelligent production and lean management, strictly implements green and environmental standards, and supports local industrial upgrading and employment development. The commissioning of the plant marks the establishment of Changhong Newenergy's "China-Thailand intelligent manufacturing + global sales" model. Going forward, Changhong Newenergy will further increase R&D investment in green technologies and battery recycling, promoting product upgrades toward "high performance, long service life, traceability, and recyclability", and serving global markets through green and intelligent manufacturing.



Celebration Ceremony for the Completion and Commissioning of Changhong NewEnergy (Thailand) Co., Ltd.

CASE

Changhong Newenergy Launches Quality and Safety Month Activities

In September 2025, Changhong Newenergy carried out its Quality Month campaign under the theme of "Guided by products, built on quality, striving for excellence through coordinated quality improvement". Through a series of measures—including improving the quality management organizational structure, establishing the Quality Management Committee, appointing quality leaders at all levels and implementing a joint sign-off mechanism, optimizing quality control procedures and review mechanisms, carrying out company-wide quality warning education, skills evaluations, and specialized training for inspection personnel, strengthening accountability for quality, revising and improving multiple work instructions and management standards, reinforcing standardized on-site 5S management, and advancing key problem-solving projects—the Company comprehensively reinforced product quality defenses through management upgrading, standards implementation, technology empowerment, and digital collaboration, thereby consolidating the foundation for high-quality development.

CASE

Changhong Newenergy Conducts Training on Packaging Process Quality and Equipment Operation Skills

In June 2025, Changhong Newenergy organized a special training session on "Packaging Process Quality Control and Equipment Operation" for more than 110 employees from the Packaging Department. The training covered packaging processes, quality control at key procedures, material management (including the differentiation of easily confused materials), equipment maintenance, fault handling, and safe operation. Through explanations of typical cases and interactive Q&A, it effectively improved employees' practical skills and awareness of quality responsibility, safeguarding the high-quality delivery of products.

Deepening Product Quality

Adhering to its Quality Philosophy of "Built with care, used with confidence", Changhong Newenergy upholds the quality management requirements of "strict control at incoming inspection, prudent control throughout the process, and precise control at shipment inspection". It has established a full-process management system covering product traceability, quality control, and standardized recall management, strictly safeguarding quality red lines and safety baselines. The Company embeds the philosophy of strengthening the enterprise through quality throughout the entire chain of product R&D, procurement, manufacturing, sales, and service, laying a solid foundation for high-quality development through quality and excellence.

CASE | 📄

Changhong Sanjie's Digital and Intelligent Full-process Quality Management Project Improves Production Efficiency

In 2025, through institutional restructuring, process optimization, and digital enablement, Changhong Sanjie established a digital and intelligent full-process quality management system covering incoming inspection in the supply chain, production traceability, abnormal order follow-up, SPC monitoring, and customer file maintenance, thereby improving both quality and efficiency.

Full-process quality supervision:

By establishing an enterprise brain system, Changhong Sanjie eliminated data silos across all links and enabled real-time collection, intelligent analysis, and visual display of quality data.

Traceability and efficiency improvement:

It achieved full-process traceability from raw materials to finished products, reducing traceability response time from 48 hours to 10 minutes and improving abnormal issue handling efficiency by 50%.

SPC digital standardization:

The system automatically generates SPC monitoring and control, reducing manual statistical output and improving efficiency by more than 80%.



Annual Highlights · Craftsmanship Quality

- Changhong Newenergy received the "Core Components Craftsmanship Award" at the first Yanshi Awards for Embodied Intelligent Humanoid Robots.
- Changhong Camelion was recognized by Chengnan Subdistrict, Jiaying Economic and Technological Development Zone, as a "2024 Industrial Enterprise for High-quality Development".

🎯 Serving Customers with Commitment

Guided by its Market Philosophy of "customer-oriented and focused on user needs", Changhong Newenergy integrates the core operating philosophy of "user-centeredness" throughout the full value chain of R&D, manufacturing, management, marketing, and service. It continuously improves its customer privacy protection mechanism, establishes a standardized closed-loop customer complaint handling system, responds efficiently to customer feedback and resolves issues effectively, and makes every effort to enhance customer satisfaction.

Responding to Customer Complaints

Establishing mechanisms: The Company has built and operated a customer complaint handling process that enables market-end feedback to be accurately synchronized in the first instance to production, technology, quality, and the Company's management. The analysis and handling results are assessed online, effectively improving complaint response timeliness and handling quality.

Precise issue identification: Dedicated complaint analysts are assigned to conduct detailed sample analysis for each complaint and, as needed, carry out teardown analysis and professional testing to accurately identify root causes, formulate improvement measures, and provide timely feedback to enhance customer service satisfaction.

Enhancing Customer Satisfaction

Regular response: The Company has established the Customer Satisfaction Evaluation Procedures, conducts customer satisfaction surveys on a regular basis, responds promptly to customer opinions and suggestions, and drives continuous improvement in products and management.

Standardized handling: Based on customer satisfaction survey results, it conducts analysis and prepares annual satisfaction reports, and implements targeted rectification and closed-loop improvement for quality issues.

Precise services: The Company adopts a dedicated account-based service model to accurately match customer needs, track order production, delivery, and after-sales service throughout the process, and build an integrated service system covering demand response, process tracking, and after-sales support, thereby continuously improving customer satisfaction.

CASE | 📄

Changhong Juheyuan Mobilizes the Entire Workforce to Deliver Orders in a Critical Campaign

In the second half of 2025, facing a surge in orders driven by rapid growth in applications across multiple fields, Changhong Juheyuan launched a dedicated delivery assurance campaign under the guiding principle that "ensuring delivery means safeguarding reputation and market share". The Company established a special delivery assurance task force and introduced an "hour-level" problem response mechanism. Management went to the workshops daily to oversee on-site execution, while Party member task forces remained at key positions. On the production side, a multi-shift operating model of "machines keep running when people rotate" was implemented, with process teams addressing issues on site. On the supply chain side, a "joint supply assurance" mechanism was established with key suppliers, and the intelligent MES system enabled efficient full-process coordination. As a result, the Company successfully completed multiple urgent orders, achieving high-quality delivery on schedule or even ahead of schedule, winning high recognition from domestic and overseas customers and further consolidating its strategic partnerships.

CASE | 📄

Changhong Sanjie Strengthens the Protection Line for Customer Privacy

Changhong Sanjie attaches great importance to customer privacy protection and strictly implements confidentiality rules and information management systems. From the technical control perspective, the Company has activated role-based access control in its CRM/customer management system, clearly defining permission boundaries and strictly prohibiting unauthorized viewing or bulk export of customer information, thereby preventing information leakage risks from the technical side. From the personnel management perspective, it organized all employees to sign confidentiality agreements and strengthened awareness of privacy protection and confidentiality compliance across the workforce. Through multidimensional controls and implementation, the Company has achieved notable results in customer privacy protection, realizing zero customer information leaks, zero violations, and zero complaints, and passed relevant compliance inspections in one attempt.

Impact, risk, and opportunity management

Changhong Newenergy has established a management mechanism covering the identification, assessment, monitoring, response, and optimization of impacts, risks, and opportunities relating to product safety and quality. It carries out full-chain management across the entire process, from raw material admission, production processes, finished product inspection, and shipment control to customer after-sales service, ensuring that quality risks are controllable, development opportunities are effectively converted, and product reliability and service assurance capabilities are continuously improved.

Identification and Assessment

- Based on compliance standards in the battery industry, market demand, customer feedback, and actual production and operational conditions, the Company systematically identifies and assesses risks and opportunities relating to product safety, quality stability, traceability management, and customer service, forms a list of key control items, and clarifies core risk points and directions for improvement.

Monitoring and Management

- It conducts regular monitoring throughout the full process, including incoming raw material inspection, key production processes, finished product shipment inspection, and customer complaints.
- It improves quality control measures such as AI online quality inspection, SPC digital monitoring, and full-item testing in CNAS-accredited laboratories, thereby enhancing process quality stability.
- It strictly implements the accountability mechanism for quality incidents, reinforces quality responsibility across all personnel, and strengthens closed-loop rectification of abnormal issues.
- Relying on the MES system, it improves the full-process traceability mechanism and enhances the efficiency of emergency response in areas such as customer complaints and product recalls.

Integration and Continuous Optimization

- The Company fully integrates product safety and quality management into all aspects of corporate strategy, R&D management, manufacturing, supply chain management, and customer service. Based on updates to industry standards, upgrades in customer demand, and internal operational data, the Company continuously optimizes quality control processes, traceability systems, and service mechanisms, thereby continuously improving product quality and customer satisfaction and consolidating the foundation for high-quality development.

Indicators and targets

Key Indicators	Target at the Beginning of 2025	Performance / Progress by the End of 2025	Achievement Status
Quality management system certification	Maintain and improve the quality management system certification	Passed ISO 9001 quality management system certification	Achieved
Customer complaint resolution rate	100%	100%	Achieved
Customer information leakage incidents	0 case	0 case	Achieved

Industrial Collaboration: Connected Supply Chains for Shared Success

Guided by the principles of openness, collaboration, and win-win cooperation, Changhong Newenergy advances both industry co-development and joint supply chain governance. By actively participating in the development of the industry ecosystem and in professional exchanges, the Company shares practical experience, builds consensus for development, and contributes to the establishment of a green and sustainable industrial ecosystem. At the same time, it continuously improves its procurement and supplier management systems, fully implements responsible procurement and full life-cycle supplier management, strictly enforces the requirements of transparent procurement and green procurement, and is committed to building a safe, transparent, and sustainable modern supply chain.

Industry Co-development

Changhong Newenergy is deeply integrated into the industry ecosystem. Taking openness and collaboration as its approach, it actively participates in activities organized by industry associations at various levels, technical exchange conferences, and other professional organizations, shares practical achievements, and empowers the industry's high-quality development through its own practices, thereby contributing to the building of a sustainable industrial ecosystem. In 2025, Changhong Newenergy received the Outstanding Contribution Award in the Battery Industry from the battery industry association.



In May 2025, Changhong Newenergy participated in the 17th Shenzhen International Battery Technology Exchange/Exhibition, where it showcased its solutions in areas such as alkaline batteries, consumer electronics, the Internet of Things, and AI, providing powerful energy systems for the AI era.



In September 2025, Changhong Newenergy showcased products including alkaline batteries, cylindrical high-rate batteries, polymer lithium batteries, and semi-solid-state lithium batteries at the International Lithium Battery Industry Conference, jointly promoting the industry toward a "new-quality future".



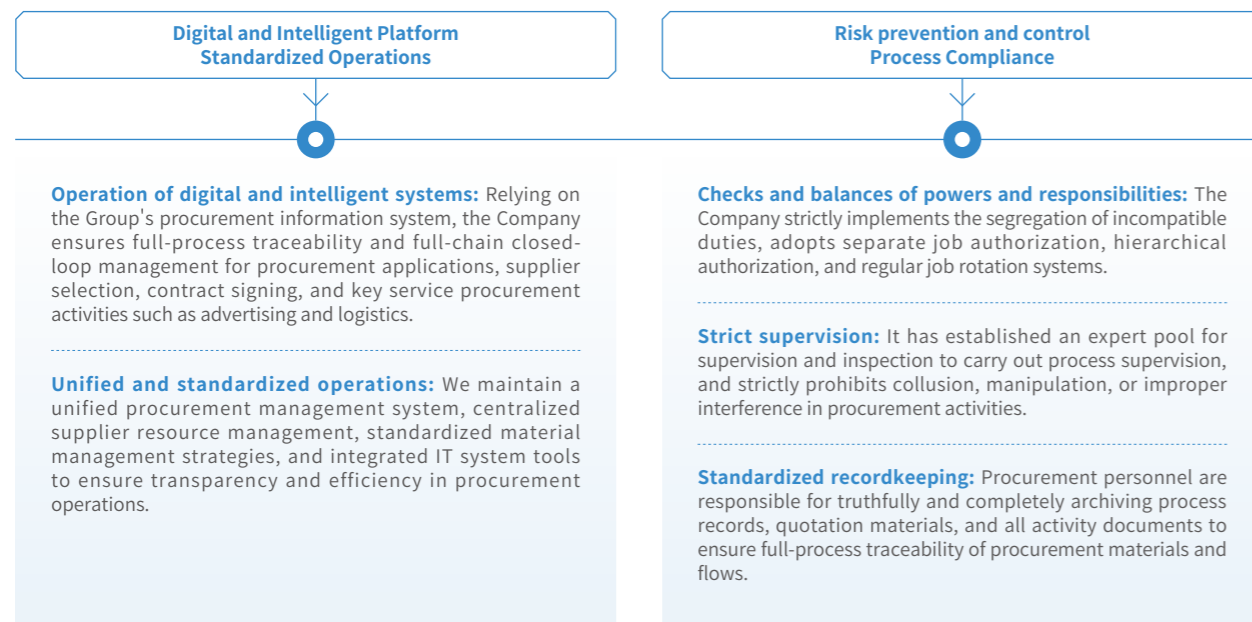
In November 2025, Changhong Newenergy signed the Framework Agreement on the Joint Establishment of a Laboratory by Changhong Newenergy and Xiangtan Electrochemical Group with Xiangtan Electrochemical Investment Group.

ESG Management of the Supply Chain

Changhong Newenergy has formulated a series of policies, including the Basic Management System for Material and Service Procurement, the Measures for Service Procurement Management, and the Basic Supplier Management System, to comprehensively advance responsible procurement and full life-cycle supplier management, promote the implementation of transparent procurement and green procurement, standardize supplier management, and drive the procurement supply chain toward systematization, institutionalization, standardization, and normalization. It is committed to building a safe, transparent, and sustainable supply chain system and injecting strong momentum into the industry's continued high-quality development.

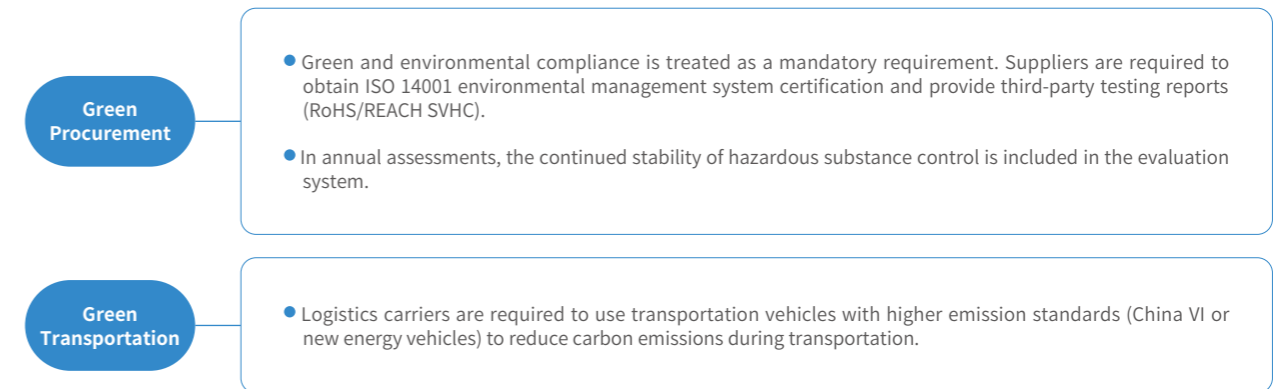
Transparent Procurement

Changhong Newenergy vigorously promotes transparent procurement. Relying on a digital procurement platform, it continuously standardizes procurement processes, improves management and control mechanisms, comprehensively strengthens the procurement risk prevention and control system, and ensures that the entire procurement process is fair, impartial, open, transparent, standardized, and efficient.



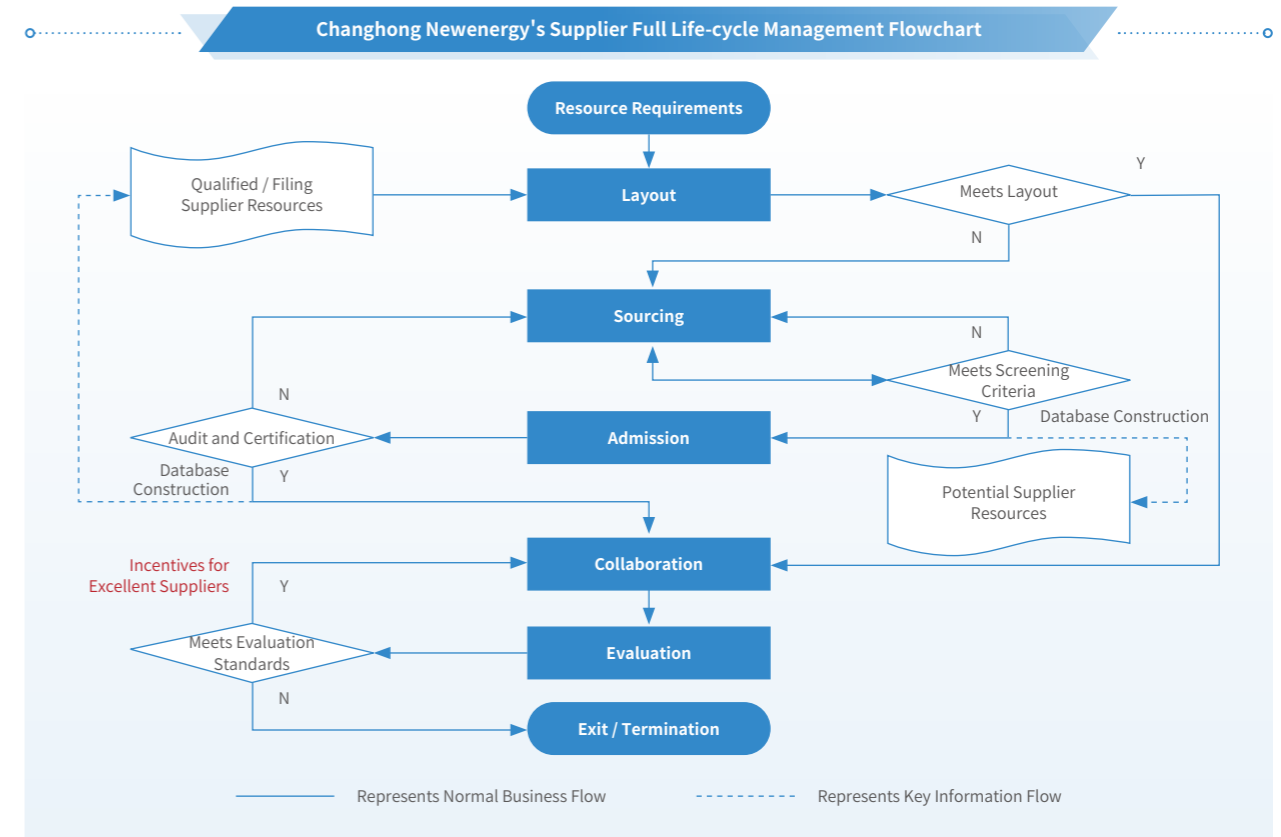
Green Supply Chain


Changhong Newenergy continuously improves its green procurement management system. Focusing on key links such as supplier management, procurement execution, and incoming material inspection, it strengthens green and environmental protection control throughout the entire supply chain process and deeply integrates ecological and environmental protection concepts into the whole supply chain.



Full lifecycle management of suppliers


Changhong Newenergy has established a full life-cycle supplier management system covering source admission, cooperation performance, graded evaluation, incentive and restraint mechanisms, exit control, and responsible minerals management. ESG compliance, integrity-based risk prevention and control, and supply chain security are deeply integrated into the entire management process. Through unified evaluation standards, standardized control procedures, enhanced graded and categorized management, improved reward, penalty, and exit mechanisms, strict control over high-risk minerals, and the promotion of supply diversification, the Company comprehensively enhances supply chain stability, resilience, and overall competitiveness, effectively ensuring the safe, compliant, and sustainable operation of the supply chain.






Supplier Admission

- The Company has established a strict ESG supplier admission one-vote veto mechanism, under which certifications such as environmental management system certification and occupational health and safety management system certification are mandatory prerequisites for the admission of new suppliers.
- Suppliers are required to sign the Supplier Social Responsibility Agreement and strictly comply with international labor standards and business ethics.



Daily Management and Evaluation

- Key suppliers are required to conduct annual self-assessments of their fulfillment of social responsibility and submit reports, which serve as an important basis for audit and evaluation.
- Through means such as restricted substance conformity declarations, the Company promptly communicates the latest environmental regulations, including the EU Battery Regulation, as well as the Company's sustainability requirements, thereby helping suppliers improve their compliance management capabilities.



Incentives and Exit

- The Company establishes long-term and stable strategic partnerships with core suppliers and adopts positive incentive measures, such as increasing the cooperation share of suppliers with outstanding overall performance.
- It has established an orderly supplier exit mechanism and strengthened risk assessment and full-process control at the exit stage.
- The Company strictly implements the blacklist sanction mechanism. Suppliers that violate rules, fail to honor commitments, engage in commercial bribery, or commit other illegal, non-compliant, or unfair competitive acts during bidding, tendering, or contract performance are placed on the blacklist and publicly disclosed on the procurement information platform. In serious cases, complaints are rejected in accordance with the law and cooperation is permanently terminated.

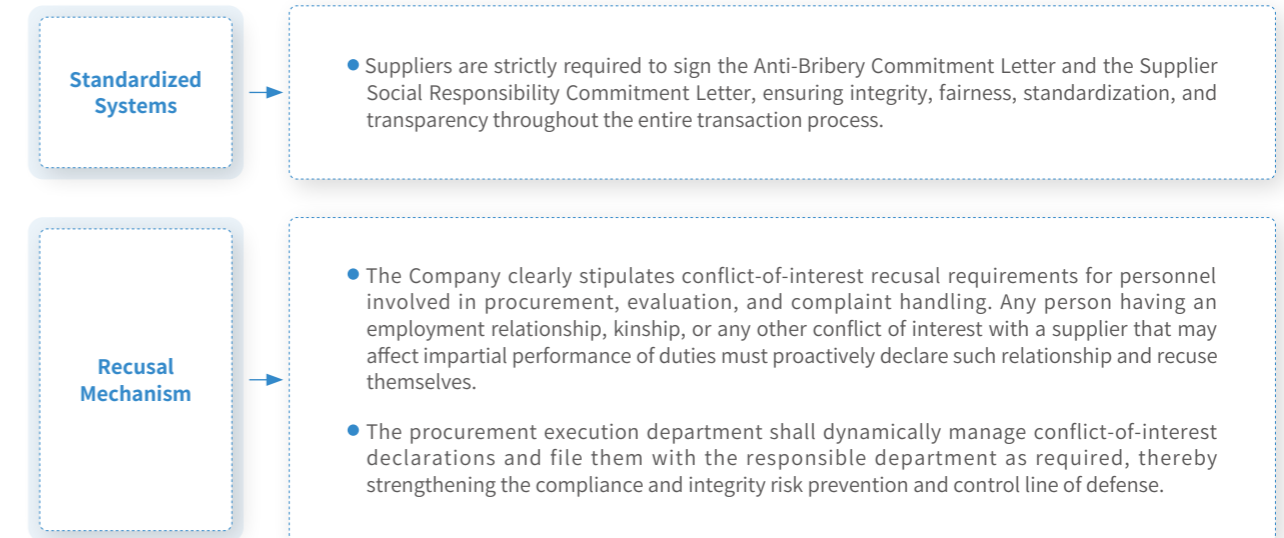


Conflict Minerals Management

- The Company has established the Management Procedures for Control of High-risk Minerals, expanding the scope of control from traditional 3TG conflict minerals to broader high-risk minerals with material environmental and social impacts. For 3TG minerals, suppliers are strictly required to use only green smelters certified under the Responsible Minerals Assurance Process (RMAP) certification.
- Suppliers of key raw materials such as zinc, steel, nickel, and graphite are required to disclose information on upstream smelters or processing links and undertake that raw materials are not sourced from conflict areas subject to international sanctions or from areas where illegal mining exists.
- The Company implements a diversified sourcing strategy to reduce excessive dependence on any single supplier or region, continuously reviews supply resources for bottleneck materials, establishes and improves alternative supply plans, and comprehensively enhances supply chain security and resilience.

Integrity-based Supply Chain

Guided by the principle of "fairness, justice, openness, and integrity", Changhong Newenergy integrates compliant operations and integrity-based risk prevention and control throughout the entire process of procurement tendering, bid evaluation and execution, and contract performance management. By improving institutional constraints, strengthening commitment-based control, and refining the conflict-of-interest recusal mechanism, the Company comprehensively prevents integrity risks in procurement, resolutely curbs corruption, and effectively safeguards the legitimate rights and interests and operational security of the Company.





Green Transition

Safeguarding the Ecosystem Through Low-Carbon Development and Circularity

In 2025, Changhong Newenergy further embedded the carbon peaking and carbon neutrality strategy into its development foundation, stayed committed to the course of green development, practiced low-carbon principles, and enabled sustainable development: with green management as the starting point, it improved institutional systems and strictly upheld the bottom line of risk prevention and control; with green production as the driving force, it advanced refined energy management and built an industrial closed loop of "resources-products-recycling-regeneration", thereby achieving efficient resource circulation and continuous optimization of carbon footprint; with green operations as the support, it fostered a shared environmental consensus among all employees and cultivated green productivity, low-carbon circularity and ecological synergy, demonstrating Changhong's green commitment to protecting lucid waters and lush mountains and jointly building a sustainable development landscape.

Green Management, with Systems Taking the Lead	40
Green Production and Low-Carbon Development	42
Green Operations: Advancing Toward a Greener Future	56

Cumulative environmental protection investment: RMB **2.0673** million

Number of environmental pollution incidents: **0**



Green Management, with Systems Taking the Lead

Changhong Newenergy continuously improved its environmental management system and implemented environmental protection responsibilities across three dimensions—management objectives, early warning mechanisms and environmental risk assessment. By refining emergency response plans and completing required filings, standardizing the management of emergency supplies, and carrying out routine emergency training and drills, the Company strengthened hazard identification and remediation, established a closed-loop management mechanism, and comprehensively enhanced its capacity for environmental risk prevention and control and emergency response. In 2025, the Company passed ISO 14001 environmental management system certification and was recognized as an "Environmentally Trustworthy Enterprise" in Mianyang.

2025

- Cumulative environmental protection investment: RMB **2.0673** million
- **87** environmental compliance obligations were updated and identified during the year
- **0** material environmental risks or environmental violations
- **0** environmental penalties/orders imposed by government environmental authorities

Refining Environmental Management

- All subsidiaries and departments signed the Environmental Protection Target Responsibility Statement, establishing an accountability system with responsibilities extending horizontally to all functions and vertically to all levels, and ensuring that environmental management responsibilities were cascaded and implemented at every level.
- Relying on platforms such as Environmental Credit China to disclose environmental information, and conducting environmental performance assessments on the HIGG Index platform, the Company fully disclosed assessment results and enhanced the transparency of environmental information.

Set Quantitative Targets

- Centered on the two objectives of "conserving energy and reducing consumption, promoting green production, and building a zero-carbon energy factory" and "continuously improving environmental management performance and striving to become a provincial environmentally trustworthy enterprise and an enterprise rated Grade A in heavy pollution weather performance", the Company scientifically set eight quantitative indicators and formulated supporting refined implementation plans.
- The responsible party and environmental management responsibilities for each indicator were clearly defined, and a tracking and supervision mechanism was established to ensure that annual environmental targets and key indicators would be achieved on schedule.

Improved Emergency Response Mechanisms

- The Company prepared the Emergency Response Plan for Environmental Incidents and, as required, submitted it to the local competent ecological and environmental authority for filing, thereby establishing a standardized and orderly environmental emergency management system.
- Monthly inspections were conducted on the operating condition of emergency supplies such as fire hydrants and fire extinguishers in production sites, warehouses and other areas, while teams were supervised in conducting twice-monthly self-inspections of emergency facilities to ensure that such facilities remained intact and available for use.
- Emergency drills for environmental incidents were conducted on a regular basis, effectively testing the practicality and effectiveness of the emergency response plan and on-site response procedures, and enhancing all employees' emergency response and risk coping capabilities.

Assessed Environmental Risks

- In light of changes in the Company's internal and external environment, and through on-site visits and field verification, 124 environmental factors were identified, including 9 significant environmental factors. Special control measures were formulated for different environmental factors, and monthly supervision and inspections were carried out for significant environmental factors to ensure full-process control.
- In accordance with system planning requirements, the Company identified and evaluated the environmental risks and opportunities it faced from the perspectives of significant environmental factors, compliance obligations, internal and external environment, and relevant parties. A total of 21 environmental risks and opportunities were identified, and control measures were formulated for 9 of them, enabling effective management of risks and opportunities.
- On-site environmental management inspections were conducted monthly, focusing on the control of significant environmental factors and implementation of management plans, with inspection results recorded in detail. For issues identified, responsible persons were designated, rectification deadlines were set, and the progress and effectiveness of rectification were tracked, forming a closed-loop management mechanism of "inspection-rectification-verification".



Green Production and Low-Carbon Development

Changhong Newenergy adhered to green and low-carbon development, actively advanced low-carbon transition and energy-saving upgrades, optimized its energy mix, and strictly controlled carbon emissions, responding to the carbon peaking and carbon neutrality goals through concrete actions. The Company strictly implemented full-process control over wastewater, waste gas and waste, strengthened source control and compliant discharge, and reinforced the environmental safety line of defense. It also implemented refined energy and resource management, promoted energy conservation, consumption reduction, circular utilization and cleaner production, and continuously improved resource utilization efficiency, empowering high-quality and sustainable industrial development through green manufacturing. In 2025, Changhong Newenergy was awarded the title of "National Green Factory" by the Ministry of Industry and Information Technology.

Combat with climate change

Governance

Changhong Newenergy established a climate governance organizational structure featuring overall coordination by the Board of Directors, accountability by management, and cross-departmental collaboration. It clarified governance responsibilities and decision-making processes, incorporated climate risks into the comprehensive risk management system, formed an institutionalized and normalized climate governance mechanism, and consolidated the foundation for low-carbon transition.



Strategy

Closely aligned with the national carbon peaking and carbon neutrality strategy, Changhong Newenergy has formulated a climate response strategy centered on green and low-carbon development, energy conservation and efficiency improvement, climate resilience and industry leadership. Focusing on production and operations, product carbon footprint, energy structure, and supply chain collaboration, the Company systematically identifies climate-related risks and development opportunities, defines short-, medium- and long-term response strategies, and promotes deep integration of climate objectives with business development.



List of Climate Change Risks and Responses

Type	Risks Category	Risk description	Potential Financial Impact	Reporting Period	Risk Level	Management Strategy
Transformation risks	Policies and laws	With the tightening of global carbon pricing mechanisms (such as the EU CBAM) and domestic carbon peaking and carbon neutrality policies, battery exports face carbon tariffs and carbon footprint compliance requirements. Together with stricter domestic dual control of energy consumption and upgraded environmental standards, this may increase the Company's compliance costs and export barriers.	Increased costs; Decline in revenue	Short term (within one year) Medium term (1-5 years)	High	Establish a dynamic carbon policy monitoring mechanism and proactively carry out product carbon footprint accounting; steadily advance low-carbon technology upgrades, optimize the energy mix, and meet domestic and international compliance requirements.
	Technology	Breakthroughs in low-carbon battery manufacturing technologies (such as mercury-free processes, low-energy-consumption processes, and processes compatible with green power) face technical barriers. High R&D investment may also be accompanied by risks of delayed progress versus expectations, which may cause the Company to miss opportunities in industry low-carbon technology iteration and affect the market competitiveness of its products.	Decline in revenue	Medium term (1-5 years) Long term (5+ years)	Medium	Optimize the R&D strategy, focus on breakthroughs in core low-carbon process technologies for alkaline batteries and lithium batteries, strengthen talent reserves, accelerate the implementation of low-carbon technologies, and reduce the risk of technological substitution.
	Market	sectors such as consumer electronics, new energy and energy storage are raising requirements for the low-carbon attributes of battery products. Demand for high-carbon batteries is shrinking, while the low-carbon transition of upstream suppliers of raw materials such as zinc, manganese and lithium is driving up procurement costs.	Decline in revenue Increased costs;	Medium term (1-5 years) Long term (5+ years)	Medium	Formulate a low-carbon battery product development strategy, optimize the product mix, expand diversified raw material supply channels, reduce dependence on single suppliers, and enhance supply chain resilience.
	Reputation	If the Company fails to adequately demonstrate its low-carbon practices and carbon reduction achievements throughout the full battery production process, it may face risks such as damage to brand image, loss of downstream customers, and declining industry recognition.	Decline in revenue	Short term (within one year) Medium term (1-5 years) Long term (5+ years)	Medium	Deepen full life-cycle carbon management for batteries, improve the transparency of climate-related information, and strengthen the brand's low-carbon image through achievements such as carbon footprint standards and green factory recognition.
Physical risks	Acute	Frequent extreme weather events such as heavy rain, high temperatures and typhoons may affect power supply to battery production sites and raw material transportation, resulting in production interruptions and equipment damage. At the same time, high temperatures may increase production energy consumption and the storage loss of battery raw materials.	Increased costs; Asset impairment Decline in revenue	Short term (within one year) Medium term (1-5 years) Long term (5+ years)	Medium	Improve extreme weather early warning and emergency response plans, establish a safety stock mechanism for raw materials, strengthen disaster resistance and temperature-control upgrades of production facilities, and ensure the stability of the supply chain and production.
	Chronic	As global temperatures continue to rise and extreme heat becomes normalized, energy consumption for temperature control in battery production workshops may continue to increase. At the same time, prolonged high temperatures may affect the performance of battery raw materials and the service life of production equipment, thereby increasing production operation and	Increased costs;	Long term (5+ years)	Low	Formulate long-term climate adaptation plans, advance energy-saving retrofits of production workshops and upgrades to intelligent temperature control systems, optimize production layout, and reduce the impact of long-term climate change on production.

List of Climate Change Opportunities and Responses

Opportunity Category	Opportunity Description	Potential Financial Impact	Reporting Period	Opportunity Value Level	Management Strategy
Energy efficiency improvement	Through energy-saving retrofits in battery production processes and refined energy management, reduce comprehensive energy consumption per unit product for alkaline batteries and lithium batteries, thereby continuously lowering production and operating costs.	Reduced costs;	Medium term (1-5 years) Long term (5+ years)	High	Promote the application of energy-saving technologies in battery production, conduct low-carbon training and awareness programs, advance refined energy management throughout the full production process, and continuously reduce energy consumption per unit product.
Green and low-carbon products	Develop low-carbon alkaline battery and lithium battery products. Leveraging the carbon footprint evaluation guidelines led by the Company, build core competitiveness for low-carbon battery products, capture downstream customers' demand for low-carbon procurement, and expand domestic and international markets.	Revenue growth	Short term (within one year) Medium term (1-5 years) Long term (5+ years)	High	Continue to invest in the R&D of low-carbon battery products, transform carbon footprint advantages into market competitiveness, and strengthen the Company's influence in low-carbon battery products through industry standard leadership.
Green energy substitution	Promote the implementation of renewable energy projects such as rooftop distributed photovoltaic power generation at plant facilities, provide green electricity for battery production, optimize the energy structure, reduce dependence on traditional energy and energy costs, and meet green electricity certification requirements for export products.	Reduced costs; Revenue growth	Medium term (1-5 years) Long term (5+ years)	High	Accelerate the construction and grid connection of photovoltaic projects, increase the proportion of green electricity usage, and explore integrated applications of energy storage and photovoltaics to match the energy needs of battery production.
Supply chain Decarbonization collaboration	Guide suppliers of battery raw materials and components to jointly build a low-carbon ecosystem, achieve collaborative carbon reduction across the entire value chain, enhance the overall low-carbon level of the supply chain, and meet downstream customers' low-carbon supply chain audit requirements.	Enhancement of brand value Revenue growth	Medium term (1-5 years) Long term (5+ years)	Medium	Incorporate low-carbon requirements into supplier management, conduct low-carbon training and empowerment for suppliers, and build a green and low-carbon supply chain system for the battery industry.
Industry standard leadership	Lead the drafting of the Guidelines for Carbon Footprint Evaluation of Alkaline Zinc-Manganese Dioxide Battery Products, and participate in providing input on domestic and international carbon emission standards such as the Nordic SWAN certification. Establish unified carbon footprint accounting standards for the battery industry and enhance industry influence.	Enhancement of brand value Revenue growth	Long term (5+ years)	High	Continuously track developments in domestic and international carbon policies and standards, actively participate in the formulation of industry standards and public consultations, and drive the low-carbon upgrading of the battery industry through standard-setting leadership.

Impact, Risk and Opportunity Management

Changhong Newenergy has established a full-process climate impact, risk and opportunity management system covering identification, assessment, monitoring, response and review. This system spans production, operations, supply chain and products, and achieves controllable risks and effective opportunity conversion through measures such as in-house carbon accounting, scenario analysis, emergency response planning, energy conservation and carbon reduction, and green power substitution, thereby continuously enhancing climate adaptability and low-carbon development capabilities.



Metrics and Targets

Key Indicators	Target at the Beginning of 2025	Performance / Progress by the End of 2025	Achievement Status
Carbon emission intensity per unit of product	Year-on-year decrease	Achieved year-on-year decrease through energy-saving technological upgrades	Achieved
Comprehensive energy consumption per unit product	Year-on-year decrease	Energy-saving retrofits completed, resulting in a year-on-year decrease in energy consumption	Achieved
Renewable energy usage	Year-on-year increase	Proactively applied for and obtained approval from the Group for rooftop photovoltaic energy projects at plant facilities	In progress
National Green Factory	Achieved	Awarded the title of "National Green Factory" by the Ministry of Industry and Information Technology	Achieved
Low-carbon industry standards	Led the drafting of 1 industry standard	The Guidelines for Carbon Footprint Evaluation of Alkaline Zinc-Manganese Dioxide Battery Products (Standard No. T/DCB 036-2025), led and drafted by the Company, has been officially approved and released. At the same time, in response to the public consultation on clean energy policies under the Nordic SWAN certification standards, the Company proposed optimization suggestions based on practical experience, promoting the adjustment of the photovoltaic energy proportion to 10% and expanding the scope of recognized photovoltaic projects, thereby effectively enhancing the applicability and operability of the standards.	Exceeded target

Greenhouse gas emission ¹				
Key Performance Indicators	Unit	2023 年	2024 年	2025 年
Total greenhouse gas emission	tCO ₂	1175.96	1332.90	1261.67
Scope 1 greenhouse gas emissions intensity	tCO ₂	22.38	6.53	7.07
Scope 2 greenhouse gas emissions	tCO ₂	1153.58	1326.37	1254.60
Scope 1 greenhouse gas emissions intensity	(tCO ₂ e/ RMB 10,000)	0.00008	0.00002	0.00002
Scope 2 greenhouse gas emissions intensity	(tCO ₂ e/ RMB 10,000)	0.00412	0.00361	0.00280

Note¹: the environmental performance indicators are calculated based on the boundary of Changhong Newenergy and the factory area located at No. 36 Xinping Road, Mianyang City



In December, Changhong Newenergy organized dedicated personnel to participate in training on product carbon footprint hosted by SGS.



In July 2025, Changhong Jiechuang was awarded the "Product Carbon Footprint Certificate".

Pollution Prevention and Control

Changhong Newenergy strictly complies with relevant national, industry and local laws and regulations, earnestly fulfills its primary responsibility for ecological and environmental protection, and consolidates its management foundation by revising systems such as the Wastewater Discharge Control Management Procedures and Waste Gas Emission Control Management Procedures. The Company has established a comprehensive, full-process pollution prevention and control system, continuously increased environmental protection investment, and strengthened source control, process supervision and end-of-pipe treatment. Focusing on key pollutants such as waste gas, wastewater, solid waste and hazardous waste, it has implemented systematic and targeted measures, improved closed-loop management mechanisms for monitoring, operation and disposal, effectively prevented and controlled environmental risks, and ensured that all types of pollutants were stably discharged in compliance with standards during the reporting period, thereby practicing green and low-carbon development through concrete actions.

2025

- Number of environmental pollution incidents: **0**
- Number of environmental pollution complaints from surrounding residents: **0**
- Number of pollutant discharge incidents exceeding standards during the year: **0**
- Compliance rate of major pollutant discharge: **100%**
- Compliant disposal rate of general industrial solid waste and hazardous waste: **100%**

Waste Gas Management

System improvement: Continuously improve the waste gas treatment system. A total of 8 central dust removal systems, 2 volatile organic compounds (VOCs) treatment systems and 2 acid mist neutralization towers have been installed. Different treatment processes are applied depending on pollutant types, including high-efficiency cartridge filtration, catalytic combustion, spray absorption and two-stage activated carbon adsorption, ensuring that waste gas is discharged in an organized manner after meeting emission standards.

Enhanced operation and maintenance: Strictly implement full life-cycle operation and maintenance of waste gas treatment facilities, conduct regular inspection and maintenance, and continuously promote ultra-low emission upgrades and refined operational control. The central dust removal system has been upgraded to operate in linkage with pollution-generating equipment, further ensuring the effectiveness of waste gas treatment facilities.

Strict source control: Strictly implement enterprise performance rating requirements for heavy pollution weather, manage vehicle emission standards through environmental access control systems, and actively exert environmental influence on relevant parties to reduce waste gas emissions at the source. Third-party monitoring results comply with national and local emission standards and meet performance grading requirements.

Wastewater Management

Strict monitoring control: A dedicated wastewater monitoring plan has been developed. The physical and chemical laboratory conducts daily monitoring of wastewater pH and monthly monitoring of CODcr, while third-party institutions are commissioned to regularly test indicators such as pH, CODcr, suspended solids, ammonia nitrogen and total nitrogen. All pollutant concentrations meet the requirements of the Pollutant Discharge Standards for the Battery Industry.

Standardized wastewater treatment: Industrial wastewater and domestic sewage are treated separately. After meeting discharge standards through on-site wastewater treatment facilities, wastewater is discharged into the municipal industrial sewage pipeline and further treated at industrial wastewater treatment plants, achieving compliant discharge throughout the entire process.

Waste Disposal

General Industrial Solid Waste: Strengthen routine quality control by formulating waste loss plans for each process, conducting monthly statistics on waste losses, and implementing a full compensation system for excess waste. Each plant (or production section) assigns waste loss targets to specific positions, guiding all employees to develop strong awareness of strict waste control. For abnormal waste losses arising during production, timely root cause analysis and corrective actions are carried out to effectively reduce battery waste. Protection and timely disposal of waste manganese powder are strengthened to maximize recycling and reuse. All general industrial solid waste is recorded through the "Zero-Waste Sichuan" platform with electronic ledgers. All receiving entities are compliant solid waste operators registered on the platform.

Hazardous Waste Management: Dedicated hazardous waste storage facilities have been constructed, with floors treated using anti-seepage coatings and equipped with leakage diversion channels and collection pools. Ventilation systems and explosion-proof cameras are installed. Management is conducted by designated personnel under dual-lock control, with measures such as rainproofing, anti-theft and anti-leakage effectively implemented. In strict accordance with the requirements of national, provincial and municipal ecological and environmental authorities, hazardous waste storage is managed by designated personnel, with standardized labeling and signage in place, and different categories of hazardous waste stored in separate zones. Throughout the full process—including generation, storage, safe warehousing and external disposal—Internet of Things (IoT) technologies are used to enable visualized, intelligent and information-based supervision. Hazardous waste disposal and resource utilization are entrusted to qualified entities with appropriate capabilities in strict compliance with laws and regulations.

Restriction of Hazardous Substances: A product green environmental management system has been established and effectively operated to monitor and control products throughout their entire life cycle, covering incoming materials, process materials and finished products, as well as key stages such as design and development, engineering changes and inventory management. Compliance with hazardous substance restrictions is set as a prerequisite for supplier admission, with strict control to ensure products meet domestic and international requirements. Testing equipment such as XRF and ICP is deployed, and raw materials are subject to sampling tests based on risk levels, while third-party institutions are commissioned annually to conduct hazardous substance restriction testing and evaluation. Alkaline zinc-manganese batteries do not contain harmful heavy metals such as mercury, cadmium or lead and can be disposed of with household waste.

Noise Management

Process layout optimization is adopted to locate high-noise operations in areas farther from the plant boundary.

Production equipment is equipped with vibration reduction, noise reduction and sound insulation measures. Third-party testing institutions are commissioned quarterly to monitor daytime and nighttime environmental noise at the plant boundary. Plant boundary noise complies with the Class 3 limits under GB12348-2008.

CASE

Changhong Camelion Promotes VOCs Control in Alkaline Battery Sealing Process Through Source Reduction

Changhong Camelion implemented an environmentally friendly substitution project for alkaline battery sealing adhesive. In collaboration with upstream suppliers, it developed and adopted solvent-free environmentally friendly sealing adhesives to replace traditional solvent-based products, eliminating the emission of organic volatile substances at the source and achieving a 100% reduction in VOC emissions for the process. The environmental performance is as follows:

Process level:

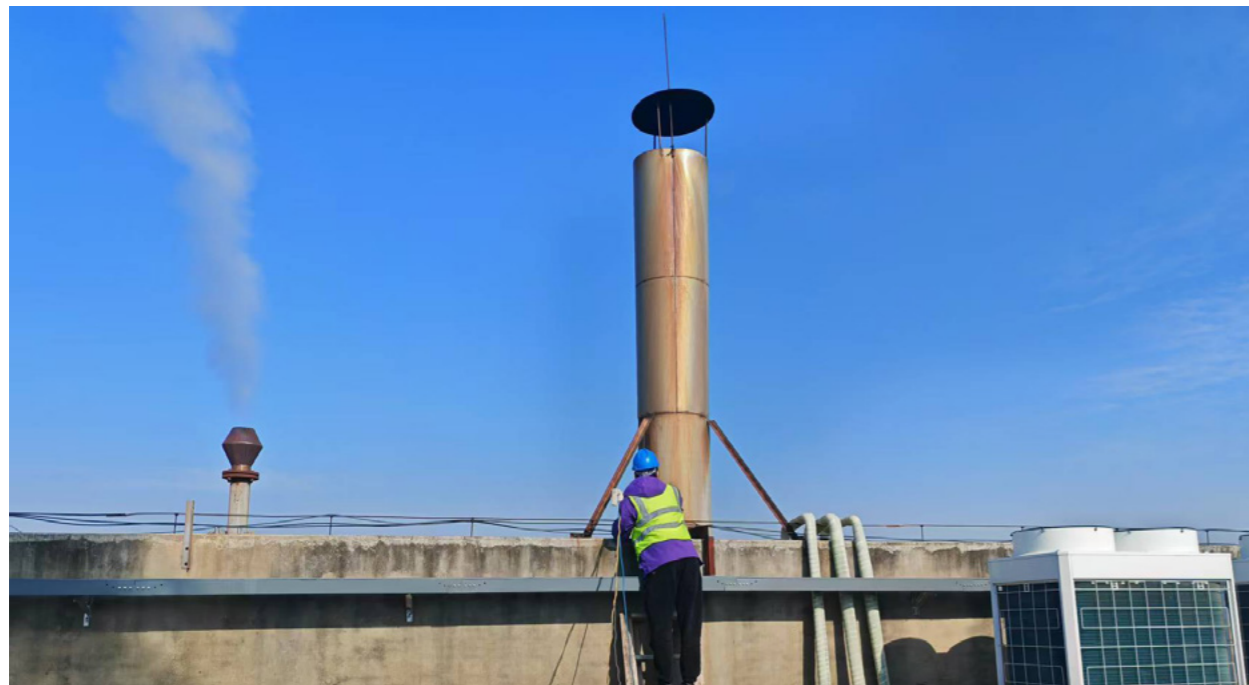
The concentration of toxic and hazardous substances in the coating workshop is close to zero, eliminating the need for additional end-pipe treatment facilities and effectively reducing energy consumption and operation and maintenance costs.

Plant boundary level:

Unorganized emissions are significantly reduced, and VOC emission concentrations at the plant boundary are better than local control limits for key regions.

Product level:

Products comply with environmental directives such as EU REACH and RoHS, enhancing export compliance and market competitiveness.



Changhong Newenergy conducts waste gas monitoring



Changhong Newenergy conducts noise monitoring



Changhong Newenergy hazardous waste treatment

Energy and Resource Management

Governance

Changhong Newenergy has incorporated energy utilization, water resource management and the circular economy into its green production governance system in an integrated manner. It has established a normalized control mechanism featuring decision-making by the Board of Directors, overall coordination by management, leadership by the Safety and Environmental Protection Department, and coordinated implementation by multiple departments. Energy conservation and consumption reduction, water conservation and efficiency improvement, resource recycling and reuse, and the promotion of clean energy are integrated into day-to-day operations and performance assessment management. The Company strictly implements environmental compliance and work safety requirements, and recorded zero abnormal energy-related emission incidents throughout the year, thereby consolidating the foundation for green and low-carbon operations through institutionalized and standardized management.

Strategy

Guided by the ecological philosophy of "circular efficiency and green development", Changhong Newenergy advances integrated management of energy, water resources and the circular economy across four priorities: energy conservation and efficiency enhancement, substitution with clean energy, circular use of water resources, and solid waste reduction and resource recycling. It continues to optimize its energy mix, improve resource utilization efficiency, and reduce dependence on traditional energy and resources in production and operations, thereby contributing to the development of "zero-waste cities" and the achievement of carbon peaking and carbon neutrality goals.

Description of Risk/ Opportunity	Type	Business and Financial Impact	Time Horizon	Level of Risk/ Opportunity	Management Strategy
<p>Risk of tightening energy consumption policies:With stricter dual control of energy consumption and carbon footprint verification in the battery industry, the Company's lithium battery and alkaline battery production lines consume significant amounts of energy. Failure to meet energy efficiency requirements may result in production restrictions and increased compliance costs.</p>	Risks	<p>Increase in production costs</p> <p>Restricted production capacity</p> <p>Greater pressure on export compliance</p>	<p>Short term (within one year)</p> <p>Medium term (1-5 years)</p>	High	<p>Refined energy management and control: Establish a full-process energy monitoring system for lithium battery production, implement quota-based management of electricity, thermal and gas consumption for key processes such as batching, coating, calendaring, formation and packaging, improve the energy performance assessment mechanism, and realize 24-hour online monitoring and intelligent dispatch of major energy-consuming equipment.</p> <p>Energy-saving technology upgrades and retrofits: Phase out outdated high-energy-consumption formation and drying equipment, promote energy-saving processes such as high-efficiency formation cabinets, waste heat drying, variable-frequency speed control and low-temperature drying, and improve energy-saving retrofits for air compressors, refrigeration units and circulating water pump systems to reduce comprehensive energy consumption across production processes.</p>
<p>Risk of energy price fluctuations:Rising prices of electricity and natural gas directly increase the core costs of battery manufacturing and affect gross profit margins.</p>	Risks	<p>Increase in unit product costs</p> <p>Narrowed profit margins</p>	<p>Short term (within one year)</p> <p>Medium term (1-5 years)</p>	High	<p>Dual empowerment through cost reduction and compliance: Deepen energy conservation, consumption reduction and resource recycling, effectively reduce raw material and energy consumption costs, and fully adapt to the increasingly stringent energy consumption control and environmental compliance requirements of the lithium battery industry.</p> <p>Efficiency gains through clean energy substitution: Use plant rooftops to build distributed photovoltaic power generation facilities, prioritize the use of green electricity, increase the proportion of self-consumed green electricity, optimize heating and cooling systems, promote low-carbon technologies such as air-source and water-source heat pumps, and continuously reduce dependence on fossil energy.</p>

Description of Risk/ Opportunity	Type	Business and Financial Impact	Time Horizon	Level of Risk/ Opportunity	Management Strategy
Risk in water resource management and control: Production water consumption and water used for electrode cleaning are substantial, and tighter regulation of wastewater discharge may lead to discharge restrictions, production curtailment or increased treatment costs.	Risks	Impact on production continuity Increase in environmental protection investment	Medium term (1-5 years) Long term (5+ years)	Medium	Classified and refined management: Build differentiated collection, advanced treatment and closed-loop reuse systems for production wastewater, separately treat wastewater from electrode cleaning, workshops and laboratories, and realize refined wastewater control. Intelligent water-saving management and control: Install intelligent water meter systems at all water-use points in the plant, optimize water resource utilization, strictly control freshwater intake and external wastewater discharge, and prioritize the reuse of compliant treated wastewater for plant landscaping to improve the circular utilization rate of water resources.
Risk in lithium battery solid waste disposal: If hazardous waste such as cathode and anode materials, used cells, and copper and aluminum foil is not properly handled, the Company may face regulatory penalties and failure in supply chain audits.	Risks	Regulatory penalties Obstacles in customer audits Damage to brand reputation	Short term (within one year) Medium term (1-5 years)	High	Establish a recycling system for cathode and anode materials, used cells, electrolyte, copper and aluminum foil, separator materials and other materials, standardize the temporary storage and disposal of hazardous waste, promote the resource recovery and reuse of scraps and non-conforming cells, and improve the comprehensive utilization rate of valuable metals such as nickel, cobalt, manganese, lithium, copper and aluminum.
Risk of increased packaging waste and solid waste generation: Traditional small-bag packaging and wooden pallets generate large amounts of solid waste, increase disposal costs, and fail to meet EU requirements on plastic reduction and carbon reduction.	Risks	Increase in solid waste disposal costs Restricted access to overseas markets	Medium term (1-5 years)	Medium	Promote centralized bulk packaging and replace wooden pallets with stainless steel pallets; adopt gapless labeling to reduce waste at the source.
Opportunity for cost reduction and efficiency improvement through green electricity: Distributed photovoltaics and green electricity procurement can reduce energy costs while meeting overseas customers' carbon compliance requirements.	Opportunity	Lower energy costs Improved ability to win orders	Short term (within one year) Medium term (1-5 years)	High	Promote the green energy transition of subsidiary Changhong Sanjie, which has built 8.01 MW of rooftop distributed photovoltaic power stations at two plant sites; explore the procurement of renewable energy through green certificates to increase the proportion of green electricity consumption.

Description of Risk/ Opportunity	Type	Business and Financial Impact	Time Horizon	Level of Risk/ Opportunity	Management Strategy
Opportunity for energy conservation and efficiency improvement: Energy-saving upgrades in processes such as formation, coating and drying can significantly reduce costs, while energy management system certification can enhance competitiveness.	Opportunity	Lower unit energy consumption Reduced production costs Certification benefits	Short term (within one year) Medium term (1-5 years)	High	Promote high-efficiency formation cabinets, waste heat drying and variable-frequency speed control; encourage subsidiaries to obtain energy management system certification, with both Changhong Sanjie and Changhong Jiechuang having passed energy management system certification.
Opportunity for circular use of water resources: Wastewater reuse and intelligent water-saving measures can reduce water charges and pollutant discharge fees, while meeting the requirements for green factories and cleaner production.	Opportunity	Lower water costs Improved environmental ratings	Medium term (1-5 years) Long term (5+ years)	Medium	Implement differentiated reuse and intelligent water meter management and control; subsidiary Changhong Camelion passed the voluntary cleaner production audit of Jiaxing City.
Opportunity for lithium battery resource recycling: Recycling and reusing high-value materials such as nickel, cobalt, manganese, lithium, copper and aluminum can reduce raw material procurement costs.	Opportunity	Lower raw material costs Improved resource utilization Improved gross margin	Medium term (1-5 years) Long term (5+ years)	High	Establish recycling systems for cathodes and anodes, cells, copper and aluminum foil, and separators, and improve the comprehensive utilization rate of valuable metals.
Opportunity for circular economy branding: Solid waste reduction, packaging optimization and zero-waste initiatives are aligned with policy and customer expectations and help enhance the Company's green brand image.	Opportunity	Improved market recognition Increase in high-quality orders Stronger industry position	Long term (5+ years)	Medium	Promote the circular reuse of raw material racks, strengthen quality control in the production process to reduce defect rates, and advance the development of zero-waste factories.

CASE | Changhong Newenergy Implements Multiple Measures to Practice the Circular Economy Concept

In 2025, Changhong Newenergy focused on efficient, waste-reducing and lightweight product design. Through a number of targeted measures, it optimized both production and packaging processes and effectively reduced waste generation.

- It optimized raw material packaging by replacing the original small-bag packaging with centralized bulk packaging, effectively reducing packaging waste.
- It replaced production pallet materials by changing wooden pallets to stainless steel pallets, significantly extending pallet service life and reducing waste wooden pallets.
- It improved packaging processes by adopting gapless labeling, reducing waste generated by label backing paper.
- It strengthened quality control throughout the production process, reduced the defect rate, and reused wooden raw material racks for finished product shipments, thereby reducing solid waste at the source.

CASE | Changhong Sanjie Improves Its Energy Management System to Enhance Resource Utilization Efficiency

Changhong Sanjie has actively advanced its green energy transition and has built 8.01 MW of rooftop distributed photovoltaic power stations at two production sites. It has promoted environmental protection concepts so that they are understood, embraced and translated into action. Green electricity consumption exceeded 21.8259 million kWh, continuously increasing the share of clean energy consumption and steadily advancing the achievement of carbon reduction targets.

Equipment energy-saving retrofits:

Advance energy-saving upgrades of energy-consuming equipment, replace low-efficiency motors, improve equipment operating efficiency and stability, and reduce energy consumption.

Intelligent energy management and c

Establish an energy management system to conduct full-process real-time monitoring, data collection and intelligent analysis of all types of energy-consuming equipment in the plant, achieving refined and intelligent energy management and improving utilization efficiency.



Changhong Sanjie Digital Energy Management System



Changhong Camelion procured renewable electricity through green electricity certificate trading, practicing the concept of low-carbon energy use.

Impact, Risk and Opportunity Management

Changhong Newenergy has established an impact, risk and opportunity management system for energy resources and the circular economy covering the full production process and the entire operations value chain. Relying on a closed-loop management mechanism featuring regular identification, dynamic assessment and systematic response, the Company coordinates efficient energy utilization, circular water resource management and resource recovery from solid waste. Through measures such as refined energy management, water-saving technological upgrades, green power substitution and material recycling, it has achieved controllable risks and effective opportunity conversion, continuously improving green operations and resource utilization.

Identification and Assessment

Closely aligned with policy requirements on dual control of energy consumption, environmental regulation and resource circularity in the battery manufacturing industry, and taking into account production process characteristics and supply chain realities, the Company systematically identifies environmental impacts and operational risks in areas such as energy consumption, water resource control and solid waste disposal. At the same time, it assesses development opportunities in areas such as energy conservation and carbon reduction, green electricity application and resource recycling, and clarifies key control points and implementation priorities.

Monitoring and Management

Relying on the energy management system, intelligent water meters and wastewater reuse systems, the Company has established a dynamic monitoring mechanism to carry out real-time data collection and intelligent analysis of electricity consumption, heat consumption, water consumption and solid waste discharge in key processes. In accordance with compliance requirements and assessment standards, the Company responds promptly to issues such as abnormal energy use, water waste and non-compliant resource recycling, improves emergency response and routine control processes, and ensures stable and controllable green operations.

Integration and Continuous Optimization

Energy and resource management and circular economy development are comprehensively embedded into all links including production planning, equipment retrofits, supplier management and finished product delivery. In light of the latest national environmental standards, customers' low-carbon requirements and internal operating data, the Company continuously optimizes energy quotas, water-saving measures, solid waste reduction programs and material recycling systems, continuously improves resource utilization efficiency, and drives the ongoing iteration and upgrading of its green management system.

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Metrics and Targets

Key Indicators	Target at the Beginning of 2025	Performance / Progress by the End of 2025	Achievement Status
Photovoltaic power generation	Increase the scale of photovoltaic power generation	Annual photovoltaic power generation exceeded 7.8709 million kWh, reducing carbon emissions by more than 20,464 tonnes	Achieved
Energy incident control	No abnormal energy-related emission incidents	Number of abnormal energy-related emission incidents: 0	Achieved
Energy management system certification	Promote certification completion by subsidiaries	Changhong Camelion passed the cleaner production audit, while Changhong Sanjie and Changhong Jiechuang obtained energy management system certification	Exceeded target



Ecosystem and Biodiversity Protection

Changhong Newenergy adheres to a green development path that prioritizes ecological conservation, strictly upholds the ecological protection baseline, and integrates biodiversity protection into the entire production and operation process. It has formed a full-process control framework covering the pre-, mid- and post-stages, effectively maintaining regional ecological balance and biodiversity stability, and achieving coordinated progress between corporate development and ecological protection.

Pre-stage

Planning and design stage

- Strictly observe the ecological conservation red line, coordinate the protection of natural elements such as mountains and vegetation, and ensure that project design is aligned with the ecological environment;
- Conduct comprehensive baseline ecological surveys before project site selection, identify key local species and the characteristics of their habitats, scientifically assess the project's potential impacts on biodiversity and natural resources, and formulate targeted strategies to protect the integrity of local characteristic species and their ecological environment.

Mid-stage

Construction stage

- Strictly comply with laws and regulations related to biodiversity protection, and carry out environmental impact assessments in accordance with the "three simultaneousities" principle;
- Continuously optimize construction plans, reduce construction periods and material consumption, give priority to biodiversity-friendly materials and equipment, and strictly control pollutant emissions throughout the entire process;
- Implement dedicated ecological restoration measures in construction-affected areas and establish long-term maintenance mechanisms to promote ecosystem recovery.

Post-stage

Operation and maintenance stage

- Conduct regular hazard identification and promptly assess and resolve potential issues;
- Organize ecological and environmental protection education activities, strengthen ecological conservation awareness among all employees, and foster a green development atmosphere featuring full participation, joint contribution and shared governance.

CASE | Changhong Camelion Carries Out Ecological Protection Education and Environmental Governance to Achieve Coordinated Development Between the Enterprise and the Ecosystem

In 2025, Changhong Camelion systematically advanced ecosystem and biodiversity protection through awareness and education, risk prevention and control, and ecological co-development. The Company regularly carried out environmental protection publicity, specialized ecological protection training and community science outreach activities, continuously enhancing ecological conservation awareness among employees and surrounding communities. It also scientifically set up ecological monitoring points around the plant and regularly monitored environmental factors such as air, water quality and noise, enabling early identification and early warning of environmental risks and strengthening the ecological safety line of defense. In addition, it promoted plant greening and the scientific planning of ecological spaces to minimize the impact of production and operations on the regional ecosystem, thereby promoting coordinated progress between enterprise development and ecological protection through practical actions and ensuring that environmental protection concepts are truly understood, embraced and put into practice.

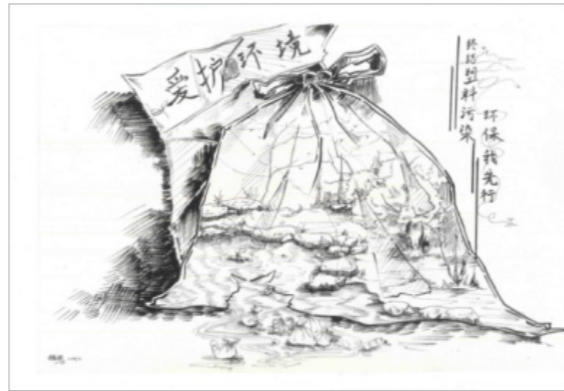


Green Operations: Advancing Toward a Greener Future

Changhong Newenergy is committed to transforming environmental protection concepts into employees' conscious actions. It encourages employees to start from everyday matters and promote green office practices through actions such as digital office operations and routine water and electricity conservation. At the same time, the Company actively carries out various environmental-themed publicity and training activities, using such activities as vehicles to inspire ecological and environmental awareness, deepen the philosophy of ecological civilization, and ensure that environmental protection concepts are truly understood, embraced and put into practice.

CASE | Changhong Newenergy Carries Out World Environment Day Activities to Practice the Green Development Philosophy

In June 2025, Changhong Newenergy launched a series of publicity activities centered on the theme of World Environment Day: environmental protection videos were played on large screens in the plant area and themed posters were displayed to popularize ecological and environmental knowledge; Party members were organized to carry out "planting and protecting greenery" activities and waste sorting publicity; poster design activities were held around the themes of "Beautiful China, I Lead the Way" and "Ending Plastic Pollution"; and a campaign to solicit rationalization proposals under the theme of "I Contribute a Suggestion for Safety and Environmental Protection" was launched, with effective proposals selected and promoted for implementation, effectively enhancing all employees' participation in environmental protection and their knowledge base.



Employees drawing environmental protection posters



Employees participating in the "planting and protecting greenery" themed activity



Changhong Newenergy waste sorting publicity





People-Oriented Approach



Creating a Better Future Through Care and Responsibility

In 2025, Changhong Newenergy kept in mind the country's overarching priorities, strengthened its commitment to people's well-being, and resolutely fulfilled the responsibility of a state-owned enterprise. With talent development as the foundation, it adhered to a people-oriented approach and supported employees in growing and realizing their potential; with safe development as the cornerstone, it upheld the principle that life comes first and reinforced the line of defense for safety and health; with social responsibility as the guide, it practiced its original aspiration for public welfare, enhanced people's well-being, and continuously strengthened talent cohesion, reinforced safety assurance, and increased social influence, thereby delivering on its responsibilities through concrete action and commitment.

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Expenditure on major holiday consolation gifts totaled RMB **447,200**

More than **110** training sessions of various types were conducted, covering more than **2,000** participant attendances

Investment in work safety: RMB **10.9786** million



Employee Care, Empowering Development

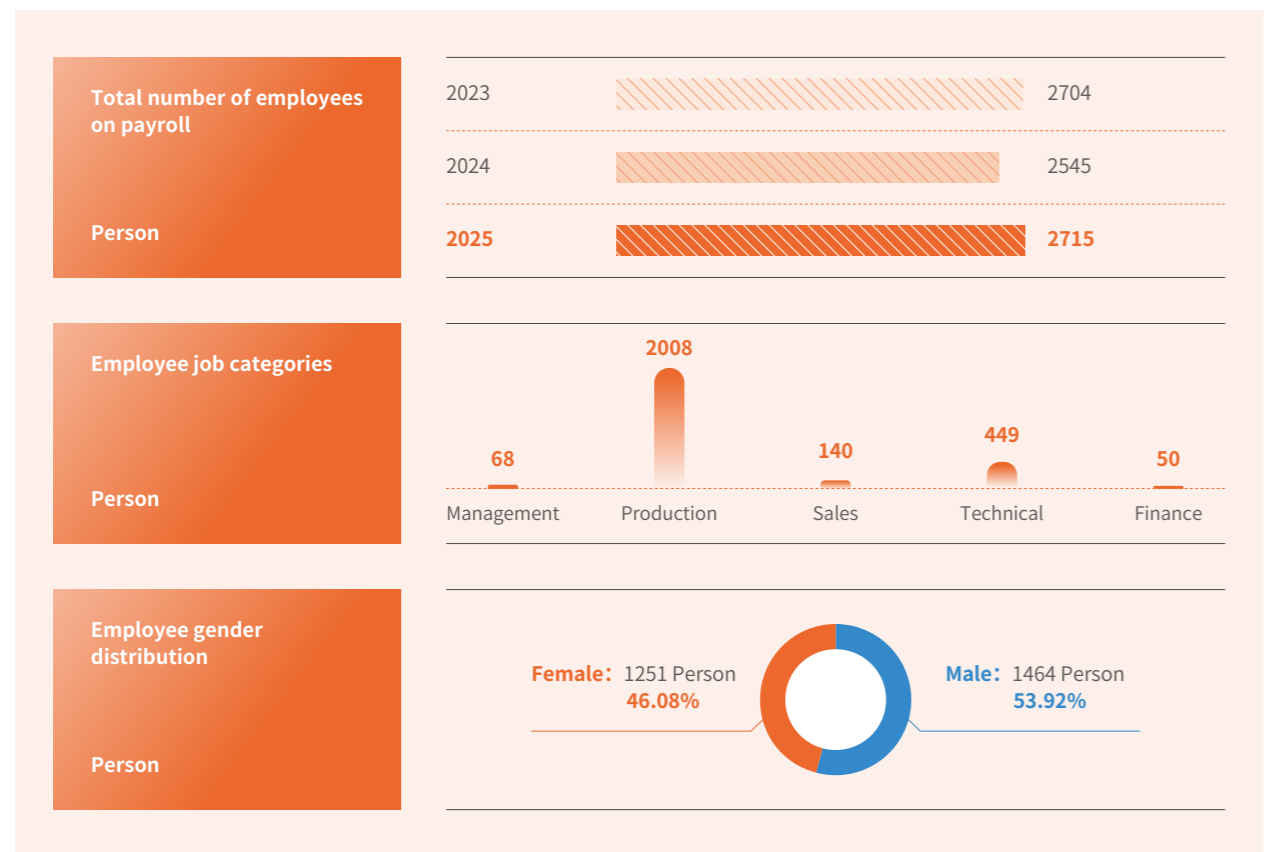
Changhong Newenergy always adheres to the people-oriented development philosophy, effectively safeguards employees' basic rights and interests, and continuously improves employee well-being. It has steadily improved its talent cultivation and development system, providing a broad platform for employees' growth and success. The Company cares for employees in an all-round and multi-dimensional manner, conveying corporate warmth and humanistic care, and promoting alignment and mutual progress between employees' personal value and the Company's high-quality development. Through responsible action with warmth, it has built strong endogenous momentum for the Company's sustainable development.

Employee Rights and Interests

Changhong Newenergy strictly abides by labor laws and regulations and makes efforts across multiple dimensions, including labor protection, compensation and benefits, and democratic management, to establish a multi-level and normalized employee communication and care system. It safeguards employees' lawful rights and interests in all respects, improves employee well-being, builds harmonious and stable labor relations, and enhances employees' sense of belonging and happiness.

2025

- Labor contract signing rate: **100%**
- Satisfaction rate of outsourced personnel: **100%**
- Number of labor dispute incidents involving outsourced personnel: **0**



- Protecting employee rights and interests**
 - The Company has formulated rules and regulations such as the Detailed Rules for Open Disclosure of Employment Information, Recruitment Management Measures, and Employment Management Guidelines, improved the employment management system, and standardized full-process recruitment and employment management.
 - It ensures that employee recruitment information is fully disclosed without omission, so as to guarantee fairness and impartiality.
 - Discriminatory application conditions are prohibited during recruitment. All qualified applicants may apply and compete for positions without barriers, and discrimination based on nationality, gender, religion, pregnancy or disability is strictly prohibited.
- Smooth grievance channels**
 - The Company regularly organizes reception days hosted by Party secretaries and department heads to gain face-to-face understanding of employees' thinking, concerns and practical needs.
 - Employee mailboxes have been set up, and both online and offline communication mechanisms have been improved to strengthen the collection of opinions and closed-loop feedback.
 - A standardized employee grievance mechanism has been established to support employees in filing grievances on matters such as annual performance evaluations. Standardized investigation procedures are in place to ensure that employees' lawful rights and interests are fairly protected.
- Compensation management**
 - The Company has formulated the Compensation and Performance Management Measures, continuously improving internal pay equity and external competitiveness, and establishing a compensation philosophy that "reflects job value and is performance-oriented".
 - It practices the core philosophy of "pay for the position, pay for capability, pay for performance, and pay for market value", and implements unified and standardized principles and procedures for compensation management.
- Benefits protection**
 - The Company has formulated systems such as the Employee Leave Management Measures and Benefits and Subsidies Management Measures, establishing a sound employee benefits protection system. Leave types include paid leave, maternity leave, marriage leave and work-related injury leave, fully safeguarding employees' rights to rest and leave.
 - The Company standardizes benefits programs including overseas allowances, communication allowances, reunion travel allowances, overtime meal allowances, employee health examinations and commercial insurance. In addition to the five social insurances and one funds, it further enriches employee benefits and enhances employees' sense of belonging and happiness.

Democratic Management

- The Company Implements the Detailed Rules for the Implementation of Employee (Representative) Congress System of the Group Company, strengthening democratic political development and improving the institutionalization, standardization and normalization of democratic management through open factory affairs with the employees' congress as the basic form, and regularly convenes employees' congress elections.
- It has deepened the disclosure of factory affairs and safeguarded employees' rights to know, participate and supervise.

Protection of outsourced personnel's rights and interests

- The Company has formulated the Service Procurement Management Measures, Basic Management System for Materials and Service Procurement, and Basic Supplier Management System to regulate the full process of labor outsourcing services.
- It urges outsourcing companies to sign labor contracts with employees and pay social insurance in accordance with the law, regularly conducts employment compliance checks, strictly enforces wage standards, and ensures wages are paid in full and on time.
- It has established an information ledger for outsourced personnel to enable dynamic management of key information such as personnel sources, job distribution and working hours.
- Labor protection supplies are fully provided, safety training is conducted, and an equally safe working environment is ensured.
- Communication and feedback channels have been established to regularly collect requests and urge service providers to respond and improve.
- During major production tasks, benefits such as working meals and commuter buses are provided.

Employee Development

Changhong Newenergy has always regarded talent as the core driving force for the Company's high-quality development. Upholding the philosophy of "creating value for employees", it has advanced the integrated development of the job grading system, incentive mechanisms, talent cultivation, leadership development and employee training, and established a talent management system featuring multi-channel career development, full-cycle growth and development, and positive incentives with strong accountability, continuously stimulating organizational vitality and employee creativity and building a strong talent pipeline for the Company's sustainable development.

2025

- Total training expenditure: RMB **293,500**; training program implementation rate: **98%**
- More than **110** training sessions of various types were conducted, covering more than **2,000** participant attendances
- **100%** of new employees took up their posts only after passing training

Job Grading System

- **Institutional development:** Established the Job Grading Management Measures and the Job Grading Management Measures for Skilled Personnel, and improved the job grade promotion system.
- **Categorized structure:** Established **6** job categories—management (M), R&D (D), engineering and technical (T), functional (F), marketing (S), and production (P)—together with **7** job grades and **32** job sequences, thereby clarifying the career development system.

Incentive Mechanisms

- **Establishment of the incentive system:** Use equity incentive to align the interests of shareholders, the enterprise and employees, while building a people-centered management system covering "distribution, assessment, promotion and incentives". Guided by the dual-drive management philosophy of "passion + trust", the Company combines individual goals with organizational goals, signs KPI-based performance contracts, and improves the incentive and accountability mechanism.
- **Differentiated talent utilization orientation:** Implement the principle that "those who want to work are given opportunities, those who can work are given platforms, those who accomplish things are given status, and those who do not work have no market", thereby stimulating the team's entrepreneurial drive and initiative.

Talent Cultivation

- **Building the R&D talent pipeline:** Form an elite R&D team centered on professorate senior engineers and senior engineers, tailored to the "slow science" nature of battery R&D.
- **Establishing the cultivation system:** Implement cultivation mechanisms such as master-apprentice mentoring, A/B role backup, and the assistant-to-manager scheme; carry out the "Foundation Strengthening Program" and roll out categorized development programs for different groups such as marketing teams and new employees to strengthen talent competency.

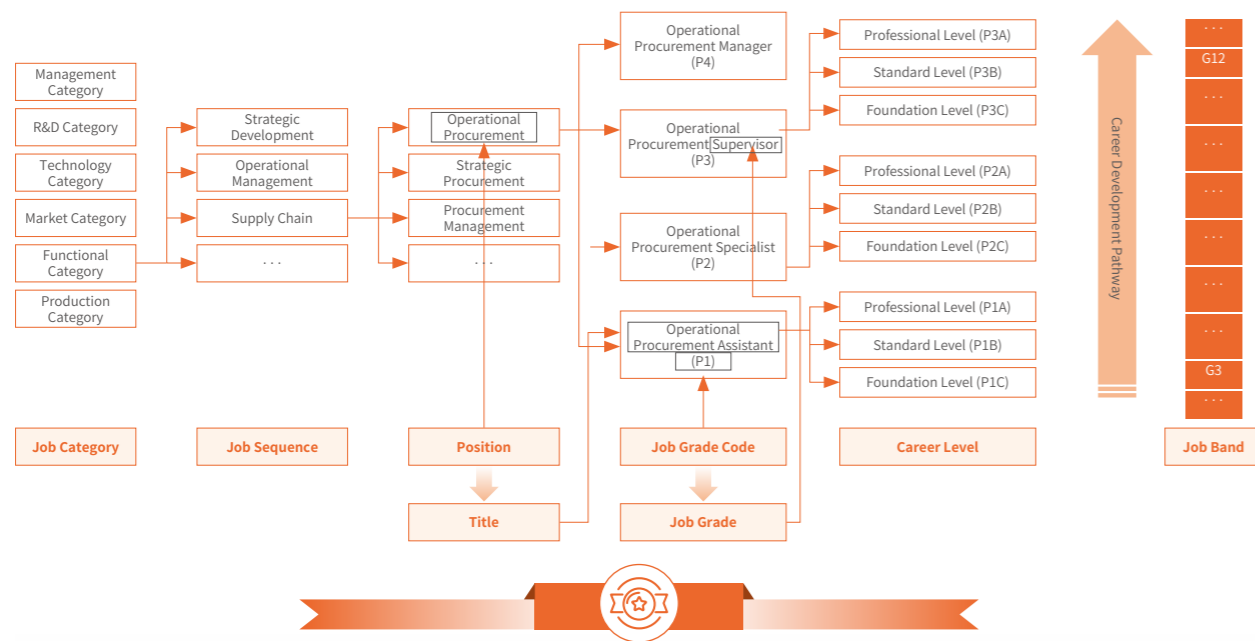
Leadership Development

- **Improving the institutional system:** Strictly comply with the Group's Measures for Management of Reserve Cadres, improve all stages of selecting, cultivating and utilizing reserve cadres, establish a selection and development mechanism and division-of-responsibility system suited to the Company's new management and control model, and build a reserve cadre team that is high-caliber, professional and younger in profile.
- **Clarifying selection criteria for cadres:** Establish five competency requirements for management cadres—being able to write, speak, respond to inquiries, handle affairs, and work effectively in any role—and strictly control the cadre selection process.
- **Developing talent through frontline immersion:** Promote cadres' deeper involvement at the front line and within teams, enabling them to accurately grasp product technologies and processes, study corrective action plans for problems, and identify and cultivate potential talent through practical experience.

Employee Training

- Training system:** Formulate the Training Operations Management Measures and adhere to four core principles—"quality-oriented and cost-efficient", "practice-focused and application-oriented", "classified and graded with targeted training", and "closed-loop management and compliant operation". The Company continues to improve its training management system, strengthen standardized training operations and closed-loop management, and promote the effective conversion of training outcomes.
- Training participants:** Cover different groups including management personnel, reserve talent, marketing personnel, process technology personnel, quality control personnel, financial management personnel, equipment operators and frontline team leaders.
- Training programs:** Carry out eight categories of training programs, including internal special-topic training, management capability development, system and professional qualification certification, special operations training and skill certification, functional control, production skills, skilled personnel and professional title application, and knowledge retention and effectiveness evaluation.

Illustrative Diagram of the Correspondence Among Job Bands, Job Grades and Positions at Changhong Newenergy



Annual Highlights · Talent as a Beacon

- 1 individual (a fitter for high-end intelligent battery equipment) was awarded a Mianyang Skills Master Studio under the 11th batch of Mianyang Skills Master Studios.
- 1 individual was awarded the "Special Contribution Award for Industrial Talent" of Mianyang High-tech Zone for 2025.
- 1 individual was selected for the Ministry of Industry and Information Technology's Manufacturing Talent Support Program as an "Advanced Basic Process Talent".
- 1 QC achievement won a provincial second prize for excellence, and one QC achievement won a municipal second prize for excellence.
- 5 QC projects were registered, and 2 QC achievements were selected for presentation by the Mianyang Quality Association.

Employee Care

Daily Care

Changhong Newenergy always upholds the philosophy of "caring for and serving employees". Through normalized care measures such as routine consolation visits, major holiday consolation activities and special incentives, it conveys organizational warmth with sincerity and dedication, fosters a positive, united, enterprising and harmonious cultural atmosphere, and continuously enhances employees' sense of happiness, belonging and fulfillment.

2025

- Expenditure on major holiday consolation gifts totaled RMB **447,200**
- Rewards for employees' children admitted to universities totaled RMB **9,000**

Improving institutional standards

Formulate the Company Trade Union Employee Consolation Management Measures, specifying that employee consolation support is to be implemented at a standard of RMB **800** per person per year.

Delivering targeted care

Provide timely special consolation and assistance for important life events such as employee illness and hospitalization, marriage, and childbirth.

Major holiday consolation

Cover occasions such as the Spring Festival, International Women's Day, Labor Day, the Dragon Boat Festival, the Mid-Autumn Festival, National Day and the summer high-temperature season. Consolation gifts included rural revitalization products such as Seda beef and Pingwu cured meat, effectively enhancing employees' sense of belonging and happiness.

Enriching cultural and sports activities

Changhong Newenergy actively organizes diverse cultural and sports activities such as reading programs, knowledge competitions, employee interest classes, employee sports meets, the "Changhong Cup" badminton tournament and the Changhong Carnival, continuously enriching employees' cultural and recreational life and effectively strengthening team cohesion and employees' sense of belonging.



Organized employees to watch the Sichuan Football League

Care for Special Groups

Changhong Newenergy closely responds to employees' actual work and life needs by promoting targeted and diversified employee care services. Focusing on key groups such as employees in difficulty and female employees, it implements tailored measures and heartwarming assistance, effectively enhancing employees' sense of belonging, happiness and cohesion and fostering a harmonious and warm corporate atmosphere.

2025

- A multi-level assistance and consolation mechanism was improved. A total of **33** practical support items were formulated and implemented during the year, with a completion rate of **100%**.
- At the headquarters level, **9** cases of support were approved and disbursed through the Caring Assistance Fund, totaling RMB **5,700**.
- A total of **13** special consolation activities were carried out for situations such as employee illness and hospitalization, marriage and childbirth, totaling RMB **9,000**.

Assisting Employees with Difficulties

- The Company strictly complies with the Group's Provisions on Assistance and Relief for Changhong Employees with Severe Family Living Difficulties (Trial), and provides targeted support to employees in difficulty.
- A special assistance fund (Hongkang Medical) has been established to provide subsidies for major illness treatment, holiday consolation payments and supplies, together with psychological counseling and regular home visits.

Care for Special Groups

- Exclusive care plans are formulated for different groups.
- On International Women's Day, special gifts and consolation were presented to female employees.

CASE |

Changhong Newenergy Holds a Women's Day Symposium Themed "Women Making New Achievements and Advancing on a New Journey"

In March 2025, on the occasion of International Women's Day, Changhong Newenergy organized a themed symposium titled "Women Making New Achievements and Advancing on a New Journey". At the event, certificates were presented to advanced collectives, the Most Beautiful Employee Families, and outstanding individuals recognized by the Group in 2024. Award representatives shared their experiences in overcoming challenges in their positions and balancing work and family. The trade union presented thoughtful consolation gifts to every female employee. The event atmosphere was warm and enthusiastic, fully showcasing the elegance and strength of women.



Certificates presented to award recipients



Group photo on Women's Day

Reinforcing Safety Fundamentals and Building a Strong Defense Line

Changhong Newenergy always follows the principle that "work safety is the bottom line of development". With "systematic development, refined control and practical emergency response" as its core approach, the Company continues to strengthen all employees' awareness of work safety responsibilities, risk prevention capabilities and emergency response capacity, and strives to build a safety and health culture in which all employees care about, participate in and fulfill their safety responsibilities. It has effectively promoted the shift in employees' safety awareness from "I am required to be safe" to "I want to be safe".

Ensuring Work Safety

Changhong Newenergy adheres to the work policy of "safety first, prevention first, and comprehensive management", follows the firefighting principle of "prevention first, combining prevention and firefighting", and complies with occupational health requirements. It fully implements the work safety accountability system for all employees and promotes the transformation of its safety governance model toward prevention in advance. Through multi-dimensional measures such as system improvement, strengthened accountability, training empowerment, emergency drills and hazard remediation, the Company has built an all-round, full-process work safety protection system featuring "pre-incident prevention, in-process supervision and post-incident closed-loop management", making every effort to ensure that the entire construction and operation process remains safe, standardized and controllable. In 2025, the Company passed the surveillance audit for ISO 45001 occupational health and safety management system certification.

2025

- Investment in work safety: RMB **10.9786** million
- Investment in hazard remediation, labor protection, safety activities and other items: RMB **2.94** million
- **504** participant attendances in training for frontline operational positions were organized.
- **246** participant attendances in specialized education and training for key positions were organized.
- Pass rate of pre-job safety training for new employees, transferred employees and employees returning to work: **100%**
- **19** special inspections and comprehensive inspections for safety hazards were organized.
- Rectification completion rate for safety hazards throughout the year: **100%**
- More than ten special and comprehensive emergency response drills were organized throughout the year, covering a total of **1,121** participant attendances.

Improve Safety Management

Clarify responsibilities: Issue the 2025 Safety Management Work Plan, and organize the Company and its subsidiaries to sign the 2025 Safety and Occupational Health Target Responsibility Statement and safety commitment letters at each level, thereby establishing a full-level accountability system covering decision-making, management, execution and operation, and reinforcing work safety responsibilities.

Optimize systems: Revise 15 management systems, including the Construction and Hot Work Management Measures and the Safety Management System for Confined Spaces, together with 9 management documents and 4 special plans; prepare and optimize the 2025 List of Occupational Health and Safety Compliance Obligations to enhance the compliance and applicability of the system framework.

Strengthen hazard identification and remediation

Set up a dedicated task force: Establish a risk identification and assessment working group consisting of process technology personnel, equipment technology personnel, safety management personnel and frontline backbone staff to carry out full-process "carpet-style" inspections of key areas, identifying 52 risk points; improve the list for risk identification, assessment and control, and prepare job safety risk notification cards to achieve precise and visualized risk control.

Identify hazards: Benchmarking against the criteria for identifying major accident hazards and the compilation of inspection items for key industries and fields, conduct comprehensive special self-inspections covering fire safety, chemicals, special equipment and other areas; revise the enterprise's self-inspection checklist for major accident hazards, and thoroughly identify major safety risks.

Promote rectification: For all hazards identified during inspections, adopt prompt rectification measures, specify the responsible persons and deadlines for rectification, and establish a full closed-loop management process of "inspection-rectification-acceptance-review" to ensure that all hazards are rectified.

Deepen emergency management

Strengthen plans: Improve various special emergency response plans covering fire and explosion, flood control and emergency rescue, hazardous waste leakage disposal and other scenarios, and establish a 24-hour emergency duty and rapid response mechanism.

Conduct regular drills: Plan and organize comprehensive and special emergency drills such as flood control and rescue, confined space rescue and fire evacuation.

Prepare supplies: Fully upgrade emergency supplies, equip professional emergency equipment such as self-contained breathing apparatus, rescue tripods and anti-static equipment, regularly maintain firefighting and emergency equipment, and establish a joint prevention and control mechanism with the industrial park to enhance emergency response and disposal capabilities.

Cultivating a Safety Culture

Build the training system: Adhering to the principles of "graded and classified training, targeted instruction, and practical application", the Company has established a training system covering all employees, all positions and the full employment cycle. Safety concepts, job skills, risk prevention and control, and emergency response are integrated into full-process training, systematically improving employees' safety awareness and practical capabilities.

Refine training delivery: Organize management personnel to participate in special capability training; use pre-shift meetings as a vehicle to carry out regular practical training for frontline employees; and provide special-topic training for key grassroots positions to strengthen the frontline safety defense line. The principle of "training first, then taking up the post; no qualification, no post" is strictly followed, and special closed-loop training for new employees and external personnel is rigorously implemented.

Emphasize communication and education: Carry out special training on topics such as the dual prevention mechanism and "safety-competent personnel"; use multiple channels including publicity manuals, themed display boards and online platforms; and conduct regular publicity and education activities in conjunction with Work Safety Month and Occupational Disease Prevention and Control Law Publicity Week, thereby creating a positive atmosphere in which "everyone talks about safety and everyone knows how to respond to emergencies".

CASE

Changhong Newenergy Collaborates with Subsidiaries to Carry Out the 2025 "Work Safety Month" Campaign and Strengthen the Work Safety Defense Line

June 2025 marked the 24th National Work Safety Month. Closely centered on the theme "Everyone Talks About Safety, Everyone Knows Emergency Response—Identifying Safety Hazards Around Us", Changhong Newenergy and its subsidiaries coordinated a series of activities including comprehensive emergency evacuation drills, knowledge training, skills competitions and hazard inspections, comprehensively improving work safety management and strengthening the safety foundation for the Company's high-quality development.



Changhong Newenergy conducts a special emergency drill for special equipment (compressed air tank)



Changhong Camelion conducts "theory + practical operation" training



Shenzhen Juheyuan conducts special fire safety training



Annual Highlights · Safety Escort

- Changhong Jiechuang passed the review of the Sichuan Provincial Department of Emergency Management and obtained the certification of "Level II Work Safety Standardization Enterprise (Light Industry)"
- Hunan Changhong Juheyuan passed the review of the Yueyang Emergency Management Bureau and obtained the certification of "Level III Work Safety Standardization Enterprise (Light Industry)"

Safeguarding Occupational Health

Changhong Newenergy strictly complies with relevant laws and regulations and has established a four-in-one occupational health management system featuring source control, engineering controls, personal protective equipment (PPE) protection and system assurance. It regularly carries out occupational health examinations, special-topic training and protective publicity activities, guiding employees to develop scientific and healthy concepts and building a solid and reliable "health protection network" for employees.

2025

- Total investment in occupational health and employee health management: RMB **373,600**
- Annual employee health examination coverage rate: **100%**
- Number of occupational disease incidents (including acute occupational poisoning): **0**

Prevention and control of occupational diseases

Improve systems: Revise 10 occupational health management systems, including the Occupational Health Management System and the Occupational Disease Prevention and Control System and Responsibility Management System; improve occupational hygiene operating procedures and emergency rescue plans for occupational disease hazard incidents; and promote the effective implementation of occupational health management.

Improve the protection system: Establish and improve a three-in-one protection system of "source control-engineering controls-personal protection", carry out source control of occupational disease hazards throughout the production process, improve protective facilities for dust control, ventilation and noise reduction and regularly test and disclose relevant results; provide all required protective equipment for exposure positions, and standardize management and training to protect employees' occupational health in an all-round manner.

Strengthen publicity: Organize Occupational Disease Prevention and Control Law Publicity Week activities and comprehensively popularize occupational health knowledge through multiple forms such as electronic screen publicity, handbook distribution, and "Q&A" sessions.

Positive incentives: Innovatively implement the Occupational Health Points Management System, incorporating risk prevention and control, education and training, standardized operations and the wearing of protective equipment into the points system, linking it with performance appraisal and excellence awards, and guiding employees to shift from "I am required to be healthy" to "I want to be healthy".

Caring for physical health

Organize health examinations: Fully implement full-cycle occupational health examinations before employment, during employment and upon departure. Employees identified through examinations as unsuitable for certain occupational exposures are reassigned in a timely manner to effectively protect their health and safety.

Multi-dimensional monitoring: Establish and improve a health record management system covering all employees, achieving "one file for each person, dynamic updates and full-process tracking", comprehensively recording employees' health status and occupational exposure history, and realizing comprehensive, gap-free health monitoring.

Training and follow-up: In response to health issues that occur frequently in certain positions, organize special health knowledge training at pre-shift meetings and conduct regular follow-up, continuously monitoring employees' health conditions.

Caring for mental health

Build platforms: Establish a professional psychological counseling channel, open a 24-hour confidential EAP mental health assistance hotline, and engage professional psychological counselors to provide one-on-one emotional and stress counseling and precisely address employees' psychological concerns.

Organize activities: Carry out diversified mental health publicity and education activities, organize themed lectures and group counseling, and effectively improve employees' psychological adjustment capacity and overall quality in areas such as stress management, emotional regulation and workplace communication.

Daily care: Strengthen routine psychological care for employees, with particular attention to the mental health status of frontline employees, new hires and employees undergoing job adjustments, and provide targeted counseling in a timely manner to alleviate negative emotions.

Diversified health protection

High-temperature subsidy: Strictly implement heatstroke prevention and cooling measures by providing heat allowances and cooling beverages to employees in high-temperature positions, equipping production teams with heatstroke prevention medicines and replacing them regularly, and comprehensively preventing heatstroke risks.

Supply provision: Set up convenience medicine boxes in workshops and teams, fully stock emergency medicines and medical supplies, and provide employees with convenient health protection.





During Occupational Disease Prevention and Control Law Publicity Week, Changhong Camelon jointly organized "training + free clinic" activities with a local health center to popularize knowledge on occupational disease prevention, emergency response and mental health.



Changhong Jiechuang posters and publicity slogans for Occupational Disease Prevention and Control Law Publicity Week



Changhong Sanjie obtained the occupational health and safety management system certification certificate



Public Welfare and Charity, Enhancing People's Well-Being

Changhong Newenergy actively practices its original aspiration for public welfare, continues to cultivate social welfare initiatives, and steadily supports the enhancement of local public services and emergency rescue capabilities. It widely carries out public welfare and volunteer service activities such as consolation visits, assistance programs and charitable contributions, conveying corporate warmth through genuine care and concrete action, improving people's well-being through responsible commitment, and contributing solid strength to the building of a harmonious and better society.



Changhong Sanjie visited and extended consolation to local fire rescue institutions, donating consolation supplies such as drinking water.



Changhong Camelon organized Party members and cadres to participate in the blood donation campaign organized by the Chengnan Subdistrict Federation of Trade Unions.



Strengthening the Foundation Through Governance



Safeguarding Long-Term Development with Integrity and Compliance

In 2025, Changhong Newenergy further advanced the modernization of its governance system and governance capacity. Adhering to the coordinated enhancement of efficiency and compliant operations, it safeguarded steady and sustainable growth: with Party building leadership providing strategic direction, it reinforced political support and pooled development synergies; with system development strengthening the foundation, it clarified powers, responsibilities and operational mechanisms and activated endogenous momentum; and with law-based compliance strictly upholding the bottom line, it prevented operational risks and consolidated the foundation for sound development. The Company continuously enhanced the leadership of Party building, governance execution and risk prevention and control, consolidating the foundation for development through high-efficiency governance and empowering the enterprise to ensure steady and sustainable growth.

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Female directors accounted for **22.22%**

Independent directors accounted for **33.33%**



Party Building Leadership, Strengthening the Foundation and Forging the Soul

Changhong Newenergy has thoroughly studied and implemented Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 20th CPC National Congress and its subsequent plenary sessions. It regards Party building as an important engine for the Company's high-quality development. Upholding the Party building philosophy of "integration, pragmatism, innovation and diligent implementation", it has built a governance landscape featuring "Party building leadership and integrated development", continuously deepened the integration of Party building with production and business operations, and taken "strong Party building, strong development" as its basic focus. The Company has continuously transformed the Party's political and organizational strengths into development and competitive strengths, providing strong political support for sustainable corporate development through high-quality Party building. In 2025, Changhong Newenergy was awarded the title of Sichuan State-owned Enterprise Demonstration Site for Grassroots Ideological and Political Work under the "Strengthening the core, integrating the center, uniting the people, warming the public, and leading to boost high-quality development" initiative.

Political Development

Changhong Newenergy always places ideological and political development in the foremost position. Taking "Party building empowerment and development engine" as the guiding approach, it strengthens political leadership and empowers production and business operations. It continues to improve the assessment system under which Party building performance accounts for 10% of performance appraisal, promoting the organic integration of Party building results with operational and management performance. Party building responsibilities are cascaded and implemented at every level, fully stimulating the Company's endogenous momentum. Through Party building leadership, the Company is guided to fulfill its social responsibilities and achieve unity between economic value and social value.

Strengthening political leadership

- Strictly implement the "First Topic" mechanism, and thoroughly study and implement the Party's innovative theories, the guiding principles of provincial and municipal meetings, and Party discipline rules and regulations.
- Actively carry out full-coverage training and education for Party members, consolidate and deepen the outcomes of thematic education and Party discipline study and education, temper the Party spirit of Party members and cadres, improve ideological awareness, and stimulate their commitment to taking action and starting new undertakings.
- Organize study sessions and seminars to guide Party members and cadres in deeply understanding the decisive significance of the "Two Establishes", strengthen "our consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the central Party leadership", enhance our confidence "in the path, theory, system, and culture of socialism with Chinese characteristics", and achieve the "upholding Xi Jinping's core position on the Central Committee and in the Party as a whole and upholding the Central Committee' authority and its centralized leadership to ensure that all Party members act in unison". This will help transform the results of learning into practical actions for overcoming challenges.

Empowering production and business operations

- Establish a leadership group and an execution group to strengthen organizational support and resource backing. With Party member vanguard groups as the vehicle and annual core targets as the guide, **12** Party member vanguard excellence groups were established, linking tasks with individual performance and implementing grid-based management.
- Closely focusing on major tasks such as factory establishment in Thailand and efficiency improvement and cost reduction, the Company established a mechanism of "problem-focused rectification-effectiveness evaluation-closed-loop management", regularly reported progress, gave play to Party members' roles as "publicists, coaches and service providers", and promoted the effective implementation of all tasks.
- Leveraging vehicles such as vanguard posts, commando teams and the "100-Day Campaign", Party members made their identities visible and took the lead, achieving year-on-year growth in both annual sales scale and net profit, with the "red engine" driving production and business operations to new heights.

Ideological Development

Changhong Newenergy has implemented ideological work responsibilities at every level. Party organizations regularly conduct dedicated studies and deployment, building a full-chain closed-loop management system covering ideological guidance, public opinion prevention and control, education and training, and internal and external security. It has improved the linkage mechanism for online public opinion monitoring, assessment and response, strengthened routine monitoring and analysis, reinforced source governance, and responded prudently and efficiently to sudden sensitive public opinion events, thereby effectively safeguarding the Company's ideological security.

Strengthening the ideological foundation

Insist on conducting dedicated studies on ideological work at committee meetings every quarter, organize dedicated study sessions and thematic education on schedule, and enhance the political sensitivity and discernment of Party members and cadres.

Strictly safeguarding the public opinion line of defense

Strengthen management of online ideology and risk prevention and control; continuously reinforce the regular management of the Company's official website, new media matrix and online work groups; regulate employees' online behavior; and focus on strengthening publicity and communication of the situation and policies to build confidence and stabilize expectations, thereby consolidating and expanding the mainstream ideological and public opinion environment.

Deepening education and training

Organize various ideological education and training activities, covering such topics as the September 3 military parade, national defense open classes, micro Party lectures, and ideological education and training, and supervise Party members and cadres to remain vigilant at all times and enhance their political sensitivity and discernment.

Strictly safeguarding ideological security

Carry out dedicated ideological education for members of overseas subsidiaries, reinforce the internal and external security line of defense, and foster a stable, harmonious, positive and progressive ideological and public opinion environment.

Organizational Development

Changhong Newenergy continuously consolidates the foundation of organizational development, implements the "four synchronizations" and "four alignments", and supervises subsidiaries in standardizing the incorporation of Party building into the Articles of Association and the model in which the Party secretary also serves as board chair/heads both roles. It optimizes staffing and funding support, continuously enhances the cohesion and combat effectiveness of Party organizations, strengthens the cultivation and selection of young talent, and uses Party building to lead talent development, activate the talent pipeline, and empower the Company's high-quality development.

2025

- **2** grassroots cadres born in the 1980s and 1990s were selected
- **3** reserve cadres were recommended for the Category A talent pool
- **8** successor cadres were recommended

Deepening and solidifying organizational development

- Continue to advance the standardization and normalization of Party building, and strictly implement the system of "three meetings and one class", organizational life meetings and themed Party Day activities.
- Implement Party building responsibilities level by level, sign Party building and Party conduct and clean governance responsibility statements with subordinate Party organizations, and conduct orderly inspections and assessments to ensure full coverage of Party organizations and Party work.
- Fully completed the revision of the Management System for Major Matters, Major Appointments, Major Projects and Large-Sum Fund Operations and the List of Decision-Making Items for Major Matters, Major Appointments, Major Projects and Large-Sum Fund Operations.
- Formulate the annual Party member education and training work plan, undertake the special training organized by the Party Committee of the holding group, and produce the micro-video "Four Hearts and One High", thereby enhancing the cohesion and combat effectiveness of Party organizations.

Empowering the talent team

- Continue to optimize the structure of the cadre team, implement cadre rotation in an orderly manner, and select outstanding cadres.
- Increase the cultivation of young reserve talent in R&D, equipment, process, operations, compliance and other functions; identify, temper and promote talent during project advancement; and improve the overall capabilities and quality of the management team.



Changhong Sanjie organized a themed Party Day activity titled "Welcoming July 1, Listening to History, Tempering Party Spirit".



Changhong Camelion organized Party members and cadres to carry out the themed activity "Safeguarding the Red Root and Vein. Ten Minutes Before Shift".

Anti-Corruption and Integrity Promotion

Changhong Newenergy has solidly advanced anti-corruption and integrity promotion as well as conduct development. It regularly carries out integrity education, deepens special rectification in the bidding and tendering field, practices the "Four Going-to-the-Grassroots" approach to strengthen supervision, and promotes anti-corruption and integrity work in a deep and practical manner through strict and pragmatic conduct. It continues to improve long-term supervision mechanism and foster a clean and upright political ecosystem within the enterprise.

Deepening integrity education

- Deeply advance Party conduct and clean governance, and regularly organize Party members, non-Party backbone personnel and cadres in key positions to participate in activities such as case discussions, warning education, Party Constitution and Party rules and discipline education, and conduct supervision. More than 10 warning education meetings were held in total, continuously strengthening awareness of integrity and self-discipline.

Strengthening supervision and rectification

- Carry out special investigations into prominent issues in the bidding and tendering field, rely on the Group's typical cases to strengthen deterrence through warnings, and advance the integrated approach of not daring to be corrupt, not being able to be corrupt, and not wanting to be corrupt.
- Members of the general Party branch committee adhered to the "promoting the Party's line, principles and policies at the grassroots level; conducting research and investigation at the grassroots level; handling public complaints and visits at the grassroots level; and conducting on-site work at the grassroots level" practice by going deep into subsidiaries to carry out special investigations, on-site office work, and inspections of integrity and compliance performance, thereby promoting the extension of full and rigorous Party self-governance to the grassroots level.

Fostering a culture of integrity and clean conduct

- Solidly carry out study and education on the spirit of the Central Eight-Point Decision, remain focused on themes, simplicity and pragmatism, and advance study, inspection and rectification in an integrated manner. Through deeper study and discussion, practical problem identification, strict concentrated rectification and open-door education, the Company has promoted the study and education program in a deep and practical way.
- The attitude of being "serious, strict and pragmatic" runs through the entire process of study, inspection and rectification, promoting the spirit of the Central Committee's Eight-Point Decision to be truly internalized and embedded in thought and conduct.
- Continue to improve normalized and long-term mechanisms for conduct development, continuously enhance cadres' sense of responsibility and commitment, and keep optimizing the Company's political ecosystem and the relationship between cadres and employees.



Changhong Sanjie organized warning education and training based on typical cases.

Improving Governance and Pursuing Excellence

Changhong Newenergy consistently adheres to compliant operations and standardized governance. In strict compliance with relevant laws and regulations, and on the basis of the Articles of Association and the Rules of Procedure for the shareholder meetings and board of directors meetings, the Company advances corporate governance and investor relations management in parallel, continuously optimizes decision-making mechanisms, enhances governance capabilities, effectively safeguards the lawful rights and interests of investors, and provides a solid guarantee for the Company's long-term steady development through high-standard governance and transparent communication.

Corporate Governance and Development of Board of Directors

Changhong Newenergy continuously improves its governance structure and institutional system, strengthens the Board of Directors' functions of "setting strategy, making decisions and preventing risks", adheres to the communication principles of "multi-dimensional, two-way, symmetrical, timely, sufficient and effective", and continuously advances board independence and board diversity, thereby improving the scientific basis of decision-making and governance efficiency and promoting the ongoing upgrading of its corporate governance system and governance capacity.

2025

The Board of Directors consists of 9 directors, including:

- One employee representative director, accounting for **11.11%**
- Two female directors, accounting for **22.22%**
- Three independent directors, accounting for **33.33%**

Optimizing Institutional Framework

- The Company has established a governance structure centered on the Shareholders' Meeting, the Board of Directors, the specialized committees of the Board of Directors, and Senior Management.
- It has revised and improved the Articles of Association, strictly standardized the performance of duties and powers by the Shareholders' Meeting, the Board of Directors and management, reinforced the alignment of powers and responsibilities, and ensured effective and efficient performance of duties.
- The Company has formulated and revised 33 core governance systems, including the Rules of Procedure for the Shareholders' Meeting, the Rules of Procedure for the Board of Directors and the Working System for Independent Directors, and has continuously improved its Articles of Association system.

Independence of Board of Directors

- Independent directors are granted fixed-amount allowances, and no performance-based remuneration linked to operating results is established, thereby ensuring the objectivity and independence of independent directors' decision-making and avoiding the influence of performance factors on their independent judgment.
- Independent directors made multiple in-depth visits to the Company and its subsidiaries to conduct research on production and operations and scientific and technological innovation, enabling them to gain a timely understanding of the Company's actual operating conditions and fully play their supervisory and professional support roles.

Diversity of Board of Directors

- The Company systematically builds a diversified Board of Directors composition from multiple dimensions, including professional experience, vocational skills, knowledge structure, term of office, geographical distribution, cultural background, educational attainment, gender and age.
- Relevant arrangements regarding directors' terms of office in the Articles of Association effectively balance continuity of operating experience with innovative development thinking, further enhancing Board of Directors diversity and the effectiveness of scientific decision-making.

Investor relations management

Changhong Newenergy is committed to establishing a sound system for the protection of shareholders' rights and interests and standardized information disclosure. It insists on safeguarding investors' lawful rights and interests through standardized operations, enhancing mutual trust and recognition through efficient communication, improving the credibility of corporate governance through transparent disclosure, continuously consolidating the foundation of investor relations management, and strengthening the Company's sustainable development capability and market competitiveness.

2025

- **3** Shareholders' Meetings were convened, reviewing 20 proposals
- **100%** proposal approval rate

Protection of shareholders' rights and interests

Institutional support: The Company revised the Investor Relations Management System, standardized the procedures for convening, holding and voting at Shareholders' Meetings, and effectively safeguarded shareholders' lawful rights and interests, including the right to speak, the right to raise questions and the right to vote.

Diversified communication channels: The Company regularly conducts investor exchange meetings, online research sessions and performance briefings, strengthens communication with investors and potential investors, and ensures that investors' views are fully expressed and effectively responded to the Company.

Shareholder returns: The Company attaches great importance to investor returns and has established and implemented a scientific, stable and continuous profit distribution policy to effectively safeguard shareholders' rights to reasonable returns.





Protection of minority shareholders' rights and interests

Equal protection of rights and interests: In strict accordance with the Articles of Association and relevant systems, the Company treats all shareholders equally, ensures that minority shareholders enjoy equal status, and enables them to fully exercise their shareholder rights.

Smooth communication channels: The Company regularly keeps investor hotlines, email and other diversified communication channels open, providing convenience for minority shareholders to exercise their supervisory duties and put forward comments and suggestions.

Optimized participation mechanism: Shareholders' Meetings adopt a combination of on-site voting and online voting, facilitating minority shareholders' participation. Each meeting agenda includes an investor Q&A session, providing minority shareholders with sufficient opportunity and time to speak, and effectively safeguarding their lawful rights and interests, including voting and participation rights.



Information disclosure

Strict disclosure compliance: The Company proactively strengthens communication and coordination with regulatory authorities, accurately understands the standardized requirements for information disclosure, continuously improves the quality and transparency of information disclosure, and effectively safeguards the lawful rights and interests of all investors.


Diversified communication channels: The Company conducts investor communication through multiple forms, including dedicated telephone lines and face-to-face exchanges, to ensure that information disclosure is true, accurate, complete and clear.

Regular public disclosure: Through platforms such as the Company's official website and the Beijing Stock Exchange, the Company regularly publishes quarterly reports, annual reports and other documents, realizing standardized and normalized public information disclosure.



Law-Based Compliance, Ensuring Steady and Sustainable Corporate Development

Changhong Newenergy has thoroughly carried out the special initiative of the "Year for Deepening Compliance Management", cultivated a strong compliance culture, reinforced risk prevention and control and data security protection, and continuously improved its level of law-based and compliant operations. In 2025, the Company had no major confidentiality breaches or violations of laws and regulations, and its compliance management system became increasingly sound.



Improving compliance management

The Company implemented the Chief Compliance Officer system, formulated the Measures for the Administration of Compliance and Risk Control Administrators, reviewed and optimized approval processes, and organized all companies to carry out cross-checks on compliance in multiple areas, thereby strengthening rectification of issues and integrating compliance requirements into business rules and operations.

Through case study and policy communication, the Company enhanced all employees' compliance awareness and risk early warning capability, thereby comprehensively consolidating the foundation of compliance management.

Strengthening compliance awareness

CASE | Changhong Sanjie Builds a Comprehensive Data Security Defense Line

In 2025, Changhong Sanjie adhered to a management approach based on security, safeguarded by compliance, empowered by technology and jointly governed by all employees, comprehensively preventing data security risks. No major data security incidents occurred throughout the year, and its data security protection capabilities were continuously strengthened.

Building institutional defenses:

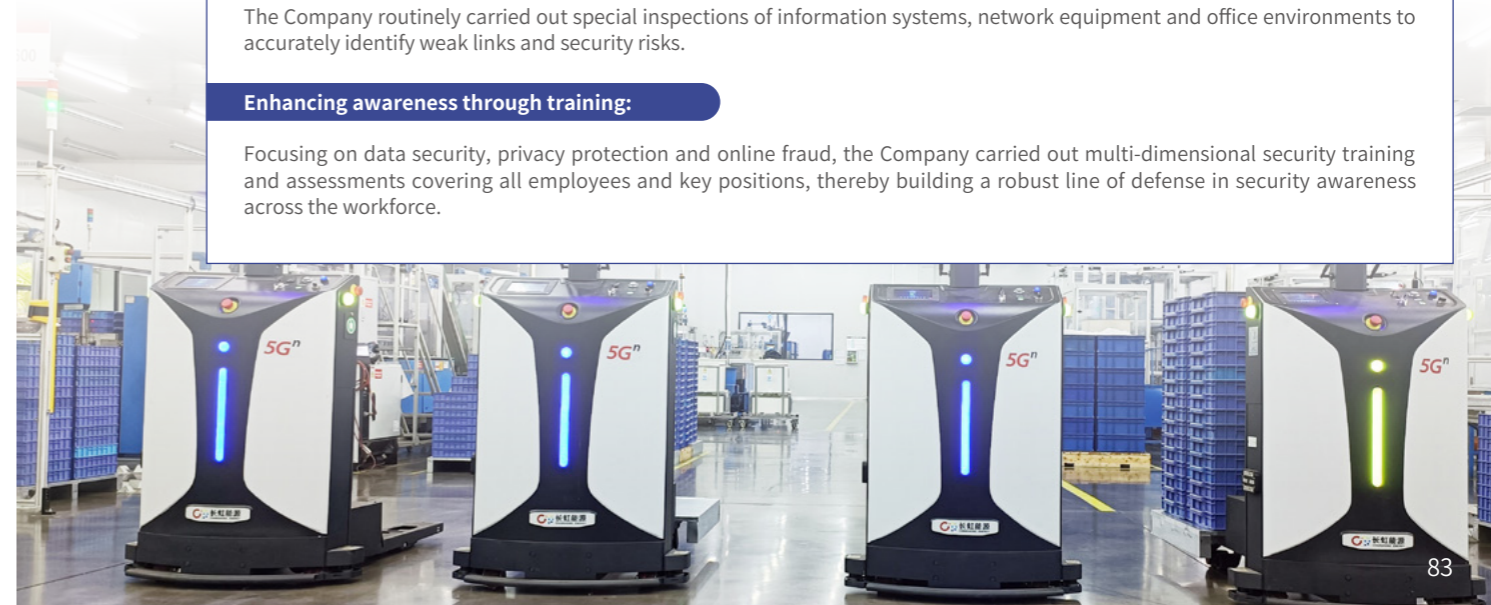
The Company issued multiple systems covering data application, security management and information resources, standardized full life-cycle data management, and integrated privacy protection into the entire business process.

Eliminating hidden risks through inspections:

The Company routinely carried out special inspections of information systems, network equipment and office environments to accurately identify weak links and security risks.

Enhancing awareness through training:

Focusing on data security, privacy protection and online fraud, the Company carried out multi-dimensional security training and assessments covering all employees and key positions, thereby building a robust line of defense in security awareness across the workforce.



Outlook for 2026

The year 2026 marks the opening year for the 15th Five-Year Plan. The new energy industry stands at a new starting point characterized by deeper technological iteration, faster green transition and greater integration of the industrial ecosystem. Low-carbon development and innovation-driven growth have become defining directions for the industry's high-quality development. Changhong Newenergy will stay focused on the course of high-quality development, take ESG principles as the foundation of its development, integrate sustainability requirements into its strategic planning and business practices, continue to deepen intelligent manufacturing and practice green manufacturing, strive to achieve breakthroughs in key technologies in the new energy sector, deepen coordinated progress across the upstream and downstream industrial chain, improve its industrial layout and talent development system, and enhance the modernization of corporate governance and refined risk control capabilities. Through the Company's concrete efforts in development, it will serve the broader national carbon peaking and carbon neutrality strategy and demonstrate the responsibility of a state-owned enterprise in supporting the steady and sustainable development of the new energy industry.

As the tide rises, the sea and sky broaden; now is the time to set sail. On the new journey, Changhong Newenergy will always remain committed to its corporate mission of "Precision Manufacturing, Intelligent Production, Scientific and Technological Innovation, and Benefiting Humanity", uphold the dual-driven development path of "green + intelligent", courageously explore the track of technological innovation, keep moving forward on the journey of green and low-carbon development, and pursue excellence in the practice of standardized governance. With practical work to build its foundation, innovation to drive development, collaboration to pool strength, and compliance to uphold its founding aspiration, the Company will strive toward a modern vision of harmonious coexistence between humanity and nature, and contribute Changhong Newenergy's every effort to the global energy transition and the building of a clean and beautiful world.

Appendix

Key Performance Indicators

Financial Performance	Unit	2023	2024	2025
Total Assets	RMB 100 million	44.77	45.53	51.74
Total operating revenue	RMB 100 million	27.97	36.71	44.85
Total profits	RMB 100 million	-4.37	2.48	3.42
Net profit	RMB 100 million	-4.11	2.28	3.16
Total tax payment	RMB 100 million	0.49	0.63	0.87
Return on total assets	%	-9.23	5.05	6.50
Debt-to-assets ratio	%	81.89	75.90	73.96

Environmental performance ¹	Unit	2023	2024	2025
Total environmental protection investment	RMB 10,000	157.28	167.86	206.73
Total environmental protection investment as a percentage of operating revenue	%	0.06	0.05	0.05
Number of National Green Factories	No.	1	2	3
Total greenhouse gas emission	tCO ₂ e	1175.96	1332.90	1261.67
Scope 1 greenhouse gas emissions	tCO ₂ e	22.38	6.53	7.07
Scope 2 greenhouse gas emissions	tCO ₂ e	1153.58	1326.37	1254.60
Scope 1 greenhouse gas emissions intensity	tCO ₂ e/ RMB 10,000	0.00008	0.00002	0.00002
Scope 2 greenhouse gas emissions intensity	tCO ₂ e/ RMB 10,000	0.00412	0.00361	0.00280
Chemical oxygen demand (COD)	Kg	7446	1921	1921
Ammonia nitrogen (NH ₃ -N)	Kg	217	56	56
Volatile organic compounds (VOCs)	Ton	3.92	4.13	0.79
Harmful waste generation	Ton	40.26	45.63	57.18
Hazardous waste disposed	Ton	42.27	48.85	49.15
Harmless waste generation	Ton	900.70	1074.32	848.86
Non-hazardous waste disposed	Ton	850.78	1011.55	859.57

Environmental performance ¹	Unit	2023	2024	2025
Number of environmental protection training sessions	Times	4	3	4
Number of participants in environmental protection training	Person-time	17	15	15
Duration of environmental protection training	Hours	32	24	32
Environmental protection tax	RMB 10,000	7.75	8.22	8.16
Wastes recycled	Ton	785.80	946.57	794.59

Social performance	Unit	2023	2024	2025
RD investment amount	RMB 100 million	1.65	1.58	1.79
Proportion of RD investment in main business revenue	%	5.89	4.35	4.05
Number of R&D personnel	Person	447	419	449
R&D personnel as a percentage of total employees	%	16.53	16.46	16.54
Number of invention patents granted	Item	26	40	50
Total number of employees	Person	2704	2545	2715
Number of male employees	Person	1416	1359	1464
Number of female employees	Person	1288	1186	1251
Management personnel	Person	56	62	68
Production personnel	Person	2014	1877	2008
Sales personnel	Person	143	143	140
Technician	Person	447	419	449
Financial personnel	Person	44	44	50
Doctoral degree holders	Person	1	0	0

Note¹: In the environmental performance indicators, the total greenhouse gas emissions, Scope 1 greenhouse gas emissions, Scope 2 greenhouse gas emissions, Scope 1 greenhouse gas emissions intensity and Scope 2 greenhouse gas emissions intensity are calculated based on the boundary of Changhong Newenergy and the factory area located at No. 36 Xinping Road, Mianyang City.

Social performance	Unit	2023	2024	2025
Master's degree holders	Person	21	36	41
Bachelor degree	Person	287	364	421
Junior college degree and below	Person	2395	2145	2253
Total number of jobs created	Person	1273 ²	673	880
Number of flexible employment positions created	Person	367	525	614
Labor contract signing rate	%	100	100	100
Average number of paid annual leave days per employee	Day	23	23	23
Number of labor dispute cases	Item	0	1	0
Turnover rate of employees	%	15.18	24.64	20.73
Average compensation per employee	RMB 10,000/ Person	9.52	10.28	10.81
Average revenue generated per employee	10,000/ person·year	105.50	140.82	169.37
Number of employees in difficulty receiving assistance	Person	12	13	17
Number of employees with disabilities	Person	6	12	11
Coverage rate of work injury insurance and work safety liability insurance ³	%	1.00	1.00	1.00
Number of working days lost due to work-related injuries	Day	130.00	140.00	50.00
Duration of safety training	Hours	2860.00	3552.00	4120.00
Work safety investment	RMB 10,000	1219.26	988.78	1097.86
Injury rate per million working hours	‰	1.52	1.55	0.76
Number of occupational disease cases	Person	0	0	0
Number of work-related injury cases	Person	2	2	1
Number of work-related deaths	Person	0	0	0
Number of safety incidents	Cases	2	2	1
Number of major and above accidents	Cases	0	0	0
Times of employees training	Times	465	557	661

Social performance	Unit	2023	2024	2025
Employee training expenditure	RMB 10,000	15.73	19.81	29.35
Employee training coverage rate	%	100	100	100
Total number of suppliers	No.	154	138	144
Localization ratio of suppliers	%	46.75	50.00	47.92
Localization ratio of procurement	%	16.43	13.81	12.25
Number of suppliers certified under the quality management system	No.	61	55	60
Number of suppliers certified under the environmental management system	No.	37	33	34
Number of suppliers certified under the occupational health and safety management system	No.	25	21	22
Number of suppliers with other certifications	No.	10	9	10
Complaint resolution rate	%	—	—	100

Governance Performance	Unit	2023	2024	2025
Number of Board members	Person	9	9	9
Proportion of independent directors	%	33.33	33.33	33.33
Proportion of female directors	%	0	0	22.22
Proportion of female executives	Times	0	0	0
Number of board of directors meetings held	Times	7	12	12
Total number of management personnel receiving anti-bribery and anti-corruption training	Person	7	7	8
Total number of employees receiving anti-bribery and anti-corruption training	Person	362	390	424

Note²: The reason for the higher number of employees in 2023 is the acquisition of Juheyuan.

Note³: The industry and business scope of Changhong Newenergy is not included in the national statutory scope for safety production liability insurance, so the Company has not subscribed to this insurance. The related actions comply with current regulatory requirements.

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Title	Subtitle	Guideline No. 11 for the Ongoing Supervision of Listed Companies on the Beijing Stock Exchange — Sustainability Reports (Trial)	China Enterprise Sustainability Disclosure Guidelines (CASS-ESG 6.0): Electrical Machinery and Equipment Manufacturing Industry	Report Location
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	Industrial Collaboration: Connected Supply Chains for Shared Success	Article 45	S3.1.1-S3.1.4	P33-37
Green Transition: Safeguarding the Ecosystem Through Low-Carbon Development and Circularity	Green Management, with Systems Taking the Lead	Article 33	E2.4.1-E2.4.2、 E2.4.4	P40-41
	Green Production and Low-Carbon Development	Article 23, Article 27, Article 30, Article 31, Article 32, Article 35, Article 36, Article 37	E1.1.1-E1.1.4、 E1.1.16、 E2.1.6-E2.1.8、 E2.1.11、 E2.2.1、 E2.2.3、 E2.2.5-E2.2.9、 E3.1.5、 E3.2.3、 E3.2.4、 E3.3.2、 E3.3.7、 E2.3.1、 E2.3.2	P42-55
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Feedback

Dear readers:

Thank you very much for taking the time to read this report. To better understand your expectations and needs regarding Changhong Newenergy's ESG efforts, continuously improve the Company's ESG practices, and enhance its ESG development, we sincerely hope to hear your views and suggestions. We kindly invite you to complete the feedback form.

1. Your general impression of this Report:

Excellent Good Average Poor Very poor

2. Do you think this report reflects the Company's significant impacts on the economy, environment and society?

Yes Average No Do not know

3. What do you think about the clarity, accuracy and completeness of the information, data and indicators disclosed in this Report?

Excellent Good Average Poor Very poor

4. What aspect of this report are you most satisfied with?

5. What further information would you like to know?

6. What suggestions do you have for Changhong Newenergy's future reports?



Scan the QR code to provide feedback.

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