



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

TERMS OF REFERENCE OF THE SUSTAINABILITY COMMITTEE

1. General Provisions

In order to promote and enhance the long-term economic, environmental, human resources, technological and social capital of Shandong Hi-Speed New Energy Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for driving the Company’s high-quality sustainable development and growth, the Company established a sustainability committee (the “**Committee**”) under the board of directors (the “**Board**”) of the Company.

2. Member

2.1 The Committee shall comprise at least three members who are appointed or removed by the Board. If any member of the Committee (“**Member**”) ceases to be a director or ceases to be an employee of the Group, he/she will cease to be a Member automatically. The Board shall appoint new Member to fill the vacancy.

2.2 The chairman of the Committee shall be appointed by the Board.

3. Secretary

Save as otherwise appointed by the Committee, the secretary to the Committee shall be the secretary to the Company.

4. Meetings

- 4.1 The Committee shall convene the meeting at least once a year and shall convene additional meeting when necessary. The Committee shall conduct specialised report to the Board at least once a year.
- 4.2 Notice of any meeting shall be given to the Committee seven days prior to the meeting to be held, unless all Members unanimously waive notice of the meeting. The secretary of the Committee shall send the agenda and related materials of such meeting to the Members three days prior to the holding of each meeting.
- 4.3 The quorum of the meetings of the Committee shall be two Members. The chairman of the Committee shall preside at meetings. In the absence of the chairman of the Committee, a Member elected by the Members present shall preside at the meeting. If a Member is unable to attend the meeting, he/she may authorize in writing another Member to exercise his/ her power. The power of attorney shall specify the scope and duration of the authorization.
- 4.4 Members may attend meetings in person or by other electronic means.
- 4.5 Each Member shall have one vote, and a resolution shall be effective passing by a simple majority of the Members at the meeting of the Committee or resolutions of the Committee in writing passing by all the Members. In the event of an equality of votes, the chairman of the Committee shall be entitled to a casting vote.
- 4.6 The chairman and members of the Board, management of the Group, external consultant and other persons may attend all or part of meetings at the invitation of the Committee. Only Members are entitled to vote at meetings.
- 4.7 Full minutes shall be properly kept by the secretary of the Committee. Draft and final versions of minutes shall be circulated to all Members within a reasonable period of time after the meeting with the draft for Members' comments and the final version approved by the chairman of the Committee for record purposes. Such minutes shall be open to all Members of the Committee for their inspection.

5. Authority

- 5.1 The Board authorizes the Committee to be entitled under this terms of reference to request adequate information in a timely manner from the management of the Group, to enable the Committee to make informed and appropriate decisions. The information provided by the management must be complete and reliable.
- 5.2 The Board authorizes the Committee to engage external consultants or intermediaries for independent professional advice in appropriate circumstances at the Group's expenses, to assist the Committee in performing its duties.
- 5.3 The Committee may delegate certain duties to the environmental, social and governance working group and to the management of the Group as appointed by the chairman of the Committee from time to time, to assist the Committee in achieving sustainability objectives.

6. Duties

The Committee shall provide advice and make recommendations to the Board, so as to assist the Board in formulating and monitoring the Group's sustainability policies, and managing sustainability-related risks. Specifically, the Committee is primarily responsible for overseeing significant matters relating to sustainable development, including but not limited to environmental sustainability, implementation of environmental management policies, environmental performance improvement, carbon peak and carbon neutrality, climate change, product safety and service quality, occupational health and safety, employee training and development, diversity and inclusiveness, community support, social responsibility, privacy and data security, business ethics and corporate governance.

6.1 Sustainability strategies and objectives

- a. Assist the Board in formulating, guiding and regularly reviewing the Company's sustainability vision, strategies, objectives, policies, implementation and management approach, to ensure that the Company's sustainability work and results are up-to-date, relevant to the needs and comply with applicable laws, rules and policies, and make recommendations to the Board.

- b. Identify the Company's major sustainability topics and priorities, to ensure compliance with the Group's overall business strategies, applicable laws, regulatory requirements, international standards and stakeholders' needs, and make recommendations to the Board in determining the Company's major sustainability topics and matrix.
- c. Monitor the ratings on the Company's sustainability performance by third parties and the inclusion of sustainability-related indexes in the capital market on an ongoing basis, and report to the Board on a regular basis.

6.2 Sustainability opportunities and risks

- a. Identify opportunities of the Company in sustainability topics, assess the business development opportunities and benefits that such opportunities will bring to the Company to ensure that major sustainability-related opportunities are covered within the Company's governance structure. The report should be prepared by the management of the Group, the contents of which, including but not limited to, identify major sustainability opportunities of the Group, set out the achievements of implementation of opportunities management, assessment and integration into day-to-day business of the Company, and the report will be submitted annually to the Board.
- b. Identify potential risks of the Company in sustainability topics, assess the impact of such risks on the Company to ensure that major sustainability-related risks are covered within the Company's risk management framework; and review the effectiveness of the Company's sustainability-related risks control, and report should be prepared by the management of the Group on a regular basis, the contents of which, including but not limited to, identify major sustainability risks of the Group, set out the effectiveness and results of relevant risk management, strategies and controls implemented, and the report will be submitted annually to the Board.
- c. Review and ensure that the Company has established appropriate and effective sustainability risk management and internal control systems, and make recommendations to the Board on the sustainability-related risks and response strategies.

6.3 Sustainability performance

- a. Monitor and regularly review the progress on achieving objectives, implementation of policies, effectiveness of strategy execution and performance of management approaches in terms of sustainability of the Company to ensure adherence to the Group's overall business strategy, compliance with applicable laws, regulatory requirements and international standards as well as satisfaction of stakeholders' needs, and recommend to the Board for sustainability performance improvement.
- b. Review the Company's work in relation to climate change (including the implementation of response strategies and measures in relation to climate change) to ensure that the impact of related risks on the Company's business development is effectively minimised, and to reduce the negative impacts on climate change arising from the Company's business development.

6.4 Sustainability report/environmental, social and governance report

- a. Review the report prepared annually in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the applicable disclosure framework, standards and guidelines and ensure the truth, accuracy and completeness of the report, and recommend the Board to approve the report and other relevant documents.

7. Reporting Responsibilities

The chairman of the Committee or its authorized Member shall report on a regular basis to the Board on significant matters relating to sustainability. The Committee shall review the performance of the Committee and this terms of reference on an annual basis and recommend the Board to update the same, as necessary.

8. Publication of the Terms of Reference

This terms of reference have been published on the websites of The Stock Exchange of Hong Kong Limited and the Company. If there is any inconsistency between the English and Chinese versions of this terms of reference, the English version shall prevail.

9. Approval

The adoption of this terms of reference has been approved by the Board on 20 July 2023.