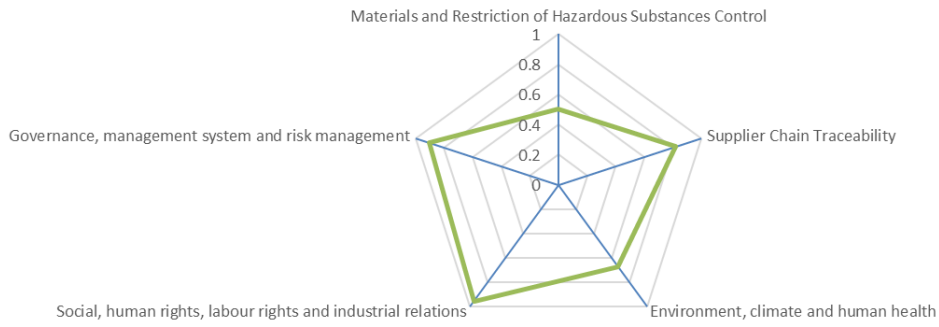


|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                             |                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                               | <h1>Battery Due Diligence Audit Report</h1> |                                                                                                                                                                                                                                                                                                                                                                | REF. NO. | EE-TQS-BDDA-01                                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                             |                                                                                                                                                                                                                                                                                                                                                                | VERSION  | V01-20250422                                                                                                                                                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                             |                                                                                                                                                                                                                                                                                                                                                                | AUTHOR   | Kinte Liu/CY Tang                                                                                                                                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                             |                                                                                                                                                                                                                                                                                                                                                                | APPROVED | Jobe Zhou                                                                                                                                                                          |
| <b>CUSTOMER:</b> Suzhou Xinlvzhou electronics Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                        |                                             |                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                                    |
| <b>SUPPLIER:</b> Shandong Huatai New energy Battery Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                  |                                             |                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                                    |
| <b>FACTORY:</b> Shandong Huatai New energy Battery Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                   |                                             |                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                                    |
| <b>REPORT No.:</b> DDA-Suzhou Xinlvzhou-Shandong Huatai_01-20250612&13                                                                                                                                                                                                                                                                                                                                                                                                         |                                             |                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                                    |
| <b>AUDIT DATE:</b> From 12-Jun-2025 to 13-Jun-2025                                                                                                                                                                                                                                                                                                                                                                                                                             |                                             |                                                                                                                                                                                                                                                                                                                                                                |          | <div>Scan to see the report</div>  <div>0612<br/>Verification:<br/>check.sgsonline.com.cn</div> |
| <b>SGS AUDITOR:</b> Randy Lv/Tiger Yang                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                             |                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                                    |
| <b>SGS AFFILIATE:</b> SGS_Nanjing Office                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                             |                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                                    |
| <b>APPROVED BY:</b> CY Tang (cy.tang@sgs.com)                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                             |                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                                    |
| <b>TOTAL SCORE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>79.5</b>                                 | <b>OVERALL RATING</b>                                                                                                                                                                                                                                                                                                                                          | <b>C</b> |                                                                                                                                                                                    |
| <div><p>Materials and Restriction of Hazardous Substances Control</p><p>Governance, management system and risk management</p><p>Supplier Chain Traceability</p><p>Environment, climate and human health</p><p>Social, human rights, labour rights and industrial relations</p></div>                                                                                                        |                                             |                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                                    |
| <b>Result Classification</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                             |                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                                    |
| <b>Class A &gt;= 90 (Good)</b><br>Over performance was found in good practice with below evidence:<br>* The factory has established a good operation system and under effective control.                                                                                                                                                                                                                                                                                       |                                             | <b>Class B &gt;= 80 and &lt; 90 (Acceptable)</b><br>Overall performance found in acceptable control but with not enough area with below issues:<br>* The operation system has well established, but implement with not enough area, and easier to be recovered, or<br>* The operation system has not well established, but still under suitable control...etc. |          |                                                                                                                                                                                    |
| <b>Class C &gt;= 70 and &lt;80</b><br><b>(Conditional acceptance; Not acceptable for product certification. Propose a re-audit within 6 months)</b><br>Overall performance was found in conditional acceptable control with below non-conforming issues:<br>* Operation system has established, but incomplete. some function missing<br>* The system is not under complete implemented.<br>* The system with major problem<br>* The system need longer time to recover...etc. |                                             | <b>Class D &lt; 70 (Poor and not acceptance)</b><br>Overall performance found in poor control with below non-conforming issues:<br>* No operation system has established.<br>* The system not under implement.<br>* The system with serious problem or system break down<br>* The system could not recovered in short time period...etc.                       |          |                                                                                                                                                                                    |



## GENERAL COMMENT

### A: OVERALL COMMENT

Shandong Huatai New energy Battery Co., Ltd. was founded in Sep 06, 2018 and located at the intersection of Changshen Road and Industrial First Road in Tangtou Sub-district, Hedong District, Linyi City, Shandong Province, China. It has 690 employees, there are 40 production lines for carbon battery, the max production out of carton battery is about 3,120,000,000 pcs per year. Factory have obtained ISO9001, ISO14001 certification.

Informative: DDA audit company name is Linyi Huatai battery Co., Ltd. It is the subsidiary company from Shandong Huatai New energy Battery Co., Ltd, which is focus on carbon battery production. The company mainly produces carbon batteries. The address is 50meters south of guanjiaguanzhuang village, tangtou street office, Hedong District, Linyi City, Shandong Province.

|                                                                                                                                                                                                        |                          |                                     |                               |                                 |                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|-------------------------------|---------------------------------|------------------------------------|
| Battery value chain in Europe, covering raw materials extraction, sustainable sourcing and processing, sustainable battery materials, cell manufacturing as well as re-use and recycling of batteries. | raw materials extraction | sustainable sourcing and processing | sustainable battery materials | Battery cell/pack manufacturing | re-use and recycling of batteries. |
|                                                                                                                                                                                                        | Outsourcing              | Outsourcing                         | Outsourcing                   | Own factory                     | N/A                                |
| Tracking element                                                                                                                                                                                       | Natural graphite, Nickel |                                     |                               |                                 |                                    |

### B: AUDIT SUMMARY

The company has established traceability procedures and related documents. But currently the company did not have formal traceability system such as ERP, MES etc. The company current traceability management is unable to trace back to the graphite and nickel mining process. The factory did not focus on the stocking method of the special material and product. The company has internal control system of QMS, EMS and get the valid certificate. But the company's measures for controlling GHG emissions are not sufficiently comprehensive. The company's energy conservation and emission reduction measures need to be continuously improved.

### C: SCORE SUMMARY

| No. | Section                                                     | Full Score | Actual Score | Section Score | Overall Score |
|-----|-------------------------------------------------------------|------------|--------------|---------------|---------------|
| 2.0 | Raw Material & Restriction of Hazardous Substances control  | 36         | 19           | 52.8%         | 6.4%          |
| 3.0 | Supplier Chain Traceability                                 | 88         | 72           | 81.8%         | 24.2%         |
| 4.0 | Environment, climate and human health                       | 64         | 43           | 67.2%         | 14.4%         |
| 5.0 | Social, human rights, labor rights and industrial relations | 70         | 67           | 95.7%         | 22.5%         |
| 6.0 | Governance, management system and risk management           | 40         | 36           | 90.0%         | 12.1%         |
|     |                                                             |            |              | Total Score   | 79.5          |

### D: NOT ENOUGH POINTS DURING AUDIT AND LISTED AS FOLLOWS:

| NC No. | KPI No | Not enough contents                                                                                                                                                                         |
|--------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NC-01  | 2.1.2  | The company did not traced the graphite and nickel back to its original smelters or processors.                                                                                             |
| NC-02  | 2.1.3  | The company did not establish the conflict minerals management norms. The conflict minerals statement was not disclosed publicly on the official website.                                   |
| NC-03  | 2.1.5  | The supplier management procedure does not stipulate the due diligence of suppliers.                                                                                                        |
| NC-04  | 2.2.2  | The list of hazardous substances refers to EU regulations such as REACH and ROHS, without considering WHO requirements.                                                                     |
| NC-05  | 2.2.3  | The chemicals in the warehouse have no labels, are not stored in 2nd containers, and lack the MSDS documents.                                                                               |
| NC-06  | 3.1.3  | Traceability information and ESG requirements were not considered in supplier selection and qualification process.                                                                          |
| NC-07  | 3.1.4  | The company did not communicate its traceability scope and requirements to suppliers such as the conflict minerals management requirement.                                                  |
| NC-08  | 3.2.2  | There is no IQC inspection record for the raw material of steel strip.                                                                                                                      |
| NC-09  | 3.2.3  | No designated areas and demarcation is available to identify the specialty material and production.                                                                                         |
| NC-10  | 3.2.4  | All components are not identified with material identification label, only provide supplier's outgoing identification card. The batch number of the materials cannot be clearly identified. |
| NC-11  | 3.3.1  | Currently, the raw materials, production process and product information of the batteries are recorded manually, and there is no traceable software system to manage them.                  |
| NC-12  | 3.3.5  | A batch of batteries was randomly selected, and the production batch of the carbon rods could be traced, but the batch of the graphite raw materials could not be traced.                   |
| NC-13  | 4.1.1  | There is no formal plan to control and/or reduce greenhouse gas emissions in the company's operations.                                                                                      |
| NC-14  | 4.1.2  | The company has not conduct a GHG inventory list.                                                                                                                                           |
| NC-15  | 4.1.5  | No greenhouse gas control requirement is imposed on the supplier.                                                                                                                           |
| NC-16  | 4.1.6  | The company has not established a dedicated energy-saving and emission reduction working committee (energy-saving group/dual carbon committee, etc.).                                       |



## GENERAL COMMENT

|       |       |                                                                                                                                                                                                                                                                                                                                      |
|-------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NC-17 | 4.1.7 | The company did not monitor the GHG emissions.                                                                                                                                                                                                                                                                                       |
| NC-18 | 4.1.8 | There is no clear emission reduction plan, strategy, or measure.                                                                                                                                                                                                                                                                     |
| NC-19 | 4.6.3 | The company's backup generator can only meet the needs of office and daily life, and cannot meet the need of production electricity.                                                                                                                                                                                                 |
| NC-20 | 4.6.4 | Currently some motors in the company is at level 3 energy efficiency.                                                                                                                                                                                                                                                                |
| NC-21 | 5.1.2 | Some switchgear/distribution cabinets are not locked, posing a risk of electric shock.                                                                                                                                                                                                                                               |
| NC-22 | 5.2.6 | The first aid kit in the stamping workshop is placed in a locked cabinet, it is inconvenient to access and use. The workshop is not equipped with eyewash stations.                                                                                                                                                                  |
| NC-23 | 5.2.7 | During the audit, it was found that some workers in the pressing workshop did not wear earplugs. Some workers in the electroplating workshop are not wearing protective masks.                                                                                                                                                       |
| NC-24 | 5.2.8 | During the audit, it was found that a workshop (pressing) did not have any drinking water facilities.                                                                                                                                                                                                                                |
| NC-25 | 5.2.9 | The emergency escape maps were not placed at the safety exits in the workshop, and some of the safety exits lacked emergency lights.                                                                                                                                                                                                 |
| NC-26 | 5.2.9 | Some fire extinguishers in the workshop lack inspection records. The pressure gauges of some fire extinguishers are beyond the normal range. There is an outdoor wall-mounted fire hose box, but the fire safety signs are missing. In the electrical distribution room, the dry ice fire extinguishers do not have pressure gauges. |
| NC-27 | 5.4.3 | It is common for front-line employees to work continuously for more than 7 days and to work overtime for more than 36 hours per month.                                                                                                                                                                                               |
| NC-28 | 6.4.2 | The supplier contract/agreement does not include any content such as code of conduct or business ethics.                                                                                                                                                                                                                             |
| NC-29 | 6.4.3 | The company did not include social responsibility audit content when conducting supplier audits.                                                                                                                                                                                                                                     |

### E: PROPOSED CORRECTIVE AND PREVENTIVE ACTION AND FACTORY FEEDBACK COMMENT:

| NC No. | Proposed corrective & preventive actions                                                                                                                   | Feedback comments from factory |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| NC-01  | The company should trace the graphite and nickel back to its original smelters or processors.                                                              | waiting for feedback           |
| NC-02  | The company should establish the conflict minerals management norms. The conflict minerals statement should be disclosed publicly on the official website. |                                |
| NC-03  | The supplier management procedure should stipulate the due diligence of suppliers                                                                          |                                |
| NC-04  | The list of hazardous substances should consider WHO requirements.                                                                                         |                                |
| NC-05  | Some chemicals in the warehouse should have no labels, store in 2nd containers, have MSDS.                                                                 |                                |
| NC-06  | Traceability information and ESG requirements should be considered in supplier selection and qualification process.                                        |                                |
| NC-07  | The company should communicate its traceability scope and requirements to suppliers such as the conflict minerals management requirement.                  |                                |
| NC-08  | IQC inspection record should be available for the raw material of steel strip.                                                                             |                                |
| NC-09  | Designated areas and demarcation should be available to identify the specialty material and production.                                                    |                                |
| NC-10  | All components should be identified with material identification label.                                                                                    |                                |
| NC-11  | Traceable software system should be available to manage the material, process and product.                                                                 |                                |
| NC-12  | The batch of the graphite raw materials should be traced back.                                                                                             |                                |
| NC-13  | Formal plan should be available to control and/or reduce greenhouse gas emissions in the company's operations.                                             |                                |
| NC-14  | The company should conduct a GHG inventory list.                                                                                                           |                                |
| NC-15  | GHG control requirement should be imposed on the supplier.                                                                                                 |                                |
| NC-16  | The company should establish a dedicated energy-saving and emission reduction working committee (energy-saving group/dual carbon committee, etc.).         |                                |
| NC-17  | The company should monitor the GHG emissions.                                                                                                              |                                |
| NC-18  | Emission reduction plan, strategy, or measure should be available.                                                                                         |                                |
| NC-19  | The company's backup generator should meet the need of production electricity.                                                                             |                                |
| NC-20  | Motors in the company should be higher level energy efficiency.                                                                                            |                                |
| NC-21  | Switchgear/distribution cabinets should be locked to prevent a risk of electric shock.                                                                     |                                |
| NC-22  | The first aid kit should placed in accessed area. Eyewash stations should be equipped.                                                                     |                                |
| NC-23  | Workers should wear earplugs. Workers in the electroplating workshop should wearing protective masks.                                                      |                                |
| NC-24  | Drinking water facilities should be available for each workshop.                                                                                           |                                |



## GENERAL COMMENT

|       |                                                                                                                                                                    |  |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| NC-25 | The emergency escape maps should be placed at the safety exits in the workshop, all safety exits should have emergency lights.                                     |  |
| NC-26 | Fire extinguishers should have inspection records. The pressure gauges of fire extinguishers should be in the normal range. The fire safety signs should be clear. |  |
| NC-27 | Work time and work overtime should comply with the national labor law.                                                                                             |  |
| NC-28 | The supplier contract/agreement should include code of conduct or business ethics.                                                                                 |  |
| NC-29 | The company should conduct social responsibility audit content when conducting supplier audits.                                                                    |  |

### F: FINAL CONCLUSION:

According to the final score and general comments, the following is the final conclusion of this factory audit:

-- **Restriction of Hazardous Substances control**

Poor and need to be improved

-- **Supplier Chain Traceability**

Conditional acceptable

-- **Environment, climate and human health**

Poor and need to be improved

-- **Social, human rights, labor rights and industrial relations**

Acceptable

-- **Governance, management system and risk management**

Acceptable



## GENERAL INFORMATION

|            |                                             |                                                        |                            |
|------------|---------------------------------------------|--------------------------------------------------------|----------------------------|
| <b>1.1</b> | <b>SUPPLIER INFORMATION</b>                 |                                                        |                            |
| 1.1.1      | Supplier Name:                              | Shandong Huatai New energy Battery Co., Ltd.           |                            |
| 1.1.2      | Address                                     | Shandong Huatai New energy Battery Co., Ltd.           |                            |
| 1.1.3      | Contact Information                         | <b>Name</b>                                            | <b>Position</b>            |
|            |                                             | Shao zhuyao                                            | Sales                      |
|            |                                             | <b>Phone No</b>                                        | <b>E-mail</b>              |
|            |                                             | 18253947125                                            | huataids@huataibattery.com |
| <b>1.2</b> | <b>MANUFACTURER INFORMATION</b>             |                                                        |                            |
| 1.2.1      | Company Name                                | Shandong Huatai New energy Battery Co., Ltd.           |                            |
| 1.2.2      | Company Address                             | Shandong Huatai New energy Battery Co., Ltd.           |                            |
| 1.2.3      | Contact Information                         | <b>Name</b>                                            | <b>Position</b>            |
|            |                                             | Shao zhuyao                                            | Sales                      |
|            |                                             | <b>Phone No</b>                                        | <b>E-mail</b>              |
|            |                                             | 18253947125                                            | huataids@huataibattery.com |
| 1.2.4      | Company Ownership                           | Private enterprises                                    |                            |
| 1.2.5      | Date of Creation                            | September 6, 2018                                      |                            |
| 1.2.6      | Enterprise License Number                   | 91371312MA3MEBUA1B                                     |                            |
| 1.2.7      | System Certificates Obtained                | ISO9001、ISO14001                                       |                            |
| 1.2.8      | Factory Total Area (m <sup>2</sup> )        | 280,000                                                |                            |
|            | Sub-Area (m <sup>2</sup> )                  | <b>Production Area</b>                                 | <b>Storage Area</b>        |
|            |                                             | 250,000                                                | 20000                      |
| 1.2.9      | Product Scope                               | Carbon/ alkaline dry batteries, rechargeable batteries |                            |
| 1.2.10     | Product Certifications Obtained             | CCC、CE                                                 |                            |
| 1.2.11     | Total Number of Employees                   | 690                                                    |                            |
|            | R&D                                         | 4                                                      | Quality                    |
|            | PMC                                         | 4                                                      | Purchasing                 |
|            | Marketing                                   | 48                                                     | Production                 |
|            | Warehouse                                   | 13                                                     | Engineer (IE/PE/ME)        |
|            | Admin. & HR                                 | 44                                                     | Others                     |
|            |                                             |                                                        | 26                         |
| 1.2.12     | Operation Hours                             | <b>Shift/day</b>                                       | <b>Hour/day</b>            |
|            |                                             | 6:30-16:30                                             | 10                         |
| 1.2.13     | Turnover & Profitability (last year)        | Not provide                                            |                            |
| 1.2.14     | Sub-contracting Scope                       | N/A                                                    |                            |
| 1.2.15     | Major Clients<br>(Provided by Manufacturer) | <b>Name</b>                                            | <b>Country</b>             |
|            |                                             | Suzhou xinlvzhou                                       | China                      |
|            |                                             | Not provide                                            | Not provide                |
|            |                                             | Not provide                                            | Not provide                |

| <b>2.0 Raw Materials and Restriction of Hazardous Substances Control</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       | <b>36</b>                                                                                                                                                                                            |
|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       | <b>19</b>                                                                                                                                                                                            |
|                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       | <b>52.8%</b>                                                                                                                                                                                         |
| NO                                                                       | KPI (Key Point Indicator)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Score | Audit finding and comment                                                                                                                                                                            |
| <b>2.1</b>                                                               | <b>Raw Material</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |       |                                                                                                                                                                                                      |
|                                                                          | Is any of the cobalt, natural graphite, lithium, nickel intentionally added or used in the product(s) or in the production process?<br>If yes, please answer Questions (2)-(5).                                                                                                                                                                                                                                                                                                                                                                                                                               | YES   | Based on the BOM list, it was found that the graphite, lithium and nickel used in the component.                                                                                                     |
| 2.1.1                                                                    | Cobalt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0     | NO                                                                                                                                                                                                   |
|                                                                          | Natural graphite                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2     | YES                                                                                                                                                                                                  |
|                                                                          | Lithium                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0     | NO                                                                                                                                                                                                   |
|                                                                          | Nickel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2     | YES                                                                                                                                                                                                  |
| 2.1.2                                                                    | Have you traced the cobalt, natural graphite, lithium, nickel back to their original smelters or processors?<br>If yes, please complete i-Appendix-Mapping and j-Traceability Evidence, providing a list of all suppliers in your supply chain that process these minerals, including the company name, the company address, quantity information, the source of information (whether entirely from recycled materials or scrap) and the identification information. If your company chooses to report at the product level, please provide a comprehensive list of all products that contain these minerals. | NO    | The company traced the component of graphite and nickel to its supplier. But:<br>NC-01: The company did not traced the graphite and nickel back to its original smelters or processors.              |
|                                                                          | Cobalt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | N/A   | N/A                                                                                                                                                                                                  |
|                                                                          | Natural graphite                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0     | same as NC-01                                                                                                                                                                                        |
|                                                                          | Lithium                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | N/A   | N/A                                                                                                                                                                                                  |
|                                                                          | Nickel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0     | same as NC-01                                                                                                                                                                                        |
| 2.1.3                                                                    | Have you established a responsible mineral sourcing policy publicly available?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0     | NC-02: The company did not establish the conflict minerals management norms. The conflict minerals statement was not disclosed publicly on the official website.                                     |
| 2.1.4                                                                    | Have you implemented due diligence measures for responsible sourcing?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0     | same as NC-01                                                                                                                                                                                        |
| 2.1.5                                                                    | Do you review due diligence information received from your suppliers against your company's expectations and have corrective action management?                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 0     | NC-03: The supplier management procedure does not stipulate the due diligence of suppliers.                                                                                                          |
| <b>2.2</b>                                                               | <b>Restriction of Hazardous Substances</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |                                                                                                                                                                                                      |
| 2.2.1                                                                    | Does the company produce or use hazardous materials that are deemed illegal under applicable local or national regulations, or which are subject to internationally agreed phase-outs or bans?                                                                                                                                                                                                                                                                                                                                                                                                                | 2     | The company have established social responsibility environmental protection control program. The company claimed they did not produce or use hazardous materials.                                    |
| 2.2.2                                                                    | Can the company provide an inventory of the hazardous materials it uses and are any of these rated as extremely hazardous (1a) or hazardous (1b) according to the World Health Organization (WHO)?                                                                                                                                                                                                                                                                                                                                                                                                            | 1     | The company provided an inventory of the hazardous materials. But:<br>NC-04: The list of hazardous substances refers to EU regulations such as REACH and ROHS, without considering WHO requirements. |
| 2.2.3                                                                    | Is there a clear MSDS document available onsite for chemical material, and a second container for avoiding potential leakage (for dangerous/hazardous ones).                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2     | Remedial measures have been taken, and secondary containers have been prepared. (NC-05)                                                                                                              |
| 2.2.4                                                                    | Can the company provide compliance disposal and proof?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2     | The company provided RoHS and Reach test report. Records are checked and found acceptable.                                                                                                           |
| 2.2.5                                                                    | Is there an emergency plan for hazardous substance leakage on site?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2     | The company provided emergency plan for hazardous substance leakage. Records are checked and found acceptable.                                                                                       |
| 2.2.6                                                                    | Does the company conduct regular safety inspections on the use and storage of hazardous substances?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2     | The company provided inventory count record for hazardous chemical. Records are checked and found acceptable.                                                                                        |

|       |                                                                                                                                                                                                                                                                      |   |                                                                                                                                                                                                                                         |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.2.7 | Is the company in the process of phasing out any internationally banned materials?                                                                                                                                                                                   | 2 | Some internationally banned substances are still in use due to current technological and workmanship limitations. The standard content limitations of lead, Hg, Cd defined in company's policy was higher than the battery regulations. |
| 2.2.8 | Have you restricted the content of mercury (Hg), cadmium (Cd), lead (Pb) and other hazardous substances in the product to comply with REGULATION (EU) 2023/1542 and Regulation (EC) No 1901/2006? If yes, please provide the effective testing report within 1 year. | 2 | The company has established social responsibility environmental protection control program. The standard content limitations of lead, Hg, Cd defined in company's policy was higher than the battery regulations.                       |



| <b>3.0 Supplier Chain Traceability</b> |                                                                                                                                                                                                                                                                                                                                                            |       | <b>88</b>                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        |                                                                                                                                                                                                                                                                                                                                                            |       | <b>72</b>                                                                                                                                                                                                                                                                                                                             |
|                                        |                                                                                                                                                                                                                                                                                                                                                            |       | <b>81.8%</b>                                                                                                                                                                                                                                                                                                                          |
| NO                                     | KPI (Key Point Indicator)                                                                                                                                                                                                                                                                                                                                  | Score | Audit finding and comment                                                                                                                                                                                                                                                                                                             |
| <b>3.1</b>                             | <b>Supply chain management</b>                                                                                                                                                                                                                                                                                                                             |       |                                                                                                                                                                                                                                                                                                                                       |
| 3.1.1                                  | Is there an authorized list of Suppliers and sub-contractors of raw materials/ components to be used in manufacturing goods?                                                                                                                                                                                                                               | 2     | Approval Vendor List is available, all raw materials were purchased from approved supplier.                                                                                                                                                                                                                                           |
| 1 3.1.2                                | <i>Has company mapped its suppliers and sub-suppliers, and has identified high risk sub-suppliers. Please list the key raw materials supplier's information in the remarks column here.</i>                                                                                                                                                                | 6     | The company identify high-risk suppliers in order to comply with the battery regulation.                                                                                                                                                                                                                                              |
| 1 3.1.3                                | <i>Does company perform Supplier evaluations before initiating purchase process? And are record and information kept on qualified and disqualified suppliers. The ability and willingness of suppliers to provide traceability information and ESG requirements shall be considered in an organization's supplier selection and qualification process.</i> | 3     | The company evaluated the their suppliers quarterly from Quality, delivery, coordination. They are classified for the suppliers and annual audit will conduct for all suppliers. But: NC-06: Traceability information and ESG requirements were not considered in supplier selection and qualification process.                       |
| 3.1.4                                  | Does company communicates clearly its traceability scope and requirements to suppliers?                                                                                                                                                                                                                                                                    | 0     | NC-07: The company did not communicate its traceability scope and requirements to suppliers such as the conflict minerals management requirement.                                                                                                                                                                                     |
| 3.1.5                                  | Are there metallurgical plants in the supply chain purchasing cobalt, Natural graphite, Lithium and Nickel from conflict affected and high-risk areas.                                                                                                                                                                                                     | 0     | Same as NC-01: The company did not traced the graphite and nickel back to its original smelters or processors.                                                                                                                                                                                                                        |
| <b>3.2</b>                             | <b>Raw material control &amp; storage</b>                                                                                                                                                                                                                                                                                                                  |       |                                                                                                                                                                                                                                                                                                                                       |
| 3.2.1                                  | Does company establish an effective material tracking system, such as part number, lot number & etc.?                                                                                                                                                                                                                                                      | 2     | The material traceability is based on material type /supplier / lot number of raw material. Actual operation and records are checked and found acceptable.                                                                                                                                                                            |
| 3.2.2                                  | Does IQC inspection record can trace to lot number or date code of raw material?                                                                                                                                                                                                                                                                           | 2     | Establish a steel strip IQC inspection record system and file it regularly. (NC-08)                                                                                                                                                                                                                                                   |
| 3.2.3                                  | Does company have designated areas to store / stack the specialty material to avoid mixing / contamination and if these area have demarcation for varies materials.                                                                                                                                                                                        | 0     | NC-09: No designated areas and demarcation is available to identify the specialty material and production.                                                                                                                                                                                                                            |
| 3.2.4                                  | Check the storage method/container of components to avoid any risk. All materials are clearly identified, no materials mixed and poor handling & etc.                                                                                                                                                                                                      | 2     | Establish a material identification card system and clearly label material batch numbers. (NC-10)                                                                                                                                                                                                                                     |
| 3.2.5                                  | Is the method for correct materials released to production line adequate?                                                                                                                                                                                                                                                                                  | 2     | The production line submits the production material requirements from PMC according to the work order demands. The warehouse prepares the materials based on the work order and distributes them to the production line. After the production line team leader verifies that the materials are correct, they are put into production. |





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| <b>3.3 Manufacturing process control</b>        |                                                                                                                                                                                                                                                                           |   |                                                                                                                                                                                                                                                       |
| 1 3.3.1                                         | <i>Is traceability system such as MES or similar system available to implement tracking and management of the raw materials, production and finished goods for lithium batteries?</i>                                                                                     | 3 | NC-11: Currently, the raw materials, production process and product information of the batteries are recorded manually, and there is no traceable software system to manage them.                                                                     |
| 3.3.2                                           | Can operators understand how to recognize appropriate materials to ensure right inputs for production?                                                                                                                                                                    | 2 | Operators can recognize appropriate material by work order, lot number which stated on material travelling label.                                                                                                                                     |
| 3.3.3                                           | Are materials, semi products, finished goods, leftover identified and segregated well to avoid contamination?                                                                                                                                                             | 2 | All materials, semi products, finished goods and leftover materials are well segregated and identified to avoid contamination.                                                                                                                        |
| 3.3.4                                           | Are the production records to be kept well for traceability?                                                                                                                                                                                                              | 6 | The production records are kept in manually for traceability.                                                                                                                                                                                         |
| 3.3.5                                           | Is company able to trace back all materials used to produce the product, until batch numbers of purchased raw materials / subcomponents?                                                                                                                                  | 1 | Batch number and raw materials can be traced in manually.<br>But:<br>NC-12: A batch of batteries was randomly selected, and the production batch of the carbon rods could be traced, but the batch of the graphite raw materials could not be traced. |
| 1 3.3.6                                         | <i>Is the format of battery code (battery passport) conformed to relative requirement?</i>                                                                                                                                                                                | 6 | The company have it's battery code format.                                                                                                                                                                                                            |
| 3.3.7                                           | Is system in place to ensure the traceability and identification of product/package/ boxes / pallets?                                                                                                                                                                     | 0 | Same as NC-11                                                                                                                                                                                                                                         |
| 3.3.8                                           | Is there any authorized area for specific products?                                                                                                                                                                                                                       | 0 | Same as NC-09                                                                                                                                                                                                                                         |
| 3.3.9                                           | Do all finished products record tracking information like batch No, Production order No or SN when inbound into finished warehouse into MES or similar system?                                                                                                            | 2 | The production order No, batch No was recorded in manually for tracking when inbound into finished warehouse.                                                                                                                                         |
| 1 3.3.10                                        | <i>Is traceability system effective from source of raw material and components through finished product? traceability up to the minerals production (particularly in Cobalt mining, Lithium- and Nickel-mining and processing) is ideal. (Refer to e- Appendix sheet)</i> | 3 | Same as NC-01, NC-11                                                                                                                                                                                                                                  |
| <b>3.4 Product storage and delivery control</b> |                                                                                                                                                                                                                                                                           |   |                                                                                                                                                                                                                                                       |
| 3.4.1                                           | Are procedures for the control and release for end products adequate?                                                                                                                                                                                                     | 2 | Documented procedure is available to control and release the finished products.                                                                                                                                                                       |
| 3.4.2                                           | Are storage facilities and handling methods appropriate for end products?                                                                                                                                                                                                 | 2 | Shipment will be ready as per shipment order issued by sales assistant, all PO number and batch will be recorded manually before loading.                                                                                                             |
| 1 3.4.3                                         | <i>Is traceability system available to implement tracking and management of finished goods storage, distribution, and sales processes of lithium batteries?</i>                                                                                                           | 6 | Manual traceability system is available to implement tracking and management of finished goods storage, distribution, and sales processes of battery.                                                                                                 |
| 3.4.4                                           | Is there a container and seal inspection control procedure? And are container number & seal number correctly recorded?                                                                                                                                                    | 2 | Factory have check list to carry out containers inspection and records are available.                                                                                                                                                                 |
| 3.4.5                                           | Can company monitor the containers of trucks during transportation?                                                                                                                                                                                                       | 2 | Each container was sealed by seal if applicable before ship out the factory, and the container will be monitored by GPS from logistics company.                                                                                                       |



|            |                                                                                                                                                                                    |   |                                                                                                                                                                 |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.5</b> | <b>Documentation and training</b>                                                                                                                                                  |   |                                                                                                                                                                 |
| 3.5.1      | Are all the records kept well for certain period as documented procedure defined? (at least 3 years)                                                                               | 2 | All records will be kept at least 5 years.                                                                                                                      |
| 3.5.2      | Are the relevant operators trained and qualified on traceability? And are training records available at site? Are there qualified staffs for cross departments coordination?       | 2 | Relevant operators are trained on traceability.                                                                                                                 |
| 3.5.3      | Are supply chain transaction documentation available? – including supply contracts, purchase orders, invoices, bill(s) of lading, delivery records related to traceable materials. | 2 | Relative documents and records are available.                                                                                                                   |
| 3.5.4      | Does company have internal annual traceability validation in regularly to monitoring product traceability performance?                                                             | 2 | Factory will conduct internal annual traceability audit in regularly to monitor its product traceability performance, records are checked and found acceptable. |
| 1 3.5.5    | <i>Have company developed and implemented a due diligence system &amp; function team to its traceability system and its supplier's performance.</i>                                | 6 | The company has team to monitor its traceability system and supplier's performance.                                                                             |



| <b>4.0 Environment, climate and human health</b> |                                                                                                                                                                   |       | <b>64</b>                                                                                                                                                                                                                                     |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  |                                                                                                                                                                   |       | <b>43</b>                                                                                                                                                                                                                                     |
|                                                  |                                                                                                                                                                   |       | <b>67.2%</b>                                                                                                                                                                                                                                  |
| NO                                               | KPI (Key Point Indicator)                                                                                                                                         | Score | Audit finding and comment                                                                                                                                                                                                                     |
| <b>4.1 Air</b>                                   |                                                                                                                                                                   |       |                                                                                                                                                                                                                                               |
| 4.1.1                                            | Does the company have formal plans to control and/or reduce GHG emissions from company operations?                                                                | 1     | The company reduces greenhouse gas emissions through equipment upgrades, rooftop photovoltaics, and other measures, but<br>NC-13: There is no formal plan to control and/or reduce greenhouse gas emissions in the company's operations.      |
| c 4.1.2                                          | Has a greenhouse gas inventory been conducted?                                                                                                                    | 0     | NC-14: The company has not conduct a GHG inventory list.                                                                                                                                                                                      |
| 4.1.3                                            | Does the scope of greenhouse gas inventory include scope 3 emissions?                                                                                             | 0     | Same as NC-14                                                                                                                                                                                                                                 |
| 4.1.4                                            | Has the greenhouse gas inventory been verified by a third party?                                                                                                  | 0     | Same as NC-14                                                                                                                                                                                                                                 |
| 4.1.5                                            | Are greenhouse gas control requirements imposed on suppliers?                                                                                                     | 0     | NC-15: No greenhouse gas control requirement is imposed on the supplier.                                                                                                                                                                      |
| 4.1.6                                            | Has the enterprise established a special working committee for energy conservation and emission reduction (energy conservation group/dual carbon Committee, etc.) | 0     | NC-16: The company has not established a dedicated energy-saving and emission reduction working committee (energy-saving group/dual carbon committee, etc.).                                                                                  |
| 4.1.7                                            | Has GHG emissions been monitored?                                                                                                                                 | 0     | NC-17: The company did not monitor the GHG emissions.                                                                                                                                                                                         |
| c 4.1.8                                          | Does the company have measures to reduce GHG emissions?                                                                                                           | 3     | The company reduces greenhouse gas emissions through equipment upgrades, rooftop photovoltaics, and other measures. But,<br>NC-18: There is no clear emission reduction plan, strategy, or measure.                                           |
| <b>4.2 Water</b>                                 |                                                                                                                                                                   |       |                                                                                                                                                                                                                                               |
| 4.2.1                                            | Has the company identified and mapped its water withdrawal and use by source and type?                                                                            | 2     | There is only one type of water withdrawal i.e. Municipal tap water.                                                                                                                                                                          |
| 4.2.2                                            | Has the company undertaken water management plans, with time-bound targets that address major risks identified in the above criterion?                            | 2     | The company has developed a water management plan.                                                                                                                                                                                            |
| 4.2.3                                            | What is the total amount of water used? Have water-saving measures been adopted?                                                                                  | 2     | 53418 tone in 2024, most of faucets have been replaced with water-saving faucets.                                                                                                                                                             |
| 4.2.4                                            | Are wastewater recycling measures implemented throughout the company facilities?                                                                                  | 2     | The company has established a sewage treatment plant to achieve the recycling and use of production water.                                                                                                                                    |
| <b>4.3 Soil</b>                                  |                                                                                                                                                                   |       |                                                                                                                                                                                                                                               |
| 4.3.1                                            | Does the company manage and control the adverse impacts of their activities on soil?                                                                              | 2     | The company has a fixed pollution source discharge registration form, and hazardous waste, recyclable waste, and general solid waste are managed separately. Due to not being a key soil monitoring unit, no soil testing has been conducted. |
| 4.3.2                                            | Does the company follow the conditions in their permit which tell them to prevent or minimize pollution and set limits on emissions to soil?                      | 2     | Follow the conditions in EIS, no soil contamination was observed on site.                                                                                                                                                                     |
| <b>4.4 Biodiversity</b>                          |                                                                                                                                                                   |       |                                                                                                                                                                                                                                               |
| 4.4.1                                            | Does the company have a biodiversity management plan and/or controls measures in place for their impact on the local biodiversity?                                | 2     | The company has a good ecosystem, high greening rate, and has national first-class protected tree species.                                                                                                                                    |
| 4.4.2                                            | Does the company have targets and/or programmed to prevent or minimize risks and impacts to biodiversity?                                                         | 2     | According to the environmental impact assessment report to prevent or minimize risks and impacts to biodiversity.                                                                                                                             |

|                                |                                                                                                                                                                                     |   |                                                                                                                                                                                                                                                                  |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4.5 Noise and vibration</b> |                                                                                                                                                                                     |   |                                                                                                                                                                                                                                                                  |
| 4.5.1                          | Does company controls noise and vibration?                                                                                                                                          | 2 | Every year, third-party companies inspect the noise outside the factory boundary and the production process noise in the workshop.                                                                                                                               |
| 4.5.2                          | If the noise is too loud, is the factory equipped with noise and vibration reduction treatment facilities?                                                                          | 2 | All workstations have noise levels higher 85 decibels, earplugs was provided for reducing noise.                                                                                                                                                                 |
| 4.5.3                          | Is there regular monitoring of noise and vibration, and maintenance of monitoring reports?                                                                                          | 2 | Annual noise inspection reports are available.                                                                                                                                                                                                                   |
| <b>4.6 Energy use</b>          |                                                                                                                                                                                     |   |                                                                                                                                                                                                                                                                  |
| 4.6.1                          | Does the company monitor and measure its energy consumption from renewable and non-renewable sources?                                                                               | 6 | All energy consumption are monitored and measured.                                                                                                                                                                                                               |
| 4.6.2                          | Has the enterprise currently carried out renewable energy production or consumption activities?                                                                                     | 2 | The company starts rooftop photovoltaic power generation from 2022.                                                                                                                                                                                              |
| 4.6.3                          | Where energy is supplied by the national grid, are there any controls in place to manage risks associated with this supply (e.g. power outages or dramatic price increases).        | 2 | The power supply is stable, and power outages will be notified in advance. The company has a generator on hand. But, NC-19: The company's backup generator can only meet the needs of office and daily life, and cannot meet the need of production electricity. |
| 4.6.4                          | Are energy reduction measures implemented throughout the company facilities?                                                                                                        | 1 | The company has taken some energy-saving and consumption reducing measures, but NC-20: currently some motors in the company is at level 3 energy efficiency.                                                                                                     |
| <b>4.7 Waste and residues</b>  |                                                                                                                                                                                     |   |                                                                                                                                                                                                                                                                  |
| 4.7.1                          | If contractors are used to dispose of solid waste, does the company monitor them and have documentary evidence of safe and legal disposal (i.e. duty of care for waste management)? | 2 | There is one contractor for hazardous waste disposal, handle once a year. About 100 tons of solid waste are processed by third-party companies six times a year.                                                                                                 |
| 4.7.2                          | Are waste materials segregated at the office/site locations ready for recycling etc.?                                                                                               | 2 | All waste materials are segregated in office and site locations.                                                                                                                                                                                                 |
| 4.7.3                          | Does the company have measures to reduce waste generation?                                                                                                                          | 2 | The company has taken some measures to reduce waste generation, such as using phosphate free lubricants.                                                                                                                                                         |



| 5.0 Social, human rights, labor rights and industrial relations |                                                                                                                                                                                                                                                        |       |                                                                                                                                                       |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                 |                                                                                                                                                                                                                                                        |       | 70                                                                                                                                                    |
|                                                                 |                                                                                                                                                                                                                                                        |       | 67                                                                                                                                                    |
|                                                                 |                                                                                                                                                                                                                                                        |       | 95.7%                                                                                                                                                 |
| NO                                                              | KPI (Key Point Indicator)                                                                                                                                                                                                                              | Score | Audit finding and comment                                                                                                                             |
| 5.1                                                             | Plant safety                                                                                                                                                                                                                                           |       |                                                                                                                                                       |
| 5.1.1                                                           | Does the company have formal machine safety controls in place?                                                                                                                                                                                         | 2     | The company has established equipment and facilities safety management System.                                                                        |
| 5.1.2                                                           | Does the company have formal electrical safety controls in place?                                                                                                                                                                                      | 2     | The company has established electrical locking and labeling management System. Switchgear/distribution cabinets are locked. (NC-21)                   |
| 5.1.3                                                           | Does the company have formal chemical safety controls in place? Is MSDS available for dangerous chemicals?                                                                                                                                             | 2     | The company has established chemical pollution control procedure. Separate chemical and recycling warehouses have been set up, and MSDS is available. |
| 5.2                                                             | Occupational health and safety                                                                                                                                                                                                                         |       |                                                                                                                                                       |
| 5.2.1                                                           | Does the company have a formal health and safety system in place designed for the protection of workers?                                                                                                                                               | 2     | The company has established occupational health management system.                                                                                    |
| 5.2.2                                                           | Is there a formal process for the completion and review of Risk Assessments?                                                                                                                                                                           | 6     | The company has established risk source identification and risk assessment system.                                                                    |
| 5.2.3                                                           | Does the company have a process to record, and investigate near misses and accidents and to ensure that corrective actions are effectively implemented?                                                                                                | 2     | The company has established accident incident reporting, investigation and handling control procedure.                                                |
| 5.2.4                                                           | Does the company have data on OHS performance (e.g. Lost Time Injury Frequency Rates).                                                                                                                                                                 | 2     | The company updates the occupational health and safety performance data sheet every month include lost time injury frequency rates and etc..          |
| 5.2.5                                                           | Is formal OHS training provided to workers? (including part time, seasonal, indirect employees and other workers). This may be sector specific or relate to specific types of risk (e.g. falls from height, risk of fire, safe and defensive driving). | 2     | The company has yearly training plan for OHS include all type of workers. The training records are all kept.                                          |
| 5.2.6                                                           | First aid equipment is stocked and accessible?                                                                                                                                                                                                         | 2     | The workshop is equipped with emergency washbasins and showers, and first aid kits are provided. (NC-22)                                              |
| 5.2.7                                                           | Are workers aware of PPE requirements and wearing PPE in designated areas?                                                                                                                                                                             | 6     | The workshop is equipped with emergency washbasins and showers, and first aid kits are provided. (NC-23)                                              |
| 5.2.8                                                           | Is drinking water accessible and adequate at each facility floor?                                                                                                                                                                                      | 2     | Drinking water dispensers have been added to the stamping workshop. (NC-24)                                                                           |
| 5.2.9                                                           | Are fire safety facility and equipment in normal condition? Are fire escape exits unblocked or unlocked? Are correct evacuation plots being posted at all floors of facility?                                                                          | 1     | After rectification, emergency escape maps were added and emergency lighting equipment was supplemented. (NC-25)                                      |

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |                                                                                                                                                                                                        |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5.2.10                          | Are documented fire drills conducted at least once a year or per local law requirements? Does the facility have a written fire evacuation plan covering (1) roles and responsibilities in case of fire, and (2) evacuation routes, and (3) assembly area, and (4) fire equipment location, and (5) first aid location, and (6) emergency telephone numbers, and (7) how to checked off that no one is left unaccounted for in the building? | 2  | Fire drills are conducted three times a year. Written fire evacuation plan is available.                                                                                                               |
| <b>5.3 Child labor</b>          |                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |                                                                                                                                                                                                        |
| 5.3.1                           | Are there any child labors identified at the time of this audit?                                                                                                                                                                                                                                                                                                                                                                            | 2  | Not found child labor during audit.                                                                                                                                                                    |
| 5.3.2                           | Are there specific requirements for minimum age?                                                                                                                                                                                                                                                                                                                                                                                            | 2  | 18 year in Management Procedure for Child Labor and Underage Workers.                                                                                                                                  |
| 5.3.3                           | Does the company have effective procedures to verify the age of employees during recruitment?                                                                                                                                                                                                                                                                                                                                               | 2  | HR check ID card when have interview, compare with the local public security department system.                                                                                                        |
| 5.3.4                           | If there are any young workers (typically under that age of 18) are they prohibited from undertaking high risk activities?                                                                                                                                                                                                                                                                                                                  | NA | All workers are over 18 years old.                                                                                                                                                                     |
| <b>5.4 Forced labor</b>         |                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |                                                                                                                                                                                                        |
| 5.4.1                           | Are there any forced, bonded or involuntary labor identified at the time of this audit?                                                                                                                                                                                                                                                                                                                                                     | 6  | Not found forced, bonded or involuntary labor during audit.                                                                                                                                            |
| 5.4.5                           | Are there specific requirements for forced labor?                                                                                                                                                                                                                                                                                                                                                                                           | 2  | There are specified requirements in Manual on Forced Labor Control.                                                                                                                                    |
| 5.4.3                           | Do workers' working hours comply with national employment regulations and core ILO Labor Conventions?                                                                                                                                                                                                                                                                                                                                       | 0  | NC-27: It is common for front-line employees to work continuously for more than 7 days and to work overtime for more than 36 hours per month.                                                          |
| 5.4.4                           | Is overtime voluntary?                                                                                                                                                                                                                                                                                                                                                                                                                      | 2  | Overtime is voluntary, employees can choose not to work overtime if they have personal matters.                                                                                                        |
| 5.4.5                           | Has the institution withheld original personal identification documents such as ID cards and passports for employment purposes?                                                                                                                                                                                                                                                                                                             | 2  | No cases of employees withholding their ID cards were found.                                                                                                                                           |
| 5.4.6                           | Is it allowed for employees to resign after giving reasonable notice?                                                                                                                                                                                                                                                                                                                                                                       | 2  | Employees are free to resign with reasonable reasons according to Employee Resignation Management Rule.                                                                                                |
| <b>5.5 Discrimination</b>       |                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |                                                                                                                                                                                                        |
| 5.5.1                           | Does the company implement Policies and processes to ensure respect for the rights of minority groups?                                                                                                                                                                                                                                                                                                                                      | 2  | Anti discrimination management program stipulates that employees shall not be discriminated against based on race or ethnicity, no employee reported experiencing discrimination during the interview. |
| 5.5.2                           | Are there specific requirements for the prohibition of discrimination?                                                                                                                                                                                                                                                                                                                                                                      | 2  | The company promises that all employees will not be subjected to harassment and illegal discrimination, including recruitment, training, pregnancy, etc.                                               |
| <b>5.6 Trade union freedoms</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |                                                                                                                                                                                                        |
| 5.6.1                           | Can workers freely express their opinions/concerns?                                                                                                                                                                                                                                                                                                                                                                                         | 2  | Workers can freely express their opinions/concerns.                                                                                                                                                    |
| 5.6.5                           | Do workers have the right of "Freedom of Association" or to "Collectively Bargain"?                                                                                                                                                                                                                                                                                                                                                         | 2  | The company has stipulated freedom of association and collective bargaining rights in Free association and collective bargaining procedures.                                                           |
| 5.6.3                           | Are workers union representatives democratically elected and free to carry out their duties within working hours?                                                                                                                                                                                                                                                                                                                           | 2  | Workers union representatives are democratically elected and free to carry out their duties within working hours.                                                                                      |
| <b>5.7 Community life</b>       |                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |                                                                                                                                                                                                        |
| 5.7.1                           | Does the company manage and control any new or significant risks and/or impacts on local communities?                                                                                                                                                                                                                                                                                                                                       | 2  | The environmental impact factors has taken into account the influence of the local community.                                                                                                          |
| 5.7.2                           | Does the company actively contribute to the local community through charitable programmed?                                                                                                                                                                                                                                                                                                                                                  | 2  | The company has carried out public welfare, charity, and volunteer services for the local community, such as donations, paired assistance.                                                             |

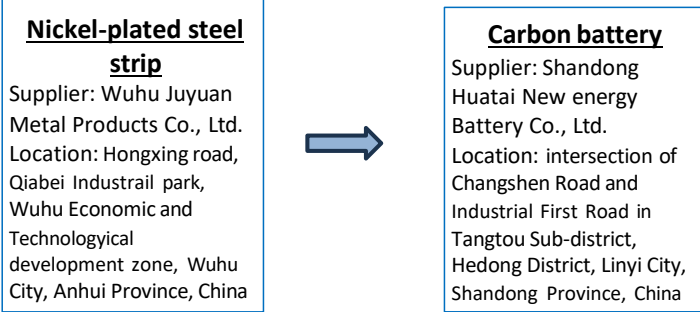


| <b>6.0</b> |                                                                                                                                                                             | <b>Governance, management system and risk management</b> |                                                                                                                                                                                     | <b>40</b>  |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|            |                                                                                                                                                                             |                                                          |                                                                                                                                                                                     | <b>36</b>  |
|            |                                                                                                                                                                             |                                                          |                                                                                                                                                                                     | <b>90%</b> |
| NO         | KPI (Key Point Indicator)                                                                                                                                                   | Score                                                    | Audit finding and comment                                                                                                                                                           |            |
| <b>6.1</b> | <b>Management system and internal control</b>                                                                                                                               |                                                          |                                                                                                                                                                                     |            |
| 6.1.1      | Does the company have a formal ESG management system(s)? (i.e. ISO9001, ISO14001, ISO45001, SA8000 etc.)                                                                    | 2                                                        | The company has obtained the certificate of ISO9001, ISO14001.                                                                                                                      |            |
| 6.1.2      | Does the company have an adequate internal control system is in place?                                                                                                      | 2                                                        | The company has established a Quality System Management Manual, Environmental Management System Manual.                                                                             |            |
| 6.1.3      | Does the company have an effective quality management system and internal control for product quality control?                                                              | 2                                                        | The company has established Quality Management System and have internal audit once a year.                                                                                          |            |
| <b>6.2</b> | <b>Risk management</b>                                                                                                                                                      |                                                          |                                                                                                                                                                                     |            |
| 6.2.1      | Does the company have an active monitor and review mechanism in place to prevent and detect ESG risks?                                                                      | 2                                                        | The company has established Risk and Opportunity Control Procedure to prevent and detect risks. The company provides 2024 Risk and Opportunity Assessment Review Report for review. |            |
| c 6.2.2    | Has the company assessed the existed or pential risk and potential risks every year?                                                                                        | 6                                                        | The 2024 Risk and Opportunity Assessment Review Report can be provided.                                                                                                             |            |
| 6.2.3      | Does the company take action for the high ESG risks?                                                                                                                        | 2                                                        | There are corrective actions in 2024 Risk and Opportunity Assessment Review Report                                                                                                  |            |
| <b>6.3</b> | <b>Anti-Corruption</b>                                                                                                                                                      |                                                          |                                                                                                                                                                                     |            |
| 6.3.1      | Is there a formal written anti-corruption policy?                                                                                                                           | 2                                                        | The company has established Social responsibility, business ethics, and anti-corruption control procedures.                                                                         |            |
| c 6.3.2    | Are details of the anti-corruption policy communicated to workers and signatures of acceptance collected?                                                                   | 6                                                        | Training records can be provided. The key position employees have signed the "Anti-Corruption/Anti-Fraud Pledge" with the company.                                                  |            |
| 6.3.3      | Does the company have Whistleblowing policy/company documents designed to encourage employees to report instances of bribery and corruption and other corporate wrongdoing? | 2                                                        | The company has established Complaint Management Procedure.                                                                                                                         |            |
| <b>6.4</b> | <b>Code of Conduct</b>                                                                                                                                                      |                                                          |                                                                                                                                                                                     |            |
| 6.4.1      | Does the company have a Company Code of Conduct and/or policies?                                                                                                            | 2                                                        | The company has established Social responsibility, business ethics.                                                                                                                 |            |
| c 6.4.2    | Is the Code of Conduct included in contracts and/or agreements with suppliers and business partners?                                                                        | 3                                                        | The code of conduct mentions the relationship with partners. But, NC-28 The supplier contract/agreement does not include any content such as code of conduct or business ethics.    |            |
| 6.4.3      | Has the company established procedures for monitoring compliance with the Code of Conduct?                                                                                  | 1                                                        | The company has established Social responsibility, business ethics. But NC-29: The company did not include social responsibility audit content when conducting supplier audits.     |            |
| <b>6.5</b> | <b>Grievance mechanism</b>                                                                                                                                                  |                                                          |                                                                                                                                                                                     |            |
| 6.5.1      | Does the company have a grievance mechanism?                                                                                                                                | 2                                                        | The company has established Grievance Management Procedure.                                                                                                                         |            |
| 6.5.2      | Is it accessible, transparent, understandable and culturally and gender sensitive?                                                                                          | 2                                                        | The company has established Grievance Management Procedure.                                                                                                                         |            |

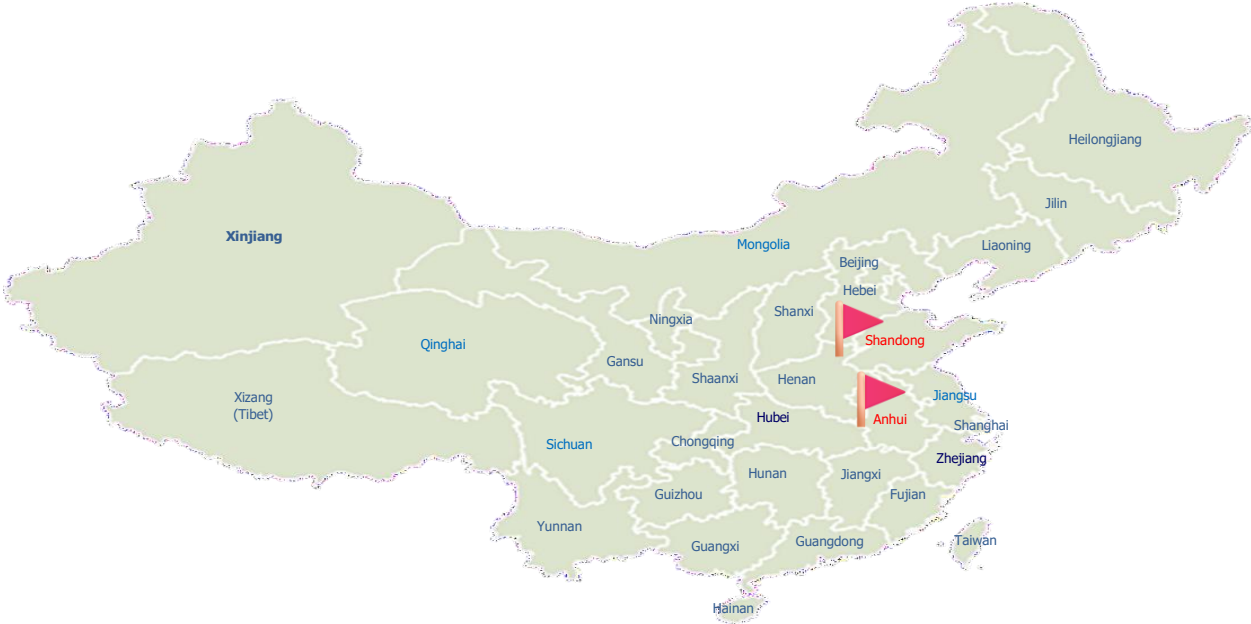


SUPPLY CHAIN MAPPING

7.1 Supply Chain Mapping



7.1.1 Supply Chain Mapping of Battery



7.2 Actual Traceability Practice Verification

| Traceability Mapping<br>(Box information: Warriors R03P 20250610) |                                   |                                |                         |                      |                       |                                    |
|-------------------------------------------------------------------|-----------------------------------|--------------------------------|-------------------------|----------------------|-----------------------|------------------------------------|
| Supplier Information                                              | Production Transportation Process | Traceability Connecting Points | Quantity Information    |                      | Source of Information | Brief Introduction of Traceability |
|                                                                   |                                   |                                | Battery Quantity (Unit) | Pack Quantity (Unit) |                       |                                    |





## SUPPLY CHAIN MAPPING

|                                              |                                          |                                          |                                                                                                                                                      |             |   |              |                                                                                                                         |
|----------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---|--------------|-------------------------------------------------------------------------------------------------------------------------|
| Shandong Huatai New energy Battery Co., Ltd. | Carbon battery production                | Carbon battery packing box               | Warriors R03P 20250611                                                                                                                               | 1200 pcs    | / | Paper record | By checking the product type and trade mark and batch number of sampled box number to find out production batch number. |
|                                              |                                          | Button battery production order          | XSDD2025051645                                                                                                                                       | 1250000 pcs | / | Paper record | By checking the product type and trade mark and batch number of sampled box number to find out production batch number. |
|                                              |                                          | Battery batch                            | In the out-going inspection report, the production batch number can be traced back through the order number. The production batch number is 20250611 | 1250000 pcs | / | Paper record | By checking the product type and trade mark and batch number of sampled box number to find out production batch number. |
|                                              |                                          |                                          |                                                                                                                                                      |             |   |              |                                                                                                                         |
| Qingdao Fujin Graphite Co., Ltd.             | Graphite rod transportation              | Graphite rod batch number                | 20250422                                                                                                                                             | /           | / | Paper record | By checking the product type and trade mark and batch number of sampled box number to find out production batch number. |
|                                              |                                          | Graphite powder purchase order           | cannot be traced back                                                                                                                                | /           | / | /            | /                                                                                                                       |
|                                              |                                          |                                          |                                                                                                                                                      |             |   |              |                                                                                                                         |
| Wuhu Juyuan Metal Products Co., Ltd.         | Nickel-plated steel strip transportation | Positive pole cap batch code             | 20250514                                                                                                                                             | 1250000 pcs | / | Paper record | By checking the cap traced card to find out positive pole cap batch number.                                             |
|                                              |                                          | Nickel-plated steel strip batch number   | 20250429                                                                                                                                             | 132.5kg     | / | Paper record | By checking the cap traced card to find out Nickel-plated steel batch number.                                           |
|                                              |                                          | Nickel-plated steel strip purchase order | HTMZH20250306CG205                                                                                                                                   | 70ton       | / | Paper record | By checking the cap traced card to find out Nickel-plated steel batch number.                                           |

## TRACEABILITY EVIDENCE

**8.1. The product type and trade mark and batch number of sampled box number (Warriors, R03P, 20250611)**

## 8.2. Sales PO number (XSDD2025051645)

[illegible]



TRACEABILITY EVIDENCE

8.3. Outgoing inspection report (the production batch number can be traced back through the order number)

山东华太新能源电池有限公司  
电池检验结果单

2025 年 6 月 11 日

|      |                 |                           |                 |
|------|-----------------|---------------------------|-----------------|
| 物料型号 | B03 waizuan-B03 | 生产日期                      | 2025.6          |
| 加样单号 | 125000 只        | 批 号                       | -----           |
| 检验日期 | 2025.6          | 检验单号                      | CHT8097.2-2021  |
| 检验数量 | 1250 只          | 检验标准                      | GB18891.1-2021  |
| 数据测试 | AQL (mg) ±0.0   | AQL=0                     | Re: 0           |
|      | AQL (min) ±1.5  | AQL=1                     | Re=5            |
| 物理项目 | 尺寸              | 标准规定                      | 实测结果            |
| 长    | mm              | 43.5 - 44.5               | 43.8 - 44.40 合格 |
| 宽    | mm              | 9.8 - 10.5                | 10.1 - 10.2 合格  |
| 高度   | mm              | 1.50 - 1.750              | 1.67 - 1.71 合格  |
| 电压   | V               | ≥25 (B03), 3.9 欧姆电阻 ±0.9V | 25.50 (合格) 合格   |
| 放电时间 | min             | 3.9 欧姆电阻值 ±0.6V 无变化, 无漏液  | 无变化 无漏液 合格      |
| 外观质量 | —               | 整洁、清晰                     | 整洁、清晰 合格        |
| 检验结果 | 符合标准要求          |                           |                 |
| 检验员  | 王华卫             |                           |                 |

8.4 Semi-battery identification record(semi-battery batch number: 20250604, carbon rod batch code: 20250510, Positive pole cap batch code: 20250514)

五#二高速线半成品标识卡

|      |      |      |      |      |      |
|------|------|------|------|------|------|
| 电池型号 | R033 | 28分钟 | 生产线  | 新    |      |
| 数量   | 盘    | 托    | 共    | 托    |      |
| 当前   | 第 2托 | 本托   | 15盘  |      |      |
| 材料名称 | 型号规格 | 日期   | 材料名称 | 型号规格 | 日期   |
| 锌筒   | 4.1  | 6.3  | 密封圈  |      |      |
| 浆层纸  | 3.6  | 5.27 | 塑料盖  |      |      |
| 碳棒   | 4.5  | 5.10 | 不锈钢帽 |      |      |
| 组合帽  | 8.2  | 5.14 | 备注:  |      |      |
| 粉料   | 1.7  | 5.30 |      |      |      |
| 复压圈  | 2.1  | 5.10 | 生产日期 | 6.4  | 2025 |

## TRACEABILITY EVIDENCE

### 8.5 Nickel-plated steel strip identification record (batch number: 20250429)

| 产品合格证 |                  |
|-------|------------------|
| 品名    | 组合帽              |
| 规格    | R6 R03 G         |
| 产品编号  | R03.25.4.29 乙班男帽 |
| 班次    | 班                |
| 日期    | 25 年 5 月 14 日    |
| 净重    | 65克 Kg           |
| 姓名    | 陈玲玲              |

|                         |             |
|-------------------------|-------------|
| 成品盖帽质量跟踪卡               |             |
| 型号: R03                 | 材料: 6PCC    |
| 生产批号: DD-207 5125021350 |             |
| 生产日期: 25 年 4 月 29 日     |             |
| 比重: 个/Kg                | 数量: 只       |
| 净重: 25 Kg               | 毛重: 26.5 Kg |
| 备注: 20 4 415法           |             |
| 检验员: 丁                  |             |

### 8.6 Nickel-plated steel strip purchase order (HTMZH20250306CG205)

[illegible]



TRACEABILITY EVIDENCE

8.7 Invoices (Wuhu Juyuan Metal Products Co., Ltd.)



电子发票 (增值税专用发票)



发票号码: 2534200000047687689  
开票日期: 2025年03月24日

|       |                                                          |                |       |                                                         |           |
|-------|----------------------------------------------------------|----------------|-------|---------------------------------------------------------|-----------|
| 购买方信息 | 名称: 山东华太新能源电池有限公司<br>统一社会信用代码/纳税人识别号: 91371312MA3MEBUA1B |                | 销售方信息 | 名称: 芜湖聚源金属制品有限公司<br>统一社会信用代码/纳税人识别号: 91340200095383226F |           |
|       | 项目名称                                                     | 规格型号           | 单位    | 数量                                                      | 单价        |
|       | *黑色金属冶炼压延品*钢带                                            | 0.14*33        | kg    |                                                         | 58680.00  |
|       | *黑色金属冶炼压延品*钢带                                            | 0.14*44        | kg    |                                                         | 129168.00 |
|       | 合计                                                       |                |       |                                                         | 187848.00 |
|       | 价税合计 (大写)                                                | 壹拾捌万柒仟捌佰肆拾捌元捌角 |       |                                                         |           |
| 备注    | 收款人: 张蕾; 复核人: 芮熙婷;                                       |                |       |                                                         |           |

开票人: 芮熙婷





## PHOTO FILE OF FACTORY

### Part A: The Factory Outlook

|              |                                                                                   |                  |                                                                                    |
|--------------|-----------------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------|
| Factory gate |  | Factory building |  |
|--------------|-----------------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------|

### Part B: Production process

|                    |                                                                                     |                    |                                                                                      |
|--------------------|-------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------|
| Production process |   | Production process |   |
| Production process |  | Production process |  |

### Part C: Warehouse

|               |                                                                                     |                |                                                                                      |
|---------------|-------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------|
| Raw materials |  | Finished goods |  |
|---------------|-------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------|



## PHOTO FILE OF FACTORY

### Part D: Non-conforming Photo

|                                                                                                                                                    |                                                                                    |                                                                                                     |                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <p>NC-05: The chemicals in the warehouse have no labels, are not stored in 2nd containers, and lack the MSDS documents.</p>                        |   | <p>NC-21: Some switchgear/distribution cabinets are not locked, posing a risk of electric shock</p> |   |
| <p>NC-25: The emergency escape maps were not placed at the safety exits in the workshop, and some of the safety exits lacked emergency lights.</p> |  | <p>NC-26: Some fire extinguishers in the workshop lack inspection records.</p>                      |  |