Narada 南都电源 30

2023

CSR REPORT

CORPORATE SOCIAL
RESPONSIBILITY REPORT

Driving the Smart Energy Revolutionto Create a Green and Beautiful Life

Zhejiang Narada Power Source Co. Ltd.

CONTENTS

About This Report

Scope and Content of the Report

This report primarily describes the activities of Narada Power and its subsidiaries (referred to as "Narada Power" or "the Company") in economic, social, environmental, and corporate governance aspects from January 1 to December 31, 2023. Due to the possibility of ongoing disclosures, some information may be appropriately extended forward or backward.

Data

The financial data in this report are based on financial reports and other data are obtained from internal statistics of the company. All financial data in this report are presented in RMB.

Main reference standards

- GRI Standards by GRI
- Guidance on the Fulfillment of Corporate Social Responsibility by Central Enterprises by SASAC of the State Council
- United Nations Sustainable Development Goals (SDGs)
- GB/T36001-2015 Guidelines for Preparing Corporate Social Responsibility Reports
- Guidelines to CSR Reporting in China by CSR Center of CASS
- CFIE Guidelines to Social Responsibility of Chinese Industrial Enterprises and Industrial Associations
- Guidelines for the Preparation of Enterprise Environmental Reports (HJ617-2011) by Standard of the State Ministry of Environmental Protection
- International Organization for Standardization ISO26000:2010 Guide to Social Responsibility

Release status

This is the fourteenth CSR report of Narada Power.

It can be read and downloaded from the company’s website: http://www.naradapower.com

2009

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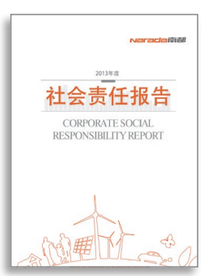

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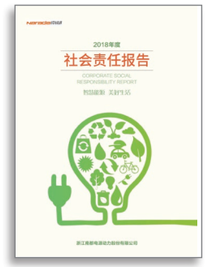

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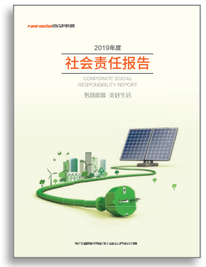

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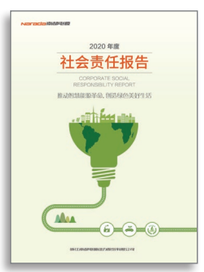

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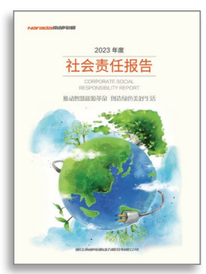


2023

Address from CEO

In 2023, as the global implementation of the Paris Agreement accelerated, the proportion of renewable electricity continued to rise, leading to a rapid growth in the global energy storage market. Guided by the principles of industrial integration, integrated sales and services, global integration and industrial ecology integration, Narada Power seized the opportunity to deeply cultivate the global energy storage market and emerged as a leader in the global energy storage sector.

Since its establishment in 1994, Narada Power has been committed to technological innovation, focusing on the forefront of energy storage technology to provide efficient, safe, and green energy storage products and solutions to global users. Over the past year, a series of new technologies and solutions, such as liquid-cooled energy storage systems with independent intellectual property rights, independently developed high-capacity and high-efficiency battery cells, next-generation high-voltage lithium battery systems for data centers, and independently innovated lithium extraction processes, have been successively put into industrial application. In the future, Narada Power will continue to focus on the core technologies in the energy storage industry chain such as battery materials, energy storage systems, and battery recycling, strengthen the core competitiveness of the enterprise, and contribute to the transformation of the global energy structure.

Narada Power integrates the concept of sustainable development into every aspect of its operations, striving to achieve harmonious and sustainable development of the enterprise and the environment. After years of exploration and development, the company has established a full industry chain from battery manufacturing, system integration, operation services to resource recycling, forming an integrated layout around the energy storage business and constructing a full energy storage industry ecosystem. The company reduces the consumption of natural resources in the manufacturing of energy storage systems through the circular industry chain, and promotes the low-carbon sustainable development of the energy storage industry through green manufacturing.

For many years, Narada Power has consistently emphasized both economic and social benefits. While solidifying its business development, it has earnestly fulfilled corporate social responsibilities and actively given back to society. The Company strictly complies with local laws and regulations to ensure legal and compliant operations. It is committed to creating a green and environmentally friendly production environment, and implementing a responsibility system for safety in production to ensure that all employees enjoy a healthy and harmonious work environment. It adheres to a "people-oriented" approach, continuously offers cares for employees, constantly improves the company's benefits system, and addresses the practical needs of employees. Additionally, it actively participates in charity activities such as disaster relief, assistance for the disabled, and educational support, focusing on vulnerable groups, and striving for mutually beneficial development.

In 2024, Narada Power is about to celebrate its 30th anniversary. Reflecting on the past, the company has achieved some accomplishments in sustainable development, environmental protection and fulfillment of social responsibilities. Looking ahead, Narada Power will steadfastly adhere to its mission of promoting the smart energy revolution and creating a green and beautiful life. With more pragmatic actions, it will shoulder the responsibility of being a leader in the energy storage industry, and work together with all stakeholders in the energy storage industry ecosystem to jointly promote the transformation of the energy structure and build a green, sustainable, and bright future!

Chairman and CEO of the Company:

I Management For Sustainable Development

Company profile

● Name:

Zhejiang Narada Power Source Co. Ltd.

● Company registered addres:

No. 72, Landscape Avenue, Qingshan Lake Street, Lin'an City, Zhejiang Province

● Company address:

No.822, Wen’er West Road, Hangzhou, Zhejiang, China

● Founded time:

September, 1994

● Date of listing:

April 2010

● Listed Stock Exchange:

Shenzhen Stock Exchange
(Stock Code: 300068)

● The company's main business:

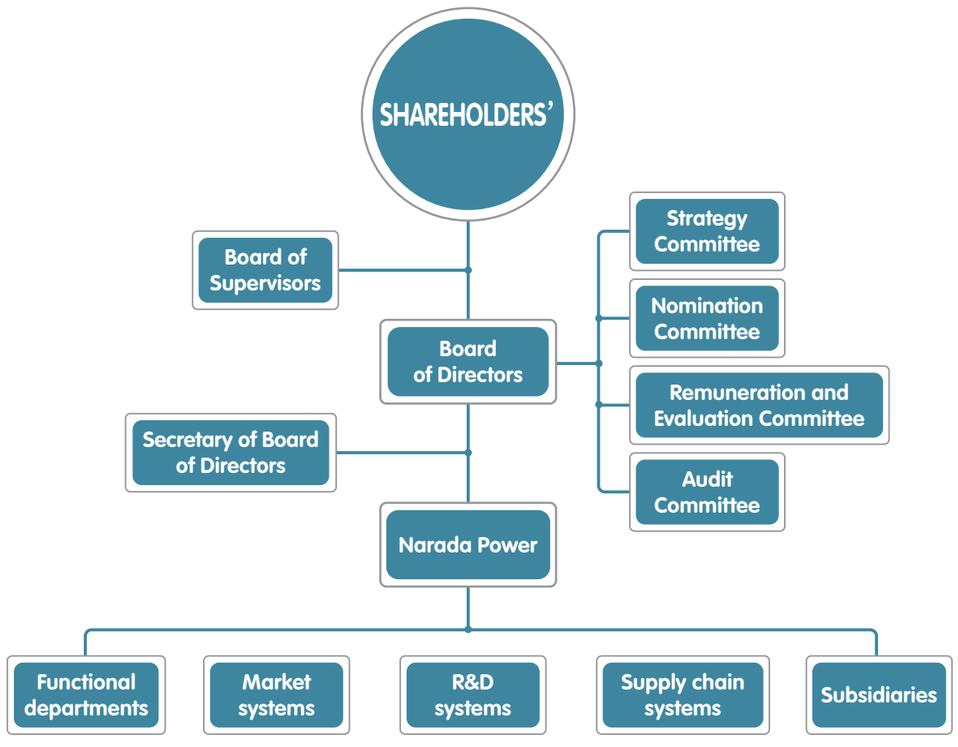
Zhejiang Narada Power Source Co., Ltd. is one of the leading enterprises in the energy storage industry. Founded in 1994, the company is a domestic A-share GEM listed company (stock code: 300068). The company primarily focuses on the field of energy storage applications, providing systematic products, solutions, and operational services centered around lithium-ion and lead batteries. It also builds two major industrial loops, the "Lithium Battery Circular Industrial Chain" and the "Lead Battery Circular Industrial Chain,” to practice circular economy principles.

● Main products and application fields:

The company primarily focuses on the field of energy storage applications, providing systematic products, solutions, and operational services centered around lithium-ion and lead-acid batteries. It specializes in the research and development, manufacturing, sales, and services of a full range of products and systems including new electric energy storage, industrial storage, and civil storage. Additionally, it focuses on the integration of environmentally-friendly resource recycling industries. The company possesses key core technological advantages and sustainable research and development capabilities for integration of industries such as battery materials, battery systems, and battery recycling, which can support the energy storage application field. It has formed an integrated system with a closed-loop industry chain, covering the entire chain from "raw materials - product application - operational services - resource recycling - raw materials" for lithium and lead batteries.

(For more information, please refer to Narada Power Annual Report 2023)

Narada Power Organization



Corporate management

Narada Power has established a corporate governance structure that ensures all shareholders to fully exercise their powers and enjoy equal status. The Board of Directors is responsible for convening and reporting to the shareholders' meeting, executing the resolutions of the meeting timely, implementing the overall development and business strategies of the company, deciding on the company's business policies and investment plans, and guiding the company's management. We also have a Supervisory Board in place, which is responsible for overseeing the company's operations and investment decisions.

The Board of Directors consists of seven directors, three of whom are independent directors. These independent directors are experts with professional academic qualifications and rich experience in finance, law, and industry technology, ensuring the interests of all shareholders, including small and medium shareholders.

The Supervisory Board consists of three supervisors, one of whom is a worker representative. The number and composition of the Supervisory Board comply with legal and regulatory requirements. During the reporting period, all supervisors, in accordance with the requirements of the Rules of Procedure of the Supervisory Board, diligently fulfilled their duties, supervised the company's major issues, financial conditions, and the legality and compliance of directors and senior management in performing their duties, effectively safeguarding the legal rights and interests of all shareholders.

The core management team and business backbone of the company have an average of more than 15 years of industry and management experience. They have a forward-looking grasp of market and technology development trends to maintain the company's sustainable development.

The company has established a corporate performance appraisal incentive system, with a continuously improving mechanism. The income of the managers is linked to the company's business performance and goals. The appointment of senior management is open and transparent, in compliance with relevant laws and regulations. The remuneration of the company's directors, supervisors, and senior management is determined and issued in accordance with the company's Board of Directors' Remuneration and Assessment Committee Work Rules, combined with their business performance, work ability, job responsibilities, and other assessments.

The company strictly follows the Company Law, Securities Law, Basic Norms of Enterprise Internal Control and other laws and regulations, and requirements of regulatory documents of listed companies by the China Securities Regulatory Commission. By combining the company's industry and its characteristics, it continuously improves and standardizes the company's internal control organizational structure and operating mechanism, ensuring the company's management is legal and compliant, assets are secure, and financial reports and related information are accurate and complete. This promotes the effective implementation of the company's various business activities and the achievement of the company's strategic goals.

The company's Board of Directors has established four special committees: the Strategic Committee, Audit Committee, Nomination Committee, and Remuneration and Assessment Committee. According to their respective responsibilities, they conduct research on various professional matters, providing scientific and professional opinions and references for the Board of Directors' decision-making.

Main organizations the company participating

International Advanced Lead-Acid Battery Consortium (CBI, formerly ALABC)	Member Units
China Association of Chemical and Physical Power Industry	Vice Chairman Unit
Lead-Acid Battery Branch of China Electrical Equipment Industry Association	Vice Chairman Unit
Secondary Metals Branch of China Nonferrous Metals Industry Association	Executive Director
China Battery Industry Association	Vice Chairman
CNESA	Vice Chairman
EESA	Vice Chairman
China Communications Standards Association	Director Unit
EPTC Power Technology Collaboration Platform	Vice Director Member
Energy Storage Application Branch of China Association of Chemical and Physical Industry	Vice Chairman
China Data Center Working Group (CDCC)	General Members
China National Light Industry Council	Member
Zhejiang Energy Industry Federation	General member
Zhejiang Listed Companies Association	Vice Chairman
Zhejiang Province Bicycle and Electric Vehicle Industry Association	Director Unit
Zhejiang Province Enterprise Social Responsibility Promotion Association	General Members
Zhejiang Province Environmental Monitoring Association	Director Unit
Hangzhou City Bicycle and Electric Vehicle Industry Chamber of Commerce	Vice President

Main awards

- Ranking 180th in the List of 2023 Global Top 500 New Energy Enterprises
- China's Top 10 in New Energy Battery Sector of Light Industry
- China's Top 100 Science and Technology Enterprises in Light Industry
- China's Top 200 Enterprises in Light Industry
- China's Top 10 Enterprises in Lead-acid Battery Sector of Light Industry
- 2023 China New Energy Storage Industry Excellent Brand Award
- Excellent Enterprise of Battery Reuse and Recycling
- Benchmarking Enterprise of Corporate Social Responsibility in Zhejiang Province
- First Prize of Jiangxi Science and Technology Progress Award
- Ranking the 56th in the Top 100 Comprehensive Manufacturing Enterprises of Private Enterprises in Anhui Province
- 2023 Hangzhou Enterprise High-tech Research and Development Center
- Hangzhou Credit Management Demonstration Enterprise

Strategy and management of responsibility

Vision and mission

Promoting the smart energy revolution and creating a green and beautiful life.

Core values

Integrity, responsibility, innovation and dedication.

Responsibility viewpoints

Responsibility knowing no time difference, no limit, and no national boundaries. Be an excellent corporate citizen and always shoulder responsibilities.

Motivating employees and leading them to actively expand their careers.

--Responsibility to employees.

Taking pride in customers and meet their needs with quality products and services.

--Responsibility to customers

Making contributions to the society, dedicating to the harmonious development of society.

--Responsibility to the society

Caring for the earth, build an environmentally friendly enterprise and making efforts for environmental protection.

--Responsibility for the environment

Roles and operations of social responsibility committee

Narada has established a Social Responsibility Committee, led by the Social Responsibility Department and comprising senior executives of the Company and various business divisions, which is mainly responsible for formulating the Company's social responsibility, environment, safety and energy objectives and policies; building, implementing and continuously improving the social responsibility management system to ensure that the Company's social responsibility management is in compliance with the relevant domestic and international laws, regulations, standards and customers' needs; and promoting the work of social responsibility in green environmental protection, responsible purchasing, business ethics and human rights to ensure that its business is in line with the requirements of social responsibility.

System construction and management of responsibility

Through the introduction of ISO9001, ISO14001, ISO45001, SA8000, QC080000, RBA and other standards, Narada Power has established a relatively complete corporate social responsibility management system, which covers various aspects such as business, product, and environment responsibilities , as well as human rights and labor, social welfare, supply chain and business ethics.

December 1996, passed the ISO9001 quality management system certification

July 2000, passed ISO14001 Environmental Management System Certification

September 2004, passed cleaner production audit

December 2006, passed circular economy audit

December 2006, introduced QC080000 Hazardous Substance Free Process Management System.

December 2006, passed OHSAS18001 Occupational Health and Safety Management System Certification

March 2008, passed TL9000 Quality Management System Certification for Telecom Industry

February 2009, passed SA8000 Social Responsibility Management System Certification

July 2010, implemented EICC Standard for Business Ethics Management System in the Electronics Industry

July 2011, introduced ISO14064 Greenhouse Gas Quantification and Reporting Guidelines

January 2012, introduced the Performance Excellence Evaluation Guidelines

March 2016, passed TS16949 Quality Management System Certification for the Automotive Industry

November 2017, passed ISO50001 Energy Management System Certification

December 2017, passed IATF16949 Quality Management System Certification for the Automotive Industry

August 2018, introduced ISO22301 Business Continuity Management System

October 2018, passed the QC080000 Certification of Non-Hazardous Substances Process Management System

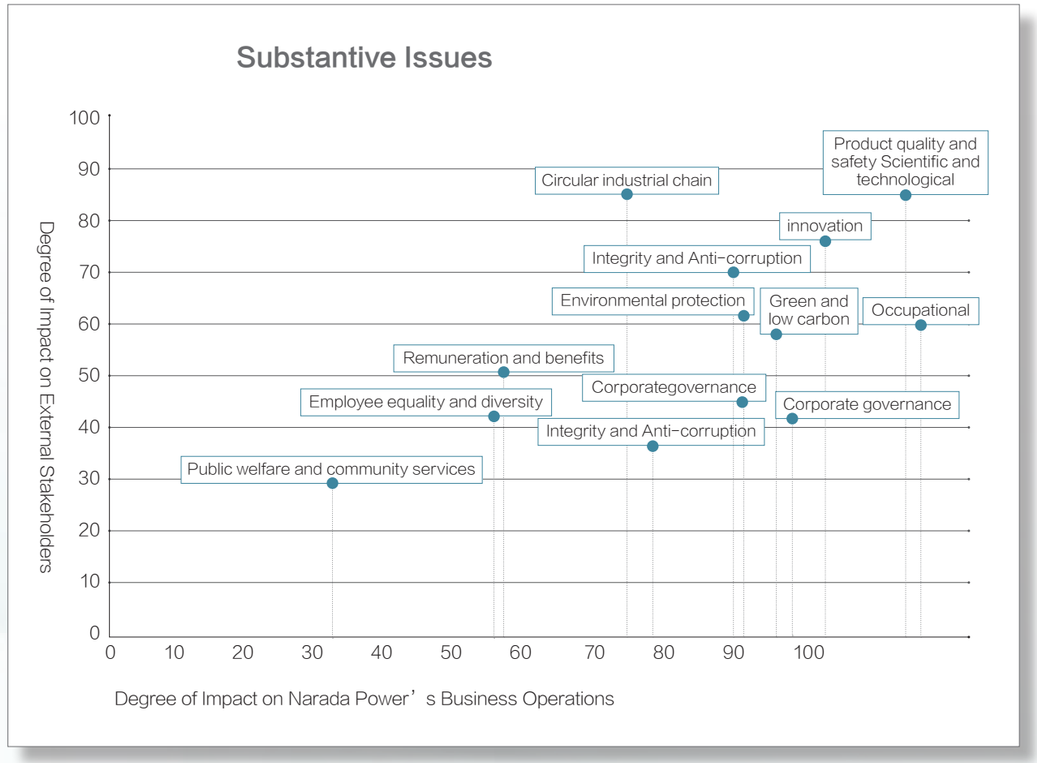
September 2020, passed ISO45001 Occupational Health and Safety Management System Certification

October 2021, Passed the Joint Audit Cooperation (JAC) Examination

May 2022, Implementation of ISO 14067 Carbon Footprint Certification:

Materiality issue management

Narada incorporates the development of our business, the needs of our stakeholders, the social responsibility risks within our industry, and the requirements of relevant social responsibility standards (such as the GRI standards, the United Nations SDGs, and the Chinese Corporate Social Responsibility Report Writing Guide (CASS-ESG 5.0)) into our social responsibility risk assessment process. This process helps us identify key social responsibility issues for Narada Power and rank them in order of importance. We construct a materiality matrix based on two dimensions: the impact of these issues on our business operations and their effect on external stakeholders. This matrix allows us to determine the significance and ranking of each issue. Issues that have a high impact are prioritized as key areas of focus in our social responsibility management. This approach ensures that the most critical social responsibility issues are addressed effectively, allowing us to maintain our commitment to social responsibility while ensuring the sustainable development of our business.



●SDGs Contribution of Narada Power

While accelerating the global layout, the company pays attention to the global sustainable development. The company actively responds to and comprehensively examines the relevance of the United Nations Sustainable Development Goals (SDGs) to its corporate responsibility practices.

The company incorporates its contribution to the SDGs into its operational strategy formulation and consistently discloses its progress, demonstrating its positive contribution to global SDGs.

Participation of interested parties

Shareholders

Issues of concern

- Corporate Governance
- Integrity and Anti-corruption
- Technological Innovation

Main ways of communication

- Disclosure of Relevant Information by Law
- Shareholders' Meeting
- E-mail
- Investor Reception
- Maintaining Good Communication with Investors

Clients

Issues of concern

- Product Quality and Safety
- Sustainable Supply Chain
- Preservation of Environment
- Occupational Health and Safety
- Green and Low Carbon Circular Industrial Chain

Main ways of communication

- Customer Satisfaction Survey
- Technical Exchanges and Workshops Seminars
- Industry Exhibitions and Forums Interviews with Customers

Government/Industry

Issues of concern

- Integrity and Anti-corruption
- Preservation of Environment
- Occupational Health and Safety

Main ways of communication

- Cooperation on Sustainable Development Issues
- Political Communication Meetings
- Industry Forums and Association Events
- Standard Setting
- Release of Research Results

Suppliers

Issues of concern

- Product Quality and Safety
- Sustainable Supply Chain
- Preservation of Environment
- Occupational Health and Safety
- Green and Low Carbon

Main ways of communication

- Supplier Assessment
- Supplier Audit
- Supplier Conferences
- Responsible Procurement
- Supplier Carbon Inventory
- Regular Communication
- Exchange of Visits

Employees

Issues of concern

- Employee Equality and Diversity
- Preservation of Environment
- Occupational Health and Safety
- Staff Training and Development
- Remuneration and Benefits

Main ways of communication

- Employee Satisfaction Survey
- Workshop Team Discussions
- Creative Proposal Activities
- CEO Reception Suggestion Box
- Email Telephone
- Communication with Employee Representatives
- Basketball League
- Staff Sports Meeting

General Public, Community

Issues of concern

- Environmental Protection
- Product quality and safety
- Public welfare and community service

Main ways of communication

- Information Disclosed on the Company's Website
- Participation in Community Activities
- Light of Narada
- Domestic and International Social Media Platforms
- Conducting Community Charity Events

Business ethics and commercial liability

Narada Power's business ethics policy is to adhere to integrity, abide by business ethics, and comply with all applicable laws and regulations of the location for business activities, so as to be a responsible corporate citizen..

The business principle is to comply with business ethics, contribute to society, and achieve business success. This is the company's commitment and the basis for its many policies

It relies on honesty and integrity to build long-term relationships with customers, with all marketing and advertising being accurate and truthful; It is also committed to striving to meet specific local codes of conduct in any community or country in which it operates. These codes sometimes are embodied in regulations and are not formalized, but they are deeply rooted in the philosophy and practices of the local community. Adherence to these codes in the company's operations is not only its expectation, but also a part of its success, for engaging and motivating employees, for satisfying customers, and for dealing effectively with private and public institutions.

In order to better fulfill its ethical business responsibilities, the company introduced the Electronic Industry Code of Conduct (EICC) standard in July 2010. The standard was renamed the Responsible Business Alliance (RBA) Code of Conduct in 2018. (Responsible Business Alliance), and the company has also followed suit to make its business ethics work more systematic, comprehensive and standardized while making continuous improvement.

Business Integrity

Anti-corruption and Integrity Management

Narada Power adheres to the highest standards of integrity in all business exchanges,

adopting a "zero tolerance" attitude towards any and all forms of bribery, corruption, extortion, and embezzlement. It has established a sound anti-corruption mechanism, with the Audit and Supervision

Department as the department in charge, carrying out anti-corruption work with full coverage and no restricted areas.

• Integrity System Construction: In 2023, Narada Power introduced the "Sunshine Narada" information reporting platform, where employees or other business partners can report violations, misconduct and other illegal activities by scanning a QR code. This has greatly improved the efficiency of feedback, collection, and processing of reported information. Currently, this reporting channel has been widely implemented in the offices in Hangzhou and Anhui regions, with plans to be fully implemented across Narada Power in 2024.

• Integrity Culture Construction: Narada Power carries out integrity culture construction by conducting regular integrity and anti-corruption training sessions to foster employee awareness and practice of integrity culture. During traditional Chinese festivals and holidays throughout the year, activities promoting a culture of integrity within the enterprise, and training sessions of anti-corruption and integrity for new employees are organized. For suppliers, the integrity requirements and atmosphere are communicated in accordance with relevant control procedures.

• Punishment and Improvement: Narada Power conducts special investigations and audits into instances of violations and illegal activities as needed. In 2023, several reports of violations and misconduct were received and investigated. Employees found guilty of such violations were subjected to disciplinary actions, including but not limited to warnings, record of demerits, transfer to other positions for observation, or termination of labor contracts. Suppliers found to have breached business ethics or contracts were penalized for breach of contract, which recovers significant economic losses for the company.

● No unfair advantages

Narada Power is committed to a policy of no unfair advantages. We strictly prohibit the promise, provision, granting, giving, or acceptance of bribes and other forms of benefits provided to gain illegal or unfair advantages. This prohibition includes directly or indirectly committing, providing, authorizing, giving, or accepting anything of value through a third party to obtain or retain business, or to provide business to any person or otherwise gain an unfair benefit.

● Information disclosure

Narada Power abides by relevant laws, regulations, and current industry practices to disclose

information related to labor, health and safety, environmental practices, business activities, structure, financial status, and performance of stakeholders. We do not permit the falsification of records or misreporting of various actual operating conditions in the supply chain.

● Intellectual property

Narada Power places a high emphasis on the protection of our own intellectual property and trade secrets, as well as respecting those of others. We have established a robust intellectual property management system. This system encourages employees to create, ensures timely patent application for inventions, and promotes the transformation of patented technologies into the company's core competitiveness – all to facilitate continuous high-quality development. We actively prohibit employees from improperly obtaining, disclosing, using, or disposing of others' trade secrets. Our patent staff are adept at utilizing various patent protection measures. We strictly adhere to patent laws and have not violated others' patent rights in recent years.

Narada Power participates in the Hangzhou City Patent Navigation Project and is committed to building a culture of intellectual property use and management within the company. In 2022, we were selected as a Model Enterprise for Intellectual Property in Zhejiang Province.

We place great emphasis on our intellectual property development strategy, continuously carrying out systematic work in patent knowledge popularization, patent training, patent application, and protection. We have led and participated in the formulation of several international, national, and industry standards and have seen a steady increase in core patents in areas such as new battery materials, new technologies, and new structures.

● Fair Trade

Narada Power engages in fair competition on a reasonable and legal basis. Employees of the company are prohibited from obtaining confidential or proprietary competitive information owned by others through inappropriate or illegal means. Employees are also prohibited from using or disclosing confidential or proprietary information acquired during their previous employment with other companies. Supplier Responsible Minerals Procurement Management Requirements are stipulated.

● Privacy Protection

Narada Power is committed to protecting the personal privacy of employees, including but not limited to, applicants, hired personnel, and those who have left or retired from the company. We comply with laws and regulations related to privacy and information security when collecting, storing, processing, transmitting, and sharing personal information.

For job applicants, we keep the personal information submitted during the application process confidential. We manage permissions for electronic information and regularly destroy paper information provided by candidates who aren't hired.

For hired employees, personal information is managed electronically through an EHR system. Dedicated staff maintain and safeguard personal information records, and employees can access and correct their personal information at any time. Through the control settings of the information system, unrelated individuals cannot access employees' private information.

For those who have left or retired, both online and offline employee archive information is sealed and stored.

All management, technical, and marketing personnel of the company have signed a "Confidentiality and Non-competition Agreement", effectively protecting the personal information of everyone who has business dealings with the company (including suppliers, customers, consumers, and employees), satisfying their reasonable expectations for privacy protection.

● Whistleblower protection

The company provides various channels for reporting and encourages knowledgeable people to report illegal and irregular behaviors. The identity information of the whistleblower is kept strictly confidential, and any form of retaliation is prohibited.

• Open Complaint/Reporting Channels:

1. Reporting QR code: Use any mobile app with a "scan" feature to scan the reporting QR code, enter the reporting page, and fill out the report.
2. Reporting email: sjjc@naradapower.com
3. Reporting phone number: 0571-5603 6018

II Reliable And Trustworthy New Energy

Narada Power actively formulates compliance plans for new battery regulations. By establishing a comprehensive operational control system covering the entire industry chain, the company continuously enhances brand reputation and consumer trust. This effort leads to the development of key core technological advantages and sustainable research and development capabilities for integration of industries such as battery materials, battery systems, and battery recycling, which can support the energy storage application field. Through the protection of natural resources with new energy, it contributes to global economic development.

Contributing to the United Nations Sustainable Development Goals (UN SDGs):

Enormous achievements in scientific and technological innovation

Technological innovation is the driving force for enterprise development. Narada Power has always attached great importance to independent innovation and technology research and development. The company holds key core technological advantages and sustainable research and development capabilities in the energy storage application field, including battery materials, battery systems, and battery recycling. This innovation-driven approach leads the company's technological progress and continuously strengthens its core competitiveness.

Narada Power adheres to the concept of driving enterprise development with technological innovation. We have a strong R&D team with rich theoretical and practical experience that has accompanied the company’s growth. We have advanced research and development platforms, such as the industry’s first nationally recognized laboratory, a national postdoctoral research station, academician expert workstation, and Zhejiang Provincial Key Enterprise Research Institute for Equipment Electronics. Our technical innovation capabilities are exceptional. Our nationally recognized laboratory has also been honored with the CTF Accredited Laboratory qualification, conferred by the globally recognized third-party testing and certification organization, SGS. This recognition underscores our status as an internationally certified laboratory.

In 2023, "Oxide Ceramic Composite Solid Electrolyte" won the first Zhejiang Provincial Intellectual Property Award, while the project "High-value Clean Recycling and Utilization Technology and Industrialization of Retired Ternary Lithium Batteries” won the first prize of Jiangxi Province Science and Technology Progress Award.

The company has set up a dedicated R&D center, which is responsible for formulating the company's product technology development plans, carrying out R&D and technical research of new products such as materials, batteries, electric control and system integration, and establishing and improving the management systems and operating mechanisms for its technology R&D system. By the end of 2023, there were 568 people in the research and development team.

The company adopts a "development for the third generation and preparation for the second generation" strategy for its technological development. It collaborates with universities and research institutions to establish research and development platforms, engaging in in-depth technical cooperation and continuously conducting fundamental and forward-looking research. Additionally, it collaborates with multiple universities on enterprise-university-research institute cooperation projects.

Core Technology and Product Research Supports Green Innovation

● Liquid-cooled energy storage system guarantees system safety in an all-round way

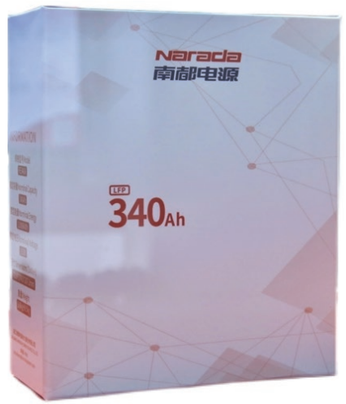
Adhering to the bottom line of "safety first", the company implements a comprehensive safety design for the energy storage system, establishing multiple lines of defense to ensure system safety. The liquid-cooled energy storage system features a five-fold safety design covering intrinsic safety, structural safety, electrical safety, fire safety, and system safety, providing comprehensive protection through multiple defense lines. It incorporates four levels of protective measures at the cell level, pack level, cluster level, and system level, ensuring multi-dimensional fault protection.

All-round coolant leakage detection is set up inside the container, and dual fire protection technologies are adopted, including Pack-level active fire protection and passive self-starting fire suppression technology within the Pack. Internally, the PACK integrates CCS integrated wiring harness boards and minimalist integrated PTC technology, significantly reducing structural components, achieving over 60% battery pack volume efficiency, and saving 35% of space. Combined with high-efficiency intelligent liquid cooling temperature control technology, the liquid-cooled pipelines are distributed in multiple levels, ensuring that the temperature difference inside the container system is less than 5° C. The battery cells adopt stacking process technology, and employ a design with four J&R and dual butterfly welding processes, effectively balancing production economy and optimal cell performance, laying the foundation for core technological advantages of low impedance, long cycle life, and high security for the products.

● Independently designed high-capacity battery cells to enhance structural stability and safety

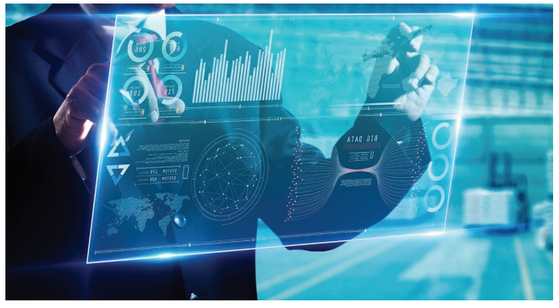
With the continuous rapid growth of global new energy storage installations and the frequent introduction of related policies, there is a rapid expansion in demand for long-cycle, high-capacity

lithium-ion batteries. The company continues to consolidate its technological advantages. The positive electrode utilizes a combination of carbon coating and cation doping-treated lithium iron phosphate, with a particle size distribution optimization to increase material compaction density. The negative electrode graphite employs a proprietary design plan developed by the Narada research team, utilizing coal-based needle coke raw materials with low temperature and low graphitization degree. This increases interlayer spacing to enhance rate performance. A combination of primary and secondary particle mixing is used to reduce negative electrode expansion during cycling, thus improving cycle performance. The use of Narada's proprietary high-temperature resistant electrolyte formulation, along with stable solvents and the addition of excellent film-forming additives, results in the formation of a stable SEI (Solid Electrolyte Interphase) film. This significantly enhances both the cycling performance and safety of the battery cells.



● Intelligent battery management system empowers the “blue ocean” of energy storage

Narada’s BMS (Battery Management System) utilizes highly accurate full state-of-charge (SOC) calendar life prediction technology. By selecting a benchmark group for testing and fitting data, this technology, based on various battery parameters, obtains longer-term calendar life data for the benchmark group. Additionally, using conditions derived from first-order chemical kinetics reactions, it accurately predicts the calendar life at other SOC levels. This eliminates the need for large amounts of calendar life data at different SOC levels, achieving simpler and more accurate data services for the system. Based on the Intelligent Battery Management System



(BMS), the management of voltage, internal resistance and temperature of each battery has been realized. The SOH of the battery is evaluated, and the SOC is calculated, so as to achieve the dynamic management of the battery pack and facilitate digital energy management and intelligent operations and maintenance for energy systems.

● High-voltage lithium battery system in data center promotes green energy

With the challenges posed by capacity and advanced application scenarios in the IDC industry, significant changes are occurring in the form and scale of data centers. Narada Power has long been tracking and researching the new requirements of data centers for backup power systems. Based on the development direction of high-energy density and high discharge rate characteristics of backup power supply, Narada has iteratively developed various high-voltage lithium battery system solutions. Lithium batteries offer advantages such as reduced footprint, extended lifespan, high power, cost-effectiveness, and reliability. They can significantly reduce operational costs in data centers through peak load shaving, thereby achieving energy savings and emission reduction.

● Optimize lithium extraction processes and establish the industrial circulation

In terms of materials and regeneration, the company has further optimized lithium extraction processes. As a result, the comprehensive recovery rate of lithium in the recycling production line exceeds 95%, and the lithium extraction cost of has been further reduced, with the cost of extracting lithium from black powder reduced by over 15%. The development of technology for resource utilization of phosphorus iron slag has enabled the initial autonomous synthesis capability of lithium iron phosphate in the laboratory. By repairing the surface of graphite recycled materials and developing adapted electrolyte, the company has established connections from recycled materials modification to application. This has enabled the comprehensive introduction of recycled materials into civilian and industrial battery cells, further increasing the proportion of autonomously

supplied primary materials for lithium batteries.

On the existing basis, the company plans to intensify research and development efforts in lithium recycling technology in the coming year, with a focus on deepening the optimization of lithium extraction processes. Simultaneously, there are plans to prioritize the development of synergistic recovery technologies for all components (lithium, iron, and phosphorus) within lithium iron phosphate batteries. This approach aims to address the recovery of lithium carbonate and iron phosphate, while also advancing the synthesis of lithium iron phosphate cathode materials. The ultimate goal is to overcome the challenges of comprehensive recycling and utilization of waste lithium iron phosphate batteries, completing the development of a process for the comprehensive recycling and utilization of waste lithium iron phosphate batteries. This will provide support for cost reduction in lithium battery cathodes.

Product quality and safet

Narada adheres to the quality policy of strict material selection, refined manufacturing, advanced technology, and sincere services. The company has established a sound product quality management system. Based on the requirements of the product quality management system, internal business, and management structure, regular updates are made to relevant processes each year to ensure their alignment with actual management needs, and effectively promote the continuous improvement of product quality.

The company has always ensured the systematic construction of quality management, and realized the total quality management starting from R&D and supplier introduction to the production process, key technologies and the total product life cycle. End-to-end collaborative control is conducted, with full communication and cooperation among relevant departments including procurement, production, technology, and quality, to continuously and steadily improve product quality.

● Quality Management System

The quality management system of the company is established based on three major categories of processes: customer-oriented processes, support processes, and management processes. A total of 15 processes have been identified, and 218 quality documents are in operation. The company's production bases, which operate stably and possess certification qualifications, have all achieved 100% compliance with either the IATF 16949: 2016 Automotive Quality Management System standard or ISO 9001: 2015 Quality Management System standard. Furthermore, the effective operation of the quality system is continuously maintained.

The company conducts regular internal audits of its quality management system each year to ensure its adequacy and effectiveness. Internal audits of the quality management system are carried out for the production bases engaged in mass production, with a 100% problem handling rate.

Product reliability management is the core of the company's quality management system, spanning the total life cycle of product design, production, use, and maintenance. Through mechanism simulation, failure analysis, and standardized testing methods, the company has developed and continuously optimized reliability analysis methods and models, and established a

comprehensive reliability management system. This system enables the management of product reliability risks and data throughout the entire process of technical elements, product development, and mass production, ensuring the safety and reliability of products throughout their total life cycle.

The company continuously strengthens the quality management at various stages of new product development at the customer end to ensure product quality and reliability. Quality metrics such as incoming qualification rate, first-pass yield in the production process, and new product acceptance rate are established, and are regularly monitored and assessed on a quarterly and annual basis.

● Product inspection and non-conforming product management

The company has established a professional product measurement management team to implement total quality management. For new or potential quality issues, the company formulates FMEA (Failure Mode and Effects Analysis), control plans, and SOP (Standard Operating Procedure) to ensure error prevention. Regarding quality issues that have occurred, the company conducts item-by-item implementation and hierarchical checks at various stages including project management, production manufacturing, and supplier management, based on a list of unique quality issues, to prevent recurrence. During the reporting period, the company implemented CTQ (Critical to Quality) management projects, actively preventing the recurrence of quality issues, and continuously optimizing product quality and safety levels.

To standardize the procedure for managing non-conforming products, the company has formulated the Non-conforming Product Control Procedure. This document clearly outlines the closed-loop operations of identification, labeling, segregation, review, disposition, and improvement, and specifies the responsibilities of each department involved in the process. For defective products that may cause accidents, the company has established damage control measures. A dedicated task force conducts retrospective analysis based on the Improvement Control Procedure and After-sales Quality Management Measures to identify any technical, procedural, or managerial vulnerabilities. Furthermore, the company has established a comprehensive product recall management mechanism and developed the Product Recall Control Procedure to manage product recall affairs. During the reporting period, the company did not encounter any incidents of penalties imposed by regulatory authorities nor any product recalls due to violations of laws or regulations related to the quality and safety of products and services.

● Quality culture construction

The company has established a three-level quality training system at the company, department, and team levels, and combined online and offline methods to conduct comprehensive quality training for all employees, thus enhancing employees' awareness of and attention to product quality. Depending on the type of training, quality training is conducted at different frequencies such as annually and quarterly, with a coverage rate of 100% for quality training among employees.

The company offers compulsory courses such as Quality Awareness and Quality Policy, and 2000 individuals participate in specialized quality training annually. Simultaneously, it conducts multi-channel promotion of quality culture and participates in competitions. A quality performance assessment mechanism is established to further enhance overall quality awareness. Based on the accomplishment of annual quality goals, the company sets quality performance indicators from dimensions such as market failure performance, project issue resolution, cost of quality, incoming material conditions, and process issue resolution. This involves departments related to marketing, research and development, supply chain, manufacturing processes, and operational systems. With emphasis on a quality improvement approach primarily based on positive reinforcement, incentives are provided to teams and individuals contributing to quality enhancement efforts.

The company has set up special projects for products and engineering technology to tackle key problems and improve management. Through these improvement initiatives, the company has generated nearly 463 related patents, continuously enhancing its core competitiveness in quality.

The company is committed to creating a quality culture atmosphere of "full participation", elevating overall quality awareness through quality months and activities.

● Hazardous substance free management

Since 2008, Narada Power has implemented the QC 080000 Hazardous Substance Process Management system, strictly controlling the risk of hazardous substances throughout the entire production process. The company delivers products while complying with domestic and international standards for controlling hazardous substances, including China RoHS, the GB/T26572 (Requirements of concentration limits for certain restricted substances in electrical and electronic products), the EU RoHS/REACH Directive, and others. Through rigorous control at the source, during processes, and during product testing, the company ensures that products

meet requirements regarding ten hazardous substances: lead, mercury, chromium, hexavalent chromium, polybrominated biphenyls, polybrominated diphenyl ethers, di(2-ethylhexyl) phthalate, benzyl butyl phthalate, dibutyl phthalate, and diisobutyl phthalate.

● Regulation (EU) 2023/1542 compliance plan

On August 17, 2023, the Regulation (EU) 2023/1542 was officially released, bringing new compliance challenges to customers and distributors selling battery products in the EU. The new regulation consists of 14 chapters and 96 articles, covering the total life cycle of batteries for the first time. It includes provisions regarding hazardous substances, carbon footprint, recycled materials, labeling requirements, supply chain due diligence, battery performance and endurance, safety, etc. This regulation aims to improve product safety, protect the environment, and ensure that customers and regulatory authorities receive sufficient product information.

To avoid potential legal risks and enhance brand reputation and consumer trust, Narada Power has actively formulated a compliance plan for the Regulation (EU) 2023/1542:

1. Understanding the requirements of the Regulation: Conduct comprehensive training to thoroughly understand the specific requirements of the new Regulation. Perform a detailed analysis of regulatory requirements based on product categories and implement training accordingly.
2. Formulating compliance strategy: Develop an overall compliance strategy aligned with the company's development strategy.
3. Improving the management system: Establish a robust operational management control system covering the full industrial chain and applicable to the requirements of the new Regulation.
4. Staying focused on updates: Regularly track updates to regulations and standards. Implement specific requirements applicable to the Regulation based on departmental responsibilities.
5. Verification through certification bodies: Implement compliance verification and product compliance testing as required by regulations. Provide safe and compliant battery products.

New electric energy storage guards green and low-carbon development

With the deepening of the energy revolution, actively developing clean energy and promoting the green and low-carbon transformation of the economy and society have become a universal consensus for the international community to address global climate change. Both domestic and international energy storage policies are continuously optimized, driving sustained growth in the demand for energy storage markets. In 2023, the new electric energy storage market showed characteristics of "domestic and international" two-wheel drive. Domestically, various regions introduced energy storage policies, with substantial benefits from peak-valley electricity prices in many areas. The number of shared energy storage demonstration projects increased, leading to rapid growth in the installed capacity of new types of energy storage domestically. Internationally, countries in Europe and America were accelerating deployment and provided incentives in policy aspects. With the approval of the European electricity reform program and the reduction in the cost of PV and energy storage, the European large-scale energy storage market is gradually expanded. As a result, the scale of energy storage projects will continue to rise.

With the advancement of electricity marketization and the widening price difference between peaks and valleys, the economic viability of industrial and commercial energy storage is increasingly improving, leading to a surge in behind-the-meter energy storage. Particularly in some developed countries and regions, to promote energy structure transformation and green, low-carbon development, governments are intensifying their support for renewable energy and energy storage technologies, driving the rapid growth of the industrial and commercial energy storage market. Simultaneously, with the rapid development of electric vehicles, smart grids, and other sectors, the application scenarios for industrial and commercial energy storage are continuously expanding, providing the industry with vast market opportunities.

The company primarily focuses on expanding its presence in countries such as China, Europe, North America, Australia, Japan, and South Korea. It has established subsidiaries and service centers in multiple locations overseas. Additionally, the company has formed strategic partnerships with major energy groups and power companies in these regions to deepen cooperation in the energy storage business. Currently, the company's new energy storage business has achieved large-scale applications on the user side, grid side, and power generation side. According to data released by the China Energy Storage Alliance, the company ranked fourth in shipment volume in

the global market for Chinese energy storage system integrators in 2023. Furthermore, in the "Top 10 Chinese DC Battery Compartment Energy Storage Enterprises in Shipment Volume in 2023" released by GGII, Narada Power ranked third on the list.

● Hebi Heqi 100MW/200MWh centralized electrochemical energy Storage project

Hebi is located in the north central part of Henan Province. It is characterized by industries such as coal, steel, and metallurgy, which have substantial energy consumption needs, resulting in a significant demand for electricity supply.

This project serves as a benchmark application of Narada Power's liquid-cooled energy storage system integration. Once fully interconnected, it will address the dual power supply issue in the Baoshan Economic Development Zone of Hebi, enhancing the reliability of power supply in industrial parks, reducing electricity costs for users, and promoting local economic and social development. It will continuously create multidimensional value for the region.

After the project is put into operation, it will serve as a giant "power bank" to help the local power grid shave peaks and fill valleys, alleviate peak power supply pressure, enhance the security and stability of the power system, and promote the use of new energy. It is expected to consume 100 million kilowatt-hours of new energy annually, equivalent to reducing carbon dioxide emissions by 76,000 tons per year.

● Leizhou Yingli 200MW/400MWh centralized shared energy storage power station project

With the increasing influx of external power, the peak shaving pressure of the CSG continues to grow, particularly in the western region of Guangdong, where the peak shaving gap becomes increasingly apparent. As a shared energy storage station for numerous new energy generation projects in the southern part of Zhanjiang, the Leizhou Energy Storage Station plays a vital role in mitigating the fluctuation in new energy output and facilitating the consumption of renewable energy.

The project is located in Leizhou Zero Carbon Industrial Park, Zhanjiang. It is undertaken by EPC of Yangtze River Survey, Planning, Design and Research Co., Ltd. The total scale of the planned energy storage power station is 600MW/1200MWh, making it the largest single-designed energy storage power station in the southern region. Additionally, this project boasts the highest voltage level for grid-connected energy storage stations in China.

As a benchmark project in the southern region, in order to ensure the safety of the energy storage system, the project adopts technologies such as flame-retardant electrolytes, module-level short-circuit self-protection, and aerospace-grade thermal resistance to achieve high system security. After the project is fully connected to the grid, it can alleviate the peak shaving and frequency regulation pressure on the western grid of Guangdong, ensuring the stable operation of the grid and empowering Zhanjiang's high-quality development vigorously.

GD Xiangshan Phase II 30MW/30MWh offshore wind power project

Accelerating the construction of new power systems is of great significance for promoting China's green and low-carbon energy transformation under the "3060" carbon peaking and carbon neutrality goals. Xiangshan County, located on the coast of the East China Sea, possesses abundant offshore wind resources, making it suitable for the development of offshore wind power. In response to policy calls, the largest offshore wind power project in Zhejiang Province, the GD Xiangshan Phase II offshore wind power project, has emerged.

The project was officially put into operation in December 2023, with Narada Power providing the entire system integration equipment capable of withstanding severe conditions such as strong winds, high salt spray, and high humidity. After it is put into operation, it can provide about 1.6 billion kWh of green electricity every year. Compared with traditional coal-fired thermal power units, it can reduce standard coal consumption by 532,500 tons and carbon emissions by 1.0217 million tons. This is significant for improving the energy structure of Zhejiang Province, ensuring the security of electricity supply, meeting the growing regional electricity demand, promoting high-quality local economic development, and protecting the ecological environment.

Namibia 54MW/54MWh new electric energy storage project

Namibia is a country located in southern Africa, surrounded by the western desert and the Atlantic Ocean. About 70% of Namibia's electricity is imported from neighboring countries, and the power supply network primarily covers urban areas and some surrounding regions. However, in remote areas and sparsely populated rural areas, the power grid coverage is relatively low, and the power supply is often unstable.

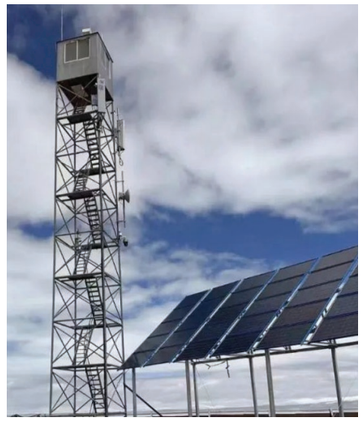
In 2023, to address the demand for electricity amid power shortages, mitigate the impact of unstable photovoltaic power generation on the grid, and improve the quality of electricity supply to residents in the region, Narada Power officially signed a contract with the Namibian Power Corporation for a 54MW/54MWh electric energy storage project. This is Namibia's first electric energy storage technology project.

The project is located in Omaburu, Erongo Province, northern Namibia. After the completion of the project, in addition to ensuring the stable operation of the local power grid, it will also improve the efficiency of Namibia's energy trading in the Southern African Power Pool (SAPP), reduce the dependence on emergency imports to the grid of the South African National Power Corporation (SANPC), and will have a profound impact on Namibia's energy landscape. It will also play a positive role in emergency energy management and reducing carbon dioxide emissions.

Secure communications and big data

With the rapid development of artificial intelligence, as a new productive force in the digital economy era, there has been a surge in demand for computing power. This has led to the rapid development of related industries and the accelerated construction of new information infrastructure. Data centers and communication networks have become important public infrastructure. The development of the digital economy is accelerating, digital transformation continues to deepen, and the application scenarios for computing power continue to expand, driving strong demand for computing power resources. Infrastructure construction is speeding up, and the convergence of computing and network is deepening. Various application scenarios are emerging, and the industrial ecosystem is further expanding. Under the advocacy of the "dual-carbon strategy" goals, the low-carbonization trend of the IDC industry will become increasingly apparent. In the coming years, the large-scale development of technologies such as new energy storage and distributed photovoltaics, and their applications will significantly increase the utilization rate of renewable energy in intelligent computing centers, further boosting the demand for electricity and energy storage.

Help 5G signals cover Hoh Xil Depopulated Zone



Zhuonai Lake is located in the heart of Hoh Xil National Nature Reserve, a primary area for the concentrated migration and birthing of nationally protected species Tibetan antelopes, often referred to as the “Tibetan Antelope Maternity Ward”.

As the equipment provider, Narada Power has offered comprehensive services including design of backup power supply solutions, hardware equipment, project integration, and more for this base station. This ensures the access to the 5G network at all times.

Narada Power's 5G network power system has withstood the harsh environmental tests. The highly integrated battery system significantly reduces space occupancy and weight-bearing requirements. This achievement truly realizes modularity and miniaturization, effectively reducing deployment difficulties and enabling the possibility of constructing minimalist 5G sites.

Communication support for Hangzhou Asian Games

On September 23, 2023, the opening ceremony of the 19th Asian Games Hangzhou was held in Hangzhou. A stable 5G network coverage across the Asian Games venues ensured high-speed and stable communication experiences for athletes, staff, and millions of spectators.

At locations such as the cloud computing data center of the Asian Games and the main venue base station of Hangzhou Olympic Sports Center, Narada Power provides comprehensive services covering industrial energy storage battery solution design, hardware equipment, project integration, and other full business processes. Operations and maintenance personnel also constantly monitor the function of the batteries, ready at all times to respond to various emergency situations.

From meeting the communication needs of densely packed crowds on-site to delivering an enjoyable viewing experience for audiences in front of screens, Narada Power leverages its robust communication support capabilities, strives on the "behind-the-scenes track," and serves the Asian Games with green energy.

Circular industrial chain

Narada Power has constructed two major industrial cycles, “Lithium-ion Battery Recycle Industry Chain” and “Lead-acid Battery Recycle Industry Chain.” By continuously developing platforms for lithium battery regeneration, lead-acid battery regeneration, and the comprehensive utilization of new materials, products are given a second life. This reduces the consumption of natural resource extraction and promotes the sustainable development of green energy.

● Lithium-ion battery recycle industry chain

In recent years, several departments, such as the Ministry of Industry and Information Technology and the National Development and Reform Commission, have continuously promoted the recycling and utilization of lithium batteries. They have released a series of policies including the “Administrative Measures for the Recycling and Utilization of Power Batteries for New Energy Vehicles,” “Comprehensive Utilization Industry Standard Conditions for Waste Power Batteries for New Energy Vehicles,” “14th Five-Year Plan for Circular Economy Development,” and “Normative Conditions for Lithium-ion Battery Industry.” These policies clarify that China will vigorously develop the circular economy, accelerate the construction of power battery recycling and utilization systems, and guide the healthy development of the industry from many aspects, such as origin supervision, recycling, transportation and storage, cascading utilization, and regeneration.

According to the EVTank “White Paper on the Development of China’s Waste Lithium-ion Battery Recycling, Dismantling, and Cascading Utilization Industry (2022)”, by 2026, the theoretical recovery volume of China’s waste lithium-ion batteries will reach 2.312 million tons, and the theoretical market size of China’s waste lithium-ion battery recycling will reach RMB 94.32 billion. As the lithium battery industry develops rapidly and battery dismantling and recycling technology continuously progresses, the lithium battery recycling market is continuously expanding. Lithium resource recycling has become an indispensable part of the battery industry chain and is entering a period of quick development.

Narada Power witnesses its company’s lithium battery business and capacity continue to expand. To effectively ensure raw material supply and cost control, the company has completed the closed loop and upgrade of the entire lithium industry chain. At present, it has a lithium battery recycling capacity of 70,000 tons, and another 150,000 tons of capacity is prepared for investment and construction. The lithium recycling project adopts the industry-leading environmentally friendly lithium recycling process and equipment, achieving harmless treatment throughout the process, with low energy consumption and high added value of products. This can effectively solve key technical problems in the industry, such as high comprehensive energy consumption and low resource utilization rate per unit product. The economic benefits are good, and the lithium recycling rate can reach 90%. The company’s subsidiary, Huabo New Materials, is included in the White List of Companies for the “Comprehensive Utilization Industry Standard Conditions for Waste Power Batteries for New Energy Vehicles.” It has established close business cooperation with major domestic lithium battery core factories. At the same time, relying on the company’s existing recycling network system and the recycling platform of its affiliated company, Quick Power, as the company’s raw material supply channel, the recycling channel advantage is evident.

● Lead-acid battery recycling industry chain

In recent years, to regulate the waste battery recycling industry, the Chinese government has issued various laws and regulations. These regulations strictly limit the annual processing capacity and emission targets, with further standards and audits applied to crucial stages such as collection, transportation, storage, and processing.

China ranks second in lead resource reserves and is the largest producer and consumer of refined lead. Compared to primary lead extracted from ore, secondary lead obtained from discarded lead-acid batteries has a lower energy consumption during the production process, emits fewer pollutants, and aligns more closely with low-carbon and environmentally-friendly needs.

According to the “14th Five-Year Plan for Industrial Green Development” released by China’s Ministry of Industry and Information Technology, China’s secondary lead production scale will continue to expand during the “14th Five-Year Plan” period. It is expected that by 2025, China’s secondary refined lead will reach 2.9 million tons, with a total market capacity of approximately RMB 40 billion.

The company’s lead recycling industry has a well-established recycling and sales network nationwide. It has established good long-term cooperative relationships with domestic lead-related key customers and has accumulated extensive resources. The brand recognition is relatively high,

giving the company a leading position in the industry. The company's secondary lead products are mainly supplied to downstream enterprises in the park, such as Tianneng and Huayu, demonstrating a clear geographical advantage. Huabo Technology's lead-acid battery recycling adopts a strict environmental control system. With globally leading technology and equipment, the recycling of waste batteries achieves green, environmentally friendly, and harmless treatment throughout the process. The recycling rate for metals and plastics can reach more than 99%.

III For A Wonderful World

Many business leaders around the world are focusing on addressing climate change and environmental degradation as new major risks and opportunities for the competitiveness, growth and development of their enterprises. Narada Power adheres to the environmental policy of "commitment to the harmonious coexistence and sustainable development of enterprises and the environment," integrating the concept of sustainable development into its entire operation process. From product design, manufacturing, application to recycling, the whole process is green, environmentally friendly and carbon-reducing. Through the integrated development of upstream and downstream industrial chains, it builds two major industrial closed loops: the "Lithium Battery Circular Industrial Chain" and the "Lead Battery Circular Industrial Chain," realizing the harmonious coexistence of enterprise development with the environment and the society.

Environmental Goals of Narada Power:

"3060" Strategy: Narada Power strives to achieve carbon peaking before 2030, and achieve carbon neutrality before 2060.

Up-to-standard Emissions: The rate of up-to-standard emissions reaches 100%.

Energy Conservation and Emission Reduction: Based on the 2022 baseline, the unit product energy and resource consumption and emissions of the three wastes are reduced by 10% within five years.

Carbon Emission Reduction: Based on the 2022 baseline, the unit product carbon emissions are reduced by 10% within five years.

Contributing to the United Nations Sustainable Development Goals (UN SDGs):

Sustainable Development

Made in China 2025, issued by the State Council in May 2015, is a strategic document that comprehensively promotes the implementation of the strategy to build a manufacturing power. It serves as the national action plan for China to implement the strategy of building a manufacturing power and green sustainable development in the first decade.

Narada Power has been practicing the concept of green development, and has improved the green manufacturing system centered around green standards, green factories, green products, green supply chains, and green industrial parks. Through resource integration and independent innovation, the company has enhanced the efficiency of "low-carbon development transformation," bringing systematic and sustainable innovative value and demonstrative significance to the entire industry and its upstream and downstream sectors.

Green Supply Chain

In 2023, a subsidiary of Narada Power won the title of national "Green Supply Chain Management Enterprise". As of 2023, a total of 3 subsidiaries of Narada Power had been awarded the title of "Green Supply Chain Management Enterprise" by the Ministry of Industry and Information Technology.

No.	The list of selected Green Supply Chain Management Enterprises	Batch and time of being selected
1	Zhejiang Narada Power Source Co., Ltd.	The fifth batch of Ministry of Industry and Information Technology (2020)
2	Anhui Huabo Renewable Resources Technology Co., Ltd.	The sixth batch of Ministry of Industry and Information Technology (2021)
3	Sichuan Narada State Ship New Energy Co., Ltd.	The eighth batch of Ministry of Industry and Information Technology (2023)

Narada Power has established a product traceability system, which involves a full-process tracking management of products from raw materials to delivery and recycling. Additionally, the company collaborates with logistics suppliers to ensure rational layout and planning of transportation routes. Measures such as reverse logistics, shortening transport lines, and increasing vehicle loading rates are implemented to achieve energy conservation and emission reduction.

Narada Power has been continuously building a comprehensive utilization platform for lithium battery regeneration, lead battery regeneration and new materials, allowing products to gain a second life. This initiative reduces the exploitation and consumption of natural resources and promotes the sustainable development of green energy.

Green Factory

As of 2023, a total of 2 subsidiaries of Narada Power have won the title of "Green Factory" from the Ministry of Industry and Information Technology, with 1 subsidiary awarded the title of "Green Factory" at the provincial level, and 2 subsidiaries awarded the title of "Green Factory" at the municipal level:

No.	The list of selected Green Factory Enterprises	Batch and time of being selected
1	Zhejiang Narada Power Source Co., Ltd.	The second batch of Ministry of Industry and Information Technology (2017)
2	Anhui Huabo Renewable Resources Technology Co., Ltd.	The second batch of Ministry of Industry and Information Technology (2017)
3	Sichuan Narada State Ship New Energy Co., Ltd.	Chengdu, Sichuan Province (2022)
4	Hangzhou Narada Power Technology Co., Ltd.	Hangzhou (2022)

As a key component of building a green manufacturing system, establishing green factories is the focal point of implementing green manufacturing projects. It plays a leading role and is of great significance to optimize the industrial structure, overcome difficulties and upgrade industries, and improve quality and efficiency.

Narada Power emphasizes management across various aspects including factory environment, production processes, energy management, and final products. Through technological and managerial means, it reduces energy consumption in production and operations. Additionally, it has devised green packaging strategies, employing methods such as appropriate packaging, reuse, and material recycling to enhance material recycling rates. The utilization rate of recycled wood exceeds 90%. 6 factories under Narada Power use the green energy provided by photovoltaic systems coupled with energy storage, which plays a good demonstration role in boosting the construction of national and industry-wide demonstration systems for green manufacturing.

Green Products

5 products of Narada Power were selected into the list of national green design products:

No.	Green design product model	Batch and time of being selected	Production unit
1	GFM-1000RC lead-carbon battery	The fifth batch (2020)	Zhejiang Narada Power Source Co., Ltd.
2	6-GFM-180HR high-rate valve-regulated sealed lead-acid battery	The fifth batch (2020)	Zhejiang Narada Power Source Co., Ltd.
3	12HTB200F valve-regulated sealed lead-acid battery	The sixth batch (2021)	Zhejiang Narada Power Source Co., Ltd.
4	GFM-1000E valve-regulated sealed lead-acid battery	The sixth batch (2021)	Zhejiang Narada Power Source Co., Ltd.
5	REXC-600 lead-carbon battery	The sixth batch (2021)	Zhejiang Narada Power Source Co., Ltd.

Adhering to the concept of the full life cycle, Narada Power has improved environmental performance at all stages from acquisition of raw materials, production, use, end-of-life handling, recycling and final disposal. It has also designed and developed various products tailored for application in the new energy industry.

Narada Power provides clean power for new energy vehicles and light electric vehicles, aiming to reduce the consumption of fossil fuels. The company also explores new green travel models such as sharing and battery swapping, promoting green zero-carbon emissions. Additionally, Narada Energy focuses on smart energy storage services, employing internationally advanced energy storage technology to offer safe and reliable energy storage system products and services to global users. After years of exploration and accumulation, the company's energy storage business has achieved complete applications and full coverage from industry to civilian use, from power grid to household use, and from fixed to mobile. Our products, through advanced continuous manufacturing technology, significantly reduce pollutant emissions and further improve the utilization rate of renewable resources, meeting or exceeding national standards requirements.

Preservation of Environment

Narada Power has set up an environmental management committee under the direct responsibility of the CEO to be in charge of environmental protection work, with a special environmental management department and environmental engineers responsible for environmental management. The company has formed an environmental management network system featuring complete and throughout by constructing organization structure. It also implements the responsibility system for environmental protection, setting up environmental objectives and performance assessment, and signing responsibility letters with each responsible department to make it clear that environmental issues are vetoed by one vote. In 2022, Narada Power and its subsidiaries were not subject to administrative penalties for environmental issues during the reporting period.

In terms of environmental management system, Narada Power has a perfect environmental management system and environmental protection facilities. Starting from adopting production technology and importing advanced equipment, it has strengthened the construction of environmental protection facilities, increased investment in R&D of production processes, and adopted a series of environmental protection management systems through "three waste and energy resource management" to reduce the emission of pollutants. The company operates in strict accordance with environmental laws and regulations and the requirements of the environmental management system. In July 2000, the company passed the ISO14001 environmental management system certification of DNV for the first time. By 2022, eight plants of Narada Power have passed the environmental management system certification.

Environment policy

Committed to achieving coexistence and sustainable development between company and environment.

Investment in Environmental Protection

Sufficient funds are essential for effective environmental protection. Whenever environmental initiatives require it, the company provides full support and ensures expedited approval processes,

prioritizing environmental projects and swiftly allocating funds. Narada Power and its subsidiaries consistently increase investment in environmental protection facilities and environmental expenses, pay environmental protection taxes according to law, and fully commit itself to energy conservation, emission reduction and low-carbon development.

Environmental monitoring

Self-monitoring is an important means to implement corporate responsibilities and self-declaration of innocence. Narada Power and its subsidiaries strictly carry out environmental self-monitoring work in accordance with legal regulations and policy requirements such as the technical guidelines for self-monitoring of pollutant discharge units and the technical specification for pollutant discharge permit application and issuance. They prepare self-monitoring plans, install online monitoring equipment, equip with sampling and analysis equipment, and entrust qualified units to carry out regular environmental monitoring. The environmental information is reported to the environmental authorities in accordance with regulations, and the monitoring data is publicly disclosed on websites such as the national pollutant discharge permit management information platform, accepting social supervision.

As one of the key links in self-monitoring work, environmental monitoring personnel are responsible for providing fair, scientific, and reliable monitoring data. The company sets up specific environmental monitoring positions and equips with full-time testing engineers and environmental engineers, all of whom have obtained corresponding qualification certificates.

In terms of sampling and analysis equipment, the company is equipped with advanced environmental monitoring equipment such as Qingdao Laoying Company's automatic smoke/dust (gas) tester, mid-flow intelligent TSP sampler, Perkin Elmer's ICP emission spectrometer, and graphite furnace atomic absorption spectrometer.

With perfect quality control measures, the company has established an environmental monitoring quality control system, using standardized standard samples, quality control samples, etc., to control the monitoring quality. Since 2014, the company has participated in the external laboratory capability verification every two years. The verification results are satisfactory, and the robust standard deviation is always ≤ |0.2|. In 2022, Narada Power participated in the external laboratory capability verification organized by China Testing and Certification Corporation, and achieved satisfactory results.

Pollutants emission

According to national regulations, the main pollutants discharged by Narada Power and its subsidiaries are wastewater, exhaust gas, solid waste, and noise. Narada Power and its subsidiaries strictly comply with national and local laws and regulations, equip corresponding environmental protection facilities, and ensure the long-term effective operation of all pollution control facilities. Regular inspections and maintenance of environmental protection equipment

Company/ Subsidiary Name	Main Types of Pollutants	Emission/ Discharge	Green design product model	Batch and time of being selected	Production unit
Narada Power	Waste Water	Centralized Pipeline Discharge	COD: 10.1 mg/L; Total Lead: 0.014 mg/L	Emission Standard of Pollutants for Battery Industry (GB 30484-2013)	Up-to-standard
	Exhaust Gas	Organized Emissions	Lead and its Compounds: 0.0171 mg/m3	Emission Standard of Pollutants for Battery Industry (GB 30484-2013)	Up-to-standard
Huabo Technology	Exhaust Gas	Organized Emissions	Sulfur Dioxide 14.65 mg/m3; Nitrogen Oxides 2.29 mg/m3; PM 1.46 mg/m3 Lead and its Compounds 0.03 mg/m3	Emission Standards of Pollutants for Secondary Copper, Aluminum, Lead and Zinc (GB 31574-2015)	Up-to-standard
Wuhan Narada	Waste Water	Centralized Pipeline Discharge	COD: 18.319mg/L; Total Lead: 0.0674mg/L	Emission Standard of Pollutants for Battery Industry (GB 30484-2013)	Up-to-standard
	Exhaust Gas	Organized Emissions	Lead and its Compounds: 0.026mg/m3	Emission Standard of Pollutants for Battery Industry (GB 3048-2013)	Up-to-standard
Narada State Ship	Waste Water	Centralized Pipeline Discharge	COD: 31.677 mg/L; Total Lead: 0.087mg/L	Emission Standard of Pollutants for Battery Industry (GB 30484-2013)	Up-to-standard
	Exhaust Gas	Organized Emissions	Lead and its Compounds: 0.034 mg/m3	Emission Standard of Pollutants for Battery Industry (GB 30484-2013)	Up-to-standard
Narada Power Technology	Waste Water	Centralized Pipeline Discharge	COD: 13.895 mg/L Ammonia Nitrogen: 0.17 mg/L	Emission Standard of Pollutants for Battery Industry (GB30484-2013)	Up-to-standard
Narada Hongxin	Waste Water	Centralized Pipeline Discharge	COD: 13.895mg/ L Ammonia Nitrogen: 0.17mg/ L	Emission Standard of Pollutants for Battery Industry (GB30484-2013)	Up-to-standard

are carried out. All wastewater is discharged through pipes after being treated by wastewater treatment facilities. All exhaust gases are emitted at high altitude after being collected and treated to meet the standards. Noise sources all adopt vibration reduction and noise reduction measures. Solid waste is stored and disposed of according to regulatory requirements, with a standardized disposal rate of 100%. In 2022, the emission concentrations of all pollutants such as wastewater, exhaust gas, noise, and solid waste met the relevant national standards. The company took the lead in the industry to complete the re-issuance of the new version of the pollutant discharge permit, and strictly carried out discharge according to the permit and post-certification management. All subsidiaries have obtained pollutant discharge permits, and the emission concentration and total amount are in compliance with the requirements of the pollutant discharge permit.

Emissions from key units of environmental supervision: In 2023, Narada Power and its subsidiaries such as Narada State Ship, Wuhan Narada, Huabo Technology, Narada Power Technology, and Narada Hongxin were listed as key units of environmental supervision by the local ecological and environmental departments; Narada Energy, Huabo New Material, and Narada Huatuo were not listed as key units of environmental supervision by the local ecological and environmental departments, and Yangzhou Narada and Jiuquan Narada are currently under construction.

● Extended responsibility for lead-battery enterprise producers

According to the requirements of “Pilot Program of Centralized Collection and Cross-Regional Transfer System for Lead Battery Producers” (Environment Office Solid Body [2019] No. 5) and “Notice on Continuing the Pilot Program of Centralized Collection and Cross-Regional Transfer System for Lead Battery Producers” issued by the Ministry of Ecology and Environment and the Ministry of Transport’s (Environment Office Solid Body Letter [2020] No. 726), Narada Power has actively participated in the pilot program of centralized collection and cross-regional transfer system for lead battery producers. It has also taken the initiative to assume the extended responsibility of producers and recycles waste lead batteries through sales channels. At present, the company has established 22 transportation centers and more than 370 collection outlets in 7 provinces and cities, including Zhejiang, Anhui and Hubei provinces, forming a fully closed industry chain featuring “raw materials-battery manufacturing-product application-operation service-resource recycling-raw materials”. It has also built an ecological recycling system to enhance the vitality of the industry. Its national standardized recycling rate of waste lead batteries reaches more than 60% in 2019, 2020, and 2021

Narada Power has actively participated in the formulation of seven group standards related to extended corporate producer responsibility. As of 2023, Narada Power has led or participated in the formulation of four group standards, including "Management Requirements of Waste Lead-Acid Battery Recovery Rate" (T/ATCRR 37—2022), "Management Specification for Recovery Network of Waste Lead Battery" (T/ATCRR 38—2022), "Waste Lead-acid Battery Recycling Network Code" (T/ATCRR 39—2022), and "Tray Code for Waste Lead Battery Recycling" (T/ATCRR 40—2022), which have been officially put into operation. The remaining standards are still in the process of formulation and revision.

● Cleaner production

Cleaner production is to continuously take measures to improve design, use clean energy and raw materials, adopt advanced process technology and equipment, improve management and comprehensive utilization, so as to reduce pollution at the beginning, improve the efficiency of resource utilization, and reduce or even avoid discharging pollutants in the process of product production and usage. That aims to reduce or eliminate possible hazards to human health and the environment.

The core of clean production is "energy saving, consumption reduction, pollution reduction and efficiency enhancement". As a brand-new development strategy, clean production has transformed the passive and lagging pollution control methods of the past, emphasizing reduction measures before pollution occurs. This approach not only alleviates the burden of end-of-pipe treatment but also effectively avoids the drawbacks of such treatment, making it an effective means of controlling environmental pollution. Narada Power integrates the concept of clean production throughout the full life cycle of its products, particularly focusing on the application of new technologies and processes, as well as green production and usage of products. Each subsidiary regularly conducts clean production audits as required by regulatory authorities, focusing on continuous improvement. Due to its continuous efforts in clean production, Narada Power has been recognized as a national demonstration enterprise for clean production. In 2023, Narada Power passed the fifth round of clean production audits through joint acceptance by expert groups. Since 2009, the company has carried out five rounds of clean production, with a total investment exceeding 52 million yuan and the implementation of 94 medium-high cost clean production plans.

Environmental Information Disclosure

Narada Power actively carries out environmental information disclosure in accordance with the Administrative Measures for the Legal Disclosure of Enterprise Environmental Information and the relevant standards for information disclosure of listed companies.Through various channels such as the National Environmental Impact Assessment Management Information Platform, the National Pollutant Discharge Permit Management Information Platform, the Key Pollutant Sources Monitoring Data Management Platform, and annual reports of listed companies, it regularly discloses important environmental information including administrative approvals, operation of pollution facilities, and environmental monitoring.

Biodiversity Conservation

The company continues to monitor the impact of its activities on biodiversity, and conduct risk factor identification, hazard investigation, and other tasks in accordance with relevant policies, laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Soil Contamination, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, as well as the Opinions on Further Strengthening Biodiversity Protection by the General Office of the State Council. Taking into account the actual conditions of construction projects, the company assesses the impact on biodiversity for all new projects during the reporting period to evaluate the effects on plant resources, animal resources, and other organisms during both the construction and operation periods of the projects.

The company's battery, battery material and recycling production bases are all located in mature industrial parks, which are designated for industrial use. The company does not have production bases or operational points located within natural reserves or areas of rich biodiversity outside natural reserves. All production and operational activities, products, and services of the company have not been found to cause significant impacts on biodiversity.

Green and low-carbon management

Greenhouse Gas Inventory

Since 2011, Narada Power has conducted greenhouse gas inventories for 13 consecutive years according to the requirements of the ISO 14064 standard. This inventory covers 7 categories of greenhouse gases within the organizational production boundary. The company prepares a greenhouse gas inventory report and discloses the inventory results in its corporate social responsibility report. In 2023, Narada Power released its greenhouse gas inventory report. A third-party professional organization was commissioned to verify the company's direct greenhouse gas emissions (Scope 1), energy indirect greenhouse gas emissions (Scope 2), and other indirect greenhouse gas emissions (Scope 3). The organization prepared a Greenhouse Gas Verification Report, which passed the ISO 14064-1:2018 verification.

The Company's Greenhouse Gas Emissions in 2023 are as follows:

Greenhouse Gas Emissions in 2023 (by Category)

Greenhouse gases	CO2	CH4	N2O	HFCs	PFCs	SF6	NF3	Total emissions (t-CO2e)
Emissions (t-CO2e)	6296.34	13.25	1.00	0.00	84.60	0.00	0.00	6395.19
Proportion of total emissions	98.45%	0.21%	0.02%	0	1.32%	0	0	100.00%

Greenhouse Gas Emissions in 2023 (by Scope)

Scope of emissions	Direct Emissions	Energy indirect emissions		Total emissions (t-CO2e)
		Electricity	Vapor	
Emissions (t-CO2e)	333.26	5321.38	740.55	6395.19
Proportion of total emissions	5.21%	83.21%	11.58%	100%

In 2023, electricity indirect emissions and steam indirect emissions accounted for 94.79% of the total emissions, with electricity indirect emissions comprising 83.21%, and steam indirect emissions comprising 11.58%. This indicates that Narada Power's energy structure is becoming

more rational, with the proportion of fossil fuels accounting for less than 3.68%. The primary source of greenhouse gas emissions is indirect emissions from purchased electricity. Therefore, by enhancing management practices and continuously improving production technologies to increase energy efficiency, it can effectively reduce the emissions of greenhouse gases per unit of product.

● Carbon Footprint Management

In 2023, Narada Power entrusted a third-party professional organization to conduct carbon footprint certification for the company's products in accordance with ISO14067-2018 and PAS2050: 2011 requirements. As of 2023, the company has completed the carbon footprint certification for 2 lead-acid battery products and 7 lithium-ion battery products.

Additionally, in 2023, 3 products of the company's lithium battery third-generation energy storage system were registered under the Italian EPD (Environmental Product Declaration) system.


ICMQ

CONVALIDA DELLA EPD
Validation of EPD

ATTESTATO N° CERTIFICATE N°

ICMQ – 23479EPD

Si convalida che la seguente Dichiarazione Ambientale di Prodotto (DAP):
It validates that the follow Environmental Product Declaration (EPD):

Product EPD, Declaration "NDBT20230530" del 31/07/2023

emessa da:
issued by:

Zhejiang Narada Power Source Co.,Ltd

No. 72 Landscape Avenue, Qingshanhu Street, Lin'an, Hangzhou, Zhejiang Province, China

unità operativa:
operational unit

No. 72 Landscape Avenue, Qingshanhu Street, Lin'an, Hangzhou, Zhejiang Province, China

relativa ai seguenti prodotti:
relative to following products:

Sistema di accumulo di energia a batteria al litio modelli 76.8NESP 160/200/250
(Lithium Battery Energy Storage System)

(UN CPC 46)

è conforme ai seguenti documenti:
is in compliance with the following document:

Regulations of the EPDItaly Programme, rev. 5.2, 16/02/2022
Core PCR EPDItaly007 rev.3, 13/01/2023
Sub PCR EPDItaly011 rev.4, 23/06/2022
ISO 14025, EN 50693

ACCREDIA

PRIMA EMISSIONE	EMISSIONE CORRENTE	SCADENZA
First issue	*Current issue*	*Expiry*
27/09/2023	27/09/2023	31/07/2028

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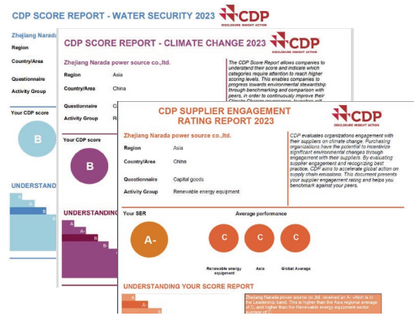
● Participation in the Carbon Disclosure Project of CDP

CDP is an international non-profit organization headquartered in London, England. It was formerly known as the Carbon Disclosure Project and is currently the most comprehensive and internationally recognized sustainable development reporting platform in the world. The CDP environmental information disclosure is categorized into three types of questionnaires: climate change, water security, and forests. The questionnaire ratings range from highest to lowest as A, B, C, and D. In 2023, over 23,000 listed companies globally (which represent two-thirds of the global market value) participated in the CDP environmental information disclosure project. Among them, a total of 396 companies globally achieved an A-level rating. Within the 3,200 mainland Chinese companies, only three companies, including Huawei and ZTE, received an A-level rating.

In 2023, Narada Power achieved an A-level rating in the CDP. Supplier Engagement Leader category, received B-level ratings in both the Climate Change and Water Security categories.

These ratings surpassed the global, Asian, and industry average levels, which demonstrates the company's long-standing commitment to sustainable development and its effective efforts in driving climate action across the entire value chain.



● Energy Management

Natural resources are the material foundation upon which humanity relies for survival and development. However, with the advancement of industrial civilization and the continuous growth of the global population, the gradual scarcity of energy has become a bottleneck and obstacle for social sustainable development. For enterprises, energy scarcity is also a significant challenge. The rational and maximized utilization of energy is a crucial factor for the sustainable development of enterprises.

The company attaches great importance to energy management, employing various techniques and management strategies to reduce energy consumption during production and operation processes, thus enhancing energy efficiency and decreasing greenhouse gas emissions. Four production bases under Narada Power use photovoltaic and energy storage power stations to provide renewable green energy for production and office purposes. At the same time, through advanced treatment and reuse of wastewater, increased utilization of renewable energy, and waste heat utilization, the company aims to achieve sustainable development goals for both the enterprise and the environment. In 2023, one subsidiary of the company obtained ISO 50001 Energy Management System certification. As of 2023, seven subsidiaries under Narada Power have obtained ISO 50001 Energy Management System certification, while one subsidiary is in the process of introducing the energy management system.

The company vigorously promotes energy conservation and environmental protection measures. Through initiatives such as the use of renewable energy sources, waste heat utilization, retrofitting feedback recharge and discharge machines, and online energy measurement, the company aims to improve energy utilization efficiency and reduce greenhouse gas emissions. Energy conservation and environmental protection have become ingrained in the company's operations and the behaviors of its employees.

Ⅳ Common Development

Narada Power enables all stakeholders to participate in shared and sustainable value creation. As a responsible enterprise, Narada Power has long been committed to its social responsibilities. The company continuously focuses on corporate culture development and collaborates with partners across various industries and sectors to jointly build a harmonious and healthy industry ecosystem.

Contributing to the United Nations Sustainable Development Goals (UN SDGs):

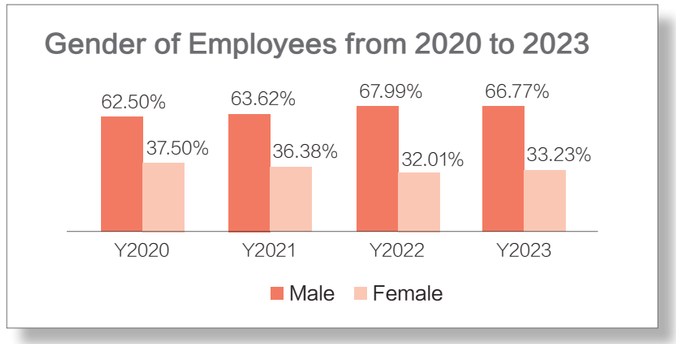
Care for Our Employees

In order to support Narada's high-quality development strategy, effectively and reasonably ensuring the "selection, employment, education, and retention" of talents, and providing diversified employees with distinctive learning, development, and promotion opportunities and platforms, allow employees to fully display their ability, thus obtaining reasonable rewards, both material and non-material. Creating a pragmatic, efficient, collaborative, and innovative working atmosphere was a particularly important task for Narada in 2023.

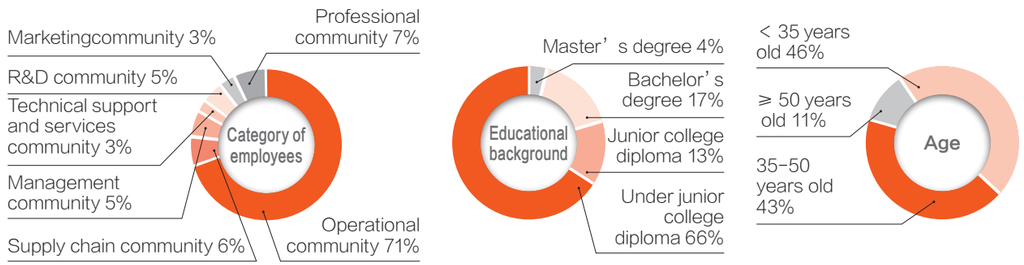
Employee Diversity

By the end of December 2023, the company had a total of 5,161 employees. In China alone, there are employees from 26 different ethnic groups. The average age of employees is 36.57 years old. Narada strictly abides by national laws and international conventions to ensure equal employment opportunities for both male and female employees. In recent years, the proportion of female employees in the workforce has remained stable, showing an upward trend. Female employees constitute 33.23% of the workforce, an increase of 1.22% compared to the previous year. Among the 221 middle and senior managers, 53 are female, accounting for 19.34%, showing an increase of 1.43% compared to the previous year. Narada provides equal career development opportunities for female employees.

The company strictly prohibits employment discrimination and opposes modern slavery practices.



The breakdown of employee categories, educational backgrounds, and employee age composition of the company are as follows:



Safeguarding the Basic Rights of Employees

Narada strictly abides by labor laws and regulations, refraining from employing child labor or underage workers. It has signed labor contracts with all employees in accordance with the law, with a signing rate of 100%. An increasing number of employees hold an optimistic outlook on Narada's development. Among them, a total of 408 employees have signed indefinite-term labor contracts.

Narada adheres to the principle of equal employment and opposes discrimination during recruitment, providing all applicants with equal opportunities. The company follows national policies on maintaining employment levels and actively offers various jobs to socially disadvantaged groups, contributing to national employment promotion efforts.

Narada adheres to the principles of equal pay for equal work and fair promotion in all aspects of human resources management, including remuneration, training opportunities, job promotion, and termination of labor contracts. The company does not engage in or support any form of discrimination based on race, nationality, social background, social class, lineage, religion, physical disability, gender, pregnancy, sexual orientation, family responsibility, marital status, union membership, political views, age, or any other characteristics prohibited by law or regulations.

Narada respects the right of employees for freedom of association and collective bargaining as provided by law. The company does not oppose employees participating in lawful activities of locally registered trade unions, provided that such participation is voluntary and does not violate local laws.

Remuneration and Benefits

Aligned with value creation and high-performance orientation, Narada has implemented a comprehensive remuneration system based on position and performance management systems. Remuneration od employees is strongly correlated with their positions, capabilities, and performance. In 2023, the company applied the results of dual-channel management and performance management to adjust the salary of core employees. A new remuneration system for technicians has been established and tested. Various measures have been taken simultaneously to motivate and retain key employees. In terms of incentive policies, a combination of short, medium, and long-term incentives, results-oriented, has been implemented. The company has developed incentive plans for sales personnel based on the needs of business development, motivating employees to achieve high-performance goals. Additionally, various expatriate benefits policies have been introduced to encourage employees to be dispatched to participate in different business operations. The new equity incentive plan introduced by the company has stimulated organizational vitality and employee enthusiasm. The total payroll in 2023 amounted to 697 million, with a significant increase in per capita wage.

In addition to legally paying various statutory social insurances (including basic pension insurance, basic medical insurance, work-related injury insurance, maternity insurance, unemployment insurance) and housing provident fund for employees, Narada has purchased supplementary medical insurance for core employees. Furthermore, personal accident insurance is provided for middle and senior-level employees, core employees, technical support and customer service staff, and production employees. In 2023, Narada's investment in employee social insurance and commercial insurance amounted to 108 million yuan. Apart from this, Narada also offers various enterprise benefits to its employees:

- Departmental team building funds are allocated on a per capita basis;
- A medical room is established as a supplement to employees' medical insurance;
- Festival benefits, employee physical examinations, and meal subsidies are provided;
- Regular routine check-ups are arranged for all employees and gynecological screenings are arranged for female employees;
- Employees are provided with gifts or condolence money for occasions such as birthdays, weddings, childbirth, severe illness, and the death of immediate family members. In 2023, the various levels of trade unions in the company comforted a total of 259 employees, distributing a total of 93,000 yuan in condolence money.

With the development of Narada, the company will continue to improve the enterprise benefits system and provide high-quality benefits for employees. The enterprise benefits apply to all Narada employees.

Employee Recognition

The company's sustainable development is inseparable from the hard work of all employees, especially the leading role of benchmark employees. The company advocates for high-quality operations, continuous innovation, management enhancement, truth-seeking pragmatism, and service consciousness. In 2023, the company updated its administrative measures for honors and awards, continuously improving the honor system’s awards and standards. It clarified the core orientation towards contribution, motivating employees to strive for excellence and be proactive. By setting examples and commending advanced individuals, the company aims to enhance organizational cohesion and employee loyalty. At the year-end evaluation, outstanding teams and individuals were selected for awards such as the Company-level Special Contribution Award, Most Influential Project, Best Contribution Award, Innovation Achievement Award, and Management Excellence Award. These awards recognize teams and individuals across various positions who have demonstrated a customer-centric approach, continuous innovation around customer needs, and have made significant or outstanding contributions to creating value for customers, as well as to the company's business success and sustainable development. Each business unit has also timely commended and rewarded its teams and individuals who have made outstanding contributions to the realization of organizational goals. More than 1160 honorary awards at all levels of Narada were given, with a total reward amount of 1.6 million yuan. Meanwhile, through various channels such as OA, Light of Narada, and internal multimedia, efforts were made to increase the recognition and publicity of exemplary employees, thereby significantly expanding the influence of these benchmark employees.

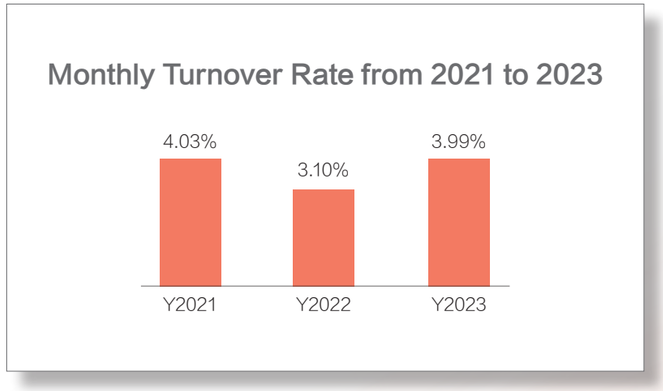
Employee Satisfaction

The company attaches great importance to communication and interaction with employees.

To fully demonstrate the company's social responsibility and create a comfortable and positive working environment, while also meeting employees' life demands and enhancing internal cohesion, the company has developed a multidimensional survey questionnaire involving employees' vital interests. This questionnaire of overall satisfaction covers various aspects such as job positions, company management, remuneration and benefits, cafeteria and dormitories, and other public facilities. The survey aims to gather feedback from employees and identify areas for improvement. Subsequently, improvement measures will be implemented based on the results of the satisfaction data analysis.

The survey results show that compared with 2022, the overall satisfaction of employees has dropped slightly. However, employees have expressed higher satisfaction levels regarding their job positions and daily management practices.

The company has submitted systematic improvement measures in areas where satisfaction scores were relatively low, including salary levels, benefit policies, food variety and pricing, food hygiene, food freshness, cafeteria staff service attitude, and overall cafeteria service attitude. These efforts aim to continuously enhance employee satisfaction. In 2023, the average monthly turnover rate of employees was 3.99%. Over the past three years, the overall average monthly turnover rate of employees has remained stable at below 5%.



Employee Development

Employee Career Development and Skills Growth

In terms of employee career development, the company conducted its annual promotion and demotion process in 2023. This process followed the principles of fairness and meritocracy, where promotions and demotions were based on objective criteria such as values, experience, and performance, ensuring that individuals capable of taking on greater responsibilities were promoted while those needing improvement were demoted. The promotion and demotion process covered over 300 employees throughout the year. The average age of promoted individuals was 32 years old, indicating that younger employees experienced rapid growth and development within the company. As a result of this process, the company's core capabilities were further strengthened, and its talent pool became more rational and robust.

In terms of employee ability development, the company streamlined the competency standards for process, production control, and R&D project managers in 2023. This initiative aimed to promote talent pool development within the company and to guide employees in continuously enhancing their ability. Additionally, the company completed the review of skill assessment criteria for testing technicians and applied the assessment results, thereby expanding the career development space for testing technicians.

Talent Training

In 2023, the company continued to uphold high-quality development by implementing targeted work improvement learning programs for key talents and promoting knowledge sharing within departments. These initiatives provided employees with more learning channels for ability development and enhanced the effectiveness of training.

Some production centers, building upon the previous year's lean TPM initiative, continued to advance work improvement efforts. As the smallest unit of grass-roots management, the team plays a significant role in production management. The company established improvement projects at the team level, where they studied and applied work improvement methods to establish benchmarks for improvement, aiming to reduce costs and enhance efficiency. Approximately 45% of the projects have been completed, resulting in substantial anticipated annual income.

Multiple departments have systematically and regularly conducted internal knowledge sharing sessions, where they share cutting-edge information, personal experiences, organize team reviews, and facilitate mentorship programs. Through diverse learning formats such as knowledge quizzes, improvement project practices, project experience sharing, and troubleshooting discussions, a positive culture of sharing and learning has been fostered within the departments. Solely within the departments, the average learning duration per person exceeds 20 hours.

Establish and improve trade union organizations to effectively protect the legitimate rights and interests of employees

Under the leadership and support of the Xihu District Federation of Trade Unions and the company's party committee, the Narada Power Trade Union has always cared about the lives of employees, given full play to the role of the trade union as a bridge and link, enhanced the sense of ownership of employees, and participated in the democratic management of the enterprise. Meanwhile, it has strengthened its own management system construction, comprehensively improved the quality of trade union work, and actively safeguarded the legitimate rights and interests of employees.

In 2023, the company continued to give full play to the organizational advantages of trade unions and allowed employee representatives to actively participate in the company's democratic management. The trade union of the company, through the workers congress, reviewed a number ofdocuments, fully listened to the opinions and suggestions of employees, and played a positive role in promoting democratic management within the company.

Employees are the fundamental constituents of an enterprise organization, and the safeguarding of their legal rights directly impacts their ability to wholeheartedly engage in their work. Therefore, trade union organizations should shoulder the responsibility of supervising the legitimate rights and interests of employees.

In 2023, the research team led by the chairman of the trade union of the parent company visited various subsidiaries to organize employee symposiums. They aimed to understand the actual

difficulties faced by employees in their daily work and life, offer guidance to local trade unions to fully mobilize internal and external resources, organize mutual assistance among employees, actively participate in internal improvement actions within the company, and continuously track the implementation of feedback from employees by local trade unions. It maintained good communication with local management and gave full play to the supervisory role of the trade union.

Care for Employees

Narada Power has designed and provided various enterprise benefits for employees, such as festival benefits, employee physical examinations, and condolence money. At the same time, with the development of the company, it consistently improves its enterprise benefits system to offer high-quality benefits to employees. These benefits apply to all employees working in the company.

In 2023, the company's trade union continued to prioritize serving employees, acting as a bridge and bond within the organization. They focused on managing key concerns for employees, such as salary, holidays, labor intensity, occupational health, team climate, organizational development, skills training, and commendation for excellent individuals, so that employees could personally experience the new changes and experiences brought about by developing together with the enterprise.

Efforts and progress, gratitude and feedback have always been an important part of Narada Power's corporate culture. Over the years, the company's trade union has actively organized club activities such as table tennis, badminton, basketball, yoga, and more, which have been highly popular among the employees. The corporate culture of regularly holding birthday parties and recreational activities for employees has been passed down over the years, demonstrating the company's concern and care for its employees.

Narada Power has always been committed to embracing "goodness," promoting and inheriting the philosophy for public benefits of Narada, and demonstrating its sense of responsibility through actions. Actively responding to the call for common prosperity, the company has participated in various public welfare activities such as voluntary blood donation, donation of school uniforms, pairing with villages, and mutual assistance in Xihu,

which have profound significance. These initiatives have been featured multiple times in publications by the Xihu Trade Union. It has also provided opportunities for social interaction and mutual assistance among the company's young employees. They showcase the strong sense of corporate social responsibility among Narada employees, contributing to social harmony.

Canteen

The company operates a staff canteen that provides meal services for employees. The canteen features spacious surroundings, a wide variety of dishes, and upholds food safety and hygiene standards. The company strengthens its food safety management by controlling the qualifications of food suppliers, conducting regular sanitary inspections on the canteen, ensuring proper food storage, and retaining samples of dishes. These measures guarantee a clean and orderly dining environment for employees and ensure food safety. In addition, the company regularly collects employee feedback to continuously change the menu, and meet the diverse taste preferences of the staff.

Dormitory

The company provides staff dormitories equipped with wardrobes, desks, chairs, air conditioning, and other living facilities, ensuring employees with adequate living accommodations. Employees can apply for accommodation based on their needs.

Health & Safety First

Throughout its history, Narada Power has adhered to the health and safety policy of "people-oriented, law-based, prevention first, safety and harmony", and put the health and safety of employees in the first place. According to the requirements of ISO45001 Occupational Health and Safety Management System, the company has established and implemented various safety management systems, processes, and manuals in areas such as safety culture development, production safety, and workplace environment safety. These efforts aim to cultivate employee safety awareness and fully ensure the safety of employees and relevant stakeholders.

Safe Production Management

Narada Power continuously improves its occupational health and safety management. By the end of 2023, 100% of the company's certified production bases with stable operation have passed the ISO 45001: 2018 Occupational Health and Safety Management System certification, and other bases under construction or newly built are also actively putting efforts in the construction of ISO 45001 Occupational Health and Safety Management System certification. Safe production symposiums were held every quarter to strengthen the implementation and resolution of responsibilities. An EHS evaluation system was established to conduct specialized inspections, cross-checks, and supervisory checks from multiple dimensions and levels. It covers and guides all EHS work, aiming to prevent and control EHS risks effectively. Summaries and exchanges are conducted for safety management of key projects, and safety management guidebooks are compiled to document excellent experiences and methods in safe production.
This helps in creating a platform for sharing experiences and exchanging ideas.

Emergency Response Capability Building

Adhering to the principle of "prevention first", the company started and participated in firefighting competitions and various emergency drills while conducting routine risk control measures. In 2023, a total of 59 emergency drills were conducted across all factories, involving 4836 participants and covering all workshops. This has enhanced the disaster prevention and mitigation awareness of all employees and improved their emergency response and evacuation capabilities in the face of sudden disasters and dangers.

Safety Culture Construction

Safety in production is the top priority for enterprise operations, permeating every aspect of the work process. Managing the business means to manage safety, and managing production and operations means to manage safety, too. Each of the company's factories, according to its own characteristics and local government requirements, organizes various activities in earnest, creating a strong atmosphere of safety awareness and learning. This aims to mobilize and strengthen the safe production awareness of all employees, ensuring that safety in production serves as a guardian for the operation of the enterprise.

Occupational Health Surveillance

Narada Power has established a comprehensive employee health and safety protection system to promote the physical and mental health of its employees. The company has actively fulfilled its responsibility for occupational disease prevention and control by
identifying occupational disease hazards, conducting regular inspections, providing personal protective equipment, and installing occupational health protection facilities such as dust removal equipment, ventilation facilities, mufflers, and soundproof rooms. Through continuous optimization and improvement of the working environment, the occupational health and safety risks have been effectively controlled. The company has actively conducted special and routine occupational health inspections to supervise the implementation of occupational health protection measures. It has also conducted occupational health training sessions and publicity campaigns to promote the dissemination of hygiene and health knowledge.
In accordance with the requirements of the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and relevant laws and regulations, the company has conducted pre-employment, on-the-job, and post-employment occupational health check-ups for employees in processes with occupational disease hazards, and determined the medical items and frequency in accordance with the Technical Specifications for Occupational Health Surveillance (GBZ188). Employees are informed of the results of the physical examination, and health surveillance records are established for each individual to realize "one file for one person".

Sustainable Supply Chain

According to Narada's strategic planning and business development needs, it has formulated the company's procurement strategy, established a sound procurement management system, and fulfilled the functions of procurement management. This is to provide material supply guarantees for the company's production and operation, ensure the achievement of strategic and operational objectives, and maintain competitive advantages in the supply chain.

● Strengthening Supply Chain Quality

The company categorizes suppliers into lithium battery, energy storage, and lead-acid suppliers based on business segments. Suppliers are further classified into key core suppliers, important suppliers and general suppliers after comprehensive evaluation of multiple dimensions such as suppliers' quality assurance capabilities, motivation, and cooperation. Furthermore, the company classifies materials into A/B/C categories based on the differences in attention paid to the materials supplied by suppliers. In accordance with these differences, the company establishes the Supplier Management Procedure to specify the classification, evaluation, and management requirements for suppliers. Differentiated management is carried out for suppliers in different categories.

The company conducts quality audits and business continuity assessments on the primary suppliers of category A materials and category B materials that are identified by the Procurement Management Center and the Supplier Quality Management Department as requiring on-site audits. Additionally, performance monitoring and other quality management tasks are carried out after their introduction. The company has established clear quality assurance requirements for suppliers, such as acceptance rate upon delivery. Evaluation of supplier quality levels and quality management capabilities is conducted across multiple dimensions, including quality system management, technological development, procurement and supplier management, process control, product traceability, product inspection and testing, packaging, and transportation. For controller-type products, the evaluation dimensions of software capability and development are also involved. During the admission evaluation phase, the Procurement Management Center organizes a joint review conducted by the Quality Management Center, Research Institute, and other relevant departments to comprehensively evaluate the suppliers.

For suppliers with unqualified audit ratings, the company, based on the supplier's willingness to cooperate and motivation, engages a third-party audit agency to provide quality assistance for them. Simultaneously, internal quality team members are deployed to the supplier's premises to leverage their expertise and guide the suppliers in improving quality and ensuring timely delivery in line with the company's quality requirements. The company's quality team members guide suppliers in implementing improvement measures for issues identified during on-site audits. The effectiveness of these improvements is then monitored and verified through the Closed-loop Mechanism for Supplier Audit Issues. The company has established supplier process audits and quality inspections, which cover all aspects of supplier quality issues, aiming to drive overall quality improvement of suppliers through a comprehensive approach.

The company conducts regular monitoring of supplier qualifications, performance, safety, integrity, and other management aspects. It guides and supervises suppliers in addressing identified issues and implementing improvement measures, ensuring the safety and compliance of suppliers' business operations.

In order to encourage suppliers to continuously improve their quality, the company strengthens communication, enhance problem-solving effectiveness and validate improvement results through multiple dimensions and methods such as internal QCC project reporting, special reports on supplier improvement issues, sharing of supplier quality indicators, cooperation degree in major projects, improvement of quality issues, and quality improvement level. Recognition and commendation are given to suppliers for their efforts in improving quality.

● Enhancing Supply Chain Stability

To ensure the stability of the supply chain, the company expands the pool of qualified suppliers, optimizes the structure of the supply chain, and promotes the localization of suppliers. Such multifaceted approach is adopted to ensure the stability of the supply chain.

Narada Power has been actively promoting the development of the full-life-cycle industrial chain for batteries. In 2023, significant progress was achieved, and the company now has well-established systems for the recycling of lead and lithium batteries. This further ensures the stable supply of valuable resources.

Taking Huabo Technology, a wholly-owned subsidiary of Narada, as an example, the company

relies on the renewable resource industry to focus on creating two major industrial loops, the "Lithium Battery Circular Industrial Chain" and the "Lead Battery Circular Industrial Chain". This has formed a circular economic development model that spans from raw materials to products, system applications, resource recycling, and back to raw materials. It achieves the maximization of the product's life cycle value.

In terms of lead battery recycling, the company processes and utilizes about 1.2 million tons of waste lead batteries and lead-containing waste annually, producing around 590,000 tons of recycled lead per year. This results in an annual saving of 5.9 million tons of primary lead ore, effectively reducing the exploitation of limited mineral resources. It has achieved initial self-sufficiency in major raw materials.

In terms of lithium battery recycling, the company's first-phase production can process various types of lithium-ion batteries totaling 25,000 tons annually. This allows for the annual production of materials such as lithium salts, cobalt salts, and nickel salts totaling 13,000 tons, with 100 tons each of ternary precursor and ternary cathode materials. Simultaneously, comprehensive recycling and utilization of copper, aluminum, graphite powder, etc., are achieved. This ensures strong resource, economic, and social benefits while effectively guaranteeing the supply of key raw materials.

● Promoting Sustainable Development of Supply Chain

Narada benchmarks industry best practices, and adopts internationally recognized standards to fully consider and implement sustainable development concepts throughout the entire process of supplier admission, performance evaluation, continuous improvement, and elimination.

Supplier Admission	1. Select and evaluate the basic qualifications, production capacity, quality environment and occupational health and safety system of suppliers through the Supplier Questionnaire to ensure the compliance of suppliers from the source; 2. Carry out hierarchical management based on the production process and service characteristics of raw materials. Key suppliers are audited and supervised according to management systems such as ISO 9001, ISO 14001, and ISO 45001 to ensure that the qualifications of suppliers meet the requirements of Narada; 3. Sign agreements such as the Social Responsibility Commitment Letter, and Integrity Agreement with all suppliers.
Supplier Performance Evaluation	1. Promote supplier risk identification and management through monthly, quarterly and annual supplier performance evaluations to ensure that key performance indicators consistently meet Narada's requirements; 2. Conduct audits on key suppliers in terms of quality, environmental safety, social responsibility, and business continuity;
Continuous Improvement and Elimination	1. Based on the supplier's daily delivery performance and performance evaluations, promote the implementation of measures including increasing share, prioritizing procurement, and suspending supply until cessation of cooperation; 2. For suppliers with poor performance, weak willingness to improve, and insignificant improvement effects, gradually eliminate them.

To drive the sustainable development of the supply chain, Narada has designed its systems and formulated a series of regulations covering business ethics review, restriction on the use of hazardous substances, carbon emission review and reduction, and the use of green packaging. Through the implementation and supervision of relevant systems, Narada effectively promotes suppliers' understanding and implementation of sustainable development.

The company, in alignment with the current status of supplier management and the requirements for improvement goals, continuously drives suppliers to achieve performance goals through periodic on-site audits, problem solving verification, and other measures. In 2023, Narada Power conducted 125 on-site audits, covering aspects such as quality, environmental safety, social responsibility, and business continuity. A total of 1,304 non-conformities were identified, with a completion rate of 97.85% for rectification. By orienting towards performance goals and continuously promoting excellence while eliminating inefficiencies, Narada has effectively advanced the sustainable development of its supply chain.

● Building a Responsible Supply Chain

Narada commits to actively promoting the responsible procurement of products containing tin, tantalum, tungsten, gold, cobalt, mica, and other raw materials. It adheres to guidelines such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains. The company participates in industry cooperation to collectively promote measures for suppliers to prevent and reduce the direct or indirect contribution of their products that contain minerals to human rights violations, environmental harm, threats to health and safety, and the propagation of corruption.

Institutional Guarantee	1. Establish a responsible mineral procurement policy, and inform suppliers through Narada Power's Conflict-free Mineral Notification; 2. Regularly evaluate the suppliers involved in responsible mineral procurement and sign the Letter of Commitment for Non-Use of Conflict Minerals with them; 3. Formulate a due diligence plan, and conduct due diligence on relevant suppliers according to the plan.
Identification and Evaluation	1. Require suppliers to conduct self-examination according to the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT), and conduct evaluations based on the self-examination results; 2. Regularly inspect suppliers and take due diligence as an important part of the inspection;
Supervision and Audit	1. Report the evaluation and inspection results to the competent authorities in a timely manner, explaining the actual and potential risks; 2. Cooperate with downstream users to complete the due diligence audits, and rectify the problems found in the audits in a timely manner; 3. Carry out one-on-one training for suppliers to help them improve their awareness and capabilities in due diligence.
Information Disclosure	1. Regularly publish responsible mineral due diligence reports on the official website; 2. The company can provide a responsible mineral due diligence report to downstream users as needed.

Narada actively participates in global industry cooperation through initiatives like the Responsible Minerals Initiative (RMI). It collaborates with upstream and downstream companies in the supply chain to conduct supply chain investigations, identify smelter lists, and promote smelters' applications for and maintenance of Responsible Minerals Assurance Process (RMAP) compliance certification. Narada encourages suppliers to collaborate with smelters certified under the Responsible Minerals Assurance Process (RMAP).

In 2023, Narada conducted due diligence on suppliers involved in relevant mineral procurement, identifying 3 compliant smelters. The company shared the results of conflict minerals investigations with 7 customers.

Public Welfare Undertakings

Narada Power has always regarded caring for the society and fulfilling social responsibilities as important tasks. It actively participates in social activities and various charitable endeavors, including disaster relief, aiding the vulnerable, supporting education, etc., making positive contributions to the development of education and society.

By the end of 2023, Narada had rehired 103 retired employees. Throughout 2023, the company donated a total of 768,000 yuan to support various welfare projects, which were for education and poverty alleviation. Narada actively responded to the national policy on the placement of disabled individuals by providing placement for 35 disabled persons. For the remaining vacancies that could not be filled, the company paid employment security funds for disabled workers to government departments. In 2023, Narada's total payment of employment security funds for disabled workers amounted to 1,303,000 yuan.

The company has long been committed to shouldering social responsibility and actively engaged in social donation activities. In 2023, the company organized the "Caring for Students, and Building Dreams for the Future" school uniform donation event at Shangma Primary School in Jiande. Over 240 sets of school uniforms were donated to children in mountainous areas, and gifts were presented to 20 outstanding students who demonstrated positivity and diligence in their studies during the last semester.

Narada Power Anhui Group consistently carries out educational assistance activities, strongly supports and helps the children of employees to pursue higher education, enhance their knowledge and abilities, and lay the foundation for future career development. This ensures that the

achievements of the company's development benefit a wide range of employees.

In 2023, Anhui Group, a subsidiary of Narada Power, launched the "Autumn Assistance for Education" activity, and provided financial support to 37 children of employees facing financial difficulties, aiming to encourage them to strive for academic excellence and realize their dreams in life.

The company encourages employees to actively engage in public welfare practices, use practical actions to contribute to solving social problems, and harness the positive energy of the enterprise to inspire and influence more people to participate in advancing the path towards sustainable development. Its subsidiaries

actively participate in activities such as voluntary blood donation, charitable donations, and visits to households in need every year, fulfilling social responsibilities through practical actions and promoting social development.

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List of Company Names and Abbreviations Used in this Report

Full name	Abbreviation
Zhejiang Narada Power Source Co., Ltd.	Narada Power
Zhejiang Narada Energy Technology Co., Ltd.	Narada Energy
Anhui Huabo Renewable Resources Technology Co., Ltd.	Huabo Technology
Anhui Narada Huatuo New Energy Technology Co., Ltd.	Narada Huatuo
Anhui Narada Huabo New Material and Technology Co., Ltd.	Huabo New Material
Wuhan Narada New Energy Technology Co., Ltd.	Wuhan Narada
Hangzhou Narada Power Technology Co., Ltd.	Narada Power Technology
Anhui Narada Trading Co., Ltd.	Anhui Narada
Sichuan Narada State Ship New Energy Co., Ltd.	Narada State Ship
Jiuquan Narada Power Co., Ltd.	Jiuquan Narada
Yangzhou Narada Energy Technology Co., Ltd.	Yangzhou Narada
Zhejiang Narada Hongxin Power Battery Technology Co., Ltd.	Narada Hongxin

Reader Feedback Form

Dear Reader:

How are you?

Thank you for reading the "2022 Narada Power Social Responsibility Report". In order to provide you and other stakeholders with more professional and valuable corporate social responsibility information, continuously improve Narada Power's social responsibility work, and enhance the quality of corporate social responsibility reports, we especially hope to hear your opinions and suggestions. Please assist in completing the relevant questions in the feedback form and send an email to narada@naradapower.com, or fax to 0571-56975900.

Thank you very much!

Narada Power Social Responsibility Report Writing Team

April 2024

Multiple Choice Questions:
(Please tick "√" at the corresponding position)

1.You belong to which of the following stakeholders

☐ Government personnel ☐ Regulatory authorities ☐ Shareholders and investors ☐ Employees ☐ Customers ☐ Suppliers and partners

☐ Community residents ☐ CSR practitioners ☐ Peer companies ☐ Other

1.Your overall evaluation of this report is

☐ Very good ☐ Good ☐ Average ☐ Poor ☐ Bad ☐ Don't know

2.Do you think the information, indicators, and data disclosed in this report are clear, accurate, and complete?

☐ Very clear, accurate, and complete ☐ Relatively clear, accurate, and complete ☐ Basically clear, accurate, and complete

☐ Not clear, accurate, and complete ☐ Very unclear, inaccurate, and incomplete

3.Do you think the report structure of this report is reasonable?

☐ Very reasonable ☐ Relatively reasonable ☐ Basically reasonable ☐ Not reasonable ☐ Very unreasonable

5. Do you think the language and text expression of this report is smooth?

☐ Very smooth ☐ Relatively smooth ☐ Basically smooth ☐ Not smooth ☐ Very not smooth

4.Do you think the content design and format arrangement of this report is convenient for reading?

☐ Very convenient ☐ Relatively convenient ☐ Average ☐ Not convenient ☐ Very inconvenient

Discussion Questions:

What are your suggestions and expectations for our future corporate social responsibility work?

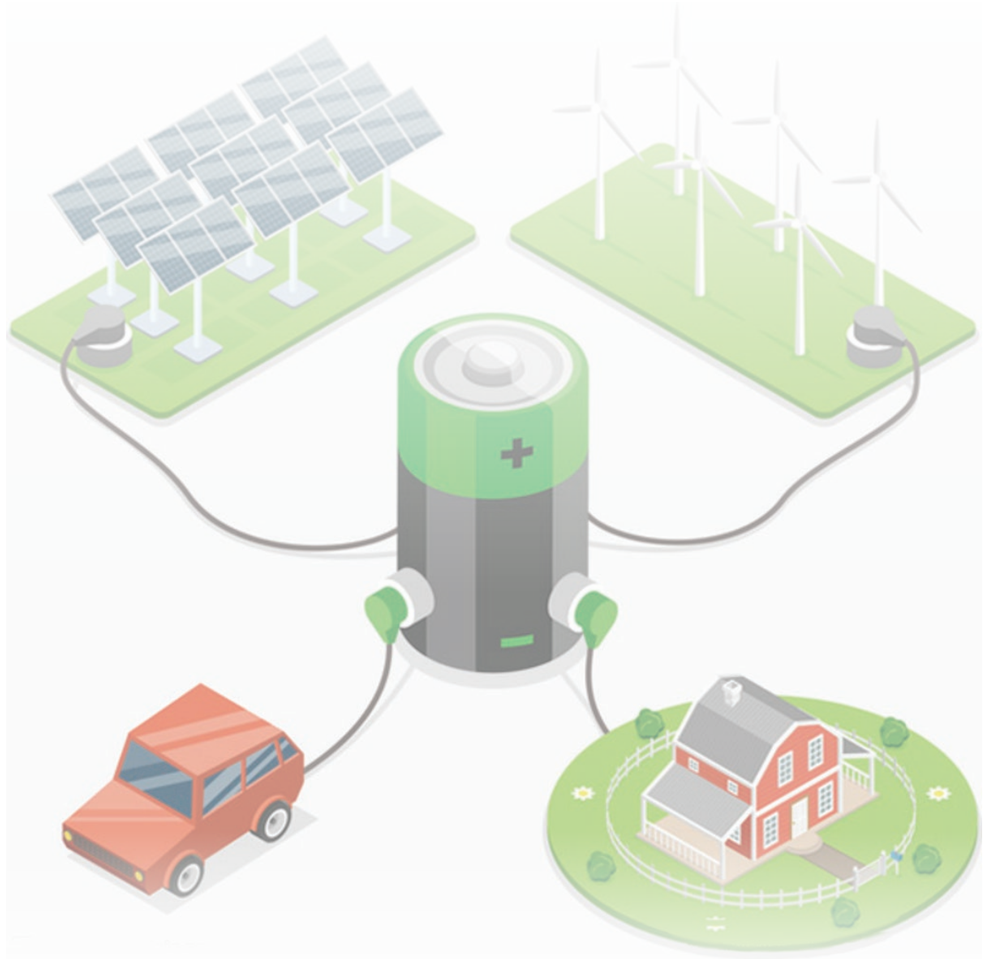
What are your suggestions and expectations for the content and form of our future corporate social responsibility reports?

Your Information:

Name: _____ Job Title: _____ Company: _____

Phone Number:_____ Fax: _____ E-mail: _____

QR code of Narada Power



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