

Environmental Management Policy and Commitment

EVE Energy Co., Ltd. (hereinafter referred to as “EVE” or “the company” or “we”) upholds the vision of “Empower the world with EVE energy.”, and is committed to complying with laws, making continuous improvements in pollution prevention, energy saving, and emission reduction to provide green products with better energy utilization efficiency. We continuously innovate management and technology and actively respond to risks and opportunities in pollution, climate change, and biodiversity to mitigate the environmental impact of project construction, operation, and product lifecycle to realize environmental, economic, and social harmonization with high-quality development.

This policy applies to EVE and all its subsidiaries and their employees (including interns, contract workers, etc.), covering operational activities related to production operations and business facilities, products and services, distribution and logistics, management of waste, due diligence, and mergers and acquisitions. We undertake to implement the following environmental management measures and advocate all business partners to understand our Policy and Commitment to protect the earth together with the greatest consensus.

1. Robust Environmental Management

EVE has established a Sustainability Committee, headed by the Chairman, as the top-level management body. It is responsible for formulating and reviews sustainability strategies and policies on environmental-related matters including response to climate change, pollution, biodiversity, etc. We also manage progress in the implementation of our strategic goals, formulate risk and opportunity management policies and mid- to long-term action plans.

EVE has established two specialized committees for Environmental Health Safety (hereinafter referred to as “EHS”) and Carbon Emission, headed by the President, which lead the management in advancing related action plans, operating procedures and systems effectively, as well as monitoring and improving environmental performance.

EVE has established an EHS Center, headed by the Vice President, which is responsible for environmental technologies and related work. Each manufacturing base, business unit, and factory has set up an EHS department, and the workshops and departments have appointed part-time EHS specialists. We have built a comprehensive and professional organization network of contractors’ personnel and employees at all levels to fulfill their responsibilities of supervision management, technical support, and guidance to monitor the change of environmental factors and risk and to promote performance improvement.

EVE strictly complies with all applicable local laws and regulations. Based on risks and opportunities we face and the capabilities we possess, we have established strict corporate standards that are stricter than laws and regulations. We conduct regular compliance audits and report to the relevant committees.

Based on changes in risks, opportunities, and capabilities, we establish and review mid-to-long-term and annual environmental management targets, including the reduction targets of wastewater, exhaust emissions, and waste. We have adopted the dual-carbon strategy as one of our key development strategies, and are dedicated to achieving operational carbon neutrality by 2030 and carbon neutrality in the core value chain by 2040. We will consistently report progress on carbon reduction/carbon neutrality and other environmental management targets through information disclosure channels such as annual sustainability reports.

We establish and operate environmental and energy management systems in compliance with the ISO 14001 and ISO 50001 standards. And we formulate and improve regulations and procedures in various areas, including pollution control, water management, solid waste management, noise reduction, exhaust emissions, organizational greenhouse gas emissions, product carbon footprint, circular economy practices, energy conservation, renewable energy

utilization, biodiversity, and project site selection. We require each operating unit to strictly adhere to these systems and require that each newly operational holding company quickly enhance its system maturity and obtain third-party certification.

We regularly evaluate environmental factors, risks and opportunities, expectations of stakeholders, performance, action plans, the suitability and effectiveness of procedures, and management reviews to find out every improvement opportunity.

We conduct internal audits and management reviews of all mature operating entities annually. Additionally, we invite third-party certification bodies to perform supervisory audits each year, and comprehensive re-certification audits every three years. This process ensures the effective operation of our system and enhances our environmental performance.

2. Environmental Performance Monitoring

We continuously monitor the concentration of hazardous substances in raw materials and products. During the construction and operation process, we monitor indicators including total consumption and intensity of resources and energy, the amount and intensity of pollutants, total emissions and intensity of greenhouse gases, the amount of recycled waste and resources, etc.

We formulate an annual environmental monitoring plan that includes various forms of monitoring, such as self-monitoring, online monitoring, and entrusting qualified testing institutions to conduct monitoring. This comprehensive approach covers the monitoring of wastewater, exhaust gas, and noise pollutant emissions, as well as the assessment of their impact on the surrounding environment, including soil and groundwater quality. We are actively applying digital technology to build digital factories for more accurate and real-time data monitoring on operations, emissions, and energy to improve our environmental performance with higher efficiency.

3. Enhancing Environmental Performance

We actively adopt measures for technology, engineering, management, and business model innovations to continuously mitigate the environmental impact of construction, operation, and product lifecycle to improve environmental performance. We understand that excellent environmental management and performance are the foundations of our sustainable development and profitability.

We adopt appropriate tools and models to conduct product full lifecycle management to reduce resource and energy consumption, and carbon emissions, and to protect biodiversity. The product lifecycle management processes include construction projects, technological innovation, product design, raw material usage, manufacturing operations, transportation, sales, product applications, re-use, repurposing, and recycling of waste lithium batteries, and other related processes.

- We prioritize mature industrial and commercial land and brownfield sites for our projects, instead of farmland, forests, wetlands, ocean, ecological reserves, and conservation areas of cultural sites. We are committed to avoiding operational activities near sites containing globally or nationally important biodiversity areas. Our construction projects are standardized to strictly implement environmental impact assessments and adopt ecological protection measures. This approach is designed to ensure that both construction and operational activities do not negatively impact the ecological environment.
- If it is unavoidable to engage in production and operational activities in near sites that contains globally or nationally important biodiversity areas, we will adopt a mitigation hierarchy approach. This approach includes avoidance, minimization, rehabilitation/restoration and compensation and/or biodiversity offsetting to reduce the ecological impact on these areas.
- We prioritize the use of harmless, less harmful, and lower carbon footprint raw materials.

- We prioritize the use of recyclable, degradable, and lighter packaging materials.
- We continuously innovate technologies to improve battery safety performance and capacity density, develop fast charging and lightweight integration technologies, extend calendar life and service life, and improve user-perceived quality and user experience.
- We adopt large-scale and integrated factories, prioritize environmentally friendly processes and manufacturing equipment, and fully apply extreme manufacturing and digital technologies to reduce resource consumption and improve operational efficiency and product yield.
- We actively adopt more advanced technologies of clean production to reduce pollutant emissions by minimizing dependence on hazardous raw materials, process control, and harmless treatment of pollutants.
- Reasonably classify and dispose of various solid wastes, reduce the generation of hazardous waste, and enhance the efficiency of waste resource utilization.
- Implement greenhouse gas verification, identify emission hotspots, monitor progress in emission reduction, and report carbon emission data.
- We carry out energy-saving technological improvements for existing projects and energy conservation designs for new projects.
- We actively develop and invest in renewable energy and energy storage facilities to increase the proportion of renewable energy utilization significantly.
- We actively develop and invest in re-use, repurposing, and recycling technologies for waste lithium batteries to increase the utilization of recycled materials in new products.

- We encourage each business unit and employee to carry out technological innovation, process innovation, and the application of digital technology to improve the efficiency of resource and energy utilization.
- Optimize production processes, employ advanced water-saving technologies and equipment, enhance resource recovery and reuse of water resources, and implement rational and effective management strategies to mitigate water resource risks.
- Leverage digital tools to continuously monitor wastewater dis, exhaust gases, and noise levels within the factory premises, ensuring that there are no adverse impacts on the surrounding ecological environment and biological habitats.
- Fulfilling environmental responsibilities is a shared duty and obligation for all participants in the value chain. We encourage our suppliers and partners to adopt international environmental standards, require them to sign commitments to environmental protection, and regularly evaluate their environmental performance.

Based on these processes, more business units will be promoted to meet the level of green factories, low-carbon or zero-carbon factories, water-saving factories, zero-waste factories, and lighthouse factories and thereby achieving green development.

4. Environmental Emergency Response and Resource

Based on environmental factors and risk assessment, we develop environmental contingency plans, build emergency response teams and equip them with emergency resources. We actively respond to potential environmental incidents including facility malfunctions, leaks, and unexpected emissions, making every effort to mitigate the consequences of such events. We make every effort to maintain business continuity plans in the event of resources and energy interruption.

5. Environmental Education

We establish annual training programs on environmental management and employee involvement schedules, providing adequate training resources and platforms for employees and suppliers to understand the impact of their activities on the environment, our policies and goals, and our annually updated action plans. They will fulfill their commitment in their respective areas of responsibility by possessing sufficient environmental management skills.

6. Environmental Information Disclosure

We advocate for a transparent culture and establish procedures for disclosing environmental information to receive and translate the expectations of our stakeholders by timely disclosing environmental topics and matters about project constructions, manufacturing operations, and products, and sharing our practices and outcomes performances, or achievements.

Liu Jincheng, Chairman of Sustainability Committee

EVE Energy Co., Ltd.

October 24, 2024

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