HYPER STRONG

ENVIRONMENTAL MANAGEMENT STATEMENT

Empowering a Sustainable Future



Environmental Management Statement

Beijing HyperStrong Technology Co., Ltd. (hereinafter referred to as "HyperStrong" or the "Company") takes a long-term view and deeply understands the profound impact of environmental protection on human society. By promoting green offices, environmental technologies, and energy management, we strive to operate our business in a more environmentally friendly manner and reduce the burden on the planet. At the same time, we actively work with customers and partners to jointly write a new chapter in the sustainable development of the planet. To standardize the Company's environmental management requirements and measures, this Statement is hereby formulated.

This Statement applies to Beijing HyperStrong Technology Co., Ltd. and all branches and subsidiaries within the scope of its consolidated financial statements. It applies to all aspects of the Company's operational activities, including production and operations, products and services, logistics and distribution, and waste management. It applies to all employees of the Company, including full-time employees, temporary workers, apprentices, student workers, contract workers, and other types of personnel both domestically and internationally, and requires various suppliers and other partners engaged in key business cooperation with the Company to actively comply with this Statement or similar policy requirements.

Responsibilities

The Board of Directors is the highest governing body for the overall management of sustainable development-related issues and is responsible for the final deliberation and approval of major matters related to environmental management. The ESG Committee is established as a specialized committee of the Board of Directors to coordinate the decision-making and supervision of daily environmental management matters and continuously track environmental management performance indicators. All factories under the Company have dedicated environmental management departments and are under the unified leadership of the Group Headquarters to ensure consistency and efficiency in environmental management.

General Requirements

HyperStrong strictly complies with the requirements of national and local environmental laws and regulations, such as the Ecological Environment Code of the People's Republic of China, and builds and continuously improves its environmental management system to maximize the control and reduction of environmental impacts in production and operation activities. Currently, the Company has established and improved an environmental management system based on the ISO 14001 standard and have obtained corresponding certification.

The Company implements hazardous substance risk management following a four-step process: "hazardous substance identification – risk analysis – risk evaluation – risk control." In the identification step, the Company systematically reviews hazardous substances involved in the entire product life cycle, establishes a management list, and clarifies the chemical names, CAS numbers, and main use stages of the substances. In the risk analysis step, in-depth analysis is conducted from multiple dimensions such as the likelihood of occurrence, frequency and degree of exposure, and severity of consequences. In the risk evaluation step, risk levels are quantified around the dimensions of likelihood of occurrence and severity of consequences, and a risk matrix is constructed to determine control priorities. In the risk control step, a diversified risk prevention and control mechanism is formed through coordinated control at three dimensions: source control, process control, and end-of-pipe control.

The Company regularly organizes hazardous substance risk assessments. When new chemicals are introduced, raw material suppliers are changed, production processes are adjusted, or relevant laws, regulations, and standards are updated, supplementary assessments are immediately initiated, and control measures are dynamically optimized based on assessment results to ensure that risks remain within controllable limits.

HyperStrong regularly commissions qualified third-party institutions to identify environmental risks. On the basis of precise identification, in order to further standardize environmental management behavior, the Company has formulated relevant environmental factor identification and evaluation control procedure documents, aiming to systematically and comprehensively identify potential environmental impact factors in the Company's operations and evaluate them through scientific methods. On this basis, the Company has targeted control measures, strive to reduce environmental risks, and continuously monitor and evaluate environmental protection performance to ensure the Company's sustainable development and harmonious coexistence with the ecological environment.

Energy and Carbon Management

With the corporate mission of *Empowering the Sustainable Future*, HyperStrong, strictly complies with laws, regulations, policy requirements, and mandatory standards related to energy conservation, greenhouse gas emissions, and carbon management at the national, local, and operational levels, continuously improves carbon and energy management mechanisms covering production and office operations, and actively responds to the temperature limitation targets of the Paris Agreement, integrating low-carbon development concepts into corporate strategy and operational decision-making.

The Company is gradually establishing a greenhouse gas emission statistics, accounting, and management system, standardizing the collection, accounting, analysis, and reporting of energy consumption and greenhouse gas emission data, regularly identifying key emission sources and energy-saving and emission reduction opportunities, and continuously improving the standardization, accuracy, and traceability of carbon emission management.

The Company improves its energy management structure in accordance with ISO 50001 and other relevant standards, incorporates energy use efficiency and energy structure optimization into performance indicators, and reduces inefficient energy consumption through measures such as energy monitoring, energy audits and analysis, energy-saving equipment renovation, production process optimization, and clean energy substitution, gradually reducing dependence on fossil fuels, prioritizing the use of clean and renewable energy and improving energy utilization efficiency and energy stability.

The Company defines phased quantitative targets for carbon and energy, regularly tracks target progress, continuously optimizes implementation paths based on operating conditions and technical conditions, and steadily improves carbon and energy management performance.

In the process of the Company's low-carbon transformation, we commit not to invest in fossil fuel expansion projects, not to fund activities that deny climate change or resist relevant environmental and carbon emission regulations, and encourage employees, suppliers, and other partners to jointly improve energy and resource utilization efficiency and promote value chain emission reduction practices.

Water Resource Management

HyperStrong adheres to the principles of water conservation priority, rational utilization, and whole-process control, strictly complies with national, local, and operational location laws and regulations on water resource utilization, and continuously improves its water resource management mechanism.

The Company incorporates water use in production and office activities into standardized and refined management. Through measures such as strengthening water metering and statistical analysis, promoting regular audits of water resource use and water efficiency in production and operations, investigating abnormal water use, optimizing water use processes, increasing circulating water use, promoting water-saving facilities, and conducting water-saving publicity, the Company identifies water-saving opportunities, reduces leakage and inefficient water use, and continuously improves water resource utilization efficiency.

The Company pays attention to water resource conditions and potential water use risks in the regions where it operates, reasonably assesses water resource availability, regional water pressure, and related ecological impacts in business decision-making and project management, and avoids adverse impacts on local water resources and freshwater ecosystems caused by unreasonable water use.

In addition to its own operational management, the Company actively fulfills its water environment social responsibility and, following the concept of the United Nations Sustainable Development Goals, carries out water resource protection and collaborative governance with communities and other stakeholders, improving internal water use efficiency while also considering regional ecological protection and community livelihood needs.

Pollution Prevention and Control

HyperStrong strictly complies with environmental protection laws and regulations of the locations where it operates, and implements whole-process control of waste gas, wastewater, waste, and production noise covering generation, collection, treatment, discharge, and disposal in accordance with the Environmental Protection Management Regulations, continuously ensuring environmental compliance. To standardize the implementation of various pollution control measures, the Company focuses on the following management work:

1. **Waste gas management:** For waste gas generated in production processes, supporting collection and treatment facilities are provided, and third-party professional institutions are regularly commissioned to conduct emission monitoring to ensure that waste gas emissions continuously meet control limits.

2. **Wastewater management:** Classified control of sewage is implemented. Domestic sewage is pretreated in the park and then discharged into the pipeline network. Hazardous experimental wastewater is entrusted to qualified units for disposal to prevent water environment risks.

❸ **Waste management:** In accordance with the Solid Waste Management Measures and Handling Procedures and the Scrapped Product Management Rules, waste is identified, managed, and handled in compliance, ensuring standardized waste management. The Company commits to continuously improving production processes and recycling procedures, investing in waste reduction-related processes, and is committed to identifying improvement opportunities in waste management through waste audits, training to enhance employee awareness, and other means, optimizing the waste management mechanism and continuously reducing the total amount of production waste.

❹ **Noise management:** Sound insulation and vibration prevention treatment is carried out for equipment with noise emissions exceeding 80 decibels to ensure that workshop noise meets legal limit standards while minimizing boundary noise.

Green Products and Circular Services

HyperStrong insists on integrating green, low-carbon, circular economy, and environmental compliance requirements into the entire product life cycle management. Around design and development, raw material procurement, production and delivery, product use, operation and maintenance services, and end-of-life recycling, the Company continuously reduces the impact of products on energy, resources, and the environment, and improves product durability, repairability, and recyclability:

❶ **Green design:** Modular, lightweight, and easy-to-maintain designs are adopted in product research and development, and digital simulation and structural optimization technologies are comprehensively applied to continuously improve resource utilization efficiency and product durability, repairability, upgradability, and recyclability while ensuring product safety and performance.

❷ **Raw materials and hazardous substance management:** Environmentally friendly materials are prioritized, and major raw materials and components are promoted to 100% comply with applicable requirements such as RoHS and REACH. The Company actively identifies hazardous substances that may exist in products, components, and intermediates, and invests R&D resources and related budgets to improve products, processes, infrastructure, or technologies, and adopts lower-hazard alternative materials where technical and safety conditions permit. The Company prioritizes the procurement of environmentally friendly, recyclable, renewable, and third-party verified raw materials; gradually increases the proportion of recycled raw materials used and reduces dependence on primary resources; avoids procuring raw materials from globally or nationally important biodiversity areas, and continuously reduces the negative environmental and social impacts of raw material production. At the same time, the Company will actively cooperate with industry associations and value chain partners to promote the reduction and elimination of hazardous substances; the Company invests R&D resources and dedicated budgets to conduct internal training on sustainable design principles for functional departments developing products or services (such as R&D and innovation).

❸ **Packaging material recycling:** The Company adheres to the principles of packaging reduction, reuse, and resource recovery, continuously optimizes packaging materials and structures, implements recycling of packaging materials where conditions permit, and gradually reduces packaging waste generation.

❹ **End-of-life recycling:** In cooperation with professional institutions, the Company continuously expands and promotes the standardized recycling and resource utilization of retired products, waste components, and related materials.

❺ **Environmental services:** Leveraging its energy storage technology and service capabilities, the Company continuously provides customers with products and solutions that help improve energy utilization efficiency, promote renewable energy consumption, and reduce operational carbon emissions.

Sustainable Raw Materials Plan

To achieve sustainable raw material management, the Company has formulated the following plan:

1. **Raw material priority management:** Based on the Material Priority Management List, etc., the Company comprehensively evaluates material priority by combining material importance and supply difficulty.

2. **Traceability development:** The Company establishes a vertically integrated product traceability management system from the supply chain end to the customer end, relying on digital traceability systems and product barcode labels to manage the main data involved from core raw materials to finished product inspection and release.

3. **Training and communication:** The Company conducts sustainable raw material-related training for procurement personnel and suppliers, and communicates material environmental compliance, hazardous substance control, and resource recycling requirements to suppliers.

Biodiversity and Zero Deforestation

HyperStrong attaches importance to the potential impacts of its operations on the ecological environment and biodiversity. The Company strictly complies with ecological protection laws and regulations in all locations where it operates, supports the United Nations Sustainable Development Goals (SDGs), the Convention on Biological Diversity and other related initiatives, and integrates biodiversity conservation requirements into the full life-cycle management of its operations. The Company actively engages value chain enterprises to contribute to the sustainable development of nature and ecosystems. It adopts No Net Loss of biodiversity as its interim target, and strives to achieve a Net Positive Impact on biodiversity by the end of 2050 as its long-term target. The Company strictly follows the Mitigation Hierarchy of "Avoid – Minimize – Restore – Offset". It prioritizes scientific site selection and avoidance measures to eliminate or reduce impacts on ecosystems at the source.

1. **Avoid:** Prioritize site selection to avoid areas of important biodiversity value. Conduct due diligence prior to engaging suppliers and business partners to ensure value chain activities do not affect critical habitats.

2. **Minimize:** Continuously advance green process upgrading and cleaner production to reduce resource consumption and pollutant emissions.

3. **Restore and Offset:** Develop and implement restoration plans including revegetation and wetland conservation for ecological areas impacted by operations.

4. **Capacity Building:** Deliver biodiversity conservation training and outreach programs for employees, suppliers and partners to raise ecological protection awareness and build professional capacity across the value chain.

HyperStrong commits to supporting the "zero deforestation, zero logging" goal, resolutely resisting wood raw materials sourced from illegal logging or deforestation areas, and prioritizing the application of non-wood alternative materials; strictly prohibiting all illegal logging activities within its own operating scope. We are committed to working collaboratively with value chain partners to support biodiversity enhancement, afforestation, and restoration of natural ecosystems. The Company commits to achieving zero net deforestation for its own operations by the end of 2030, and zero net deforestation covering both its own operations and supply chain by the end of 2050.

Environmental Communication and Advocacy

HyperStrong actively disseminates green, low-carbon, and circular economy concepts to suppliers, employees, and customers, promoting the participation of all stakeholders in environmental management and green product practices:

1. **For suppliers:** Through communication, procurement requirements, and capacity-building activities, the Company communicates material environmental compliance, hazardous substance control, packaging reduction, and resource recycling requirements to suppliers, encourages suppliers to improve their environmental management capabilities, and jointly explores low-environmental-footprint materials and green solutions.

2. **For employees:** Through training, publicity, and employee participation activities, the Company enhances employees' awareness of green design, energy conservation and consumption reduction, waste classification, resource recycling, and environmental compliance.

3. **For customers:** Through product materials, technical exchanges, customer training, and operation and maintenance services, the Company communicates information on product energy-saving operation, maintenance, component upgrades, and standardized recycling to customers, extending product service life and promoting responsible consumption.

Reporting and Complaints

Any organization or individual within HyperStrong has the obligation to truthfully and accurately report and feed back environmental risks and violation information related to the Company's business management activities. These business management activities include: formulation and implementation of rules and regulations, decision-making on matters, contract signing, project investment and operation, etc. At the same time, employees, suppliers, business partners, customers, local communities, indigenous groups, supplier employees, and other stakeholders may, through the following complaint channels, anonymously or by real name, feed back to or report to the Company any incidents violating this Statement or concerns about this Statement, including but not limited to pollution emissions, ecological damage, excessive resource consumption, and violations of environmental protection laws and regulations.

HyperStrong adopts a "zero tolerance" attitude toward any form of threat, attack, harassment, or retaliation against complainants or whistleblowers, and strictly prohibits any department or employee from engaging in such conduct. The personal information of complainants and the information they provide will be strictly kept confidential to protect whistleblowers from retaliation.

Whistleblowing Channels

Reporting Hotline: 010-56352618
Reporting Email: jubao@hyperstrong.com (China)
feedback@hyperstrong.com (Overseas)
Mailing Address: C-F13, Building 2, No.9 Fenghao East Road, Haidian District, Beijing P.R.China

Implementation and Feedback

Managers at all levels of HyperStrong are responsible for ensuring that the requirements detailed in the Environmental Management Statement are implemented. Each department and subsidiary at all levels shall, in accordance with changes in laws, regulations, and the business environment, implement oversight measures, regularly supervise and inspect the applicability of the Environmental Management Statement, and promptly feed back to the Environment and Safety Department of HyperStrong. HyperStrong accepts supervision from external stakeholders, such as suppliers and other business partners, and the public, regarding the implementation of the Company's Environmental Management Statement.

Supplementary Provisions

This Statement shall take effect on the date of publication and shall be reviewed annually. It is drafted, interpreted, and revised by the Environment and Safety Department of HyperStrong. The Company will implement relevant oversight measures, regularly review, and update and revise this Statement as appropriate.

Beijing HyperStrong Technology Co., Ltd.
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2nd Edition
The final right of interpretation belongs to Beijing HyperStrong Technology Co., Ltd.