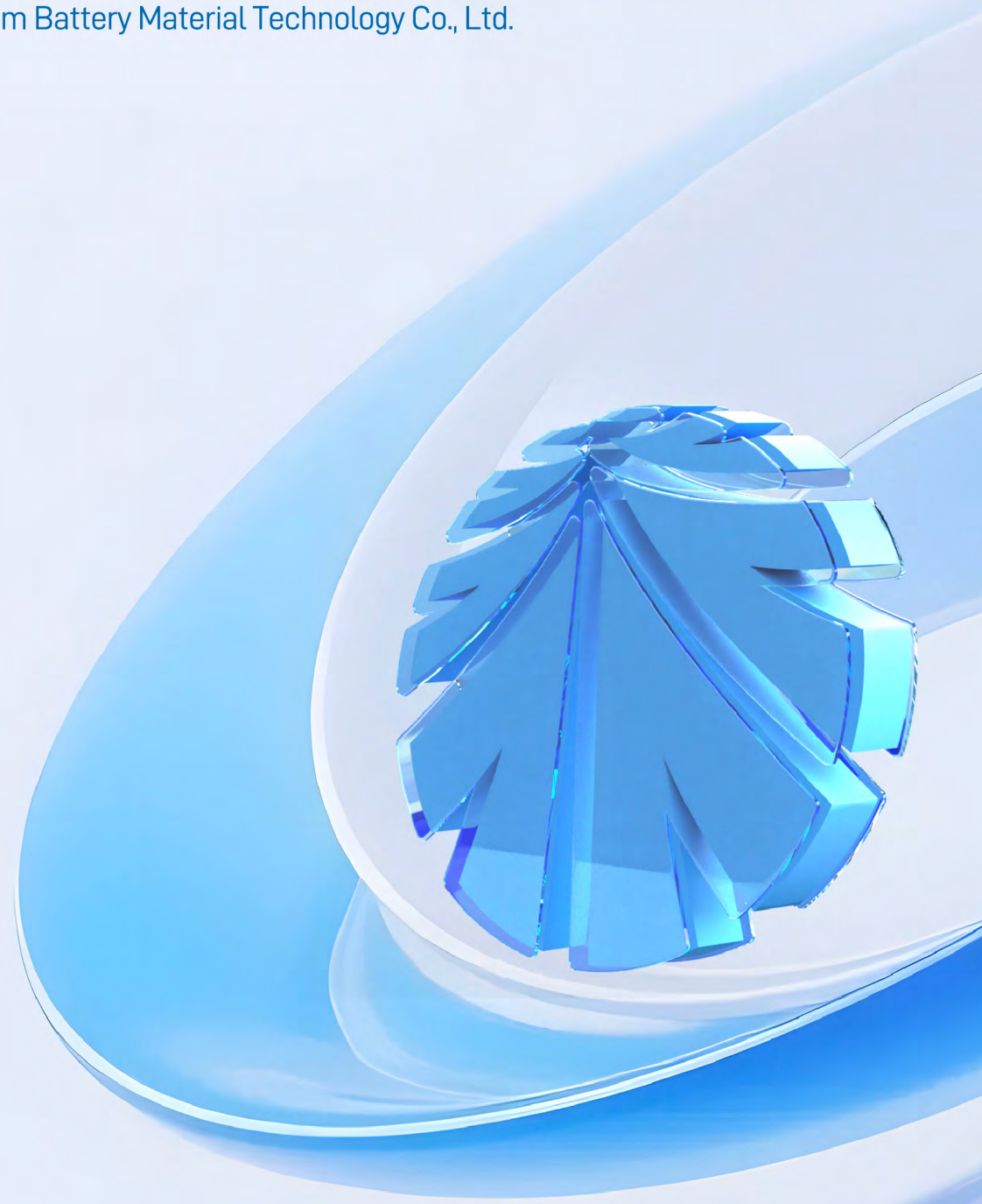
Environmental, Social and Governance (ESG) Report 2025

Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.



杉杉科技
Shanshan Technology

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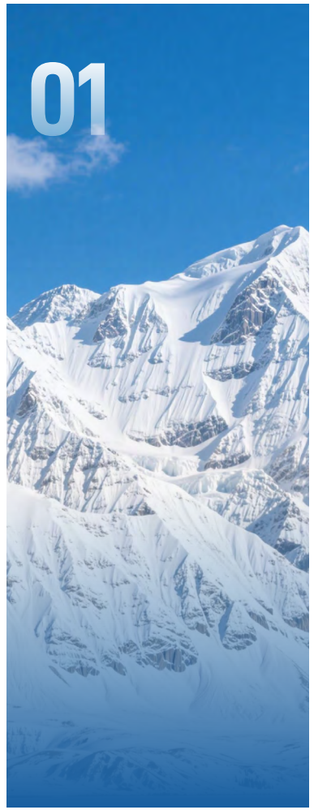
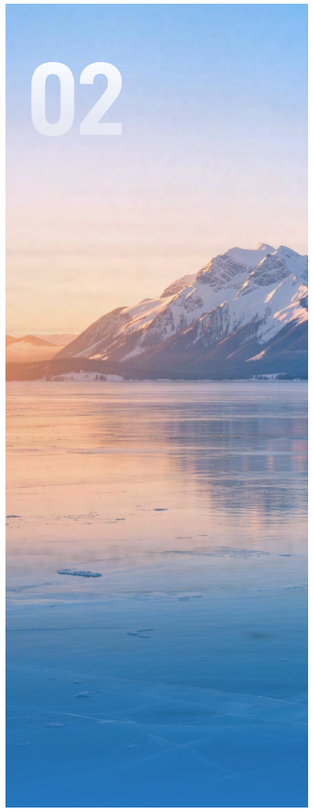
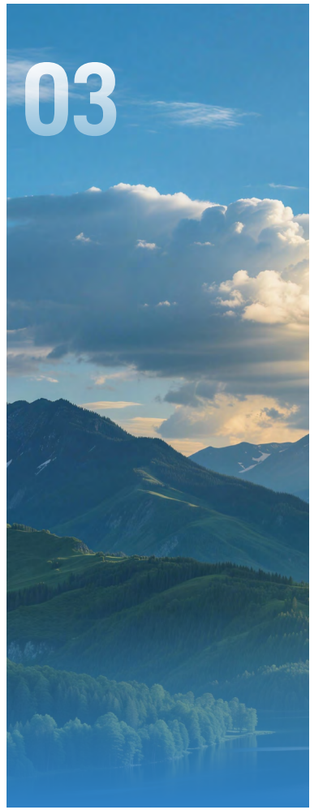
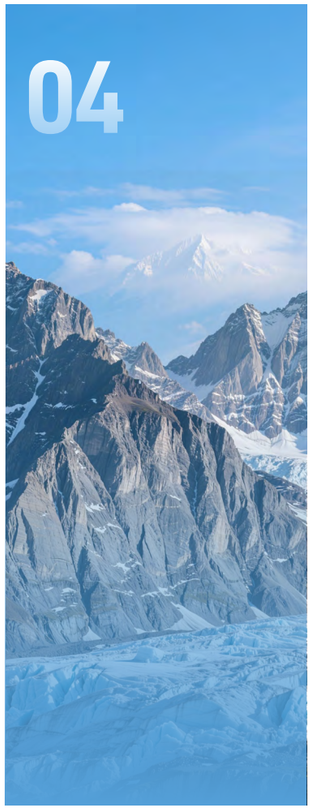
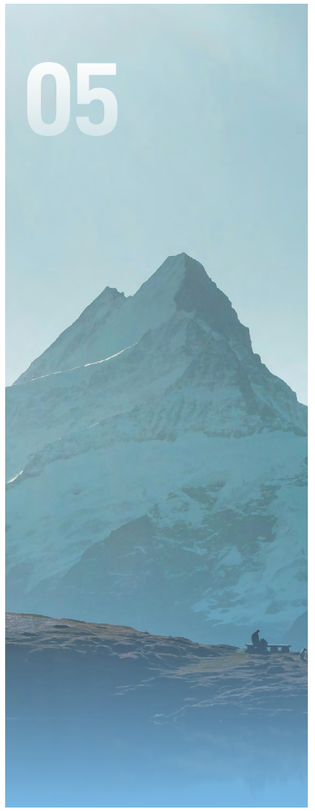










About this Report

This is the second consecutive ESG report published by Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. It mainly discloses the Company's practices and performance in the areas of environmental, social and governance (ESG) responsibilities in 2025, fully demonstrating its philosophy and actions for advancing sustainable development. It aims to facilitate effective communication with all stakeholders and respond to all their expectations and requirements.

Reporting Scope

Reporting period

This annual report primarily covers the period from January 1 to December 31, 2025. For better comparability and foresight, some content appropriately extends beyond this timeframe.

Organizational scope

This Report focuses on Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. and covers all its bases.

References

In this Report, Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. is referred to as "Shanshan Technology", "Shanshan Anode", or "the Company". The full and abbreviated names of its main production bases are listed as follows:

" Chenzhou Shanshan"	refer to	Chenzhou Shanshan New Materials Co., Ltd.
"Fujian Shanshan "	refer to	Fujian Shanshan Technology Co., Ltd.
" Ningbo Shanshan"	refer to	Ningbo Shanshan New Materials Technology Co., Ltd.
"Ningbo Shanshan Silicon-based"	refer to	Ningbo Shanshan Silicon-based Materials Co., Ltd.
"Inner Mongolia Shanshan Jiuyuan Factory" "Shanshan Anode Jiuyuan Factory"	refer to	Inner Mongolia Shanshan New Materials Co., Ltd.
"Inner Mongolia Shanshan Qingshan Factory" "Shanshan Anode Qingshan Factory "	refer to	Inner Mongolia Shanshan Technology Co., Ltd.
"Sichuan Shanshan"	refer to	Sichuan Shanshan New Materials Co., Ltd.
"Yunnan Shanshan"	refer to	Yunnan Shanshan New Materials Co., Ltd.

In addition, "Ningbo Shanshan Co., Ltd." is abbreviated as "Shanshan" or "Group" in this Report.

Basis of Compilation

This Report is prepared in compliance with, and with reference to, the following standards: the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial)*, the *Guide No. 4 for Self-regulatory Supervision on Listed Companies of the SSE - Compilation of Sustainable Development Reports*, the *Corporate Sustainability Disclosure Standards No. 1 - Climate (Trial)* issued by the Ministry of Finance, the United Nations 2030 Sustainable Development Goals (SDGs), the *GRI Sustainability Reporting Standards 2021* ("GRI Standards 2021"), MSCI ESG Rating Indexes, and EcoVadis Rating Indicators.

Reporting Principles

Materiality principle

In accordance with the identification methods for material issues outlined in the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial) and the Corporate Sustainability Disclosure Standards - Basic Standards (Trial)* issued by the Ministry of Finance, the Company identifies and responds to material issues impacting Shanshan Technology through communication and engagement with internal and external stakeholders.

Balance principle

This Report objectively presents facts and discloses both positive and negative indicators without using disclosure methods that could bias the readers' decision-making or judgment.

Quantification principle

This Report details the quantitative KPIs of Shanshan Technology within the ESG scope.

Consistency principle

Indicators and calculation methods are kept consistent across reporting periods. Any alterations to statistical methods, scopes, or indicators will be explicitly stated.

Sources of Information

Disclosed information is derived from Shanshan Technology's official internal documents and statistical reports, and Shanshan's annual reports. Data presented come from Shanshan Technology's actual operational raw data, publicly available data from government authorities, relevant internal statistical reports, third-party questionnaire surveys, third-party evaluation interviews, among others.

Currency

Unless otherwise specified, all financial data in this Report are denominated in CNY.

Report Language

This Report is prepared in both Simplified Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

Report Access

This Report is available in electronic form. You may access the electronic version by visiting the Company's official website at https://www.shanshantech.com/. For questions or suggestions, please send an email to esg.office@shanshan.com.

Message from the Leadership

2025 marks a critical year for global sustainable development and a turning point for the new energy sector as it shifts from rapid expansion to high-quality growth. We understood that true industry leaders must not only define industry standards through technological innovation, but also demonstrate the human side of development through a strong sense of responsibility. Staying true to our corporate vision of "serving green energy and building a better life", and guided by our sustainability philosophy of "advancing the new energy revolution with new materials, innovative processes, and cutting-edge management", we adopted a more systematic approach and pragmatic actions. We transformed sustainability from a concept into practice, and from mere compliance into value creation, contributing Shanshan's solutions to the global energy transition.

Strengthening governance foundations and consolidating the cornerstone of development

Sound corporate governance is the fundamental guarantee for the long-term success of an enterprise. Over the past year, we deeply integrated ESG principles into our strategic decision-making and daily operations, elevating both our governance standards and risk prevention capabilities. We established a clearly structured governance framework with well-defined rights and responsibilities. By strengthening compliance and internal risk controls, refining our business ethics system, and building independent & controllable security safeguards, we provided a safe and reliable environment for our stakeholders, further enhancing our resilience and market competitiveness.

Practicing green development and leading the low-carbon transition

As a driver and frontrunner in the new energy materials sector, we understand that every gram of anode material carries the mission of infusing green electricity into electric vehicles and ensuring clean energy stability for energy storage systems. Over the past year, in active response to the national "dual carbon" goals, we made every effort to advance energy conservation and emission reductions in production. We also improved our climate change governance structure, continuously upgraded our production processes, and optimized our energy management system.

Focusing on quality innovation and forging core momentum

We consistently drive high-quality industry development through innovation, viewing product safety and quality as the lifeline of our enterprise. Over the reporting year, while maintaining our competitive edge in the 3C electronics market, we expanded our footprint in power battery anode materials and advanced R&D in silicon-carbon and silicon-oxygen materials. We achieved significant breakthroughs in areas such as long-life artificial graphite, energy conservation & carbon reduction, and platform-based fast charging. Furthermore, we established a comprehensive, end-to-end quality control system spanning from raw material procurement to final product delivery. Through multiple oversight mechanisms, we ensured that every gram of anode material delivers leading performance and stable quality.

Fostering unity and collaboration to build a shared home

Corporate development relies on the dedication of our employees, the collaboration of our partners, and the support of our communities. During the past year, adhering to a philosophy of "putting strivers and contributors first", we continued to cultivate a fair and inclusive work environment alongside a competitive compensation and benefits system, enabling every employee to realize their personal value through growth. We extended this care upstream and downstream across our supply chain by establishing a supplier quality evaluation system. While standardizing supply chain management, we empowered suppliers in their ESG capacity building, working together with our partners to enhance the resilience and responsibility of the industrial chain. Additionally, we actively participated in community-building and other public welfare initiatives, gathering multi-stakeholder strength to solidify the foundation of our sustainable development.

Anchoring our global leadership to co-create a zero-carbon future

Standing at the turning point of the new energy revolution, Shanshan Technology will continue to increase R&D investment, attract top talent, and drive product transformation and upgrading. Guided by our mission to "become the promoter and leader of lithium-ion battery anode materials", we will join hands with global partners to reshape the industrial ecosystem through material innovation, and translate ESG commitments into pragmatic actions to help drive the new energy revolution!

About Shanshan Technology

Company Profile

Founded in 1999, Shanshan Technology is a core subsidiary of Shanshan. Deeply rooted in the industry for 26 years, it is the first high-tech enterprise in China dedicated exclusively to the R&D, production, and sales of lithium-ion battery anode materials. It is also an industry pioneer, being the first to obtain IATF 16949 certification, the first to apply new intelligent manufacturing models in the lithium-ion battery sector, and holds CNAS laboratory accreditation.

The Company's core competitiveness lies in "fully meeting market demand with its products", and its products are widely used in fields such as new energy vehicles (NEVs), consumer electronics, and energy storage. Powered by independent R&D and technological innovation, it has evolved into a globally leading supplier of lithium-ion battery anode materials. It boasts the large-scale capacity, advanced processing technologies, and high level of intelligent manufacturing, serving renowned global clients. Leveraging its outstanding technological strength and industrial contributions, it has been awarded multiple prestigious honors, including the Second Prize of the National Science and Technology Progress Award, the National Manufacturing Single Champion Enterprise, and the National "Specialized, Refined, Peculiar, and Innovative" Little Giant Enterprise.

Leading the Future with Lithium, Exploring a Low-Carbon Future

Vision

Serve green energy, build a better life

Culture

Integrity, Responsibility, Innovation, Accountability

Mission

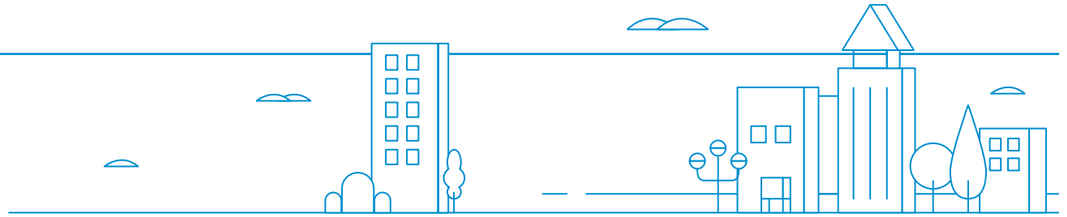
Become the promoter and leader of lithium-ion battery anode materials

Target

Become a global leader in lithium-ion battery anode materials

Business Layout

The Company has established 11 R&D and production bases across eight domestic locations, including Shanghai, Ningbo, and Fujian. These facilities support a planned production capacity of 700,000 tons for artificial graphite, ranking first globally. Furthermore, taking Finland as its first overseas step, the Company is building an integrated base with an annual capacity of 100,000 tons. This continuous global expansion is set to drive new growth.



Chenzhou Shanshan

It features an integrated production capacity for lithium-ion battery anode materials, spanning the entire process from raw material crushing and coating granulation to graphitization. Its operations rely on core proprietary technologies, notably a new high-efficiency, energy-saving graphitization furnace. The products are primarily applied in the high-end lithium-ion battery industry.

Inner Mongolia Shanshan Jiuyuan Factory

It is a core component of Shanshan Technology's 100,000-ton integrated base for lithium-ion battery anode materials in Inner Mongolia. It houses an 80,000-ton graphitization capacity and produces five major series of anode materials, including mesophase, natural graphite, and artificial graphite. The key technical indicators of its products have reached the advanced international levels.

Fujian Shanshan

It is the first company in China to achieve mass production using liquid-phase coating technology. Relying on a proprietary liquid-phase coating and carbonization processes, it produces high-performance graphite anode materials. These materials are widely used in consumer electronics, new energy vehicles (NEVs), and energy storage systems, etc.

Inner Mongolia Shanshan Qingshan Factory

Pioneering a fully integrated production layout in the industry, it boasts an annual capacity of 120,000 tons of finished lithium-ion battery anode materials. It stands as a global leading production base for high-capacity graphite-based anode materials for lithium-ion batteries, characterized by advanced processing technologies and a high degree of intelligent manufacturing.

Ningbo Shanshan

With an annual capacity of 50,000 tons, it offers a diverse product portfolio. This includes artificial graphite, natural graphite, novel carbon-based anodes, and silicon-based anode materials. Targeting the high-end market, its products are widely applied in NEVs, consumer electronics, and energy storage, etc. Driven by technological innovation, it is dedicated to developing cutting-edge anode materials and leading the technological advancement of the industry.

Sichuan Shanshan

It is developing a large-scale integrated production base for lithium-ion battery anode materials in Southwest China with a 200,000-ton annual capacity across two phases. Alongside planning projects for novel anode materials, such as hard carbon anode for sodium-ion batteries, it drives technological innovation, fosters industry-academia-research collaborations, and supports services related to intelligent production and operation.

Ningbo Shanshan Silicon-based

It is Shanshan's first R&D and production base dedicated to pure, high-capacity silicon-based anode materials. It features a fully integrated manufacturing process, covering raw material processing, reaction synthesis, intermediate processing, surface modification, and final product processing.

Yunnan Shanshan

It primarily focuses on the R&D, production, and sales of artificial graphite, a multi-specification anode material for lithium-ion batteries. It also manufactures and sells graphite and carbon products. Its additional business scopes include the R&D and promotion of new materials, as well as the import and export of related technologies and goods, and general cargo warehousing. It focuses on building an integrated production base with an annual capacity of 300,000 tons of lithium-ion battery anode materials.

Core Products

Artificial Graphite

The Company has established an anode material portfolio applied in power battery and consumer electronics sectors. As the dominant anode material globally, artificial graphite accounts for approximately 90% of the mainstream market for anode materials. In 2025, Shanshan maintained its global ranking of first in both shipment volume and market share for artificial graphite.

For anode materials applied in the power battery sector, it has developed four major product lines (i.e., cost-effective, high-energy, fast-charging, and ultra-high-power) by optimizing granulation, coating, and heat treatment technologies. These lines cater to the needs of economy-grade, premium power, and energy storage cells, consistently delivering highly competitive products to its clients.

For anode materials applied in the consumer electronics sector, leveraging controlled granulation processes and innovative coating technologies, it has created two product series featuring high energy density and fast-charging capabilities with low expansion. Leading the mid-to-high-end market, it provides comprehensive material solutions for customers.

Natural Graphite

Focusing on cylindrical, prismatic/pouch power battery applications, the Company has specifically improved its products to deliver fast-charging, high storage, long cycle life, and low expansion. Concurrently, it has optimized manufacturing processes to achieve simultaneous enhancements in cost efficiency, performance, and low-carbon competitiveness.

Silicon-Based Anode Materials

This category includes silicon-carbon and silicon-oxygen anode materials. Relying on advanced technologies such as vapor-phase nano-engineering and fluidized-bed carbon coating, the Company achieves an excellent balance of cycle life and rate capability.

It offers both blended and customized pure silicon-based products, covering high-capacity long-cycle and high-capacity high-rate series.

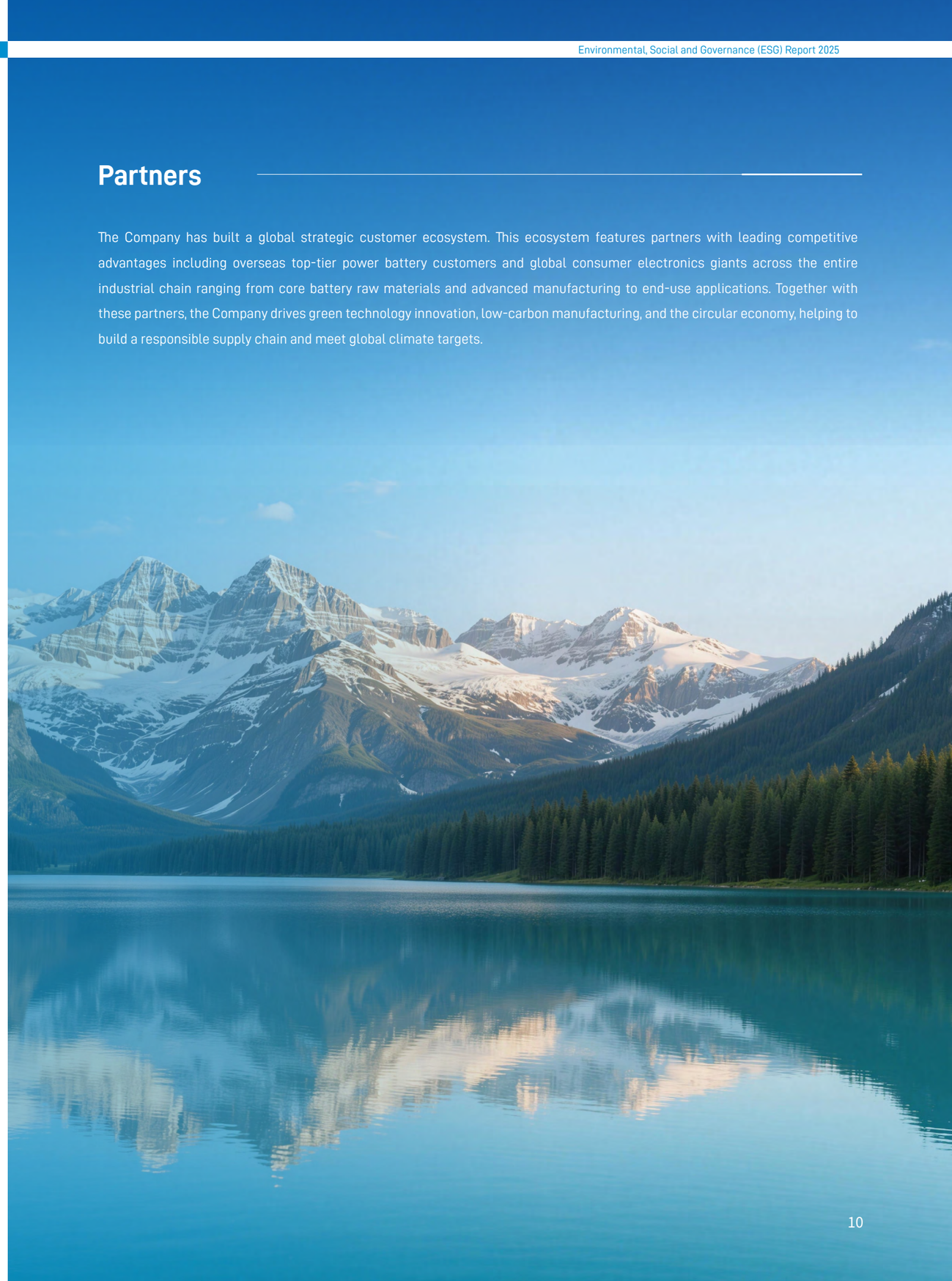
Novel Materials: Soft/Hard Carbon

Hard carbon offers advantages including high-capacity, high-rate, and excellent low-temperature performance. Focusing on three major applications (i.e., sodium-ion batteries, lithium-ion batteries, and supercapacitors), the Company is the first to achieve commercialization with industry-leading performance.

Soft carbon features outstanding low-temperature and fast-charging capabilities, making it suitable for special scenarios such as electric vessel batteries and mini ETC batteries. By continuously optimizing processes and expanding mass production, the Company provides premium products and solutions for both material categories.

Partners

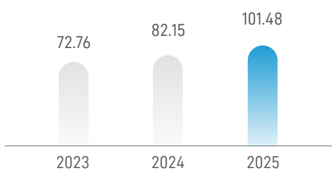
The Company has built a global strategic customer ecosystem. This ecosystem features partners with leading competitive advantages including overseas top-tier power battery customers and global consumer electronics giants across the entire industrial chain ranging from core battery raw materials and advanced manufacturing to end-use applications. Together with these partners, the Company drives green technology innovation, low-carbon manufacturing, and the circular economy, helping to build a responsible supply chain and meet global climate targets.



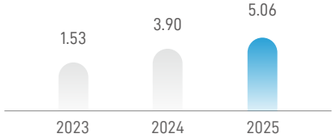
Annual Performance Highlights

Operational Scope

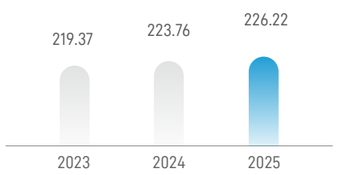
Business revenue (CNY 100 million)



Net profit (CNY 100 million)

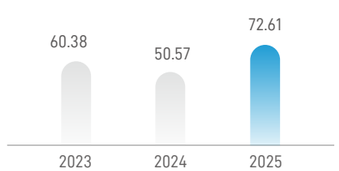


Total assets (CNY 100 million)

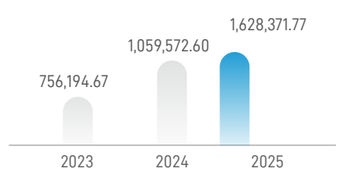


Environmental Scope

Share of clean energy use (%)

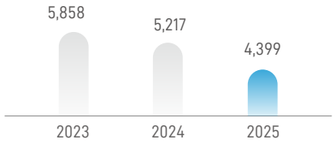


GHG emission reductions (tCO_2e)

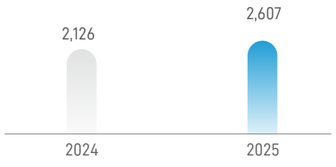


Social Scope

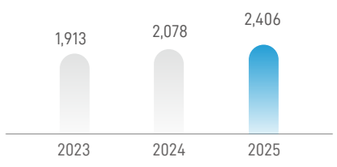
Total number of employees (persons)



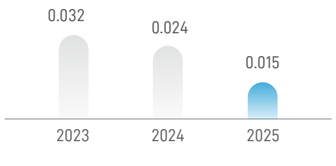
Total number of employee training sessions (sessions)



Contractor attendances in health and safety training (attendances)



Customer complaint rate (%)



Governance Scope

Indicators	2025	2024	2023
Sessions on data security and customer privacy protection training (sessions)	14	1	1

Awards and Honors

Award/Honor	Issuing Authority
Smart Innovation Benchmark Enterprise	DingTalk (China) Information Technology Co., Ltd.
2024 Shanghai Manufacturing Single Champion Enterprise	Shanghai Municipal Commission of Economy and Informatization
2024 Pioneer Enterprise for High-Quality Development	People's Government of Caolu Town, Pudong New Area, Shanghai
Industry Specification Conditions for Lithium-ion Batteries	National Ministry of Industry and Information Technology
High-Tech Enterprise	Science and Technology Bureau
Key Enterprise Research Institute of Zhejiang Province	Economy and Information Technology Department of Zhejiang
Advanced-Level Intelligent Factory of Zhejiang Province	Economy and Information Technology Department of Zhejiang
Green and Low-Carbon Factory of Zhejiang Province	Economy and Information Technology Department of Zhejiang
2025 Benchmark Enterprise for Digital Transformation in Manufacturing Industry of Inner Mongolia Autonomous Region	Department of Industry and Information Technology of Inner Mongolia Autonomous Region
2025 Advanced-Level Intelligent Factory of Sichuan Province	Department of Economy and Information Technology of Sichuan Province
2025 Most Promising Growth Enterprise	China Automotive Power Battery Industry Innovation Alliance
Most Influential Exhibitor at the 17th China International Battery Fair (CIBF 2025)	Organizing Committee of China International Battery Fair

01 Refining Management to Foster Sustainable Development

Shanshan Technology has deeply integrated ESG principles into its corporate governance and operations. It is committed to building a well-established and comprehensive ESG management system to ensure that sustainable development delivers tangible results.

Responding to the United Nations Sustainable Development Goals (UN SDGs)

ESG Development Strategy

Guided by the "WISE" ESG principle, the Company has integrated ESG into core business segments, including anode material R&D, production & operations, and supply chain management, creating a clear pathway from strategy to execution. In 2025, it formulated 12 policy documents covering key ESG issues. These policies ensure that ESG principles guide daily business decisions, driving the implementation of green, low-carbon technologies and responsible governance models across the industry chain.

Become the Promoter and Leader of Lithium-ion Battery Anode Materials

Vision

Serve green energy, build a better life

ESG Principles

Welfare

Stay true to a people-oriented approach; safeguard employee rights and interests; engage in community building; support public welfare; and enhance social well-being and foster mutual development through concrete measures.

Stewardship

Uphold compliance and transparency as the foundation; improve the governance system and accountability decision-making mechanism; adhere to business ethics; and consolidate the institutional foundation for the sustainable development of the enterprise.

Innovation

Break development barriers through continuous innovation; optimize product performance and solutions; enhance research and development capabilities; and provide inexhaustible impetus for sustainable development and lead industry transformation.

Eco-friendly

Fulfill environmental responsibilities; focus on carbon reduction, pollution abatement and ecological protection; and promote ecological sustainability through green operations and the application of low-carbon technologies.

Strategic Pillars

- Circular Material Application
- Healthy, Diverse and Inclusive Workplace
- Advanced Techniques Adoption
- New Energy and Products Revolution
- Good Corporate Governance
- Economical & Sustainable Growth

Key Material Issues

Governance level	Strengthen the Board's strategic guidance and tiered implementation mechanism, and integrate the concept of sustainable development fully into operational decisions on corporate governance, compliance and risk control.
Environmental level	Jointly advance the green transformation of the industrial chain, and lead the low-carbon upgrading of the new energy materials industry by focusing on climate change response and environmental compliance management.
Social level	Collaborate with partners to create social value, and build a harmonious ecosystem by safeguarding employee rights and interests, as well as occupational health and safety.

ESG Vision

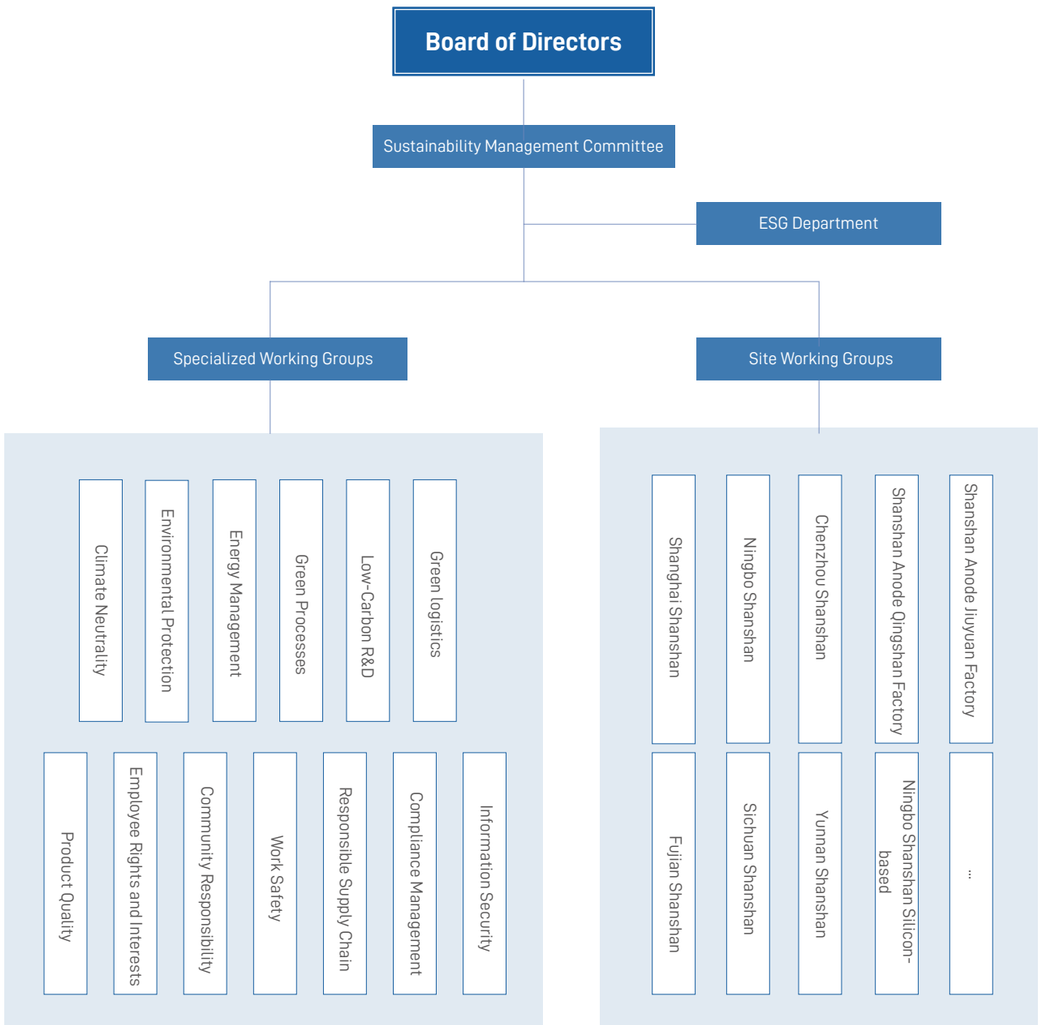
Advancing the New Energy Revolution with New Materials, Innovative Processes, and Cutting-edge Management

System Foundation

Lay a foundation with digital transformation; coordinate all industrial subsidiaries to implement ESG initiatives; and develop lithium-ion battery anode materials that meet international standards, ensure full-lifecycle sustainability, and achieve green, zero-carbon operations.

ESG Development and Management

The Company strictly complies with laws and regulations such as the *Company Law of the People's Republic of China* as well as relevant regulatory requirements. It has formulated a series of rules and regulations, including the *ESG Policy* and the *ESG Management Manual*, and established a three-level ESG management structure comprising the "decision-making level, management level, and execution level". This creates a governance mechanism with clear rights & responsibilities and efficient operations, ensuring the standardized, fair decision-making process. The Company integrates ESG targets into the performance appraisals of departments and employees. These targets cover core dimensions such as climate change, energy conservation & emission reduction, and innovation management. Furthermore, through whole-process supervision & tracking mechanism and closed-loop reward & punishment management, it ensures the standardized advancement of sustainable development and continuous performance improvement.



ESG Governance Structure

Level	Scope of Responsibilities
Decision-making level	The Sustainability Management Committee, established under the Board of Directors and chaired directly by the Chairman, serves as the highest decision-making body for ESG matters. The Committee is responsible for reviewing key targets, supervising and inspecting the execution of sustainability initiatives, and receiving reports on ESG management performance to ensure alignment of ESG governance with the Company's strategic direction.
Management level	Led by the ESG Department in collaboration with the Board Office, the Management works with heads of business functions and industrial subsidiaries to drive the coordinated implementation of ESG strategic planning, target setting, policy formulation, and performance assessment. It identifies and evaluates ESG risks and opportunities, organizes the compilation of the annual ESG reports, and ensures effective strategy execution through cross-functional and top-down coordination.
Executive level	Specialized working groups break down tasks by business lines and guide production bases to specify responsibility divisions and work priorities based on actual operations,This ensures integration of sustainability requirements into daily operations, forming a normalized closed-loop management system. These working groups also support information disclosure through data collection and analysis, track target progress, and report to the Management with improvement recommendations to ensure the stable operation of sustainability initiatives.

Responsibilities and Levels for ESG Governance

ESG Development Goals and Performance

The Company has successfully built its ESG system, formulating a clear ESG organizational structure and strategic plan. It has also released core policies covering environmental protection, human rights, and sustainable supply chains.

Strategic Goals

Goals for 2026-2027 Integrate ESG strategy and achieve key breakthroughs

Integrate short-, medium-, and long-term management targets for material issues into the corporate development strategy, and formulate actionable plans and implementation pathways.

Actively participate in mainstream ESG ratings and join leading external industry associations and professional organizations to enhance ESG expertise and external recognition.

Establish an ESG risk management system to identify ESG risks and opportunities, embedding risk prevention and control into all business processes.

Goals for 2028-2029 Optimize the ESG ecosystem and strive for industry excellence

Incorporate ESG indicators and targets into the corporate performance evaluation framework, and improve the ESG performance monitoring and incentive mechanisms.

Manage material issues on a routine basis following the "Governance - Strategy - Impact, Risk and Opportunity Management - Metrics and Targets" model.

Introduce a specialized, digital ESG information management platform to enable real-time collection, analysis, and monitoring of ESG data, thereby improving management efficiency.

Identification and Management of Double Materiality Issues

In accordance with the methods for identifying material issues outlined in the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial)* and the *Corporate Sustainability Disclosure Standards - Basic Standards (Trial)* issued by the Ministry of Finance, the Company implemented a systematic issue management process. It conducted extensive surveys with internal and external stakeholders, analyzing issues from the dual dimensions of financial materiality and impact materiality on all fronts to determine the material issues of significant value to both the Company and its stakeholders.

Assessment Process

Contextual Analysis

Reviewing domestic and international sustainability standards with a systematic approach, the Company mapped its business, products & services, value chain, and industry characteristics. This helped provide a comprehensive understanding of the external environment and internal connections related to the Company's sustainable development.

Establish the List of Issues

Based on actual operations and internal & external stakeholder engagement, and benchmarking against industry leaders, Shanshan Technology identified, screened, and defined the relevant sustainability issues. A total of 25 issues were identified, with an in-depth analysis of their actual & potential impacts, risks, and opportunities.

Materiality Assessment

Based on industry trends and authoritative research, the Company conducted a double materiality assessment and ranking of the issues from the dual dimensions of impact materiality and financial materiality to build a materiality matrix.

Impact materiality assessment: Through position responsibility surveys and interviews, the Company evaluated the impact materiality of issues in depth from the perspectives of scale, scope, irreparability, and likelihood.

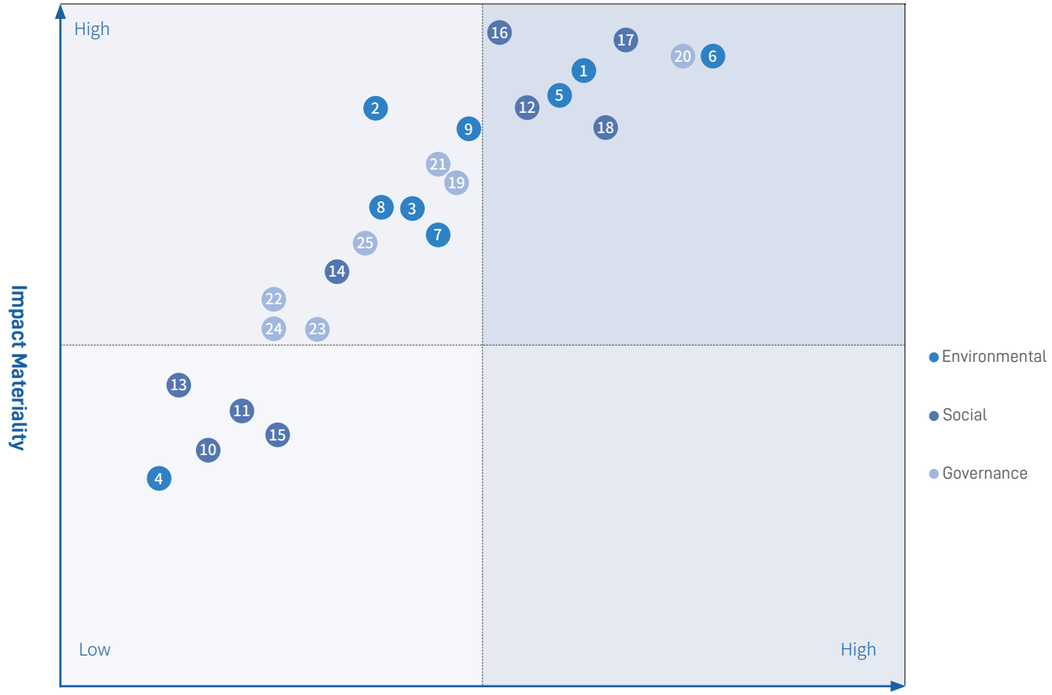
Financial materiality assessment: The Company identified the risks and opportunities that affect or could affect its business operations, financial position, operating results, and cash flows. Then, it determined the integrated results of impact and financial materiality based on the likelihood of these financial impacts.

Review and Disclosure

The core issues confirmed through the double materiality assessment were submitted to the Senior Management for review and approval. This ensures that highly material issues are prioritized for disclosure within the reporting period.

Assessment Results

In 2025, the Company identified a total of 8 issues with double materiality, 12 issues with impact materiality only, and 5 issues with neither financial nor impact materiality. The relevant chapters of this Report disclose 8 double materiality issues based on the four-element framework of "Governance - Strategy - Impact, Risk and Opportunity Management - Metrics and Targets".



Core issues	1 Climate change response	12 Innovation-driven development	18 Occupational health and safety
	5 Environmental compliance management	16 Product and service safety and quality	20 Compliance and risk management
	6 Energy utilization	17 Employees	
Medium materiality issues	2 Pollutant emissions	9 Chemical safety	22 Anti-commercial bribery and anti-corruption
	3 Waste disposal	14 Supply chain management	23 Anti-unfair competition
	7 Water resource utilization	19 Corporate governance	24 Due diligence
	8 Circular economy	21 Information security and privacy protection	25 Stakeholder engagement
Moderate materiality issues	4 Ecosystem and biodiversity protection	13 Technology ethics	
	10 Rural revitalization	15 Equal treatment of SMEs	
	11 Social contribution		

Stakeholder Engagement

The Company has established a sound ESG information communication mechanism to maintain ongoing dialogue with stakeholders. Through ESG reports and other channels, it promptly shares the progress and achievements of its ESG management to our stakeholders. At the same time, it extensively gathers feedback and suggestions from stakeholders through multiple channels, utilizing them as a crucial basis for the continuous improvement of its ESG initiatives.

Stakeholders	Expectations and Demands	Responses and Measures
Governments and regulatory bodies	Alignment with national development strategies Lawful and compliant operation Payment of taxes in accordance with the law Prevention of operational risks	Internal control systems In-depth study and implementation of regulatory requirements Active cooperation with regulatory departments Compliant operation and fair competition Information disclosure
Shareholders and investors	Sustainable profitability Standardized corporate governance Disclosure of operational information Asset preservation, appreciation, and return on investment	Regular and ad hoc reports Investor surveys, emails, and telephones Official website announcements
Employees	Protection of fundamental employee rights Complete career development systems Competitive compensation and benefits Healthy and safe workplaces	Employee satisfaction surveys Questionnaires on material issues Complaint channels Labor unions Staff training Staff activities
Clients	Green and high-quality products After-sales service	Innovative R&D design Product compliance certifications Product quality control High-quality and efficient service Customer satisfaction surveys Customer audits
Suppliers	Fair, high-quality procurement Green procurement Friendly cooperation in good faith	Supplier evaluations Supplier communication and training Open procurement Resource sharing
Partners	R&D innovation Industry upgrading Industry collaboration	Active mutual visits and exchanges Participation in industry forums and standard-setting
Communities & the public	Social welfare	Charity activities Environmental activities Company website, WeChat official accounts Communication and feedback

02 Using Governance as the Foundation for Steady and Sustainable Growth

Shanshan Technology has established robust internal management and control systems. By continuously advancing corporate governance initiatives, it promotes standardized operations and enhances governance capabilities, thereby laying a solid foundation for its stable development.

Responding to the United Nations Sustainable Development Goals (UN SDGs)

Standardizing Corporate Governance

In strict compliance with the laws and regulations such as *the Company Law of the People's Republic of China* and other regulatory requirements, the Company, as a controlled subsidiary of Shanshan (a listed company), has aligned its governance system with the parent company's unified governance framework. It has also established an internal governance mechanism characterized by well-defined rights & responsibilities and standardized operations. Its major corporate matters have been legally approved by the shareholder, Shanshan; while its daily operations and management have followed the authorization system of the Group's Board of Directors. Besides, the Company has adopted the Chairman accountability system and the collective decision-making mechanism of the management. Meanwhile, it has established robust internal control and oversight mechanisms, strictly enforcing Group's supervision requirements and standardizing operation and management procedures. An open and transparent management approach has been adopted by the Company to effectively ensure fairness and rational governance decisions.

Compliance and Risk Management

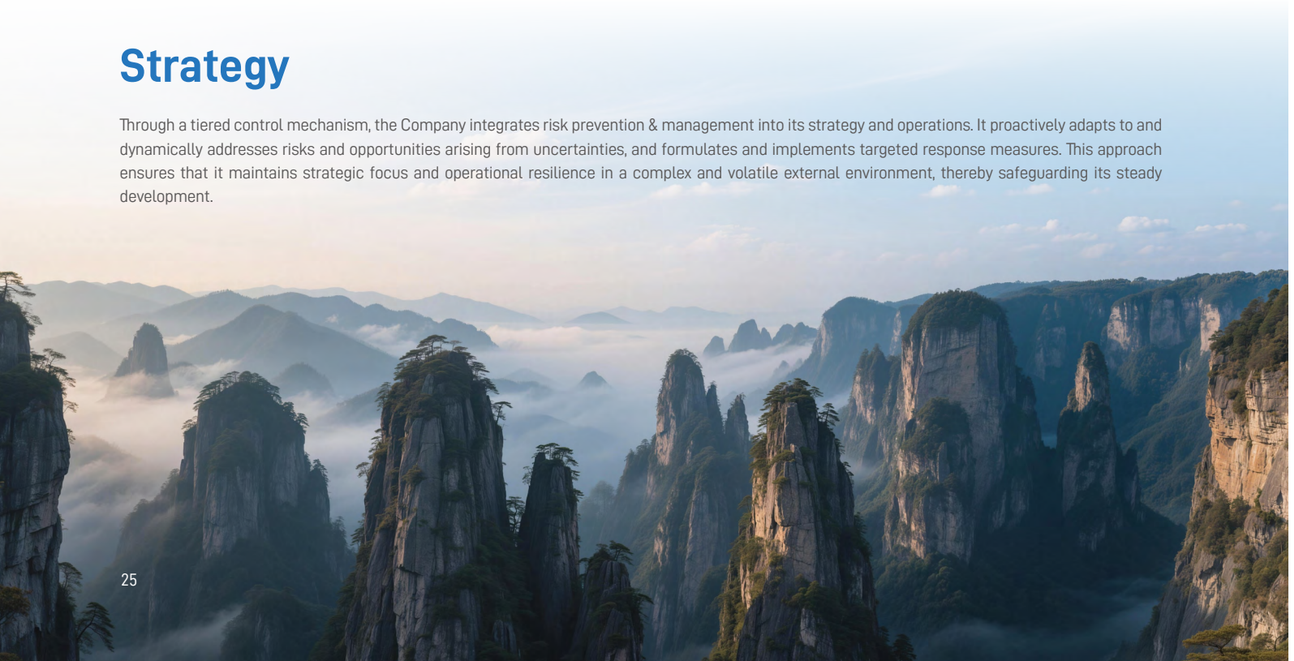
Based on the *Enterprise Risk Management Framework* (COSO 2017), the Company has established and strengthened its comprehensive risk management and internal control systems, providing a solid procedural safeguard for achieving strategic objectives. In 2025, it recorded zero major legal or regulatory violations.

Governance

The Company operates under a three-level governance structure, namely, "top-level decision-making, professional management, and frontline execution". The Chairman of the Board of Directors serves as the Chief Officer of Internal Control, assisted by the Assistant President (overseeing legal, financial, and internal control affairs) as the Executive in Charge of Internal Control. As the principal person in charge of internal control affairs, the Director of Internal Control takes the lead in coordinating the development of internal control systems, risk assessment, supervision & inspection, rectification follow-up and report management. This leader also organizes internal control personnel development and team building to ensure the effective operation of the Company's internal control system. In terms of base management, this official leads regular internal control inspections and risk assessments of core business cycles at each base. The measures include supervising the implementation of compliance requirements, addressing management weaknesses, and driving initiatives such as conflict-of-interest declarations and risk asset management. These efforts continuously enhance operational compliance and risk management across all bases, underpinning the Company's sustainable development with a robust internal control framework.

Strategy

Through a tiered control mechanism, the Company integrates risk prevention & management into its strategy and operations. It proactively adapts to and dynamically addresses risks and opportunities arising from uncertainties, and formulates and implements targeted response measures. This approach ensures that it maintains strategic focus and operational resilience in a complex and volatile external environment, thereby safeguarding its steady development.



Risk/Opportunity Type	Description	Financial Impact
Compliance risks	Tightening regulations (e.g., carbon tariffs, supply chain due diligence) demand ongoing resources to build localized compliance frameworks.	Compliance costs ↑
Technological iteration risks	Uncertainty surrounding next-generation technologies (such as solid-state batteries) may lead to misalignment in R&D directions, thereby jeopardizing technological leadership.	Sunk R&D costs ↑ Market share ↓
Supply chain disruption risks	Geopolitics and raw material concentration threaten continuous production and order delivery across global sites.	Operating costs ↑ Operating income ↓
Opportunities to improve decision-making quality	Integration of early risk insights into strategic investment and capacity planning drives smarter decisions and higher resource efficiency.	Return on investment ↑ Operating costs ↓
Opportunities to build green competitive advantages	Early adoption of carbon footprint management and green electricity meets procurement standards of global clients to capture high-value orders.	Operating income ↑ Brand premium ↑

Risk and Opportunity Management

Impact, Risk and Opportunity Management

Risk Management

The Company has established a comprehensive risk prevention and control system. Through regular internal control reviews, the General Manager's suggestion box, supply chain compliance audits, and end-to-end business process analyses, it identifies risk factors across all links, including the supply chain, work safety, product quality, and regulatory compliance. These risks are subsequently analyzed and controlled to drive continuous improvement in risk governance effectiveness.

Risk Management Process

- A unified management risk assessment team is formed to evaluate all risks across all business operations.
- Management risk assessments are conducted at least annually. They are chaired by the Executive in Charge of Internal Control and convened by the Director of the Internal Control Department.
- Experienced external experts are engaged to participate in the management risk assessments.
- The Internal Control Department evaluates the applicability of existing policies annually and submits its findings to the General Manager's Office Meeting for discussion on potential revisions.

Case | Strengthening the Risk Management Defense Line

In 2025, the Inner Mongolia Integrated Base, in accordance with policies including the *Management Risk Assessment* and the *Internal Control Investigation* and Inspection, initiated a multi-channel approach led by the Internal Control Department to dynamically identify business risks. This was achieved through routine inspections, internal control evaluations, and the General Manager's suggestion box. The Base conducted targeted assessments focusing on high-risk positions and suppliers, thereby strengthening compliance oversight at critical business nodes and effectively enhancing early risk warning capabilities.

Internal Control

The Company has built a closed-loop internal control management system. By standardizing internal control management, conducting internal investigations, enforcing accountability mechanisms, and providing targeted training, it enhances employees' risk awareness and mitigates all operational risks. Besides, it continuously optimizes internal control processes and refines accountability frameworks to foster an integrity-driven and efficient management team, providing a solid foundation for its steady operations

Management risk assessment	Business departments led annual risk assessments across all business cycles to identify management vulnerabilities caused by changes in the internal and external environment. This provided a basis for revising policies and enhancing the foresight of risk control.
Risk asset management	The Company executed targeted disposal plans for risk assets as scheduled, monitored asset quality, and implemented timely stop-loss measures to safeguard the security and integrity of corporate assets.
Internal control investigations and inspections	The Company coordinated with the higher-level authorities and regulators on investigations while conducting high-frequency self-inspections of core businesses. It proactively identified policy execution deviations and management weaknesses, ensuring that the internal control system remains continuously effective in daily operations.
Tracking internal control investigatioan/ inspection results	The Company continuously monitored the implementation of corrective actions for identified weaknesses. This formed a management closed-loop of "identifying issues - resolving issues - providing feedback" to prevent recurrence of issues.
Conflict of interest investigations	The Company conducted annual declarations and reviews on conflict of interest for management personnel and employees in sensitive positions to mitigate corruption or related-party transaction risks arising from the intersection of personal and corporate interests.
Issuing internal control work reports	The Company reported internal control progress and corporate status to higher-level authorities and regulators on a weekly, semi-annual, and annual basis. This established a regular communication mechanism, providing timely and accurate information to support decision-making from the management team.
Internal control documentation management	Dedicated personnel were designated to file and preserve documents such as internal policies, inspection records and rectification evidence. They maintained a complete chain of implementation evidence to meet compliance and audit requirements and ensure traceability.

Key Internal Control Initiatives for 2025

Case | Policy Interpretation for a Solid Foundation, Company-wide Compliance for Risk Control

In June 2025, Sichuan Shanshan conducted internal control training for 27 employees from relevant departments, focusing on the key updates to the internal control policies 2025. The training provided detailed explanations of over 200 revision items across more than 50 internal control management policies. This ensured that employees accurately grasped the key updates, effectively avoiding process risks caused by misinterpretation of policies, and laying a solid foundation for effective policy implementation.

Regular Audits

During routine and specialized audits, the Company implements dedicated audit procedures targeting business ethics issues, such as anti-fraud, related-party relationships, employee business ethics, and supplier management & evaluation.

Metrics and Targets

In 2025, the Company completed a total of 29 audits or specialized inspections. These included 13 routine audits, 5 specialized inspections, and 11 infrastructure audits, covering the Company and its 8 subordinate production bases.

Adherence to Business Ethics

The Company has formulated and issued a series of policies, including *the Anti-Corruption Policy* and *the Code of Business Ethics*. By establishing a dedicated management structure, refining regulatory frameworks, and conducting regular business ethics training, it has fostered a compliant and trustworthy business environment that fully safeguards the rights and interests of stakeholders.

Practice of Business Ethics

The Company strictly complies with laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China* and *the Anti-Monopoly Law of the People's Republic of China*, preventing the risks of commercial bribery and unfair competition on all fronts. Over the past three years, it has recorded no lawsuits or major administrative penalties resulting from unfair competition practices.

Organizational Safeguards

A Code of Business Ethics Committee has been established under the direct leadership of the Chairman. The Committee is fully responsible for promoting integrity across all business units, subsidiaries, and branches of the Company. The Internal Control Department serves as the subordinate body, comprising heads of relevant lower-level departments, to supervise the implementation of *the Code of Business Ethics*. Its duties also include the development of integrity policies and case investigations. Furthermore, integrity supervisors are appointed across all corporate departments. Acting upon the internal control department's plans, these supervisors drive the implementation of integrity systems and the dissemination of an integrity culture throughout the Company.

Policy Refinement

In 2025, building upon existing policies such as the *Special Inspection on Reported Matters* and the *Code of Business Ethics*, the Company introduced three new policies, namely, the *Integrity Standards and Feedback Channel Management*, the *Anti-Corruption Policy*, and the *Anti-Monopoly and Anti-Unfair Competition Regulations*. These policies further detail the feedback channels, handling procedures, and whistleblower protection mechanisms related to anti-commercial bribery, anti-corruption, anti-monopoly, and anti-unfair competition.

Integrity in Operations

The Company has built a full-chain integrity risk prevention and control mechanism focusing on "ex-ante prevention and in-process control". To implement ex-ante prevention, the Company builds solid ideological and institutional defenses. Key measures include integrity screening in the supplier admission process, mandatory *Integrity Commitment Letter* for employees and partners, pre-holiday reminder notifications, and regular anti-corruption training. For in-process control, the Company conducts targeted risk assessments focusing on suppliers, major projects, and key processes. Integrity and compliance requirements are strictly embedded into core policies and approval workflows (such as procurement, bidding, and business entertainment), achieving precise risk identification and rigid process control. Over the past three years, the Company has not recorded any confirmed cases of commercial bribery or corruption, nor has it imposed any disciplinary sanctions or dismissals on its employees, or terminated or failed to renew contracts with its partners. It has also achieved a 100% signing rate of the *Integrity Commitment Letter* among its employees and suppliers.

Complaint and Reporting Management

The Company has formulated and issued the *Special Supervision on Reported Matters*. By establishing multiple reporting channels (including telephone, email addresses, physical addresses, the official website's reporting portals, and WeChat), it proactively accepts oversight from internal and external stakeholders regarding suspected bribery, corruption, and other violations. In 2025, it recorded no reported cases involving violations of business ethics or major illegal or regulatory incidents.

The Company has established a rapid response and independent investigation mechanism for complaints. It processes complaints and reports in a strict standard, enforces confidentiality management, and implements anti-retaliation measures. These measures ensure that every report is investigated, receives feedback, and leads to rectification. Furthermore, according to *the Special Inspection on Reported Matters*, supervisory personnel are required to maintain strict confidentiality regarding the personal information of whistleblowers and witnesses, as well as the materials provided, during the acceptance, registration, verification, and evaluation stages. Besides, they are required to take strict precautions against disclosure and loss to ensure that whistleblowers are protected from retaliation. In 2025, the Company recorded no reported cases of business ethics violations or major legal or regulatory violations.

Reporting and Handling Procedure

Development of an Integrity Culture

The Company regularly conducts integrity training and awareness campaigns. Additionally, it provides business ethics standard training and assessments for Board members and all employees to continuously enhance and consolidate their awareness and capability to comply with business ethics standards.

Annual Key Performance

- Anti-commercial bribery and anti-corruption training: **0.83** hours per capita
- Anti-corruption and anti-monopoly training (Senior Management): **18** attendances
- Anti-corruption and anti-monopoly training (Middle Management, including Assistant Department Directors and above): **73** attendances
- Anti-corruption and anti-monopoly training (general employees): **5,089** attendances
- Percentage of employees who have received business ethics training: **63**%

Case | Dedicated Business Ethics Training

In September 2025, the Company launched a comprehensive business ethics training program for middle and senior management. The program covered major production bases, including Sichuan Shanshan, Ningbo Shanshan Silicon-Based, and Chenzhou Shanshan. The training focused on corporate ethical values, the *Code of Business Ethics*, specific responsibilities of management personnel, and supervision & management. This further strengthened the compliance management effectiveness and sense of responsibility within the management team.

In August 2025, Sichuan Shanshan Launched the Integrity Culture and Striver Culture Theme Month to Foster a Clean, Upright and Aspirational Corporate Culture

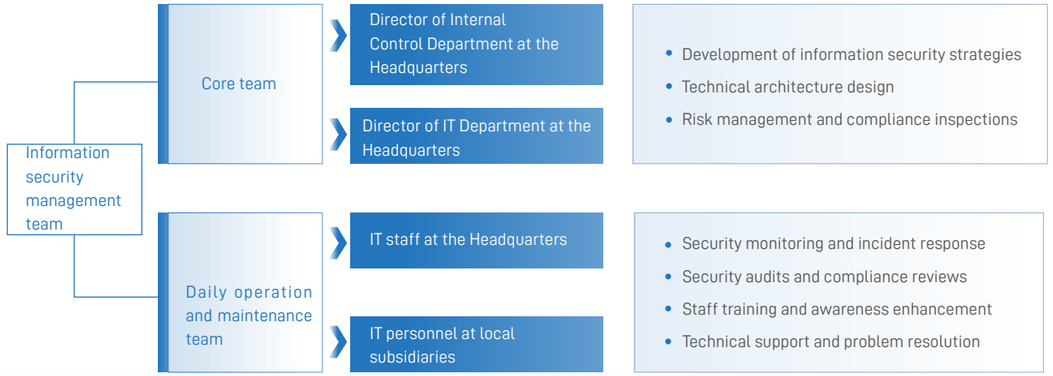
Information Security and Privacy Protection

By building a systematic, institutionalized, and company-wide information security protection system, the Company safeguards its core data assets and customer privacy, facilitating sustainable business development and digital transformation.

Information Security Management Mechanism

Information Security Management Structure

The Company has established an information security management team comprising certain members from the IT Department and the Internal Control Department. This team is responsible for coordinating and ensuring the security and compliance of data assets. Covering all stages of the data lifecycle (including collection, storage, processing, and transmission), the team strictly complies with relevant laws and regulations to fortify the information security defense line.



Organizational Chart of Information Security Management

Information Security Management System

The Company has continuously refined its information security policy framework. In terms of specific controls, it has formulated policies for information and physical zone security, detailing management rules for user accounts, physical access, and removable storage. Regarding emergencies and disciplinary actions, it has clarified security incident handling procedures and reward/penalty standards. For technical management, it has enforced full-lifecycle security controls covering information system access, development, modification, and maintenance.

In 2025, the Company and six of its production bases were successfully certified to the ISO/IEC 27001:2022 Information Security Management System. The certification scope covers information security management activities related to the R&D of lithium-ion battery anode materials, marking the Company's information security management in compliance with international standards.

Data Security and Privacy Protection

The Company synergizes efforts across multiple dimensions (including technical safeguards, personnel management, risk assessment, and emergency response) to embed information security and privacy protection requirements throughout the entire business process. Over the past three years, it has recorded no information security incidents or customer privacy breaches, and has incurred no related financial expenditures.

Endpoint and network security	Encrypted encryption software is installed on office computers to block unauthorized file sharing/screenshots. Firewalls and antivirus systems are upgraded to intercept network threats in real time. Besides, weekly security inspections are conducted on core equipment such as servers and switches to ensure stable operations.
Data security safeguards	An off-machine backup mechanism is established for core business systems, with monthly backup status checks and quarterly recovery tests to ensure data integrity. Tiered encryption is applied for R&D and sensitive customer data. Besides, USBs and internet access are disabled on computers used for confidential projects to prevent leaks.
Physical zone access control	Dedicated zones for processing sensitive customer data and for production are established. Sensitive areas are secured with multi-factor authentication (MFA) and 180-day continuous CCTV. Production areas are equipped with dual backup and dual-power supplies to ensure uninterrupted production and secure data storage.

Standardized Corporate Information Security Management

Case I Company-wide Security Training to Strengthen Employee Awareness

In April 2025, under the theme "Safeguarding Industrial Interconnectivity", the Company enhanced the security awareness of all employees through professional knowledge sharing and the analysis of real-world cases. Following the training, the number of proactively reported potential risks by employees increased by 60% compared to the previous year, with zero security incidents caused by improper operations.

Case I Strengthening Emergency Coordination to Enhance Information Security Capabilities

In October 2025, the Company conducted an information security emergency drill simulating a virus intrusion scenario. The coordinated drill covered key stages including anomaly reporting, emergency response, risk response, and system recovery. Through measures such as network isolation and virus eradication, the risks were effectively controlled. This exercise improved employees' security awareness and emergency response capabilities, further reinforcing the Company's overall information security protection level.

Annual Key Performance

- The Company conducted a total of **14** training sessions for data security and customer privacy protection, with a total of **14** related emergency drills executed.

03 Adopting Green-Powered Lithium-ion Batteries, to Paint a Sustainable Ecological Future

Against the backdrop of the rapid development of the global new energy industry, Shanshan Technology, as a core enterprise in the lithium-ion battery materials sector, is driving its evolution toward a more environmentally friendly and sustainable future through continuous green technology innovation and environmental management practices.

Responding to the United Nations Sustainable Development Goals (UN SDGs)

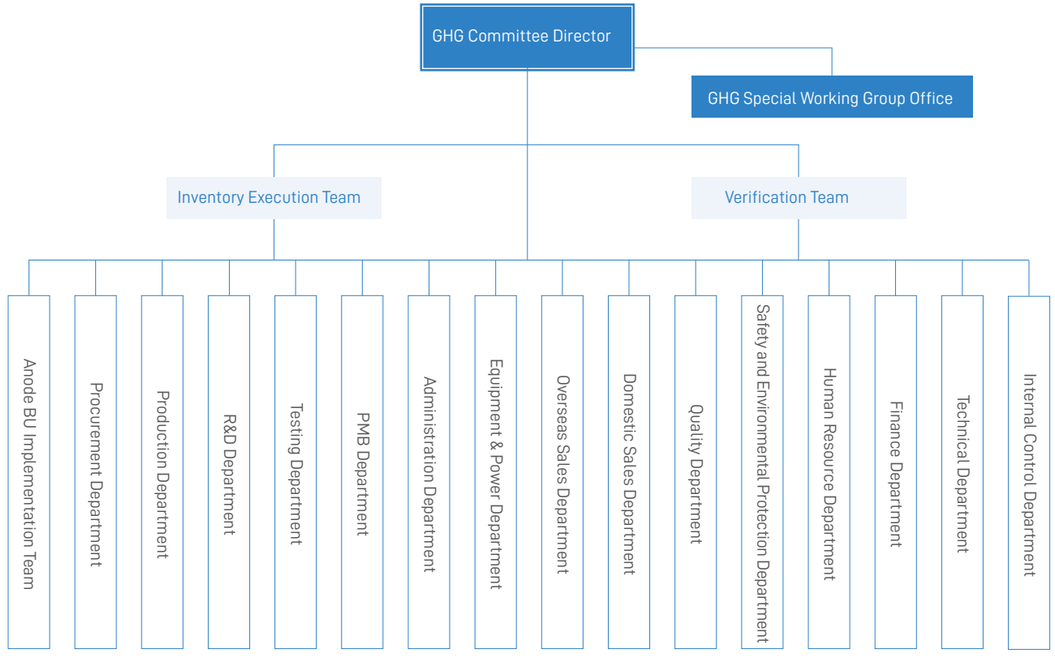
Climate Change Response

The Company actively responds to global climate change challenges by establishing a climate action framework that covers governance, strategy, risk management, and indicator systems. It commits to "dual carbon" goals and advances its application for the Science Based Targets initiative (SBTi), continuously promoting the low-carbon transformation of its operations and value chain.

Governance

The Company has built a three-level climate change governance structure featuring "decision-making coordinated by the Sustainability (ESG) Management Committee, collaborative management by the ESG Department and the Board Office, and execution implemented by the Special Working Group for Climate Change Response". This structure clearly defines the division of responsibilities, information flow, and supervision and assessment mechanisms at all levels.

The ESG Department takes the lead in formulating carbon emission management policies and targets. It has established a cross-base accounting team to unify internal accounting procedures. It has also independently developed an AI carbon footprint calculation tool, and built a carbon emission and green electricity management database. Besides, it has regularly conducted performance evaluations and continuously optimized management measures, using data to underpin the low-carbon transition. Meanwhile, GHG inventory implementation committees have been set up across all bases of the Company to coordinate carbon emission management and reduction efforts. Under these committees, special working groups are responsible for carbon accounting, verification, and supervision, collaboratively driving the implementation of the "dual carbon" goals.



Strategy

Based on its industry and operational characteristics, the Company identifies and assesses climate-related risks, potential opportunities, and environmental impact factors within its operations with a systematic approach. By establishing a carbon emission accounting system, increasing the share of clean energy consumption, and integrating climate issues into routine management, it standardizes carbon information disclosure via the CDP climate change rating platform, thereby continuously enhancing the transparency and management resilience of its climate actions.

Impact Analysis and Response Measures for Climate Change Response

Risk/ Opportunity Category	Risk/Opportunity Description	Potential Impacts			Response Measures
		Time Horizon	Value Chain Segment	Financial Impact Description	
Physical risks					
Acute risks	The increased frequency and intensity of extreme weather events, such as typhoons, high temperatures, rainstorms, and floods, may lead to asset depreciation, supply chain disruptions, equipment damage, obstructed employee commutes, and potential threats to the working environment and occupational health of frontline staff, thereby affecting normal production and operations.	Short-term	Upstream Downstream Own operations	Operating income ↓ Operating costs ↑ Impairment of assets	The Company formulated management policies such as environmental emergency response plans to minimize losses caused by natural disasters; All production bases of the Company are located within industrial zones, with site selection prioritizing the avoidance of ecologically sensitive areas and regions prone to extreme weather events. The Company monitored suppliers' delivery routes and weather conditions along the routes, and implemented a multi-regional backup supply mechanism for key raw materials to mitigate the risk of supply chain disruptions caused by extreme weather events. The Company assigned dedicated personnel for the routine maintenance and operation of dust removal and ventilation facilities to prevent risks that may affect employee health and safety.
Chronic risks	As climate anomalies such as global warming, sea-level rise, and changes in precipitation patterns may exacerbate constraints on hydropower and water resources, the Company may face sustained upward pressure on the costs of production factors, impacting operational stability.	Medium to long-term	Upstream Own operations	Operating costs ↑ Impairment of assets	Circulating water storage towers were installed at all production bases; The Shanshan Anode Sichuan Factory redirected circulating water from the graphitization process to the desulfurization system for secondary use, effectively reducing water consumption; The Company constructed photovoltaic (PV) facilities at the premises of Ningbo Shanshan Silicon-based and Chenzhou Shanshan, and enabled direct PV power supply to charging piles at certain bases, continuously improving the self-sufficiency rate of green electricity; The Company optimized carbonization process parameters to shorten the carbonization cycle and increase the daily average capacity per production line, thereby reducing resource consumption per unit of product.
Transition risks					
Policy risks	The continuous advancement of the national "dual carbon" strategy and increasingly stringent climate-related regulatory requirements, such as the EU Battery Regulation, impose higher demands on the Company's product carbon footprint management and compliance capabilities.	Short to medium-term	Upstream Downstream Own operations	Compliance costs ↑	The Company continuously monitored policy and regulatory changes in operational regions and sales markets, and established a robust institutional framework and safeguard mechanisms; The Company integrated environmental concepts throughout R&D, production, packaging, and logistics. It also enhanced policy compliance capabilities through green process innovation and energy efficiency improvements; The Company increased the procurement proportion of green electricity and phased out fossil-fuel equipment to reduce fossil fuel consumption, proactively preparing for tightening policy requirements such as carbon taxes; The Company monitored and optimized emission hotspots and conducted sound GHG inventories. It also formulated comprehensive emission lists and improved the quality of data disclosure; The Company established a carbon footprint accounting system and developed a carbon footprint calculator mini-program to advance carbon inventories and carbon footprint accounting across the product life cycle, enhancing overall GHG emission management capabilities; The Company organized training on enhancing carbon inventory and product carbon accounting capabilities for base employees to ensure accurate and standardized data accounting.

Risk/Opportunity Category	Risk/Opportunity Description	Potential Impacts			Response Measures
		Time Horizon	Value Chain Segment	Financial Impact Description	
Technology risks	The accelerated iteration of low-carbon technologies poses a risk. Failure to promptly identify and apply green and low-carbon technologies, or lagging in R&D, may lead to a decline in product competitiveness. Additionally, the upgrading and retrofitting of existing energy-intensive production equipment and processes require significant capital and time investments.	Medium to long-term	Upstream Downstream Own operations	Capital expenditure ↑ Operating costs ↑	The Company focused on energy-saving production processes, new energy material applications, and recycling technologies. It also accelerated the implementation of low-carbon technologies and drove the low-carbon transformation of production through an "Industry-University-Research-Application" collaborative innovation model. The Company advanced graphitization process improvements to achieve a continuous decline in energy consumption per unit of product with measures such as increasing loading capacity and shortening heating times. At the same time, it promoted equipment upscaling and automated material handling to reduce material loss. The Company conducted Product Life Cycle Assessments (LCA) and focused on R&D projects for low-energy and carbon-reducing products, achieving significantly lower energy consumption compared to traditional technologies. The Company built a diversified product portfolio covering artificial graphite, silicon-based anodes, and hard carbon to effectively disperse the risks of technological shifts and precisely respond to the differentiated needs of global customers.
Market risks	Lagging carbon reduction efforts across the value chain may jeopardize customer partnerships and market access.	Short to medium-term	Upstream Downstream Own operations	Operating costs ↑	The Company established a sustainable supply chain system and a full-process environmental risk management framework, clarifying responsibilities and policies at all levels, and ensuring company-wide participation through routine training; The Company strictly enforced full-chain compliance control mechanisms, and obtained and continuously improved environment and energy management system certifications to enhance external recognition of its environmental management; The Company collaborated with upstream and downstream suppliers to conduct carbon footprint accounting, driving the optimization of raw material quality and the reduction of material consumption to achieve low-carbon development across the entire value chain; The Company implemented full-process control over hazardous waste, solid waste, waste gas, wastewater, and noise. It also entrusted certified suppliers for disposal and maintained traceable records to ensure environmental compliance at the end of the value chain; The Company actively developed green, low-carbon products and services to meet customers' ESG requirements for suppliers and product delivery.
Reputation risks	Opaque carbon emission data disclosure, environmental violations, unfulfilled low-carbon commitments, or poor ESG ratings may trigger negative feedback from stakeholders such as customers and the public, damaging brand image and market trust.	Short-term	Upstream Downstream	Compliance costs ↑ Operating income ↓	The Company participated in EcoVadis and CDP rating disclosures, and formulated improvement plans targeting rating weaknesses to ensure the sound and transparent goal setting, thereby responding to customer and market demands for low-carbon transparency; The Company published Chinese and English versions of the ESG reports and obtained third-party assurance statements to enhance customer trust.
Transition opportunities					
Market opportunities	The growing demand for energy conservation and emission reduction in the global new energy vehicle (NEV) and energy storage markets is driving a continuous increase in the demand for low-carbon products.	Medium to long-term	Upstream Downstream	Operating income ↑ Assets value ↑	The Company developed sustainable and eco-friendly low-carbon materials, ensuring compliance with EU standards such as the *Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment* and the *Registration, Evaluation, Authorization and Restriction of Chemicals* to meet market access requirements for green products from global customers; The Company deepened overseas strategic partnerships by co-building a localized supply chain in Europe with Imerys, a French multinational company. It jointly developed a project for natural graphite anode materials in Morocco to respond to the low-carbon supply chain demands of overseas markets;
Market opportunities	The growing demand for energy conservation and emission reduction in the global new energy vehicle (NEV) and energy storage markets is driving a continuous increase in the demand for low-carbon products.	Medium to long-term	Upstream Downstream	Operating income ↑ Assets value ↑	The Company participated in the pilot projects for national carbon footprint accounting of two domestic customers, deepening customer collaboration and seizing the early-mover advantage in the low-carbon product market; The Company expanded low-carbon product capacity and advanced upgrading projects for production efficiency, with a focus on securing the supply of low-carbon products; The Company participated in the China International Battery Fair (CIBF 2025) to showcase core low-carbon products featuring ultra-fast charging and ultra-long cycle life, attracting customer partnerships.
Energy transition	Increased green electricity supply and market-oriented power pricing reforms create room for the Company to reduce energy costs and enhance the low-carbon competitiveness of its products by decreasing fossil fuel consumption and increasing the proportion of clean energy usage.	Short to medium-term	Upstream Downstream	Operating income ↑ Energy costs ↓	The Company formulated overarching green energy targets and annual factory-level goals based on the conditions of each production base, and established and maintained robust systems for carbon emission and green electricity management; The Company advanced energy management system certifications across all bases. To be specific, it improved energy efficiency, continuously optimized the energy consumption structure, and reduced the use of fossil fuels; The Company managed the procurement and usage of green energy by tracking green electricity market dynamics and prioritizing green electricity when signing annual Power Purchase Agreements (PPAs).
Efficient resource management	Improvements in natural resource utilization efficiency reduces the ecological burden. Intensified circular economy practices, through packaging recycling, waste resource utilization, and energy efficiency management, lowers raw material and energy costs, thereby enhancing corporate profitability.	Short to medium-term	Upstream Downstream Own operations	Operating income ↑ Manufacturing cost of products ↓	The Company incorporated renewable materials into production and packaging supplies, enhancing the green and eco-friendly attributes of products while ensuring product quality; The Company implemented green retrofits, such as carbonized exhaust gas purification and waste heat recovery, to reduce pollutants and greenhouse gas emissions during production; The Company established a circular economy management system, specifying requirements for the recycling and reuse of pallets. Pallet sharing and reuse were implemented across all bases; The Company optimized green logistics by prioritizing railway transport for raw material transportation. The Sichuan and Yunnan bases have successfully switched multiple routes to rail-road intermodal transport; The Company advanced waste heat recovery projects. The Yunnan, Qingshan, and Ningbo factories recovered compression heat from air compressors for residential heating and hot water supply, significantly reducing electric heating consumption; The Company cultivated the capabilities of personnel in the Process & Equipment Department and the Safety and Environmental Protection Department, and strengthened the routine inspection, maintenance, and upkeep of environmental protection equipment to ensure its long-term, stable operation.
Opportunities to enhance climate resilience	A climate-resilient production system may reduce operational risks posed by extreme weather events and policy changes, enhancing the long-term stability of the enterprise.	Medium to long-term	Own operations	Operating costs ↓	The Company developed and implemented emergency response plans for natural disasters and climate change, and conducted emergency capacity-building activities to enhance operational stability; The Company optimized the layout of production bases and advanced the coverage of full-process operations, including milling, modification, and graphitization, at Yunnan and Sichuan bases, etc., to reduce climate risks associated with cross-regional transportation; The Company established a Sustainability (ESG) Management Committee, and a Special Working Group for Climate Neutrality to coordinate and promote efforts to enhance climate resilience.

Impact, Opportunity and Risk Management

The Company identifies, assesses, and manages climate-related risks with a systematic approach. By defining key tasks and action pathways, it continuously enhances climate resilience to facilitate the achievement of the carbon peaking and carbon neutrality goals. These efforts are driven by a multi-pronged approach, namely, improving climate governance systems, optimizing production layouts and emergency response systems, advancing green process and technological innovation, implementing full life cycle eco-design, building a green and low-carbon supply chain, and optimizing energy structures along with resource circulation.

Identification of risks and opportunities

Coordinated by the ESG Committee, the Company identifies climate-related impacts, risks, and opportunities using an assessment. The assessment is tailored to the production processes, energy mixes, and emission source characteristics of all its production bases, covering factors such as regulatory changes, energy transition, technological advancements, and extreme climate events.

Risk assessment

Led by the management team, identified climate-related risks and opportunities are evaluated based on their timeframe, likelihood of occurrence, and potential operational and financial impacts. This process clarifies priorities and key control areas.

Risk response

Executed by the execution level, targeted management measures are formulated based on assessment results. Measures include advancement of energy mix optimization, energy conservation & emission reduction, carbon emission management, and green supply chain development, aiming to mitigate climate risk impacts and seize low-carbon development opportunities.

Monitoring and improvement

Through mechanisms such as greenhouse gas inventories, internal supervisions & inspections, and performance evaluations, the Company continuously tracks the implementation of relevant measures. Regular reviews and optimizations are conducted to drive the iterative enhancement of climate-related management practices.

Metrics and Targets

Aligned with its development strategy, the Company has set carbon reduction targets using 2023 as the base year. These targets are cascaded down to individual production bases to establish a medium-to-long-term decarbonization and sustainability pathway covering the entire production and operations process. In 2025, the proportion of its clean energy usage increased to 72.61%, contributing to the development of a green, low-carbon energy system.

The Company has established a routine greenhouse gas (GHG) verification mechanism. On an annual basis, it has compiled the ISO 14064 GHG inventory verification manuals, reports, and third-party verifications to steadily enhance the standardization and data transparency of carbon emission management. In 2025, its total GHG emissions were 4,258,241.55 tCO_2e, with a GHG emission intensity of 419.60 tCO_2e per CNY 1 million in revenue. Its total GHG emission reduction amounted to 1,628,371.77 tCO_2e.

GHG Emissions	Unit	Scope	2025
Scope 1	tCO_2e	All mass-production factories	16,893.65
Scope 2 (location-based)	tCO_2e	All mass-production factories	2,059,860.59
Scope 2(market-based)	tCO_2e	All mass-production factories	945,555.95
Scope 3	tCO_2e	All mass-production factories	3,295,791.95

Greenhouse Gas Emissions

Annual Key Performance

- The Company completed organizational carbon inventories for **7** mass-production factories.
- The Company conducted carbon accounting for **26** internal and external products and supported the development of **3** low-carbon products.
- The Company newly obtained ISO 14067 Product Carbon Footprint Certificates for **1** product. Additionally, **7** factories newly acquired ISO 14064 GHG verification certifications.
- Green Factory certifications obtained: **4** at provincial level, **2** at municipal level and **1** at district level.

Annual Honors

Ningbo Shanshan was recognized as a Green and Low-Carbon Factory of Zhejiang Province.
Shanshan Anode Qingshan Factory and Shanshan Anode Jiuyuan Factory were awarded the title of "Green Manufacturing Demonstration Enterprise of Inner Mongolia Autonomous Region".

Future Targets

Based on 2023 levels, reduce emissions by 3% year on year.

Achieve operational carbon neutrality (Scope 1 and Scope 2) by 2050.

Achieve value chain carbon neutrality (Scope 1, Scope 2 and Scope 3) by 2060.

Environmental Compliance Management

The Company strictly complies with *the Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations. It is committed to building a comprehensive and efficient environmental management system (EMS) to further standardize and enhance the transparency of its environmental management requirements and measures.

Governance

The Company has established a three-level environmental governance structure comprising the "decision-making level, management level, and execution level". The Work Safety Committee serves as the highest decision-making body for environmental management, responsible for formulating environmental management policies, strategic guidelines, and objectives. The Safety and Environmental Protection Department acts as the dedicated management function, supervising policy implementation, risk control, daily monitoring, and performance evaluation. Furthermore, a work safety committee is set up at each production base to execute specific environmental management responsibilities, creating a company-wide collaborative environmental management system.

The Company has developed a robust environmental management system. This system includes the *Environmental Management Regulations*, the *Specification for the Control of Environmentally Managed Substances*, the *Environmental Post Responsibility System*, and the *Environmental Risk Screening and Hazard Rectification System*. These documents clarify end-to-end management requirements, from identifying environmental factors and controlling risks to treating pollutants. Additionally, the Company issued the *Document on the Identification and Control of Hazardous Substances* to standardize the management of hazardous substances in its products, ensuring systematic, standardized environmental efforts.

In 2025, the Company continued to explore pathways for environmental compliance and green development in the industry. It consistently promoted ISO 14001 Environmental Management System certification across all its production bases, covering comprehensive environmental system documents related to waste gas, wastewater, solid waste, and other aspects. All its factories were successfully certified, leveraging systematic operations to elevate its environmental compliance management.

In accordance with *the Measures for the Administration of the Law-based Disclosure of Environmental Information by Enterprises*, the Company has published its annual environmental information on the unified, intelligent disclosure platform designated by the government. At the same time, all its factories have utilized the specific platform established under the leadership of local governments for disclosure.

Strategy

The Company has strengthened environmental information disclosure and response mechanisms for environmental inspections. It has integrated environmental compliance requirements throughout the entire lifecycle spanning design, production, and testing. Furthermore, it has incorporated environmental criteria into supplier admission and evaluation. This approach ensures the synergy between compliant operations and green development, contributing to the sustainable development of the industry.

Impact, Opportunity and Risk Management

Product Environmental Compliance and Hazardous Substance Control

The Company coordinates internal environmental screenings by conducting group-wide internal audits and facility-level self-audits annually to identify all environmental compliance risks. All its factories commission qualified monitoring agencies on a regular basis to monitor emissions of pollutants such as dust, in accordance with their pollutant discharge permits and national and local regulations. At the same time, by formulating a list of hazardous substances, the Company implements multi-stage controls over incoming raw material testing, production process monitoring, and finished product sampling in accordance with the *Document on the Identification and Control of Hazardous Substances*. It also commissions third-party laboratories for product testing to ensure that hazardous substance content fully complies with regulatory requirements. In 2025, its graphite materials successfully passed multiple batches of REACH, RoHS, and halogen testing and certifications. This ensures that its products meet both EU and domestic market access standards, safeguarding their green attributes through continuous compliance.

Testing Reports for Substances of Very High Concern (RoHS, REACH, and Halogens)

Development of Emergency Response and Compliance Capacity for Environmental Risks

The Company conducts environmental hazard screenings and risk assessments. All its factories formulate emergency response plans for unexpected environmental incidents tailored to their specific operations, clearly defining emergency response procedures and responsibility assignments. Each factory held a minimum of one environmental emergency drill in 2025. Additionally, through a blend of online and offline channels, the Company provided specialized training for environmental management roles on topics such as pollutant emission control standards and hazardous waste disposal processes. This enhanced the compliance control capabilities of key personnel. Meanwhile, it actively supported suppliers' environmental protection initiatives to reinforce foundational compliance awareness.

Case | Conducting Specialized Drills to Strengthen Environmental Safety Defenses

In 2025, Ningbo Shanshan revised documents including the *Emergency Response Plan for Unexpected Environmental Incidents*, the *Environmental Risk Assessment Report*, and the *Report on the Investigation of Environmental Emergency Resources*. Targeting key areas such as warehousing and the testing center, it carried out specialized emergency drills for D11 oil leaks and liquid helium leaks, establishing an environmental compliance management system that covers the entire process from project construction to operations.

Case | Strengthening Environmental Training to Solidify the Compliance Foundation

In 2025, Chenzhou Shanshan focused on the operation of environmental protection facilities and risk prevention & control. To be specific, it conducted specialized training on the responsibility system for waste gas treatment during graphitization and standard operating procedures for desulfurization systems. It also updated its environmental facility management regulations and emergency response plans in parallel, continuously solidifying its capabilities in environmental compliance management and risk prevention & control.

Case | Launching a World Environment Day Training Session to Advance Green Factory Initiatives

In June 2025, Sichuan Shanshan, under the theme of "Pioneering a Beautiful China", organized a special World Environment Day training session led by the Safety and Environmental Protection Department. The session focused on environmental protection concepts and corporate environmental management requirements, guiding employees to practice resource conservation and pollution prevention in their daily operations. This effectively enhanced employees' environmental awareness and management capabilities, driving the implementation of green initiatives across the facility.

Case | Training on "Waste-free Factory" Development to Solidify Green Production Foundations

In June 2025, Ningbo Shanshan held specialized training session on building a "Waste-Free Factory". The session covered the "Waste-Free City" concept, relevant environmental laws and regulations, and corporate environmental management requirements. This further improved employees' understanding of the "Waste-Free Factory" initiative and strengthened their awareness of resource conservation and waste reduction management, facilitating the continuous improvement of the company's green production capabilities.

Ningbo Shanshan Receives the Title of "Waste-Free Factory in Zhejiang Province"

Shanshan Anode Jiuyuan Factory Conducts an Emergency Drill for Unexpected Environmental Incidents

Clean Production

The Company has deeply integrated the concept of clean production into its entire operational process. To be specific, it has continuously increased environmental investments and implemented clean production schemes. In strict accordance with relevant requirements, it has conducted clean production audits. All its factories involved have completed these audits and compiled *the Clean Production Audit Reports*. In these reports, they have identified key nodes of resource consumption and pollutant generation/discharge, tapped into the potential for energy conservation and emission reduction, and continuously driven the implementation and optimization of clean production measures.

Metrics and Targets

Annual Key Performance

- Total investment in environmental management: CNY **24.60** million
- Percentage of employees receiving environment-related training: **100**%
- Percentage of sites that have undergone environmental risk assessments: **100**%
- Major environmental incidents: **None**

Future Targets

Advance the acquisition of "Green Factory" certifications for more bases.

Lean and Green Operations

The Company is deeply committed to green operations and drives its low-carbon transition by using clean energy. It enhances energy efficiency via resource recycling and green logistics, continuously solidifying the foundation for green development.

Energy Management

Governance

The Company complies with laws and regulations such as the *Energy Conservation Law of the People's Republic of China*. Its Headquarters takes the lead in coordinating energy utilization optimization, equipment upgrades, and the research and development of energy-saving technologies. The Headquarters has also formulated institutional documents, including the *Energy Management System Manual*; while all its factories have implemented these standards and established corresponding target-setting and performance management documents. Furthermore, the Company has established a mechanism for monitoring and controlling energy consumption, achieving refined and visualized management of energy data. It has carried out targeted rectifications for abnormal consumption points, providing data-driven support for energy efficiency improvements. Currently, four factories have obtained ISO 50001 Energy Management System certifications, continuously standardizing the end-to-end management of energy procurement, utilization, and monitoring.

ISO 50001 Energy Management System Certificate of Shanshan Anode Qingshan Factory

ISO 50001 Energy Management System Certificate of Yunnan Shanshan

Strategy

The Company is committed to the principles of energy conservation, efficiency enhancement, and green, low-carbon development. It focuses on three key directions, namely, improving energy utilization efficiency, innovating energy-saving technologies, and substituting with clean energy. Through measures such as process optimization, equipment upgrades, and enhanced management, it actively facilitates the realization of its low-carbon development goals.

Impact, Opportunity and Risk Management

The Company proactively manages risks associated with energy price fluctuations and energy supply interruptions, as well as the lagging iteration of energy-saving technologies. It also leverages opportunities such as policy support for renewable energy. Through this green energy transition, it solidifies low-carbon competitiveness.

Key Initiatives in Energy Management

- Energy-saving technological retrofits
- equipment upgrades
- waste heat recovery
- clean energy substitution and application
- energy conservation and optimization in production & operations

The Company has introduced large-scale, high-efficiency production equipment to replace traditional small and medium-sized units. It has compiled a list of energy-saving retrofit projects to upgrade existing production equipment, which reduces comprehensive energy consumption while increasing production capacity. Meanwhile, by optimizing high-temperature carbonization and graphitization processes, it effectively lowers the energy consumption per unit product. It continues to advance the substitution and application of clean energy. Its production energy use is primarily electricity, supplemented by natural gas, with minimal usage of gasoline and diesel.

In 2025, photovoltaic (PV) projects were completed at the Ningbo Shanshan Silicon-based and Chenzhou Shanshan, which were used for auxiliary production power supply and power supply for new energy vehicles. Some factories were equipped with rooftop and carport PV facilities, enabling direct supply of green electricity to charging piles. Additionally, Sichuan Shanshan and Fujian Shanshan advanced the transition to electric transportation, prioritizing electric models for newly purchased forklifts and commercial vehicles to gradually replace diesel forklifts and gasoline-powered commercial vehicles, thereby reducing fossil energy consumption and carbon emissions. In addition, the proportion of green electricity transactions across the Company's factories increased exponentially. The Inner Mongolia and Yunnan factories achieved the highest shares, while the Sichuan factory mainly used hydropower due to regional control measures and was not included in green electricity transactions for the time being.

Case | Waste Heat Recovery for Green Circular Economy

In 2025, Yunnan Shanshan, Ningbo Shanshan, and Shanshan Anode Qingshan Factory established waste heat recovery systems. These systems capture the residual heat from exhaust gas incineration to heat domestic water, which is then supplied to dormitories, canteens, and other facilities. This effectively reduces the energy consumption that would otherwise be generated by electric heating, achieving the cascading utilization of energy.

Case | Digital Empowerment for Lean Energy Management

In 2025, Yunnan Shanshan deployed an online power monitoring system across the entire factory to collect and analyze electricity consumption data in real time, enabling the precise identification of abnormal energy consumption points. At the same time, the company dynamically adjusted equipment operating modes, optimized power factor and participated in grid demand-side response. It also utilized the characteristics of the graphitization process to implement off-peak production.

- Annual power savings: CNY **33** million kWh
- Electricity cost savings: CNY **16.50** million

Case | Development of High-yield Fusion Devices

In 2025, the Process & Equipment Department at the Headquarters developed a novel fusion device. While doubling production capacity with only a marginal increase in total energy consumption, the new device significantly reduces the energy consumption per ton of product. Consequently, when producing the same output, the device demonstrates superior energy efficiency advantages.

Metrics and Targets

Annual Key Performance

- The Company completed the verification and cancellation work of Green Electricity Certificates (GECs) for **100**% green electricity production of products supplied to multiple end customers
- More than **90**% of the Company's production bases met their electricity conservation targets and reduced natural gas consumption.
- Number of energy-saving renovation projects: **9**
- Installed PV capacity: **17.60** MWh

Future Targets

All supplying factories will gradually increase the proportion of green electricity, and strive to meet the RE100 (Renewable Energy 100) standard by 2030.

Resource Management

Water Resource Management

The Company strictly complies with the laws and regulations such as the *Water Law of the People's Republic of China* and the *Law of the People's Republic of China on Prevention and Control of Water Pollution*. By implementing water efficiency controls and conservation measures, it continuously strengthens its foundation as a water-saving enterprise. Besides, several bases optimize water discharge and exchange frequencies, add chemical agents to enhance circulation efficiency, and upgrade pumps, pipelines, and reverse osmosis facilities, thereby steadily increasing the water recycling rate.

The Company has advanced the construction of facilities such as wastewater treatment stations and circulating water storage towers. Circulating cooling water, scattered drainage from the factory area and initial rainwater are collected and treated before being discharged up to standard or reused in the production system. All bases have steadily promoted wastewater treatment and reuse projects. Treated through processes such as sedimentation, filtration, and reverse osmosis, the water is recycled back into the circulating water system, effectively reducing the withdrawal of fresh water.

Case | Secondary Reuse Project of Circulating Water at Sichuan Shanshan

Sichuan Shanshan diverted the circulating water from its graphitization process to the desulfurization system for secondary utilization. This initiative saves 156,000 m^3 of circulating water annually, reduces make-up water intake by 33%, and lowers wastewater treatment costs by 30% year-on-year, achieving a synergistic effect of water conservation and cost reduction.

Annual Key Performance

- Total water intake: **2,276,440.00** tons
- Water use intensity: **202.89** tons/CNY million revenue

Annual Honors

Shanshan Anode Jiuyuan Factory was included in the *2025 Baotou Water-Saving Enterprise List (Batch II)*.

Green Circularity

The Company has prioritized the use of recyclable and low-energy eco-friendly raw materials, ensuring the recyclability of packaging materials during product design. Additionally, through the formulation of the *Management Measures for Warehousing Materials*, it has clarified requirements such as pallet recycling principles, acceptance standards, and prioritized use, while continuously optimizing green logistics. Besides, it has conducted specialized training on the *Management Measures for Warehousing Materials* to enhance the green recycling awareness and execution capabilities of front-line employees, driving efficient resource utilization and the development of a circular ecosystem.

All bases of the Company have implemented the recycling and reuse of pallets and ton bags. They have actively promoted packaging lightweighting, communicated with customers to implement unpackaged shipments where feasible, and encouraged customers to return packaging materials. After proper cleaning, these materials are put back into use, extending their lifecycle. Furthermore, scrap ton bags, pallets, and other recyclables such as waste metals, wood, and cardboard are sorted, collected, and sold externally, generating revenue from resource circularity.

Sichuan Shanshan and Yunnan Shanshan have adopted railway transportation lines for raw coke, optimizing the transport structure via road-rail intermodal transport. This enhances resource utilization efficiency across the supply chain and reduces logistics costs. In addition, the Company collaborates with graphitization auxiliary material suppliers to recycle and reuse production tailings, achieving resource circularity alongside energy conservation and carbon reduction.

Enhanced Pollution Prevention and Control

The Company strictly complies with environmental regulations, ensuring compliant emissions through continuous technological upgrades and enhanced management to minimize the environmental impact of its operations. It has achieved 100% compliant treatment and discharge of waste and pollutants, fulfilling its commitment to green development.

Waste Gas Treatment

In accordance with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the Company has established a waste gas treatment system covering all bases to ensure the stable, compliant discharge of atmospheric pollutants. By formulating waste gas management rules, it clarifies departmental responsibilities and enforces the requirement that environmental protection facilities must operate and be maintained synchronously with production equipment. Production waste gas is effectively collected and equipped with safety devices such as flame arresters and explosion venting devices. For pollutants generated during production, including nitrogen oxides, sulfur dioxide, particulate matter, and non-methane total hydrocarbons, the Company has applied appropriate processes for categorized treatment, ensuring that waste gas is discharged up to standard after treatment by high-efficiency pollution control facilities.

All its bases have conducted third-party monitoring in accordance with pollutant discharge permit requirements. Some factories have installed online monitoring systems to track emission data in real time and submit data in accordance with local regulatory requirements. This ensures that waste gas emissions fully comply with the environmental impact assessment reports as well as relevant national and local emission standards.

Case | Upgrading Waste Gas Treatment

Ningbo Shanshan has adopted an RTO and TO combined process, paired with pretreatment, desulfurization, and denitrification units. Equipped with flame arresters and explosion relief devices, this setup achieves highly efficient purification and safe operation. In 2025, Sichuan Shanshan installed new online monitoring equipment for waste gas to implement real-time monitoring of key indicators such as NO_x and SO_2, elevating the level of precise control. Fujian Shanshan improved its unorganized waste gas collection system in the semi-finished product workshop, significantly enhancing its waste gas treatment performance.

Wastewater Treatment

The Company complies with regulatory requirements for compliant wastewater management, adhering to the principles of "separating clean and polluted water, and treating water by quality". It has established three independent drainage systems for production wastewater, domestic sewage, and rainwater, achieving categorized collection and compliant disposal. Besides, it has continued to drive all bases to formulate and refine wastewater management regulations, clarifying departmental responsibilities and monitoring specifications, while conducting wastewater outlet monitoring and facility maintenance to strengthen rectification accountability.

The wastewater generated by the Company is primarily domestic sewage containing conventional pollutants such as COD and ammonia nitrogen. It is discharged in compliance with standards after treatment. For operations of Ningbo Shanshan Silicon-based, the wastewater generated during production is mainly laboratory cleaning wastewater. It is treated via the AO biochemical process before being discharged into the municipal sewer network, and is subsequently delivered to the industrial park's wastewater treatment plant. For different types of wastewater, the Company employs combined processes, including pretreatment, biochemical treatment, and sedimentation/filtration, to ensure that the treated water quality meets standards for discharge or reuse.

Case | Wastewater Treatment Project Practice

Ningbo Shanshan constructed an integrated treatment system combining "pretreatment + biochemical treatment + MBR membrane". The system categorizes, collects, and treats RTO wastewater and laboratory wastewater. Integrated with safety and online monitoring facilities, it ensures compliant discharge and reuse of wastewater, effectively mitigating the risk of water pollutant emissions.

Waste Disposal

The Company has established a categorized collection and standardized disposal system for solid waste. Both general solid waste and hazardous waste are entrusted to qualified third-party agencies for disposal; while hazardous waste is reused or incinerated based on its specific category. At the same time, through production process optimization, improvements at key stages, and the application of alternative materials, the Company continuously drives source reduction and the resource utilization of waste.

All its bases have further clarified requirements for the categorized collection, standardized storage, and labeling management of waste. Furthermore, they have advanced the establishment of waste management ledgers to record the entire process from generation, storage, and transfer to disposal, ensuring full traceability and verifiability. Besides, they have formulated emergency response plans for hazardous waste, specifying disposal procedures for scenarios such as leaks. They have equipped with emergency supplies, and conducted regular drills to enhance their environmental risk prevention and control capabilities.

Case I Emergency Drill and Compliance Training for Hazardous Waste Leakage

In 2025, Ningbo Shanshan Silicon-based conducted an emergency drill for chemical leaks at its hazardous waste warehouse, simulating a scenario of waste engine oil leakage. This verified the effectiveness of the emergency plan and enhanced staff's emergency response capabilities. Additionally, training on solid waste regulation was held to strengthen employees' compliance awareness.

Case I Waste Minimization

In 2025, Ningbo Shanshan focused on the management of oil-containing waste. Through the optimization of disposal methods, the generation of oil-containing waste was reduced by 80 tons compared to 2024. Furthermore, the disposal method was shifted from incineration to comprehensive utilization, achieving a win-win outcome in both minimization and resource recovery, while maintaining full compliance with environmental regulations throughout the process.

Noise Management

The Company advances the improvement of noise prevention and control systems at some bases. Through source control, transmission path interception, and routine monitoring, it ensures that factory boundary noise consistently meets regulatory standards. At the source, it prioritizes low-noise equipment and equip major noise sources such as fans and air compressors with vibration-damping bases, acoustic enclosures, and silencers. Along the transmission path, it optimizes the layout of high-noise equipment workshops and implements isolation measures to minimize the external environmental impact. Additionally, it provides personnel working in high-noise areas with personal protective equipment (PPE) such as earplugs and earmuffs, reasonably arrange their working hours, and commission third parties to conduct boundary noise monitoring, thereby safeguarding employee health and the quality of the surrounding acoustic environment.

Chemical Management

In accordance with the *Regulations on the Safety Administration of Hazardous Chemicals* and the *Regulations on the Administration of Monitoring Chemicals*, the Company has established a robust chemicals safety management system covering the entire lifecycle from procurement, storage, usage, transportation, to disposal. The Safety and Environmental Protection Department coordinates external regulatory compliance, while the PMC Department and user departments are responsible for daily management. Waste chemicals are integrated into the hazardous waste management system and entrusted to qualified agencies for compliant disposal, ensuring that chemicals remain safely controlled throughout their entire lifecycle.

All bases of the Company have formulated management documents for hazardous chemicals, as well as precursor and explosive chemicals, clarifying departmental responsibilities and control requirements. During storage, chemicals of different hazard classifications are categorized, separated, and stored in designated zones. Incompatible chemicals are kept in separate warehouses, equipped with ventilation, explosion-proof, and fire-proof safety facilities. During transportation, operations comply with relevant regulatory oversight to ensure transit safety. During usage, standard operating procedures are clarified for operating posts during usage. Operators are provided with protective equipment and first-aid facilities, with the application and withdrawal process standardized, and any leaks and drips eliminated.

The Company has formulated specific emergency response plans for chemical leaks. It has equipped with emergency supplies, and regularly conducted safety training and emergency drills to continuously enhance risk prevention & control capabilities. Furthermore, through routine safety education and training, it has strengthened employees' safety awareness and emergency response capabilities. It has also established a safety incentive mechanism to encourage employees to voluntarily comply with safety regulations, ultimately ensuring the safety of employees' lives and the stable operation of facilities.

Practice of Ecological Concepts

The Company strictly observes ecological red lines, safeguarding regional ecological balance through responsible operations. It continuously practices green office initiatives, driving the implementation of environmental concepts through the active participation of all employees.

Conservation of Biological Diversity

The Company strictly complies with relevant laws and regulations. By publicly issuing its *Commitment* to *Biodiversity Conservation*, it has embedded such commitment into its daily operations. Prior to site selection and factory construction, it conducts comprehensive environmental impact assessments covering multiple dimensions, including ambient air, water, acoustic, soil, and ecological environments. This ensures that all its production bases are located within planned industrial zones, strictly avoiding sensitive targets such as ecological red lines, nature reserves, historical and cultural heritage sites, and scenic spots. Assessments show that there are no rare flora or fauna distributed around the factory sites, nor are they located within ecologically sensitive areas.

During operations, the Company continuously monitors the potential impacts of production activities on the surrounding ecological environment. Waste gas is treated to meet discharge standards, and wastewater is pretreated before being routed to the industrial park's centralized treatment system, minimizing interference with surrounding communities and the ecological environment. In 2025, the Company recorded no incidents with a significant impact on biodiversity, continuing to safeguard regional ecological balance through responsible operations.

Annual Honors

Sichuan Shanshan was included in the *2025 Positive List for Eco-environmental Supervision and Law Enforcement, Pengshan District, Meishan City.*

Promotion of Environmental Awareness

The Company actively practices green office concepts. To be specific, the Administration Department coordinates the conservation management of resources such as electricity, water, and paper, integrating environmental protection into operational details through a "routine inspection + measure optimization" model. It also implements initiatives such as double-sided printing and sets up shared office supply areas. Dry and wet waste sorting bins are placed in office spaces, and suppliers are commissioned to regularly dispose of domestic waste in compliance with regulations. Through monthly analysis of utility bills and inspection feedback, the department promptly identifies energy consumption anomalies and implements corrective actions.

04 Leading with Quality to Build the Foundation of Trust

While ensuring the robust operation of its R&D system, Shanshan Technology continuously strengthens technological leadership and industrial synergy capabilities, maintaining its technological leading position and market competitiveness in the global anode materials industry.

Responding to the United Nations Sustainable Development Goals (UN SDGs)

Innovation-Driven Empowerment and Upgrading

Governance

The Company has established a Product R&D Management Group to steer the course of product innovation and provide full-cycle support. Each production base has formed its own R&D and Technology Management Committee based on its scale and business model, establishing a collaborative framework that empowers business development. Additionally, the Company has formulated and implemented management regulations such as the *Management Measures on R&D Projects* and the *Management Regulations on Intellectual Property* to build an end-to-end innovation management system, enhancing R&D efficiency and technology commercialization rates.

Strategy

Aligning with national new energy strategies and market demands, the Company has formulated a Five-Year R&D Plan. While maintaining product performance advantages in the 3C digital market, it has strategically developed power battery anode materials and advanced research on silicon-carbon and silicon-oxide materials, delivering world-class battery material solutions for the global new energy industry.

Impact, Risk and Opportunity Management

R&D Collaboration Mechanism

Focusing on next-generation anode materials and low-carbon technologies, the Company has established an open innovation ecosystem. It operates a nationally CNAS-certified laboratory, significantly boosting independent R&D and testing capabilities. It also works with universities and research institutions to build an industry-academia-research platform, to jointly advance green technologies and participate in municipal key R&D programs. Besides, it deepens technical collaboration with global tier-1 customers and supply chain partners to develop differentiated, cutting-edge products, proactively seizing opportunities offered by industry transformation. As part of its efforts to implement the *R&D Project Incentive Measures*, it organizes technical exchanges and training workshops to drive company-wide innovation vitality, providing solid support for green technology development.

R&D Risk Prevention and Control

Focusing on key risks such as technological route deviations, R&D delays, intellectual property infringement, loss of core talent, and technology leakage in collaborations, the Company has established a risk classification, warning and dynamic monitoring mechanism. For high-risk R&D projects, technical alternatives and contingency plans are developed. Through regular project reviews, IP risk assessments, and compliance audits, the Company ensures that R&D risks are predictable, quantifiable, and controllable.

Leading Technological Innovation and Upgrading

Long-life artificial graphite developed, enhancing energy storage and commercial vehicle battery performance	The self-developed long-life artificial graphite has been successfully applied in high-capacity energy storage cells and commercial vehicle batteries. The product demonstrates excellent high-temperature storage and cycling performance, providing a reliable anode material solution for related fields.
Innovative raw materials and processes, enabling energy conservation and carbon reduction in anode material manufacturing	Fine raw material powder recycling technology was innovatively developed, enabling a 100% yield in coke utilization to reduce carbon footprints at the source. Continuous graphitization equipment has been mass produced, significantly reducing power consumption and carbon emissions compared to traditional processes.
Platform-based fast-charging solutions offered, meeting diverse global market demands	The Company completed full-range fast-charging anode material deployment from consumer electronics to power batteries, covering varied charging rates, energy densities, and cost ranges to provide precisely matched technical options for global markets.

Key Technological Innovations and Breakthroughs in 2025

Strengthening Intellectual Property Protection

As part of its efforts to improve its IP management system, the Company has formulated and implemented such normative documents as the *Management Measures on Intellectual Property* and the *Patent Management Policy*, and set up a professional patent management team, striving to build a comprehensive IP protection mechanism. Besides, clearly define that employees shall properly protect the company's IP, and strictly prohibit any infringement, misappropriation, or unauthorized use for personal purposes, while continuously reinforcing their awareness of IP protection.

In June 2025, its Quality Department organized training on the IP compliance management system for relevant functional departments, explaining system documents, responsibilities, and departmental objectives.

Enhancing Technology Ethics Governance

The Company's R&D directions and processes do not involve scientific ethics controversies such as bioethics or artificial intelligence. All R&D activities strictly follow national laws and regulations, and industry technical standards, ensuring that technological development aligns with social responsibility. Standardized management enhances transparency and traceability of its technology applications, preventing risks of misuse or abuse of technology. Besides, the Company prioritizes technological innovation that promotes social progress and sustainable development, advancing environmentally friendly technologies to reduce resource consumption and ecological impact.

Metrics and Targets

Annual Key Performance

CNY **677.24** million invested in R&D, a year-on-year increase of **6.16**%

Pilot testing completed for energy-saving production process

Significant achievements in new energy material applications, reducing product energy consumption by **30**% compared to conventional technologies

Annual Honors

2025 Outstanding Enterprise of China's Sodium-Ion Battery Industry (Golden Sharp Award)

"Synergistic Innovation Partner" Awarded by Baowu Carbon Technology Co., Ltd.

Future Targets

Promote industrialization of energy-saving production process by 2026, accelerating commercialization of recycling technologies.

Product Safety and Quality

As part of its efforts to continuously enhance its product quality and service systems, the Company strictly controls product quality, efficiently resolves customer issues, and delivers premium products and personalized services to provide exceptional experience for customers, earning customers' trust and satisfaction.

Governance

Following laws and regulations such as the *Law of the People's Republic of China on Product Quality*, as well industry standards, the Company has established management systems including the *Control Procedure for Project Management* and the *Control Procedure for Product Manufacturing*. A management mechanism has been put in place whereby the management and executive leadership define product safety policies, strategies, and objectives, while internal audits, management reviews, third-party audits, and routine process monitoring oversee their implementation. This mechanism governs every stage from procurement of raw materials to delivery of finished products, ensuring that product quality remains safe and reliable.

Strategy

To achieve the quality objective of "delivering lithium-ion battery anode materials with leading performance and steady quality", the Company drives continuous innovation and improvement to provide superior products and services.

Impact, Risk and Opportunity Management

● Improving the Quality Management System

Guided by international standards such as ISO 9001 and IATF 16949, the Company has established a quality management framework featuring "clear functions, integrated systems, and digital empowerment". Shanghai Headquarters coordinates all factories, forming three core modules, namely, line-based quality management systems, supplier quality management, and testing centers. The Company has obtained certifications of multiple critical systems. An integrated audit mechanism combines the Group's internal audits, factories' self-audits, and third-party surveillance audits. Cross-factory and cross-departmental collaboration ensures closed-loop system management, while digitalization and standardization continuously enhance quality control throughout the product lifecycle.

Shanshan Anode Qingshan Factory Is Certified to IATF 16949: 2016 Automotive Quality Management System

Shanghai Shanshan Is Certified to ISO 9001: 2015 Quality Management System

Preventing and Controlling Quality and Safety Risks

Focusing on the themes of "Year of Technology" and "Year of Quality", the Company has established a three-tier risk prevention and control system for product quality and safety, which is driven by goals, built on processes, and safeguarded by responsive mechanisms. This system covers relevant functions, processes, and levels across the entire organization to ensure effective implementation. Quality objectives meeting customers' requirements are clearly defined, established, and maintained. End-to-end monitoring of internal and external performance indicators strengthens quality defenses.

Enhancing Product Quality and Safety

End-to-end production quality control

The Company has developed quality control specifications, deployed dedicated teams by plant and project, and implemented a full-process inspection model encompassing first-article inspection, in-process patrol checks, and final-article verification. It has employed an information system to record process data, conducted regular process control verifications and activated corrective action tracking mechanisms for anomalies.

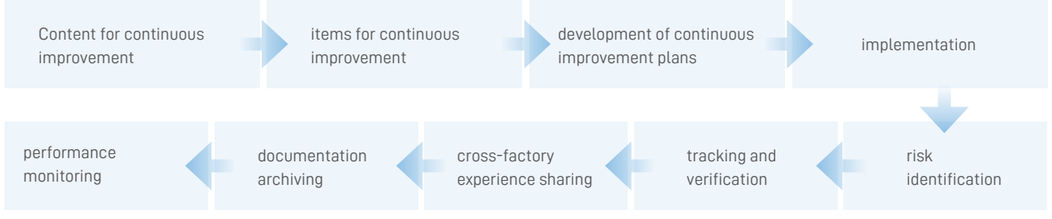
Handling of complaints from customers and product improvement loop

The Company has established a complaint handling process with "response within 24 hours, root cause analysis within 72 hours, and closure upon approval by customers"; It has built a complaint database to regularly analyze common issues and provide feedback to R&D Department for optimizing product design and manufacturing processes.

Nonconforming product disposal and recall for prevention

The Company has optimized the Procedure for *Disposal of Products Returned by Customers*, and implemented "labeling by classification - segregated storage - disposal by class" for nonconforming products subject to the *Control Procedure for Nonconforming Product Management*, with recyclable items professionally processed by designated agencies.

Core Measures for Product Quality and Safety Assurance



Control Procedure for Corrective & Preventive Action and Continuous Improvement

Strengthening Quality Culture Development

Establishing core quality value orientation

Guided by the principles of "Prioritizing Technology to Ensure Reliable Quality" and "Winning Customers Through Product Quality", the Company permeates quality awareness across all employees at positions through management advocacy and level-to-level dissemination across bases.

Building a comprehensive training system

The Company delivers core courses including training on customers' specific requirements and complimentary training on the three management systems (quality, environment, and occupational health & safety), covering the Management, key engineers, and factory personnel with 100% training coverage for key positions.

Enhancing incentive and feedback mechanisms

The Company incorporates quality performance into senior management evaluations, and establishes quality issue feedback and reward systems to encourage employees' proactive identification of control gaps, fostering company-wide participation in quality management.

Fostering a Robust Product Responsibility Culture

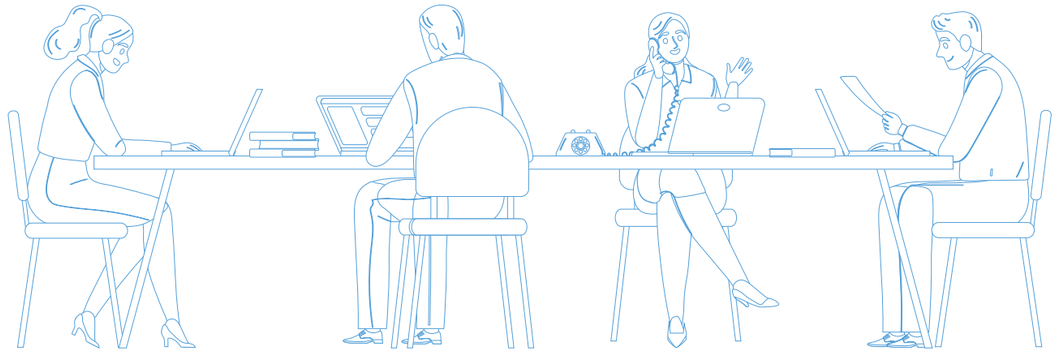
Metrics and Targets

Annual Key Performance

- Number of major quality and safety liability incidents or product recalls: 0
- First-pass yield of finished products: **99.59%**

Annual Honors

Recipient of "2024 Excellent Quality Trophy" from Farasis Energy



Provision of High-quality Services

The Company has established an efficient customer service management system to accurately capture customer needs and feedback in a timely manner, optimize service experience, and enhance customer trust and satisfaction.

Customer Service Management System

Building on existing management systems such as the *Customer Complaint Handling Regulations* and the *Regulations on Customer Requirement Management*, the Company issued the *Customer Satisfaction Control Procedure,* defining responsibilities and collaboration mechanisms for customer needs management. Communication with customers is embedded throughout the full-lifecycle interactions, with a 100% customer audit pass rate maintained, thereby continuously elevating customer service levels. Over the past three years, the Company has recorded zero major safety or quality incidents related to products or services.

Pre-sales phase	The Company provides regular training for service teams on product knowledge, service skills, and communication techniques to enhance their professional service capabilities and deliver customized solutions to customers.
Order fulfillment phase	All bases strictly follow production plans and rationally coordinate production processes. Meanwhile, in accordance with the *Product Delivery Control Procedure*, the entire delivery process is systematically managed and monitored to ensure steady and reliable product quality.
Post-sales phase	The Company continuously expands the after-sales service network and improves internal and external professional after-sales support teams and supporting facilities. It also responds promptly to customers' inquiries, participates in product discussions, and strengthens ongoing communication and feedback.

Full-cycle Service Management Process

Case I A Systematic Service Approach Empowers Global Strategic Clients

The Company has formed cross-functional, dedicated teams for strategic clients such as CATL and LG Energy Solution, covering sales, R&D, quality, delivery, and overseas support. Therefore, it has established an efficient response mechanism. Through coordinated efforts across domestic and international operations, it achieves real-time alignment in R&D, production, and quality control, ensuring timely technical feedback and sample delivery. This creates an end-to-end service chain from early-stage concept alignment to mass production support, driving mutual success through professional collaboration.

Customer Complaint Management

The Company continuously updates its *Customer Complaint Handling Regulations* to effectively shorten response times and improve efficiency. In 2025, the customer complaint rate was 0.015%, marking the fifth consecutive year of decline.

Institutionalized management process	The Company formulated *the Customer Complaint Handling Regulations*, establishing a standardized process for customer compliant handling, covering complaint receipt, root cause analysis, corrective action implementation, and closure & feedback. In this way, it ensures process traceability and outcome evaluation.
Collaborative handling approach	With sales managers as the entry point and the quality department leading a cross-functional task force, the Company works with R&D, production, and other departments to analyze root causes and implement on-site corrective actions, ensuring a professional and transparent handling process.
Proactive service improvement	The Company has established rapid response and benchmarking mechanisms for packaging, logistics, and inspection based on evolving customer needs and product performance enhancement requirements, achieving a systemic shift from reactive response to proactive service.

Building a Comprehensive Customer Complaint Management System

Customer Satisfaction Management

The Company has established a multi-dimensional customer feedback system covering internal proactive surveys, external customer evaluations, and day-to-day communications. Satisfaction surveys covering nine core indicators including delivery, quality, logistics, and service are conducted for key cooperative clients. For items scoring below the set thresholds, responsible departments are required to develop targeted improvement plans, driving continuous service quality enhancement. Additionally, improvement suggestions are collected through internal quality ratings from customers and annual supplier conferences. The sales team also gathers customer's feedback via technical exchanges, business visits, and executive interactions. In this way, this forms a dynamic closed-loop feedback system where customer needs drive ongoing product and service quality improvements.

Annual Key Performance

- Domestic customer satisfaction point: **97.02**
- Overseas customer satisfaction point: **95.50**

Annual Honors

Honoree of "Gold Supplier" at the SVOLT Global Partner Summit 2025

Winner of "Agile Supplier Award" from CATL (Contemporary Amperex Technology Co., Limited)

Honoree of "Excellent Partner" by ATL (Amperex Technology Limited)

Winner of "2025 Supplier Awards" from LGES
Recipient of "2024 Excellent Supplier Trophy" by CosMX

Honoree of "Excellent Supplier of Silicon-based Anode Materials for Solid-State Batteries (2025)" by ICC

Responsible Marketing

The Company strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and the *Advertising Law of the People's Republic of China*. Upholding the principle of truthful and transparent marketing, it continuously strengthens compliance review of marketing content and prohibits exaggerated claims or misleading practices. The concept of responsible marketing is embedded in product packaging design, marketing campaigns, and after-sales services, ensuring that information delivered to customers is accurate and reliable.

In the past three years, the Company has recorded no incidents of non-compliance with regulations concerning product and service information or labeling, nor any violations of laws related to marketing communications (including advertising, promotion, and sponsorship).

05 Driving Synergies for Inclusive and Diverse Development

Shanshan Technology fosters cohesion through care, establishing a multi-faceted welfare and growth platform that extends the rewards of development to all employees. It continues to deepen industrial collaboration to empower win-win partnerships across the ecosystem through technological innovation, and engages in public welfare and rural revitalization to build a warm model of responsibility.

Responding to the United Nations Sustainable Development Goals (UN SDGs)

Care for Employee Growth

The Company believes that talent is the core driver of corporate development and the key to advancing the new energy revolution through novel materials and processes. It enables every employee to co-create value and share in its development results.

Governance

In strict compliance with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other applicable laws and regulations, the Company has established policies such as the *Human Resource Planning*, the *Recruitment Management*, the *Compensation and Benefits Management*, the *Employee Training Management*, the *Performance Management Regulations*, and the *RBA Labor Rights Protection Policy*. An organizational framework has been set up, featuring coordination among multiple functions, including the Compensation Management Committee, the Human Resources Department, and the Internal Control Department. While adhering to corporate standards, each base has developed its own policies tailored to local conditions. These policies cover all aspects of employment, including recruitment, compensation and benefits, training and development, benefit distribution, performance assessment, and labor relations management.

Strategy

By breaking down the annual plan, the Company translates ESG topics such as anti-discrimination and diversity management, employees' health protection, and talent attraction and retention into concrete action plans. It explicitly prohibits discrimination and forced labor. It has also built a multi-faceted training system to ensure that human resource allocation remains aligned with its development direction. While adhering to corporate standards, each base has developed locally appropriate strategies for employee recruitment, development, and related matters based on its own development needs.

Impact, Risk and Opportunity Management

Employees' Rights and Benefits

Open Recruitment Management

The Company recruits talent through diverse channels, including internal referrals, online platforms, and headhunters, and follows the principle of non-discrimination regarding gender or ethnicity. It prohibits child labor or any form of involuntary labor, including forced labor. Each base has put in place appropriate policies on protection of employees' rights, such as the *Discrimination Prohibition Management Procedure* and the *Prohibition of Child Labor and Remediation Management Procedure for Misuse of Child Labor*, to ensure the Company's steady development. In the past three years, there have been zero confirmed incidents of discrimination, forced labor, or child labor. In 2025, 100% of all employees participated in the Company's training on anti-harassment and anti-discrimination.

Compensation and Benefits

Based on policies such as the *Compensation and Benefits Management* and the *Position Grade and Salary Scale Table*, the Company has established a Compensation Management Committee to be responsible for reviewing major matters including compensation budgets, salary adjustment plans, and bonus distributions. A compensation system linked to position grades has been put in place, incorporating a differentiated pay structure based on job value, individuals' capabilities, and performance results. In addition, the Company makes statutory contributions to the "five insurances and one fund" (pension, medical, unemployment, work-related injury, and maternity insurance, plus housing provident fund) and grants statutory leave entitlements, effectively protecting employees' legitimate rights and interests. Over the past three years, the Company has achieved 100% rates for labor contract signing, social insurance coverage, occupational health examinations, and pre-employment medical checks for new hires.

Employee Compensation Structure	Statutory Benefits	Special Benefits
Employee compensation is composed of monthly base salary, overtime pay, performance bonuses, year-end bonuses, holiday allowances, seniority allowances, night-shift allowances, and high-temperature allowances. Additional work subsidies are provided for frontline employees.	The "five insurances and one fund" are fully paid in accordance with laws. National public holiday policies are strictly implemented. Besides, statutory leaves are full granted such as paid annual leave, sick leave, marriage leave, bereavement leave, prenatal check-up leave, maternity leave, paternity leave, and nursing leave.	The Company provides communication allowances, transportation allowances, meal allowances, high-temperature allowances, and housing rental subsidies; annual health check-ups; annual travel or team-building activities; birthday benefits; and benefits for Chinese traditional festivals such as the Spring Festival and Mid-Autumn Festival.

Compensation and Benefits Program

Democratic Management

The Company fully leverages the bridging role of the labor union, establishing integrated online and offline communication channels. Employees may raise concerns, either by name or anonymously, via public email addresses, DingTalk groups, and the General Manager's mailbox. The labor union follows up and oversees the entire process, ensuring that employees' concerns are heard and their privacy protected. Besides, through the system of staff and workers' representative congress, the Company respects employees' rights to freedom of association and collective bargaining. It also proactively gathers improvement suggestions regarding the canteen and office environment through irregular employee forums and questionnaire surveys, and ensures that all reasonable suggestions are duly addressed. Furthermore, it has established an immediate incentive mechanism for outstanding individuals and teams, effectively enhancing employee engagement and belonging. In 2025, it held 8 meetings of the staff and workers' representative congress.

Employee Development and Training

Clear Career Pathways

The Company has established a dual-track career development system comprising a management track and a professional track, allowing employees to move between the two. Transfers across factories are supported, and an operational frontline track has been added to ensure growth opportunities for junior employees. For high-potential talent, dedicated development programs are in place, offering multiple pathways for both horizontal mobility and vertical progression of talent.

Employee Training Programs

The Company has developed documents such as the *Training SOP Manual* and the *Employee Training Management*. It has also launched the *Shanxing Program*, and built systems for cross-training, internal trainer development, training evaluation, and training incentives. These efforts help establish a preliminary framework for employees' career development. In addition, targeted training sessions have been conducted in areas such as general knowledge, professional skills, and leadership empowerment to enhance employees' capabilities.

New Employee Orientation	For campus recruits training covers corporate culture, company overview, policies and regulations, technical expertise, professional conduct, and team building. For experienced hires training covers fundamentals of lithium-ion batteries, quality orientation for new hires, and trends and latest developments in the anode material industry both domestically and internationally.
On-the-job Training	The Company provides a platform that encourages employees to improve their overall capabilities through self-training, knowledge sharing, and open classes. Topics include precision management, stress and emotion management, adversity quotient (AQ) development, and cross-training series.

Training Category

Case | A Tiered Training System

Yunnan Shanshan implements a tiered and categorized training approach to address gaps in junior management systems while strengthening on-site problem-solving and employee management capabilities. For mid-level managers, performance management training is provided for them to master goal-setting and assessment tools, driving strategic execution at the departmental level. R&D engineers receive TRIZ innovation method training to stimulate technical thinking and systematize the R&D process.

Case | Leveraging a Digital Learning Platform for Online Training

Facilities such as Ningbo Shanshan Silicon-based and Fujian Shanshan have leveraged the "Anode Learning Center" platform to build a digital training system covering new employee orientation and key job roles. Training effectiveness is evaluated for key courses such as safety alerts and job-specific skills, with employees' feedback collected through questionnaires. This enables precise identification of training needs in areas such as job adaptation, safe operations, and corporate culture integration, empowering employees' professional growth and development.

Case | Develops Multiple Tailored Training Models

Shanshan Anode Qingshan Factory has implemented a "mentorship program" where experienced mentors provide hands-on guidance on operational skills and job experience, creating a virtuous cycle for skill inheritance and talent pipeline development. Besides, the Baotou Integrated Base held a 2025 skills competition for technical and operational roles, using a comprehensive assessment model combining theoretical written tests and practical operations, motivating employees to enhance their skills through competition.

Employee Care

The Company has built a multi-dimensional care system and actively organized employee care and cultural activities. Initiatives include a focus on women's wellbeing with events such as International Women's Day outdoor team-building, and the introduction of "Mommies' Lounges" as welcoming spaces. A variety of recreational and cultural activities are offered, including Lantern Festival riddles, Dragon Boat Festival gatherings, and factory-based walking events. Regular care and support efforts include mental health lectures, cultural and sports activities, parent-child days, as well as summer cooling initiatives, visits to frontline employees during post-holiday production resumption, and employee birthday celebrations, all contributing to a warm and caring corporate culture. Employee satisfaction surveys are conducted, and a growing sense of belonging is steadily nurtured through these daily touches.

Annual Key Performance

- Number of cultural and sports activities organized: **60**
- Employee participations in cultural and sports activities: **2,496** attendances
- Coverage rate of annual routine health checkups: **100**%

Walking Event -"Walk for Health" by Shanshan Anode Qingshan Factory and Shanshan Anode Jiuyuan Factory

Ningbo Shanshan's Summer Cooling Initiative, Ensuring a Safe and Cool Summer

Sichuan Shanshan's Visit during Post-holiday Production Resumption - "Visit to Frontline Employees"

Shanshan Anode Qingshan Factory's Employee Birthday Celebration - "Sharing Good Times"

Metrics and Targets

Annual Performance Highlights

- Annual training investment: CNY **0.35** million
- Participation rate of individual performance assessment: **99.57**%*
- Coverage of performance bonus system: **100**%
- Employee satisfaction survey coverage: **100**%
- Employee satisfaction point: **91.7**

* In 2025, cleaners and employees with disabilities in Fujian plant are included in the total headcount but are not covered by performance evaluation

Occupational Health and Safety

Governance

The Company strictly complies with the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases*, and other applicable laws and regulations. The Headquarters coordinates work safety, education, and occupational health and safety. Each production base develops its own policies covering work safety management, safety inspections, hazard management & control, and occupational health and safety management based on local conditions. Each base also has its own Work Safety Committee, which manages matters such as factory safety, performance assessment, and occupational health. All factories have obtained ISO 45001 certification for occupational health and safety management systems.

Strategy

The Company reduces pollutant emissions and prevents occupational hazards through process optimization and facility upgrades. It also advances the identification of occupational safety risks and their sources, company-wide safety education and training, routine hazard inspections, and various types of emergency drills. Thematic campaigns such as the Safety Month and the Fire Protection Month are also conducted to strengthen safety culture, continuously improving occupational health and safety management.

Impact, Risk and Opportunity Management

The Company has made employees' occupational health and safety a core management priority. It identifies and assesses all potential risks in the working environment and from occupational fatigue, and establishes targeted health monitoring and intervention mechanisms to effectively safeguard employees' life safety.

Work Safety

The Company has set ten control targets, including zero work-related fatal accidents, and requires employees in key positions to sign the *Responsibility Agreement for Work Safety Targets*. A combined mechanism which is composed of routine patrols, special inspections, and seasonal checks is implemented. Hazards are rectified in a closed-loop manner following the principle of "specific corrective actions, defined timelines, and designated responsible persons". A tiered reporting and investigation procedure is in place, with financial and administrative penalties imposed on responsible individuals depending on the severity of incidents, ensuring effective accountability for work safety.

Each base of the Company conducts specialized emergency drills focused on fire, leaks, and sudden incidents, using realistic scenarios to enhance employees' safety awareness and emergency response capabilities, thereby reinforcing the foundation of work safety.

Annual Key Performance

- Hazards rectification rate: **100**%
- Total number of emergency drills of various types conducted: **209**

Case | Work Safety Campaign Series

In 2025, Ningbo Shanshan launched a safety campaign series themed with "Building Skills Through Real-World Practice, Promoting Safety Through Culture", adopting an innovative model combining drills, learning, and competitions. Emergency drills for gas leaks and fires were completed in nine workshops, twelve short safety videos were solicited, and company-wide awareness sessions and knowledge contests were organized. These efforts effectively enhanced employees' safety awareness and practical emergency response skills.

Case | Emergency Drill for Workshop Dust-induced Fire

In June 2025, Shanshan Anode Qingshan Factory collaborated with an external fire brigade and a corporate rescue team to simulate a fire caused by dust accumulation in the distribution cabinet of an overhead crane on the east side of Workshop M505. The drill fully re-enacted the entire process from hazard detection, initial response, emergency handling, external rescue, fire suppression, to post-incident recovery. It strengthened employees' safety awareness and significantly improved their emergency response capabilities.

Case | Emergency Drill for Hazardous Chemical Leak

In April 2025, Sichuan Shanshan simulated a scenario where a toxic gas leak occurred in a granulation workshop, causing an employee to lose consciousness. A patrol officer detected the anomaly and immediately reported it. The incident commander quickly initiated the emergency response plan. The security team completed site isolation and personnel evacuation within three minutes, gaining crucial time for rescue operations. The drill further reinforced employees' awareness of risk identification and self-rescue and mutual assistance skills.

Safety Education

The Company has established a *Safety Education and Training Management Procedure*. It has built a company-wide safety education system covering nine employee categories, including new hires, special operation personnel, management staff, team leaders, transferred workers, and personnel involved in new processes, new technologies, new materials, or new equipment. Through diverse in-house training methods such as video-based instruction, on-site coaching, and mentorship, it delivers safety training and occupational health education by tier and category, continuously strengthening safety awareness across the workforce and fostering a strong safety culture where everyone prioritizes safety in all activities.

Corporate Level

The training is organized and delivered by the Safety and Environmental Protection Department. It covers national laws, regulations, and fundamental knowledge on work safety, the Company's rules and regulations on work safety, hazards and accident cases, general knowledge on mechanical and electrical safety, and accident prevention essentials.

Workshop Level

The training is organized and delivered by the workshop manager. It covers workshop overview, production processes, equipment and material characteristics, workshop-specific safety conditions and typical incidents, hazardous area classification, occupational health and safety, safety matters related to toxic and hazardous operations, and key points requiring special attention from new hires.

Team Level

The training is organized and delivered by the team leader (or part-time safety officer). It covers the safety status of the team and job positions, job-specific safety rules and regulations, machinery and protective facility performance, personal protective equipment (PPE) usage and management, operating procedures for job safety, control methods for dust and toxic sources as well as hazardous areas, and lessons learned from accidents, emergency response measures, and safe evacuation routes.

Tiered Safety Education and Training System

Case I Specialized Training on Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED)

In August 2025, Shanshan Anode Qingshan Factory organized 68 employees to attend specialized training on CPR and AED. Participants learned the principles of first aid for sudden cardiac arrest and practiced chest compressions, rescue breathing, and AED operation. In addition, an AED device was installed in the office lobby, achieving dual coverage of certified first-aid personnel and emergency equipment. This significantly improved the factory's emergency response capability, adding a strong layer of protection for employees' life safety.

Safety Knowledge Competition of Sichuan Shanshan

Occupational Health Management

Pursuant to the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases*, the *Regulations on the Supervision and Administration of Occupational Health in Workplaces*, and other applicable laws and regulations, the Company has developed policies such as the *Occupational Health and Safety Management Procedure*, and established an occupational health and safety management structure. It improves emergency response plans, and regularly conducts drills for fire, natural disasters, and other scenarios. Industrial hygiene management is strengthened through effective control of pollution sources such as dust and toxic or hazardous substances. The Company arranges reasonable workload and rest periods for physically demanding jobs, installs protective devices on operating machinery with safety signage, and ensures sanitary standards in the workplace, thereby safeguarding employees' health and safety in an all-way round.

Full-Process Management System for Occupational Health and Safety

Preventive Management

- Pre-employment control: The Human Resources Department is responsible for pre-employment occupational health examinations, prohibiting hiring individuals with occupational contraindications.
- Health examinations for current employees: The Safety and Environmental Protection Department organizes occupational health examinations for current employees every year, with tailored plans developed for special processes and high-risk positions.
- Record management: Employees' occupational health records are established, with health examination information from pre-employment, in-service, and off-boarding stages duly registered and maintained.

Monitoring and Protection during Employment

- Hazard monitoring: The Company regularly monitors and evaluates occupational hazard factors in production workshops, with evaluation reports archived by the Safety and Environmental Protection Department.
- Hazard rectification: Based on recommendations from monitoring reports, processes are optimized through technical measures to eliminate occupational health and safety hazards in a planned manner.
- Facility maintenance: Each department is responsible for routine maintenance of protective facilities such as dust extraction, ventilation, and cooling systems. These efforts ensure that these facilities are designed, installed, and operated in parallel with the main projects, and promptly restored after equipment maintenance.
- PPE management: PPE is distributed in sufficient quantity and of certified quality, with signed issuance records and rules on PPE use, maintenance and management established.

Post-employment / Off-boarding Management

- The Safety and Environmental Protection Department arranges occupational health examinations for employees who are leaving, and notifies them in writing of the examination results and their health status. Off-boarding health records are improved and filed together with pre-employment and in-service records, establishing a traceability mechanism for occupational health and protecting employees' rights and interests.

Case | Identification of Occupational Safety Risk Sources

In 2025, during risk management efforts at the Shanshan Anode Qingshan Factory, six categories of Level C risks requiring priority control were identified and documented. These six risk categories cover a total of 26 specific risk points. Meanwhile, Level D general risks were comprehensively reviewed, involving as many as 56 risk points. The clear localization of these risk points will further support the Company's targeted risk prevention and management initiatives.

Health Lecture: Health Services at Your Doorstep, Lifesaving Skills Within Reach

Metrics and Targets

Annual Key Performance

- Number of work-related fatalities: **0**
- Percentage of ISO 45001 certified operating facilities: **100%**
- Percentage of workplaces assessed for employee health and safety risks: **100%**
- Percentage of employees receiving safety-related training: **100%**

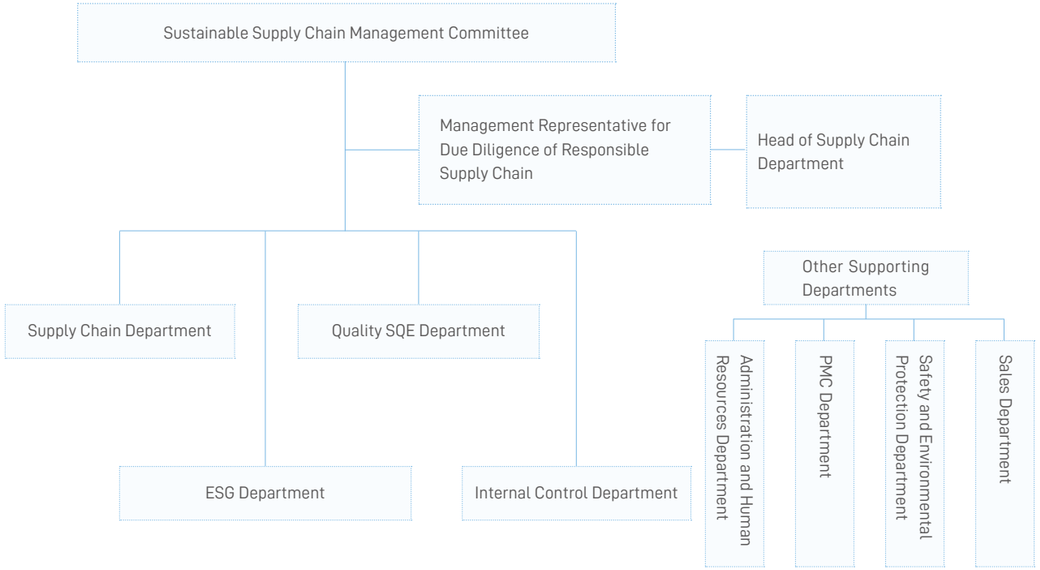
Creation of a Responsible Supply Chain

The Company deeply integrates the concept of sustainable development into its end-to-end supply chain management. To be specific, it fulfills its commitment to responsible procurement, and works together with its supplier partners to build a sustainable, transparent, and responsible supply chain system.

Supply Chain Governance Structure

The Company has issued the *Management Policy for Supply Chain Sustainability* and the *Management Procedure for Supply Chain Sustainability*, established a sustainable supply chain system, and set up a Sustainable Supply Chain Management Committee to be responsible for all supply chain sustainability matters. In 2025, it developed 6 major policies and procedural documents and 17 supporting tools.

The Company's sustainable supply chain governance system operates as follows: the Management Representative oversees the operation of the system; the Supply Chain Department leads the supplier qualification and full-cycle sustainability-related risk assessment; the ESG Department updates process documents and organizes training; the Quality Department assists in on-site audits; the Internal Control Department monitors business ethics and legal compliance; the Administration and Human Resources Department safeguards employees' rights and grievance channels; the PMC Department optimizes material and production plans; the Safety and Environmental Protection Department evaluates suppliers' environmental performance; and the Sales Department communicates customer requirements and facilitates due diligence of supply chain. Through cross-functional collaboration with clearly defined responsibilities, departments jointly promote responsible procurement and sustainable supply chain development.



Structure of the Sustainable Supply Chain Management Committee

Supplier Management

The Company has revised and improved the *Supplier Management Procedure* and the *Vendor Management Procedure*, established a supplier quality evaluation system, and created a closed-loop management process. Suppliers are required to sign the *Supplier Code of Conduct* and the *Transparency Agreement*, which strictly regulate professional conduct, prevent conflicts of interest, and maintain a fair, transparent, and equitable transaction environment. The Company has also developed supplier sustainability assessment tools, such as the *Evaluation Form for Supplier Sustainability Performance*, for evaluations and audits during supplier qualification, transition from potential to qualified status, and annual reviews. Training is also provided to enhance suppliers' capabilities.

In 2025, 100% of suppliers signed the Supplier Code of Conduct and agreements containing environmental and labor requirements. Zero suppliers were identified as having actual or potential significant negative social or environmental impacts.

Full-Process Control Measures for Supplier Quality

Supplier Qualification Control

Qualification Review from Multiple Aspects

Based on the *Vendor Management Procedure* and the *Vendor Audit Checklist*, the Company reviews suppliers in respect of multiple key items across seven modules, including management system, production process control, measuring equipment, and environmental management. Supplier qualification must pass three stages: qualification review, sample testing, and on-site audit, ensuring that only high-quality vendors are selected from the outset.

Tiered Management

Dynamic Classification and Differentiated Strategies

Suppliers are classified into four tiers based on factors such as infrastructure, system management, testing capability, and quality performance. The Company focuses on developing the first-tier and second-tier suppliers, while supporting or phasing out the third-tier and fourth-tier suppliers, thereby driving overall improvement of its supply chain.

Performance Assessment

Evaluation and Improvement

The Company has established a dynamic supplier evaluation mechanism, with suppliers evaluated quarterly and subjected to an annual comprehensive rating. Management follows the "Supplier Yellow/Red Card Management" provisions of the *Vendor Management Procedure*.

For "conditionally acceptable" audit or performance results, control measures are applied. These measures include suspension of new projects, quota reduction, extension of payment periods, and tightening of testing requirements. Suppliers must submit correction evidence within two months, and the yellow card is lifted upon approval.

Exit Mechanism

Red Card Disqualification and Alternative Development

Suppliers that seriously fail to meet standards (e.g., two instances of material change violations within one year, quality fraud, report falsification) trigger the red card process. Two consecutive or cumulative red cards lead to disqualification and exit, along with initiation of alternative supplier development to ensure supply chain stability and business continuity.

Case I Supplier Quality Enhancement

In 2025, to address pain points in supplier quality management, the Company delivered theoretical training and on-site diagnostics regarding foreign matter control, jumbo bag sealing, particle size stability of crushed materials, and incoming raw material inspection standards. These helped suppliers establish full-process control systems, effectively reducing risks of material leakage and foreign matter contamination, and improving batch consistency and delivery quality.

Regional Distribution of Suppliers in 2025 (Unit: Suppliers)

Region	Number
Northeast China	37
North China	46
East China	215
South China	14
Southwest China	30
Central China	34
Northwest China	6

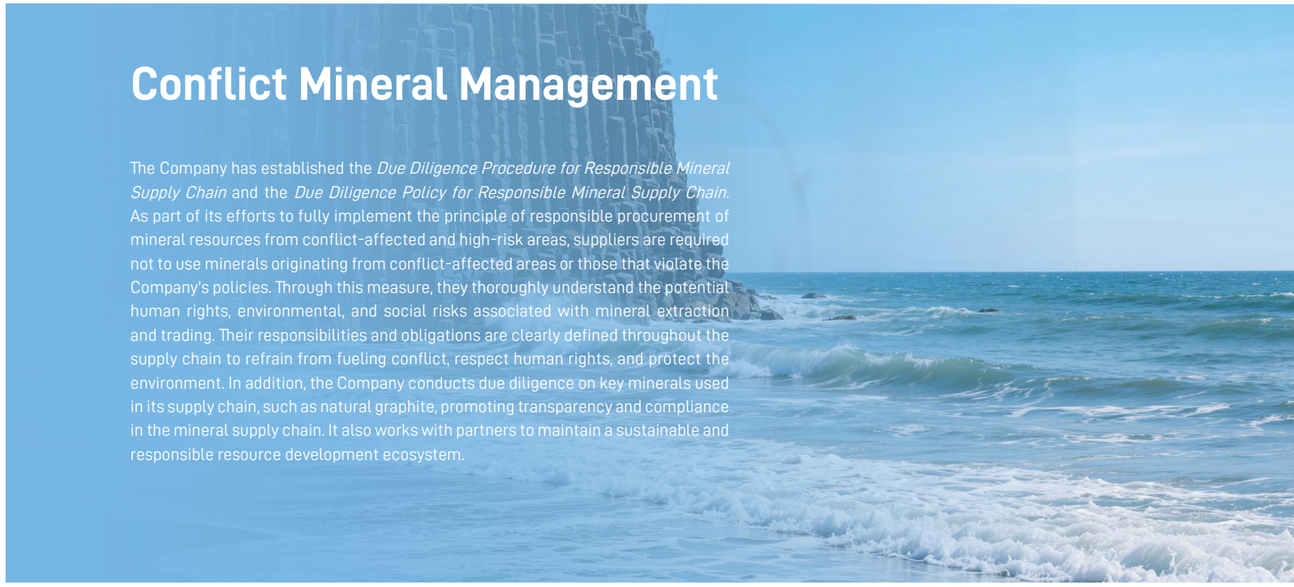
Number of local suppliers in 2025 (Unit:Suppliers/Percenntage)

Number	Percentage
162	42.41%

Key Performance Indicators of Sustainable Supply Chain in 2025 (Unit:Suppliers/Percentage)

Type	Number/Percentage
Tier 1 suppliers[1]	27
Total number of key suppliers[2]	96
Number and percentage of target suppliers covered by corporate social responsibility (CSR) assessments	42/95.24%
Number and percentage of target suppliers covered by on-site CSR audits	2/100%
Number and percentage of procurement staff who received training on sustainable procurement	68/100%
Number and percentage of audited/assessed suppliers participating in improvement actions or capacity-building programs[3]	1/50%

1.Direct suppliers (qualified Category A raw material vendors)
2.Qualified Category A/B/C vendors
3.One audited supplier has ceased production and no longer supplies further, and therefore did not participate in corrective actions.



Conflict Mineral Management

The Company has established the *Due Diligence Procedure for Responsible Mineral Supply Chain* and the *Due Diligence Policy for Responsible Mineral Supply Chain*. As part of its efforts to fully implement the principle of responsible procurement of mineral resources from conflict-affected and high-risk areas, suppliers are required not to use minerals originating from conflict-affected areas or those that violate the Company's policies. Through this measure, they thoroughly understand the potential human rights, environmental, and social risks associated with mineral extraction and trading. Their responsibilities and obligations are clearly defined throughout the supply chain to refrain from fueling conflict, respect human rights, and protect the environment. In addition, the Company conducts due diligence on key minerals used in its supply chain, such as natural graphite, promoting transparency and compliance in the mineral supply chain. It also works with partners to maintain a sustainable and responsible resource development ecosystem.

Joint Promotion of Industry Development

Upholding the principle of mutual benefit and shared success, and guided by new quality productive forces, the Company breaks technical barriers and resource constraints. As an industry benchmark, it drives collaborative innovation across the industrial chain to jointly foster the sound and sustainable development of the new energy material industry.

Enhanced Collaborative Ecosystem

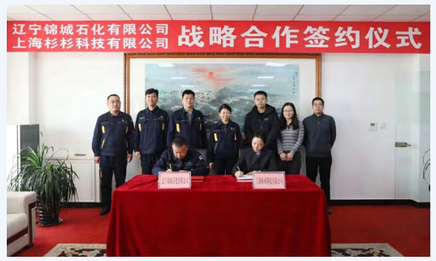
The Company collaborates with industrial partners to advance strategic cooperation while participating in industry exhibitions. By delivering premium products, it enhances international market competitiveness and creates greater value for high-quality industry development.

Partnerships with Strategic Clients

- The Company has entered into a strategic partnership with Falcon for overseas natural graphite anode materials. Leveraging the production base in Morocco, the two parties will jointly develop a natural graphite anode material project to accelerate the innovation and upgrading of the global new energy material supply chain.

- The Company has reached a strategic agreement with OCSiAl, a global leader in single-walled carbon nanotubes (SWCNTs). The collaboration focuses on deep technical synergy regarding the application of SWCNTs in lithium-ion battery anode materials, driving performance improvements and mass production breakthroughs in lithium-ion battery materials.

- The Company has formed a strategic partnership with Liaoning Jincheng Petrochemical Co., Ltd., establishing a deeper strategic relationship in the area of raw material supply.



- The Company has signed a long-term strategic cooperation agreement with Cornex for over CNY 10 billion worth of anode materials. The two parties will engage in deep collaborative development in two core areas: high and low-temperature performance, high-rate fast-charging, and high-safety anode materials for power batteries, as well as large-capacity, long-cycle anode materials for energy storage batteries.

- The Company has established a strategic partnership with IMERYS to jointly contribute to the development of electric vehicles and energy storage in Continental Europe.

Industry Exchange and Cooperation

The Company builds and participates in multi-level, broad-based industry dialogue platforms. Through exhibitions, seminars, and corporate visits, it promotes knowledge sharing, technology integration, and mutually beneficial cooperation.

Case | Innovation Leads the Energy Future | Shanshan Technology Shines at CIBF 2025

In May 2025, the 17th China International Battery Fair (CIBF 2025) hosted by the China Industrial Association of Power Sources grandly opened at Shenzhen World Exhibition & Convention Center. As a global leader in artificial graphite anode materials, the Company engaged with international clients and industry partners at this "battery industry bellwether" event to explore the future of green energy.

Standard Setting and Industry Recognition

Deeply integrated into the industry ecosystem, the Company drives high-quality development of anode materials through continuous innovation.

- At the MBC 2025 (3rd) China Sodium Electricity Industry Annual Conference & 5th China Sodium-ion Battery Technology and Industry Development Summit Mariana Lithium and its subsidiary Zhuoyan Sodium Battery Technology, Shanshan Technology received the Golden Sharp Award for Annual Brand Enterprise.

- At the 2025 Silicon-based Anode and Solid-State Battery Summit, the Company was honored as the 2025 Outstanding Supplier of Silicon-based Anode Materials for Solid-State Batteries.

- At the grand ceremony of the 15th Gaogong Annual Conference on Lithium Battery & Gaogong Golden Ball Awards for the 15th Anniversary, Shanshan Technology was awarded the 15-Year Global Leadership Prize.

Case | Filling the Industry Gap | Shanshan Technology and NCS Jointly Develop China's First Set of Graphite Reference Materials

In July 2025, Shanshan Anode Qingshan Factory and NCS Testing Technology Co., Ltd. jointly announced the successful development of China's first set of graphite anode series reference materials. This breakthrough marks the entry of domestic graphite materials into the era of standardization. It is of great significance for improving the performance of graphite materials and advancing research and applications in related fields.

Industry-Academia-Research Collaboration

The Company promotes the commercialization of research outcomes and industrial applications through university-enterprise partnerships, joint platform development, and shared talent cultivation.

Case | Building the "Park as a Campus" - Meishan Model of Deep Industry-Education Integration

Sichuan Shanshan and Meishan New Energy Materials Vocational College pioneered a symbiotic paradigm where "the industrial park serves as the campus and the workshop functions as the classroom". Enterprise engineers act as "industry professors" leading courses, while student project teams directly work in the R&D center. The two parties jointly established and shared a pilot-scale testing platform, addressing the industry-wide challenge of scaling up from lab to production. This created a closed loop of "achievement commercialization - revenue reinvestment", achieving a seamless transition from knowledge to product and from learning to hands-on work, providing a replicable model for industry-education integration.

Yunnan Shanshan Collaborates with a University to Establish a Student Internship and Training Base

Equal Treatment of Small and Medium-sized Enterprises (SMEs)

Adhering to the philosophy of symbiotic growth across the industrial chain, the Company has established an ESG governance system covering the entire supply chain. It has extended its transparent procurement principles and sustainable procurement standards to SMEs, promoting their integrated and inclusive development within the new energy industry chain.

Due Diligence

The Company has issued policy documents such as the *Management Procedure for Supply Chain Sustainability* and the *Due Diligence Policy for Responsible Mineral Supply Chain*, and established a Sustainable Supply Chain Management Committee. This committee is responsible for due diligence management across the supply chain. It reports to the senior management of the Company on the operation of the responsible procurement and supply chain due diligence system, as well as related improvement activities.

In 2025, the Company leveraged client-initiated second-party ESG audits to conduct due diligence covering both upstream and downstream supply chain partners. At the supplier level, it collected 42 self-assessment questionnaires covering areas such as environmental protection, labor, and carbon emissions, effectively strengthening its ability to identify upstream risks. At the client level, it proactively cooperated with CATL, LG, BYD, and others in completing ESG self-assessments and on-site audits. All audits have been successfully passed to date, and identified issues are being addressed in an orderly manner, continuously driving closed-loop management and performance improvement.

Co-creation of Harmonious Communities

The Company actively fulfills its social responsibilities, ranging from community co-development to rural revitalization support. Through targeted charitable initiatives, it extends corporate care to communities. By leveraging its industrial strengths, it empowers rural revitalization, contributing to shared prosperity.

Social Welfare and Charity

Driven by gratitude, the Company implements charitable initiatives in emergency rescue and community development. Through practical actions and sustained investment, it conveys social warmth and contributes to building a more equitable, compassionate and sustainable society.

Case | Joint Student Assistance Program Led by Party Branches

In June 2025, the Party branch of Sichuan Shanshan and the Party branch of Gonghe Village, Huangfeng Town, conducted a joint student assistance program. Representatives of the Party branches visited financially disadvantaged students sponsored by Sichuan Shanshan at Meishan Vocational & Technical College. Through in-depth discussions with the college, they gained insights into the students' academic and daily lives, encouraging them to study hard and give back to society. This program highlighted Sichuan Shanshan's commitment to fulfilling its social responsibilities and building a better future together.

Case | Baotou Integrated Base Volunteers Conduct Cleanup in Changzheng Community

In July 2025, the Party branches of the Shanshan Anode Qingshan Factory and Shanshan Anode Jiuyuan Factory at Baotou Integrated Base, responding to the call of the Administrative Committee of the Equipment Industrial Park, picked up litter in Changzheng Community. Through this hands-on activity, they improved the living environment and demonstrated their commitment to serving the community.

Case | Baotou Integrated Base Donates Blood to Bring Hope

In September 2025, employees at the Baotou Integrated Base actively participated in a voluntary blood donation drive. In cooperation with the Baotou Blood Center, Shanshan Anode Qingshan Factory at Baotou Integrated Base organized a blood donation drive, spreading positive energy in society.

Case | Employee Family Care Program

In October 2025, the labor union of Sichuan Shanshan visited seven employee families. The union representatives engaged in warm conversations with the family members, attentively inquiring about their current well-being, and presented care packages. With these heartwarming actions, Sichuan Shanshan puts its philanthropic vision into practice, ensuring that charitable support reaches those in need.

Rural Revitalization

The Company implements targeted assistance programs for impoverished community members and grassroots Party members to deliver organizational warmth. Through home visits, financial support, and other practical measures, it brings care directly to those in need, infusing rural revitalization with Shanshan's warmth. In January 2025, Fujian Shanshan visited and provided financial assistance to impoverished community members and Party members, establishing a targeted partner assistance model.

Annual Performance

Economic and Governance Issues	Name of Quantitative Indicator	Unit	2025	2024	2023
Economy	Net profit	CNY 100 million	5.06	3.90	1.53
	Amount of tax paid during the reporting period	CNY 100 million	4.27	1.51	4.23
Anti-commercial bribery and anti-corruption training	Number of anti-commercial bribery and anti-corruption training sessions conducted	Sessions	55	70	3
	Total number of management personnel covered by anti-commercial bribery and anti-corruption training	Persons	89	118	71
	Total number of employees covered by anti-commercial bribery and anti-corruption training	Persons	3,563	5,835	221
Data security and privacy protection	Number of training sessions of data security and customer privacy protection	Sessions	14	1	1
	Number of relevant emergency drills	Drills	14	4	4

Social Issues		Name of Quantitative Indicator	Unit	2025	2024	2023
Employees	Number of employees	Total number of employees[1]	Persons	4,399	5,217	5,858
	Number of new hires	Number of new employees hired[2]	Persons	503	1,148	2,790
	By ethnicity	Number of Han employees	Persons	4,178	4,995	/
		Number of ethnic minority employees	Persons	221	222	/
		Proportion of ethnic minority employees	%	5.02	4.26	/
	Number and proportion of vulnerable groups	Number of vulnerable groups	Persons	43	42	/
		Proportion of vulnerable groups	%	0.98	0.81	/
	Number and proportion of employees by gender	Number of female employees	Persons	765	804	762
		Number of male employees	Persons	3,634	4,413	5,096
		Proportion of female employees	%	17.39	15.41	13.01
		Proportion of male employees	%	82.61	84.59	86.99
	Number and proportion of employees by age	Number of employees under 30 years old	Persons	1,119	1,516	1,674
		Number of employees aged 30-50	Persons	3,073	3,446	3,931
		Number of employees aged 50 and above	Persons	207	255	253
Employees	Number of employees by educational background	Number of employees with an education level below a bachelor's degree	Persons	3,325	4,083	4,872
		Number of employees with bachelor's degree	Persons	847	901	821
		Number of employees with a master's degree	Persons	220	226	161
		Number of employees with a doctor's degree	Persons	7	7	4
	Number of employees by job level	Number of senior management employees	Persons	43	47	50
		Number of middle management employees	Persons	146	160	175
		Number of junior management employees	Persons	185	302	251
		Ordinary employees	Persons	4,025	4,708	5,382
	R&D department personnel	Total number of R&D personnel	Persons	330	308	148
		Proportion of R&D personnel	%	7.50	5.90	2.53
		Proportion of female R&D personnel	%	23.64	12.99	16.22
	Recruitment	Number of personnel transferred through internal job rotation	Persons	328	212	/
		Number of personnel recruited through internal referrals	Persons	70	300	/
Protection of employee rights and interests	Female R&D personnel	Number of female R&D personne	Persons	78	40	24
	Female managers	Number of female senior management employees	Persons	11	11	11
		Number of female middle management employees	Persons	38	42	24
		Number of female junior management employees	Persons	43	/	/
		Proportion of female managers	%	24.6	/	/
Talent training and development	Coverage of employee training	Number of employees covered by training	Persons	4,399	5,217	In 2023, most of the Company's training sessions were not delivered online via the learning platform. As a result, data for the majority of offline training could not be uniformly, timely collected and recorded.
	Employee training duration	Total training duration	Hours	7,374.5	8,361.97	
		Average training duration per employee	Hours	1.7	2	
		Total training hours for female employees	Hours	2,122.1	1,998.62	
		Total training hours for male employees	Hours	5,252.4	6,363.36	
		Total training duration for senior management	Hours	170.4	104.84	
	Employee training assessment	Total number of training sessions throughout the year	Sessions	2,607	2,126	
		Number of employees assessed in training	Persons	4,394	5,217	
		Proportion of employees who have received vocational or skill-related training	%	100	100	

Social Issues		Name of Quantitative Indicator	Unit	2025	2024	2023
Occupational health and safety	Health and safety training and drills	Number of employee attendances in health and safety training	Attendances	18,509	16,521	12,246
		total duration of training on occupational health and work safety	Hours	18,605.50	70,111.50	37,718.50
		Number of safety drills (fire, toxic gas leakage, etc.)	Drills	209	435	65
	Work-related injury	Number of work-related injuries (minor injuries or above)	Persons	11	11	8
		Number of work-related deaths	Persons	0	0	0
		Number of working days lost due to work-related injuries	Days	1,088	1,565	1,703
		Occupational disease incidence rate	%	0	0	0
		Number of working days lost due to work-related deaths	Days	0	0	0
		Number of new occupational disease cases	Cases	0	0	0
	Accident	Number of work-related accidents	Accidents	7	7	7
	System	Percentage of sites that have undergone employee health and safety risk assessment	%	100	100	100
		Percentage of operating facilities certified to ISO 45001	%	100	100	100
	Work safety	Total investment in work safety	CNY 10,000	1,706.71	2,155.32	2,036.78
		Proportion of total investment in work safety to operating revenue	%	0.17	0.26	0.28
	Contractor safety training	Contractor attendances in health and safety training (attendances)	Attendances	2,406	2,078	1,913
Supplier management	Number of suppliers[3]		Suppliers	382	320	441
R&D innovation	R&D investment	R&D expenses	CNY 10,000	67,724.30	63,792.37	43,616.96
		Proportion of total R&D expenditure to operating revenue	%	6.67	7.77	5.99
	Intellectual property management	Number of patents held	Patents	676	617	526
		Number of newly granted patents	Patents	95	89	69
		Number of invention patents held	Patents	516	481	312
		Number of invention patents utilized in the main business	Patents	516	481	312
		Number of software copyrights held	Copyrights	6	6	6
		Number of patent applications filed	Applications	296	283	247
		Number of trademarks held	Trademarks	2	2	2
		Number of granted patents	Patents	375	334	279

Social Issues		Name of Quantitative Indicator	Unit	2025	2024	2023
R&D innovation	Intellectual property management	Number of international patents	Patents	17	8	6
		Number of domestic invention patents	Patents	238	225	207
		Number of utility model patents	Patents	120	101	66
Product and service safety & quality	Customer satisfaction	Customer satisfaction survey results	point (out of 100)	97.02 domestically and 95.50 internationally	95.75 domestically and 92.52 internationally	96.03 domestically and 93.16 internationally
	Products and services	Number of product recalls	Recalls	0	0	0
		Customer complaint rate	%	0.015	0.024	0.032

1. In 2025, the Shanshan Anode Chenzhou Factory has one part-time employee, who is paid on an hourly basis.

2. In 2025, all bases improved labor productivity, which correspondingly led to a reduction in the number of new hires.

3. The sum of annual qualified suppliers and potential suppliers. The decrease in supplier count in 2024 was due to raised entry thresholds, which led to the removal of suspended suppliers and other redundancies.

Environmental Issues		Name of Quantitative Indicator	Unit	2025	2024	2023
Environmental compliance management		Total investment in environmental management[1]	CNY 10,000	2,459.72	8,508.74	1,811.96
		Proportion of total investment in environmental management to operating revenue	%	0.24	1.04	0.25
		Proportion of employees receiving environment-related training	%	100.00	100.00	100.00
		Proportion of sites where environmental risk assessment has been conducted	%	100.00	100.00	100.00
Energy utilization	Energy consumption	Comprehensive energy consumption[2]	Tons of standard coal equivalent	483,441.31	455,565.87	273,687.05
		Total energy consumption per unit of operating revenue	Tons of standard coal equivalent /CNY million revenue	47.64	55.45	37.61
		Including: gasoline	Liters	27,725.54	65,793.31	60,218.96
		Including: diesel oil	Liters	454,753.45	627,347.40	696,111.86
		Including: natural gas	m^3	4,716,339.00	6,755,396.08	4,758,638.82
		Including: liquefied petroleum gas (LPG)[3]	kg	174.00	159.50	81.00
		Including: electricity (green electricity + green electricity certificates)	MWh	3,882,134.53	3,626,756.89	2,167,832.82
		Including: steam	Tons of standard coal equivalent	0	0	0

Environmental Issues		Name of Quantitative Indicator	Unit	2025	2024	2023
Energy utilization	Energy consumption	Including: heat	Tons of standard coal equivalent	0	0	0
		Total purchased electricity (including green electricity and green electricity certificates)	MWh	3,882,134.53	3,626,756.89	2,167,832.82
		Total purchased electricity (excluding green electricity and green electricity certificates)	MWh	1,063,419.33	/	/
		Clean energy consumption	MWh	2,818,715.20	1,834,122.56	1,308,974.68
		Proportion of clean energy consumption	%	72.61	50.57	60.38
		Including: wind energy	MWh	758,923.68	304,214.01	201,027.74
		Including: proportion of wind energy	%	26.92	16.59	15.36
		Including: solar energy	MWh	317,723.09	164,899.81	76,762.45
		Including: proportion of solar energy	%	11.27	8.99	5.86
		Including: other clean energy sources (hydropower, geothermal energy, biomass resources, ocean energy, etc.)	MWh	1,728,014.22	1,365,008.73	985,284.15
		Including: proportion of other clean energy sources	%	61.31	74.42	75.27
		Including: photovoltaic power	MWh	14,054.21	/	/
	Energy-saving renovation	Numbers of energy-saving renovation projects	Numbers	9	/	/
Water resource utilization		Total water intake	Tons	2,276,440.00	/	/
		Total water consumption[4] (total water intake - total water discharge)	Tons	2,059,014.10	1,790,529.80	845,282.49
		Water use intensity	Tons/CNY million revenue	202.89	217.95	116.17
		Water intake by source: Municipal water supply	Tons	1,754,085.00	2,292,761.00	1,454,287.90
Climate change response	GHG emissions	Total GHG emissions[5]	tCO_2e	4,258,241.55	3,672,555.95	3,629,891.19
		Including: Scope l GHG emissions	tCO_2e	16,893.65	26,888.22	13,976.81
		Including: Scope 2 GHG emissions (location-based)	tCO_2e	2,059,860.59	1,919,612.56	1,066,136.72
		Including: Scope 2 GHG emissions(market-based)	tCO_2e	945,555.95	1,285,321.10	/
		Including: Scope 3 GHG emissions	tCO_2e	3,295,791.95	2,360,346.63	2,549,777.65
		Including: Scope 3 GHG emissions (upstream)	tCO_2e	3,215,331.69	/	/
		Including: Scope 3 GHG emissions (downstream)	tCO_2e	80,460.25	/	/
		Scope 3 Category 1: emissions from purchased goods and services	tCO_2e	2,107,745.26	/	/
		Scope 3 Category 2: emissions from capital goods	tCO_2e	357,923.85	/	/

Environmental Issues		Name of Quantitative Indicator	Unit	2025	2024	2023
Climate change response	GHG emissions	Scope 3 Category 3: emissions from fuel- and energy-related activities (not included in Scope 1 or Scope 2)	tCO_2e	514,494.54	/	/
		Scope 3 Category 4: emissions from upstream transportation and distribution	tCO_2e	205,149.46	/	/
		Scope 3 Category 5: emissions from waste generated in operations	tCO_2e	25,221.60	/	/
		Scope 3 Category 6: emissions from business travel	tCO_2e	376.82	/	/
		Scope 3 Category 7: emissions from employee commuting	tCO_2e	4,420.17	/	/
		Scope 3 Category 8: emissions from upstream leased assets	tCO_2e	0	/	/
		Scope 3 Category 9: emissions from downstream transportation and distribution	tCO_2e	80,460.25	/	/
		Scope 3 Category 10: processing of sold products emissions	tCO_2e	0	/	/
		Scope 3 Category 11: emissions from use of sold products	tCO_2e	0	/	/
		Scope 3 Category 12: emissions from end-of-life treatment of sold products	tCO_2e	0	/	/
		Scope 3 Category 13: emissions from downstream leased assets	tCO_2e	0	/	/
		Scope 3 Category 14: emissions from franchises	tCO_2e	0	/	/
		Scope 3 Category 15: emissions from investments	tCO_2e	0	/	/
		GHG emission intensity	tCO_2e/CNY million revenue	419.60	447.04	498.88
		Reduction of GHG emissions[6]	tCO_2e	1,628,371.77	1,059,572.60	756,194.67
Pollutant emissions	Atmospheric pollutant emissions	Total waste gas emissions[7]	tons	527.44	312.33	275.42
		Nitrogen oxide (NOx) emissions	kg	139,636.96	66,768.70	65,606.29
		Sulfur oxide (SOx) emissions	kg	193,708.38	126,731.56	112,834.99
		Emissions of volatile organic compounds (VOCs)	kg	36,146.97	55,196.53	47,541.83
		Particulate matter (PM) emissions	kg	157,931.42	63,636.37	49,438.74
	Water pollutant emissions	Total wastewater discharge[8]	10,000 tons	38.75	37.34	36.36
		Wastewater discharge per unit of operating revenue	Tons/CNY million revenue	38.18	15.31	20.39
		Including: total industrial wastewater	10,000 m^3	0	0	0
		Including: total domestic wastewater	10,000 m^3	38.74	37.34	36.36
		Chemical oxygen demand (COD)	Tons	75.07	74.26	72.10

Environmental Issues		Name of Quantitative Indicator	Unit	2025	2024	2023
Pollutant emissions	Water pollutant emissions	Biochemical oxygen demand (BOD)	Tons	30.61	30.31	29.78
		Ammonia nitrogen content (NH3-N)	Tons	7.12	7.05	6.87
		Hazardous wastewater discharge	Tons	85.36	84.34	81.97
Waste disposal		Total waste generated[9]	Tons	77,840.03	74,713.28	39,520.28
		Including: total amount of hazardous waste	Tons	6,919.76	6,904.17	5,178.06
		Including: total amount of general solid waste	Tons	70,920.27	67,809.11	34,342.21
		Density of hazardous waste	Tons/CNY million revenue	7.67	9.09	5.43
		Density of general solid waste	Tons/CNY million revenue	6.99	8.25	4.72
		Total amount of waste recycled/ reused	Tons	61,645.03	68,257.14	34,477.71
		Including: total amount of hazardous waste	Tons	6,103.18	4,366.51	2,386.35
		Including: total amount of general solid waste	Tons	55,541.85	63,890.63	32,091.36
		Total amount of waste recycled per unit of operating revenue	Tons/CNY million revenue	6.07	8.31	4.74
		Waste recycling rate	%	79.19	91.36	87.24
Circular economy	Raw material and packaging material management	Total amount of packaging materials used	Units	3,975,568	3,588,174	/
		Total amount of packaging materials recycled and reused	Units	1,761,044	741,613	/
		Recycling and reuse rate of packaging materials	%	44.30	20.67	/
		Total amount of production materials used (Note: Incoming inventory of oversize material and magnetic materials)	Tons	142,998	129,406	/
		Total amount of production materials recycled and reused (Note: Recycled and reused volume of oversize material and magnetic materials)	Tons	50,147	20,563	/
		Recycling and reuse rate of production materials	%	35.07	15.89	/
		Certification rate of raw materials	%	8.90	12.10	/
		Number of electric forklifts	Units	216	235	/

1.The decrease in environmental expenditure in 2025 is primarily due to the investments in environmental equipment made in 2024 for the construction and expansion of factories in Shanghai, Sichuan, and Yunnan.

2.This covers clean energy. Note that the 2023 energy data exclude Yunnan Shanshan, which had not yet commenced production at the time.

3.This energy source is used exclusively by Fujian Shanshan, which switched to electricity following a furnace retrofit in 2023.

4.Shanshan Anode Chenzhou Factory: domestic water consumption * 10%; other factories: total water consumption = municipal water consumption - wastewater discharge volume.

5. Data are filled in accordance with ISO 14064 certificates.

2023 Data covers: Fujian Shanshan, Ningbo Shanshan, Jiuyuan Shanshan, Qingshan Shanshan, Sichuan Shanshan

2024 Data covers: Fujian Shanshan, Ningbo Shanshan, Sichuan Shanshan, Jiuyuan Shanshan, Qingshan Shanshan, Yunnan Shanshan

2025 Data covers: Fujian Shanshan, Ningbo Shanshan, Ningbo Shanshan Silicon-based, Sichuan Shanshan, Jiuyuan Shanshan, Qingshan Shanshan, Yunnan Shanshan

6.The emissions are calculated by multiplying the clean energy consumption of each production base by the power emission factor. The emission factors are sourced from the Announcement on Issuing the 2024 Power Carbon Footprint Factor Data (No. 19, 2025), jointly issued by the Ministry of Ecology and Environment, the National Bureau of Statistics and the National Energy Administration on September 28, 2025.

7. Measured data calculated in accordance with the formula (monitoring data * operating time). Yunnan Shanshan had not yet been put into operation in 2023, so no relevant data are available

8. The production process of the Company generates virtually no industrial wastewater discharge. Only silicon-based operations yield a small amount of process wastewater, and circulating cooling water from cooling towers is fully contained on-site. Discharged wastewater mainly comes from domestic sewage of employees. Total wastewater discharge = total water consumption of the factory * 25% (proportion of domestic water) * 90% (discharge coefficient). The calculation method is referenced from the *Manual of Accounting Methods and Coefficients for Pollution Production and Discharge in Emission Source Statistical Surveys*, and the coefficients are referenced from the *Code for Planning of Urban Drainage Engineering*. For the three wastewater pollutant indicators (COD, BOD, and NH3-N), the emission volume is calculated as: total wastewater discharge × concentration of each "factor" in the monitoring report × coefficient.

9. Yunnan Shanshan had not yet been put into operation in 2023, so no relevant data are available.

Benchmarking Index

GRI Indicator		Related Explanations	Page
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SDGs	Our Actions
1 无贫穷	We established and refined our compensation and benefits system, provided employees with diverse allowances and subsidies, and ensured that these benefits were oriented towards frontline workers. Meanwhile, we carried out targeted assistance and support for employees facing difficulties and grassroots Party members, conveying our care and warmth.
2 零饥饿	We strictly adhered to ecological red lines and persisted in green, low-carbon production to effectively protect the agro-ecological environment, contributing to the achievement of our goals through responsible industrial operations.
3 良好健康与福祉	We updated our environmental emergency response plans to address extreme weather events, maintained ventilation and dust removal facilities to safeguard employee health, and conducted hazardous waste emergency drills and environmental training. Furthermore, we equipped our facilities with protective and first-aid equipment to enhance our environmental risk prevention and control capabilities.
4 优质教育	We launched the "Shanxing Plan" to refine the end-to-end training process. We also leveraged the "Anode Learning Center" online platform to build a digital training system covering new employees and employees in key positions, preliminarily establishing a comprehensive career development system for employees.
5 性别平等	We upheld the principle of non-discrimination based on gender, race, or other factors, ensuring that female employees enjoyed equal rights and interests in employment, promotion, training, compensation, and benefits, etc.
6 清洁饮水和卫生设施	We constructed circulating water facilities and advanced the reuse of circulating water in the graphitization process to increase our water recycling rate. We also implemented separate drainage systems for clean and polluted water, as well as wastewater treatment across all our bases, achieving compliant wastewater discharge and recycling.
7 经济适用的清洁能源	We increased the proportion of clean energy through photovoltaic project installations, green electricity procurement, and vehicle electrification. Additionally, we utilized our power monitoring system to implement off-peak production, effectively conserving energy and enhancing operational efficiency.
8 体面工作和经济增长	We established a compensation system aligned with job levels, ensuring employees' income through base salaries, performance bonuses, and various allowances. We also maintained compliant and prudent operations, driving employment along the industrial chain and the sustainable development of local economies.
9 产业、创新和基础设施	We formulated a five-year R&D plan, dedicating ourselves to providing world-class battery material solutions for the global new energy industry. We built a full-chain innovation management system to enhance R&D efficiency and the commercialization of research outcomes. Furthermore, we set up a dedicated patent team to improve our intellectual property management and protection mechanisms.
10 减少不平等	We upheld the principle of non-discrimination based on gender, race, or other factors.
11 可持续城市和社区	We conducted visit-and-support initiatives for Party members facing financial difficulties and provided them with monetary assistance.
12 负责任消费和生产	We committed to not using conflict minerals, built a prevention & control system for quality and safety risks, and established an efficient customer service mechanism. We also adhered to truthful and transparent marketing and strengthened compliance reviews for our promotional activities.
13 气候行动	We established a three-tier climate governance structure, advanced our application for the Science Based Targets initiative (SBTi), and managed climate risks with a systematic approach. We achieved emission reductions through the use of green electricity, waste heat recovery, and process optimization, striving to realize operational carbon neutrality.
15 陆地生物	All our production bases were situated away from sensitive areas such as ecological protection red lines. We conducted comprehensive environmental impact assessments prior to facility construction, strictly controlled waste gas and wastewater emissions during operations, and effectively protected ecosystems and biodiversity, with no occurrence of major ecological impact incidents.
16 和平、正义与强大机构	We strengthened risk control and internal control development on all fronts, refined our institutional framework, and conducted ethics training. At the same time, we built an information security protection mechanism involving all employees to safeguard compliant operations and data privacy.
17 促进目标实现的伙伴关系	We engaged in deep collaboration with global leaders in the lithium-ion battery, automotive, and consumer electronics industries, such as CATL and BYD. We actively participated in the formulation of industry standards and international exhibitions, and partnered with universities and research institutes to establish an industry-academia-research platform, driving the commercialization of green technology achievements.

Independent Assurance Statement

To:Stakeholders of Shanghai Shanshan Lithium Battery Material Technology Co.,Ltd.

China Quality Certification Centre Co., Ltd. (CQC), commissioned by Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (hereinafter referred to as Shanshan Technology), conducted the independent assurance of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. Environmental, Social and Governance (ESG) Report 2025 (hereinafter referred to as the ESG report).

Shanshan Technology was responsible for collecting, summarizing, analyzing, and disclosing the information and data presented in the ESG report. CQC implemented report verification within the scope specified in the agreement with Shanshan Technology.

This statement was based on the assurance activities conducted on the ESG report prepared by Shanshan Technology in accordance with the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial), the Guide No. 4 for Self-regulatory Supervision on Listed Companies of the SSE - Compilation of Sustainable Development Reports, the Corporate Sustainability Disclosure Standards No. 1 - Climate (Trial) issued by the Ministry of Finance, the United Nations 2030 Sustainable Development Goals (SDGs), the GRI Sustainability Reporting Standards 2021 ("GRI Standards 2021"), and other regulatory documents.Shanshan Technology is responsible for the authenticity, accuracy, and completeness of the report content.

Scope of Assurance

The key data and information disclosed in the Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. Environmental, Social and Governance (ESG) Report 2025.

Basis for Assurance

AA1000 v3, Type 2, Moderate Assurance

Assurance Methods

The methods used in this assurance include but are not limited to:

a Report review;
b Interviews;
c Verification of documents, records, certificates, invoices, and other materials;
d Trusted information source verification;
e Verification against disclosure basis;
f Recalculation/estimation; and
g Confirmation of statistical, calculation/estimation processes.

Limitations

1. This assurance was conducted using sampling methods based on quantitative and qualitative risk analysis and the sampling scope was limited to the data and information selected in the ESG report, not fully tracing or independently recalculating all raw data of Shanshan Technology.

2. This assurance only covered interviews and/or document review with Shanshan Technology, and did not involve external stakeholders.

3. The data and information audited/verified by a third party in the ESG report were not subject to repeated verification during this assurance process.

4. Some of the data and information in the ESG report cannot be compared and verified through independent sources. This assurance only evaluated their reasonableness.

5. Activities outside the scope of information disclosure were not included in this assurance.

6. The statement regarding the position, viewpoints, goals, future development directions, and commitments of Shanshan Technology was not included in this assurance.

Statement on Independence and Verification Capability

China Quality Certification Centre Co., Ltd.(CQC) is a third-party certification body with independent legal status, possessing professional qualifications and experience in providing in this assurance process, and possesses the technical capabilities and industry-specific knowledge required to conduct ESG/ESG report assurance, in compliance with the requirements of AA1000 Assurance Standard v3 for an assurance provider. The assurance team is composed of experienced AA1000 Practicing Certified Sustainability Assurance Practitioners (PCSAP), CCAA (China Certification and Accreditation Association) registered quality, environment, energy, occupational health and safety, compliance, anti-bribery and other management system auditors and APSCA (Association of Professional Social Compliance Auditors) registered auditors.

CQC ensured that there were no conflicts of interest with Shanshan Technology and its stakeholders during the assurance process of this report. All information in the ESG report was provided by Shanshan Technology. CQC and the personnel conducting this assurance of the ESG report were not involved in the preparation process of the ESG report.

Assurance Conclusions

The ESG report reflects the ESG performance of Shanshan Technology in 2025, which meets the requirements of AA1000 v3 and AA1000AP:

Inclusivity: Shanshan Technology has identified both internal and external stakeholders, including government and regulatory bodies, shareholders and investors, employees, clients, suppliers, partners, and communities and the public. In the report preparation process, the expectations and needs of stakeholders have been considered.

Materiality: Shanshan Technology has identified material ESG topics through a structured dual materiality assessment process, taking into account regulatory requirements, industry benchmarking, corporate strategy, market trends, and other relevant factors, and has established a prioritized list of ESG topics.

Responsiveness: Shanshan Technology has established a governance structure, management system and processes, as well as a communication mechanism with stakeholders, capable of taking action to respond to the material issues of high importance and impact on Shanshan Technology and its stakeholders.

Impact: Through quantitative or qualitative methods, or a combination of both, Shanshan Technology has disclosed the main impacts on itself and its stakeholders in terms of ESG.

Specific performance information: Based on the process and results of this assurance, we have not found any deficiencies in the reliability and quality of key data and information in the ESG report.

Recommendations

The specific opinions regarding the assurance of this report have been communicated to the management of Shanshan Technology in written form and will not be further elaborated in this section.

AA1000
Licensed Report
000-366/V3-SAYNU

President of CQC:

April 24

Beijing, China

Note: In case of any inconsistency or discrepancy, the Chinese version of this assurancestatement shall prevail, while the English translation is used for reference only.

Feedback Form

Dear readers,

Hello!

Thank you very much for taking the time to read the *Environmental, Social and Governance (ESG) Report 2025 of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.* To provide you and other stakeholders with more valuable information, and to effectively advance our capability and performance in fulfilling corporate social responsibility, we sincerely invite your valuable comments and recommendations.

1. What is your overall evaluation of this Report?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very Poor

2. Do you find the structure of this Report reasonable?

☐ Highly reasonable ☐ Reasonable ☐ Average ☐ Somewhat unreasonable ☐ Unreasonable

3. How would you rate the readability of this Report?

☐ Highly readable ☐ Readable ☐ Average ☐ Somewhat difficult to read ☐ Difficult to read

4. How comprehensive is the disclosure of your concerned information in this Report?

☐ Very comprehensive ☐ Fairly comprehensive ☐ Partially covered ☐ Minimally covered ☐ Not covered

Open-ended question

1. Are there any topics of concern to you that are not reflected in this Report?

2. Do you have any suggestions for the advancement of our ESG practices or the compilation of future ESG reports?

C H A N G E

CIRCULAR MATERIAL APPLICATION

HEALTHY DIVERSE AND INCLUSIVE WORKPLACE

ADVANCED TECHNIQUES ADOPTION

NEW ENERGY AND PRODUCTS REVOLUTION

GOOD CORPORATE GOVERNANCE

ECONOMICAL &SUSTAINABLE GROWTH

Corporate website: https://www.shanshantech.com/ Company email: esg.office@shanshan.com