



**Environmental, Social
and Governance Report 2023**
Ningbo Shanshan Co., Ltd.

About This Report

This Report is the 15th ESG report released by Ningbo Shanshan Co., Ltd. to its stakeholders. The Report details the practice and performance of Ningbo Shanshan Co., Ltd. on the aspects of economy, environment, society and corporate governance in 2023. Its purpose is to facilitate effective communication with stakeholders and systematically respond to their expectations and requirements.

Time Frame

From January 1, 2023 to December 31, 2023, but with some contents moderately extended to previous and future years to enhance the comparability and forward-looking nature of the Report.

Report Boundary

The Report discloses the information about and typical cases of Ningbo Shanshan Co., Ltd. and its directly controlled subsidiaries in fulfilling their responsibilities in economy, environment, society and corporate governance.

Report Title

- Ningbo Shanshan Co., Ltd. (referred to as "Shanshan", "Company" or "We")
- Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. and its subsidiaries (referred to as "Shanghai Shanshan Lithium Battery" or "Lithium Battery")
- Shanjin Optoelectronics (Suzhou) Co., Ltd. and its subsidiaries (referred to as "Shanjin Optoelectronics" or "Shanjin")

Information Source

The information disclosed in this Report is sourced from official internal documents, statistical reports and annual reports of Shanshan.

The data disclosed in this Report comes from the actual operation data of Shanshan, public data announced by government departments, annual financial data, internal statistical reports, third-party questionnaires, and third-party evaluation interviews. The financial data in this Report is presented in RMB. In case of any discrepancies between this Report and the financial report, the financial report shall prevail.

Preparation Basis

- United Nations Sustainable Development Goals (SDGs) 2030
- Global Reporting Initiative (GRI) Standards released by the Global Sustainability Standards Board
- Guidelines for Preparing Corporate Social Responsibility Reports in China (CASS-ESG 5.0) released by Chinese Academy of Social Sciences
- Guidelines for Preparing Social Responsibility Reports (GB/T36001-2015), a national standard in China
- ISO 26000:2010 Guidance on Social Responsibility released by the International Organization for Standardization
- Guidelines No. 1 of the Shanghai Stock Exchange for the Self-regulation of Listed Companies - Standard Operation released by Shanghai Stock Exchange

Report Accessibility

This Report is available for your reading in electronic format and can be accessed on the Company's official website <http://www.ssgf.net/> or the website of Shanghai Stock Exchange www.sse.com.cn. If you have any questions or suggestions regarding this Report, please send an email to ssgf@shanshan.com or call 0574-88208337.

CONTENTS

Chairman's Message 01

Shanshan in 2023 03

About Shanshan	03
Development History	05
Focus on 2023	07
Our Path to Sustainable Development	09

Key Performance Indicators 89

Benchmarking 90

Reader Feedback 94

15/ Steady Cultivation and Lean Governance

Consolidating Corporate Governance	17
Internal Control and Risk Management	22
Adherence to Business Ethics	25
Leading Development with Party Building	31

40/ Innovative Development and Technology Empowerment

Focusing on Innovative R&D	51
Ensuring Strict Quality Control	53
Responding to Customer Needs	57

69/ Employee Empowerment for Mutual Growth

Employee Welfare Assurance	71
Employee Growth Support	74
Diverse Employee Life	77
Occupational Health and Safety	79

32/ Double-Carbon Guidance and Green Coexistence

Environmental Management System	35
Response to Climate Change	35
Enhancing Emission Management	41
Chemical Safety Management	46
Driving Green Operations	47

59/ Collaborative Advancement for Mutual Success

Responsible Supply Chain Management	61
Industry Development Advancement	65

82/ Social Contribution and Responsibility

Participating in Public Welfare Efforts	85
Promoting Rural Revitalization	87



Chairman's Message

Currently, the global new energy industry is experiencing rapid growth, with the display panel sector accelerating its shift towards China. This shift has brought global attention to China's lithium battery and new visual technology industry chains. However, amidst the complex and ever-changing global economic environment, industry competition is intensifying, and uncertainty factors are on the rise. Facing industrial opportunities and challenges, Shanshan keeps its business focus on the development of anode materials and polarizers and sticks to the business philosophy of creating long-term values for customers, in a bid to fulfill more industrial achievements. In 2023, Shanshan unwaveringly implemented the product leadership strategy, deepened its cooperation with customers, and carried out measures to reduce costs and improve efficiency on all fronts. Under its partners' strong support, Shanshan continued to stand at the leading position in global market share with its

two core businesses, anode materials and polarizers. The Company also further enhanced its leadership in the industry and reinforced its business resilience.

Shanshan pursues industry-based and innovation-driven development and is committed to exploring cutting-edge technologies and business growth. Meanwhile, the Company has always insisted on shouldering the corporate responsibilities for ecological development and social development, and making contributions to achieving sustainable development goals.

Scientific and efficient corporate governance is the cornerstone of sustainable development. Realizing that, Shanshan has devised a modern corporate governance system to fortify the corporate governance foundation. The Company has always adhered to the normative organizational structure and three-institution operation, and attached great importance to investors' right and

interest protection. Moreover, Shanshan has established a complete internal control system and cultivated a work style of being clean and credible to ensure steady and efficient corporate operation.

The Company adheres to the EHS policy of "compliance with regulations, pollution prevention, people orientation, and continuous improvement", and has established a thorough EHS management responsibility system. To respond to climate change, we have set up carbon neutrality goals and the path to realize them. We have adopted measures such as using clean energy, reducing energy consumption, and recycling to save energy and cut emissions. We also have actively implemented greenhouse gas management and energy management to substantially support sustainable and high-quality development.

Constant technological innovation is the key to success in global competition. Shanshan sets innovation as the core

driver and continuously develops critical technologies in an attempt to become the leading player in future development at a faster pace. Shanghai Shanshan Lithium Battery promotes the iteration of cutting-edge products such as fast-charging devices, silicon-based materials, and hard carbon materials with its high-capacity anode products to empower the continuous upgrading of electric vehicles, consumer electronics and other terminal products. Shanjin Optoelectronics has achieved the globally largest 115-inch polarizers for TVs and realized mass production of OLED polarizers. The structure of these products has been further optimized to accelerate the development of the Internet of Everything (IoE) with a diverse production system.

High-quality partners serve as a cornerstone for mutual growth across industries. Shanshan is dedicated to building a long-term, high-quality, and sustainable supply chain. We have developed the Supplier Management Procedures and Supply Chain Responsibility Management Committee to

ensure stable operation and responsible procurement of the supply chain. We also have worked to mitigate social and environmental risks associated with conflict minerals and actively promoted green procurement to advance sustainable development with suppliers. Furthermore, we effectively fulfill downstream customer needs and requirements of expanding domestic and international markets with high-quality products and technical services. We deepen our engagement in industrial development, seek industry-university-research collaboration, and advance industrial integrated projects.

Excellent talents ensure high-quality corporate development. Shanshan has established a complete set of labor management systems and measures, and taken action to promote democratic management and safeguard the rights and interests of female employees. Remaining committed to employees' career development and growth, we have set up a comprehensive training system,

remuneration package system and career ladder to create more opportunities for employees to realize their personal value and career goals. At the same time, we constantly recognize our social responsibility, organize and participate in public welfare activities, and promote rural revitalization to contribute to social development.

With our vision of "building a respected global high-tech enterprise and realizing sustainable and high-quality development", Shanshan will seize the opportunities in the electric and intelligent era to become an unparalleled industry leader with all efforts. We will insist on the green, low-carbon development model and join hands with our partners to advance industrial development, realize carbon neutrality, and share development achievements and a promising future!

**Chairman of Ningbo
Shanshan Co., Ltd.**
ZHENG JU

Shanshan in 2023

About Shanshan

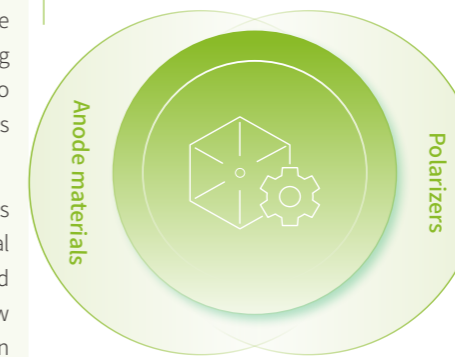
Founded in Ningbo, Zhejiang in 1989, Ningbo Shanshan Co., Ltd. ("Shanshan", A-share code: 600884) has been listed on the A-share market of the main board of Shanghai Stock Exchange. The Company's journey began in the apparel industry, but in 1999, it shifted its focus to lithium battery materials, becoming the first Chinese enterprise to industrialize anode materials. Over the past 20 years, it has evolved into a global leader in this field. In 2021, the Company acquired LG Chem's polarizer business, cementing its global leadership in this sector. This strategic move propelled it onto a lucrative "golden track," ushering in a new era of "dual primary businesses and dual drives". In recent years, the Company has consistently pursued a focus strategy and made every effort to develop the two core advantageous businesses: lithium battery anode materials and polarizers. This has led to the establishment of a dual technology engine of "anode materials for lithium batteries + polarizers", creating a dual development power business pattern.

The Company continues to deepen its corporate vision of "building a respected global high-tech enterprise and achieving sustainable and high-quality development", while centering on developing two core businesses, i.e., anode materials and polarizers. To cater to customer needs, the Company has always implemented the strategy of product technology and cost leadership, i.e., strengthening R&D investment and product innovation, continuously upgrading manufacturing and operation capabilities, intensifying cost reduction and expense control efforts, firmly maintaining its global leading position, and steadily enhancing the medium and long-term profitability levels.

Business Layout

Shanshan continues to focus on the development of its two core businesses, anode materials and polarizers, and is committed to becoming a global leader in the two market segments of anode materials and polarizers. The Company fully grasps the historic opportunities brought by the global development of new energy vehicles and energy storage, as well as the shift towards domestic display panels, continuously strengthens its leading position in anode materials and polarizers, and achieves a steady growth in global market share and long-term profitability.

- The Company has been deeply engaged in lithium battery anode materials for more than 20 years, establishing itself as a pioneer and technological leader in this industry. The Company adheres to the value orientation of "deeply empowering customer needs" and is committed to providing customers with world-class products and services.
- Main products of the Company's anode material business cover artificial graphite, natural graphite, silicon-based anodes, and soft/hard carbon new materials, which are widely used in industries such as new energy vehicles, consumer electronics and energy storage. According to the statistics from ICCSINO, the Company's artificial graphite continues to dominate the market, with year-on-year increases in the market share.



Main business layout

- The Company always adheres to the core values of "quality and innovation" in terms of its polarizer business, and is committed to becoming a global leader in polarizers. According to CINNO Research, in 2023, the Company's shipment area share of large-size polarizers (including TFT-LCD televisions/monitors/laptops) increased from 30% in 2022 to 33%, and remained the first in the world.
- The Company's polarizer business includes the research, development, production and sales of polarizers. The products are widely applied in consumer electronic products such as televisions, monitors, laptops, tablets, mobile phones and commercial displays.

Corporate Culture and Core Values

- Return to Society and Contribute to the Cause of Environmental Protection
- Value Creation and Common Development with Shareholders
- Care for Employees and Help Them Grow
- Expand Innovation and Strengthen Technological R&D

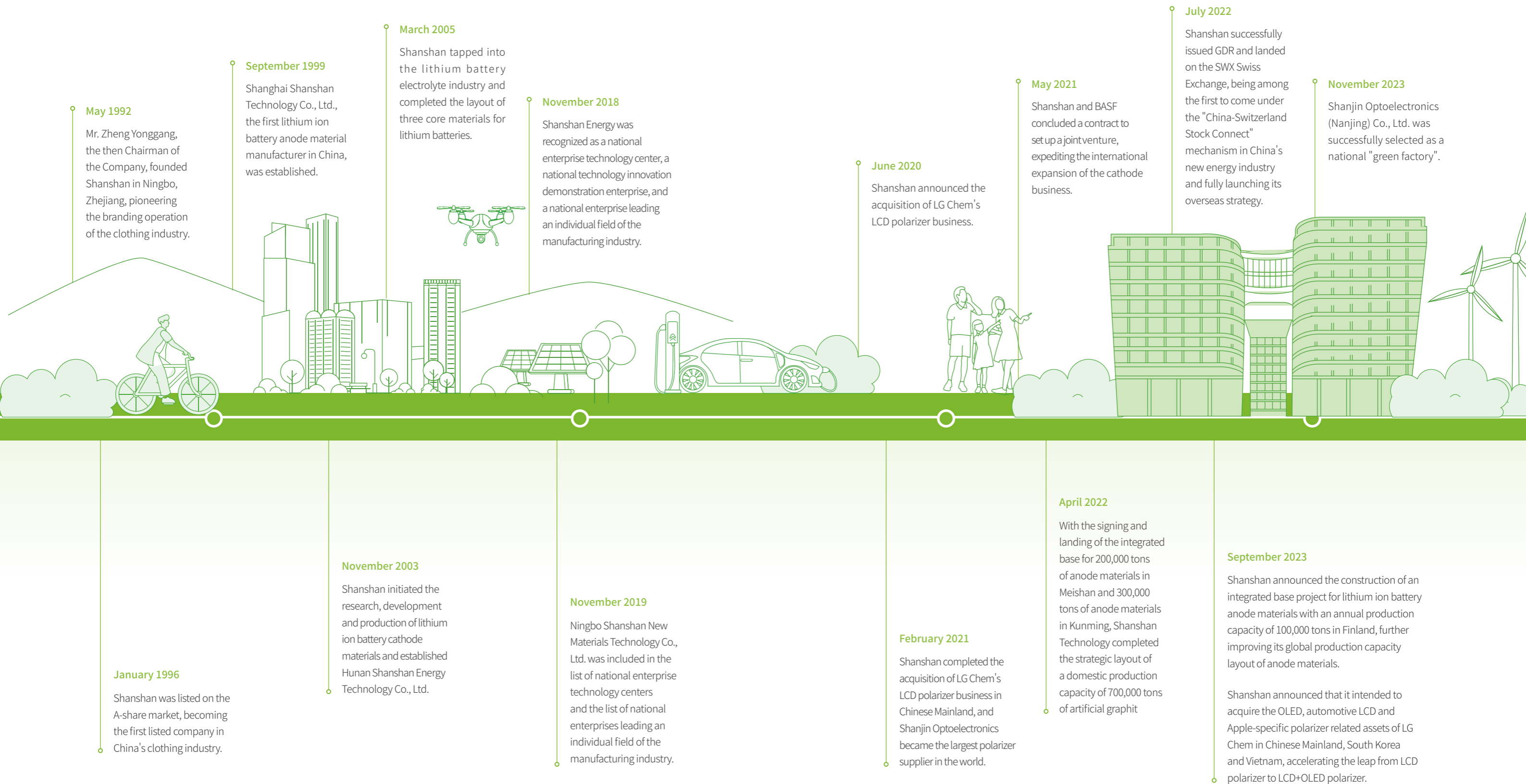
Corporate Culture



Core Values

- Integrity
- Responsibility
- Innovation
- and Responsibility

Development History



Focus on 2023

Shanshan



Name of honor	Issuing authority
Listed in the "Top 500 Chinese Enterprises"	China Enterprise Confederation and China Enterprise Directors Association
Listed in the "Top 500 Chinese Private Enterprises"	All-China Federation of Industry and Commerce
Awarded as one of the "Top 100 Enterprises in Shanghai in 2023"	Shanghai Enterprise Confederation, Shanghai Enterprise Directors Association, Shanghai Federation of Economic Organization, and Liberation Daily

Shanghai Shanshan Lithium Battery

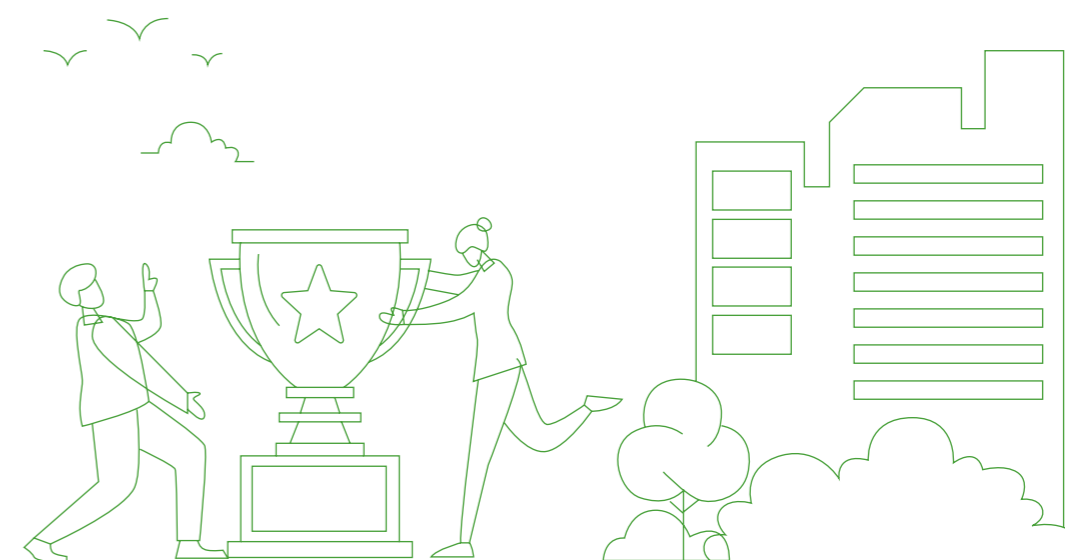


Name of honor	Issuing authority
National Intellectual Property Advantage Enterprise	China National Intellectual Property Administration
National High-tech Enterprise	Ningbo Science & Technology Bureau
2023 Innovation Enterprise Award	Battery China
2023 Product Trust Enterprise Award	Battery China
Top 3 of 2022 Anode Material True Lithium Charging Award	RealLi Research
"Most Brand Value Award" in the Lithium Battery Anode Material Industry in 2023	ICCSINO
2023 (8th) China International New Energy Industry 30.60 China Anode Material Industry Chain Enterprise	Shanghai Metals Market (SMM)
2023 Sodium Electricity Industry Chain Quality Enterprise	GGII Consulting
Shanshan Technology among Top 50 Lithium Battery Material Industry in 2023	GGII Consulting
2023 GGII Golden Globe Award	GGII Lithium Battery
2023 Energy Storage Material Excellent Enterprise Award	ICCSINO

Shanjin Optoelectronics



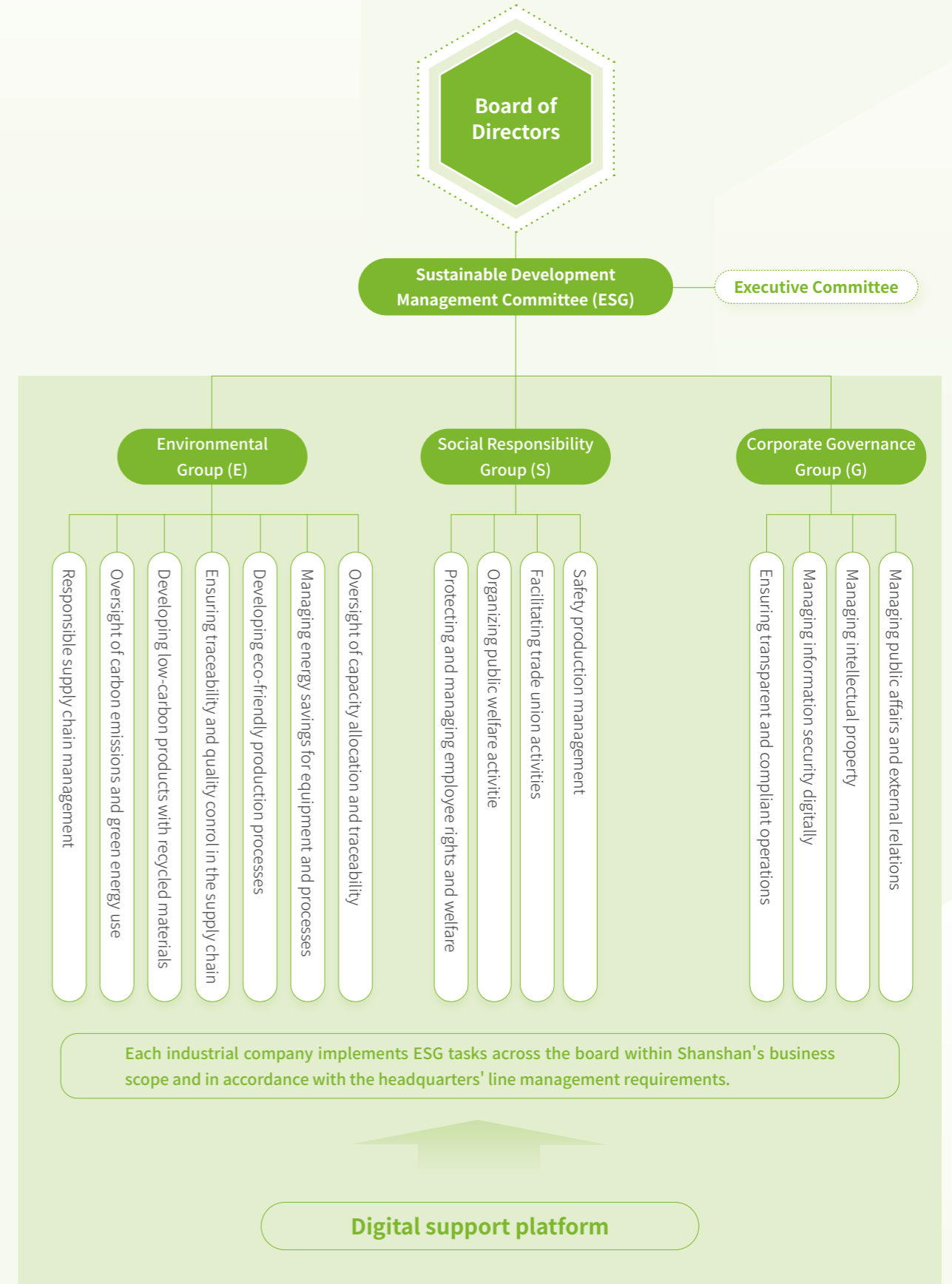
Name of honor	Issuing authority
National Level Green Factory	Department of Energy Conservation and Comprehensive Utilization, the Ministry of Industry and Information Technology
High-tech Enterprise	National High-tech Enterprise Recognition Management
2023 National Scenario of Excellence in Smart Manufacturing	Industry and Information Technology Department of Jiangsu and Jiangsu Development & Reform Commission
Jiangsu Premium Brand Certification Enterprise	Jiangsu Quality Development Committee
Top 100 Enterprises in Nanjing in 2023	Nanjing Enterprise Confederation and Nanjing Enterprise Directors Association
2023 Nanjing Engineering and Technology Research Center	Nanjing Municipal Commission of Development & Reform
2023 Nanjing Engineering and Technology Research Center	Nanjing Municipal Science and Technology Bureau
Rising Star in the Display Industry and Silver Award for Display Material Innovation	Organizing Committee of China (Shanghai) International Display Technology and Application Innovation Exhibition and Organizing Committee of China (Shanghai) International Display Industry Summit Forum
List of Enterprises (Groups) Targeting Ten Billion Yuan Milestone	Nanjing Economic and Technological Development Zone Management Committee



Our Path to Sustainable Development

ESG Management System

With a view to actively responding to national policies, better satisfying customers' requirements and comprehensively enhancing the international management level of sustainable development (ESG), Shanghai Shanshan Lithium Battery combines its development plans with the vision goal of "driving new energy revolution with new materials, new processes and new management" (We CHANGE), and decomposes and refines it into "CHANGE". Shanghai Shanshan Lithium Battery proposes that sustainable development cannot be achieved without the base support of digital information management, and that digital transformation will enhance the basic power of the Company's comprehensive management and become the core of sustainable development management.



Communication with Stakeholders

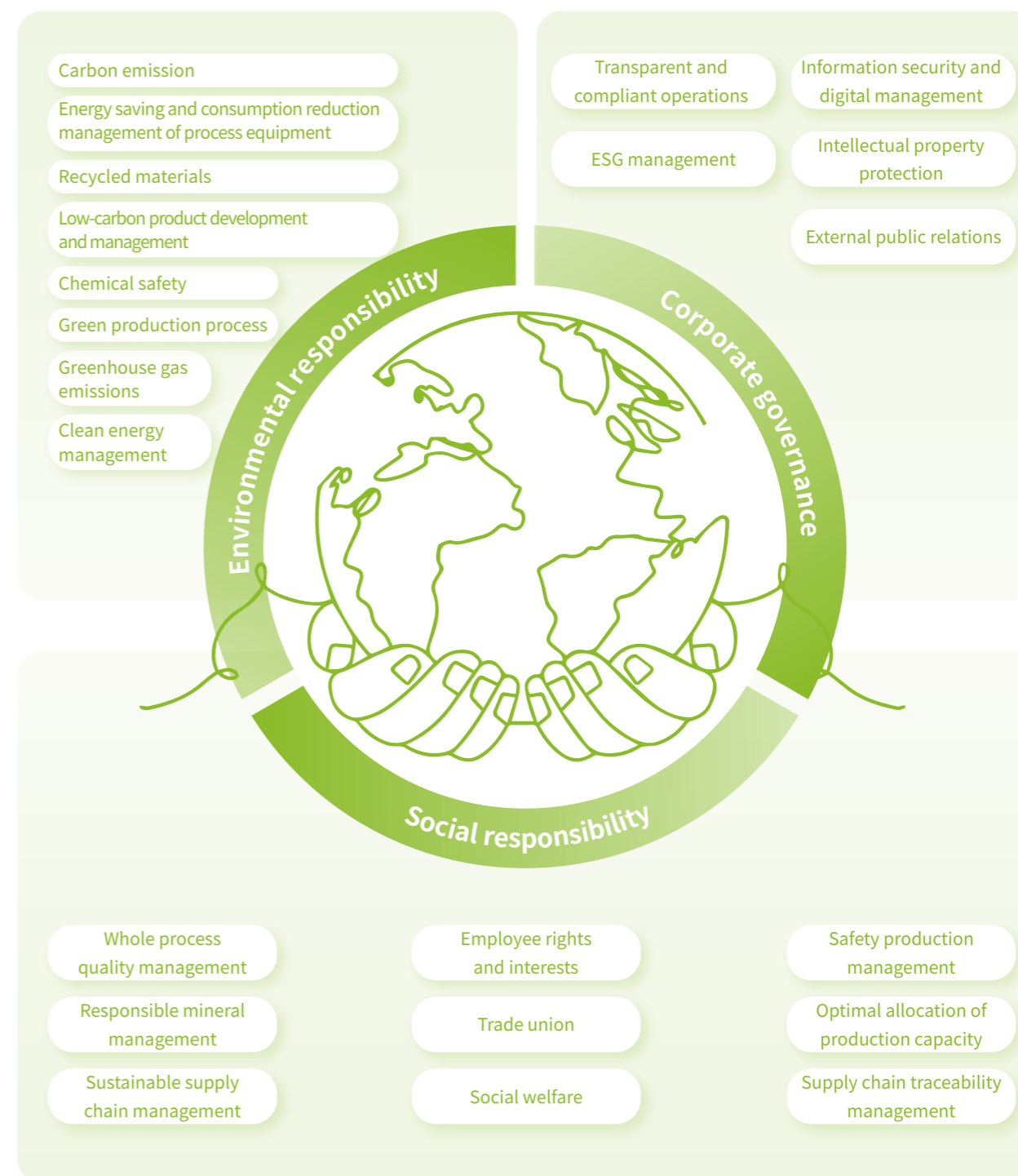
Based on industrial and operational characteristics, the Company has identified its main stakeholders including shareholders, investors, customer enterprises, partners, employees, environment, government, community, and the public. The Company establishes a regular communication mechanism with its stakeholders, and communicates with them through websites, media, meetings, reports, activities and other channels and ways to actively respond to their demands and expectations.

Concerns and expectations	Stakeholder	Communication mechanism
<ul style="list-style-type: none"> Open and transparent information disclosure Regulated corporate governance Asset preservation & appreciation and return on investment 	Shareholders and investors	<ul style="list-style-type: none"> Shareholders' general meeting Periodic report and interim report Institutional research, investor hotline, email, performance briefing, and SSE E-interactive platform
<ul style="list-style-type: none"> Safe and quality products Enhanced service quality Exceeding customer expectations 	Customers	<ul style="list-style-type: none"> Customer satisfaction survey After-sales service commitment Customer communication channel Quality service activities
<ul style="list-style-type: none"> Mutual benefit and win-win Standard market operations Joint compliance with business ethics as well as laws and regulations 	Partners	<ul style="list-style-type: none"> Contract negotiation Field visit Training guidance Regular evaluation
<ul style="list-style-type: none"> Fair Salary Harmonious working atmosphere Good space for career development Personal value affirmation and enhancement 	Employees	<ul style="list-style-type: none"> Company website and publications Employee mailbox, symposium and employee congress Employee training and activities
<ul style="list-style-type: none"> Reducing the impact of production and operation on the environment Guiding the green development of industrial chain Advocating green consumption 	Environment	<ul style="list-style-type: none"> Advocating green office Pushing forward green production Strengthening energy conservation and emission reduction Promoting low-carbon environmental protection publicity
<ul style="list-style-type: none"> Implementing industry development policies Conducting integrity and law-abiding business Paying taxes according to law Driving employment Guarding against business risks 	Government	<ul style="list-style-type: none"> Participating in policy and planning research and development Carrying out thematic report Accepting supervision and assessment Performing law-abiding operations and fair competition
<ul style="list-style-type: none"> Promoting regional economic and cultural development Helping socially disadvantaged groups 	Community and the public	<ul style="list-style-type: none"> Taking part in regional economic construction Holding public welfare activities, cultural and sports activities, charity activities, etc.

📌 Communication with stakeholders

Materiality Analysis

To further guide the specific implementation of its daily ESG management, the Company has clarified 22 material issues for its business and stakeholders in accordance with the GRI Standards released by the Global Sustainability Standards Initiative and the MSCI rating requirements, and in combination with national policies, industry trends and its own actual developments, and has disclosed and responded to these issues in this Report.



Sustainable Development Goals (SDGs) Response

We are committed to advancing the United Nations 2030 Agenda for Sustainable Development. Through our actions, we actively contribute to the realization of the UN Sustainable Development Goals (SDGs) for 2030.

Chapter: Employee Empowerment for Mutual Growth

- We uphold fair labor practices by providing all employees with written contracts, equal pay for equal work, and competitive salaries and benefits. Our policies strictly prohibit illegal labor practices such as child labor and forced labor, while ensuring the enforcement of a comprehensive welfare system.

Chapter: Double-Carbon Guidance and Green Coexistence

- We focus on end-to-end energy conservation and emissions reductions, while developing action plans for efficient energy management programs. Our commitment to energy efficiency and clean energy use aligns with our national strategies. Our goal is to vigorously promote the adoption of clean energy, with 100% use of clean energy by 2030.

Chapter: Double-Carbon Guidance and Green Coexistence

- We place great importance on water resource management, including the responsible handling of wastewater in accordance with the law and the mitigation of water-related risks at our operational sites. Additionally, we actively seek alternative water sources to minimize our environmental footprint. We embrace green practices throughout the Company to raise environmental awareness and promote water conservation.

Chapter: Employee Empowerment for Mutual Growth

- We actively combat gender discrimination and harassment to ensure that all employees, regardless of gender, receive equal treatment in terms of job positions and compensation. Furthermore, we have implemented job retention policies and specific benefits for female employees to protect their rights and interests.

Chapter: Employee Empowerment for Mutual Growth, and Collaborative Advancement for Mutual Success

- We have established long-term partnerships with higher education institutions to support our country's scientific research and human resource development efforts. Our robust talent training system prioritizes employee development, offering a full range of learning opportunities and career paths to ensure that our employees receive relevant training at every stage of their professional journey.

Chapter: Employee Empowerment for Mutual Growth

- We prioritize our employees' well-being and development by upholding a management culture centered on their needs. This commitment is reflected in our dedication to maintaining a safe and healthy work environment through a robust occupational health and safety management system. By ensuring the physical and mental well-being of our workforce, we aim to create an exceptional workplace environment that enhances employee welfare.

Chapter: Innovative Development and Technology Empowerment, and Collaborative Advancement for Mutual Success

- With clean tech innovation and opportunities as our core corporate strategy, we have intensified our efforts in technology development and management. Supported by a robust R&D management system, we continuously increase our investment in innovation to drive technological progress. Additionally, we maintain close ties with industry associations and actively participate in various industry events to contribute to sustainable industry development.

Chapter: Employee Empowerment for Mutual Growth, and Social Contribution and Responsibility

- We uphold an equal employment policy, ensuring fair treatment for all employees. Our approach to development is diverse and inclusive, aiming to foster a harmonious and equitable work environment by offering fair compensation and benefits. Additionally, we actively engage in charitable activities to demonstrate corporate care and reduce social inequality.

Chapter: Steady Cultivation and Lean Governance, and Double-Carbon Guidance and Green Coexistence

- We advocate responsible business practices and stand against unfair market competition. Furthermore, we are committed to continuously improving our energy efficiency to foster the development of a green and circular economy.

Chapter: Double-Carbon Guidance and Green Coexistence

- We have set carbon neutrality goals for Shanghai Shanshan Lithium Battery by 2035 and for Shanjin Optoelectronics by 2050. We have also developed green pathways for emissions reduction. Additionally, we are actively monitoring our operational greenhouse gas emissions while increasing the use of clean energy.

Chapter: Steady Cultivation and Lean Governance, and Collaborative Advancement for Mutual Success

- We have established an efficient and legally compliant governance system with clearly defined rights and responsibilities and enhanced business ethics management. We have taken protective measures and conducted training in areas such as anti-corruption, responsible marketing, information security, and intellectual property. Additionally, we have set strict management requirements for our suppliers and other partners.

Chapter: Steady Cultivation and Lean Governance, and Collaborative Advancement for Mutual Success

- We foster technological innovation through industry exchanges as well as industry-academia research collaborations, thereby facilitating the coordinated development of our profession and industry. Additionally, we have established equal and trusting partnerships with our suppliers, requiring them to prohibit the use of conflict minerals in an effort to create a sustainable supply chain.



01

Steady Cultivation and Lean Governance

Philosophy

Scientific and efficient corporate governance is the cornerstone for Shanshan's sustainable development. The Company formulates a modernized corporate governance system in strict compliance with the legal and regulatory requirements, attaches importance to integrity and anti-corruption and information security management, earnestly studies and listens to the Party's program, promotes long-term development with practical actions, and guarantees efficient operations while continuing to improve the level of lean governance.

Our initiatives

- Consolidating corporate governance
- Conducting internal control and risk management
- Adhering to business ethics
- Leading development with Party building

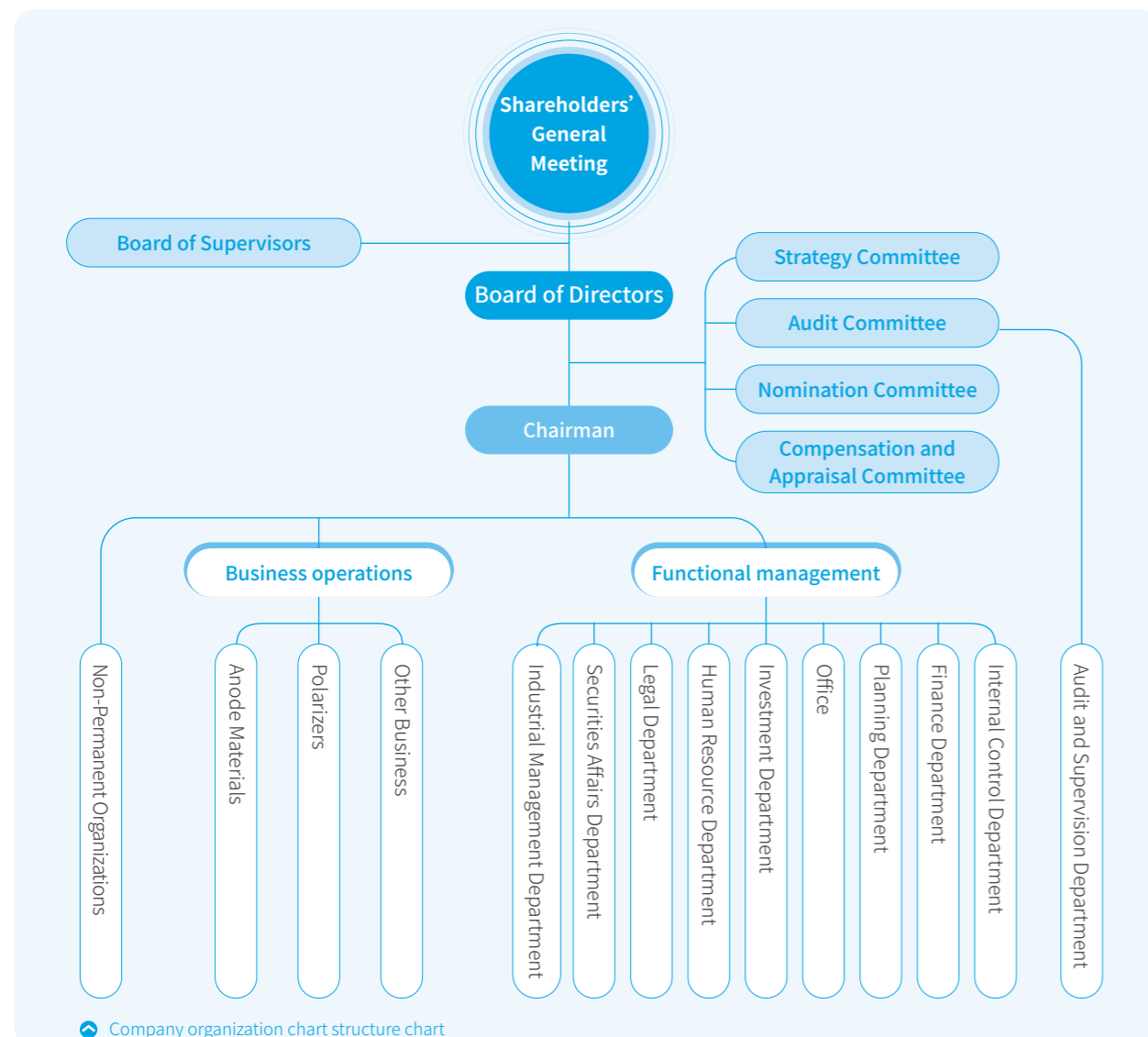


Consolidating Corporate Governance

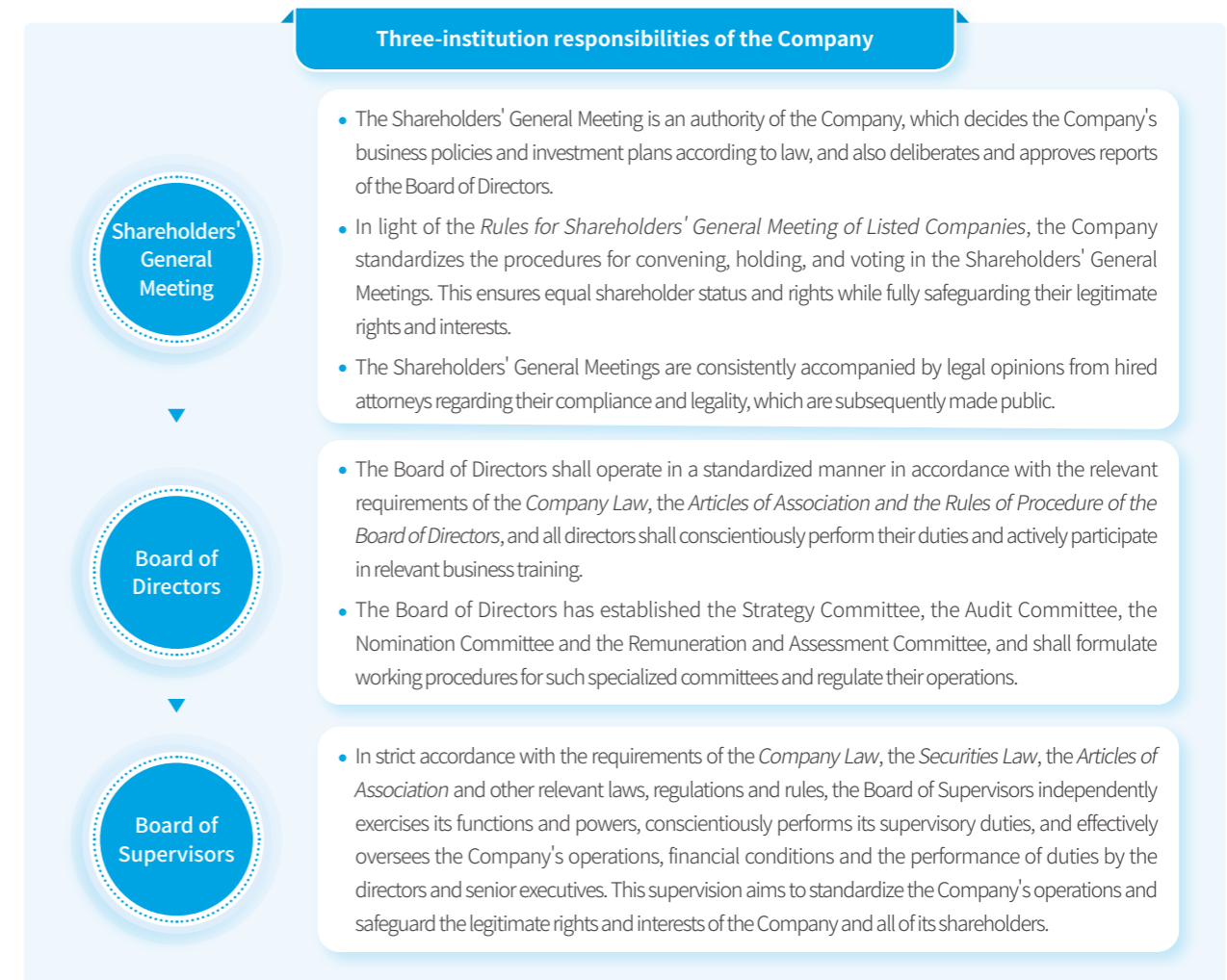
Based on actual developments, the Company continuously perfects internal management system, enhances information disclosure quality and investor relations management, continuously upgrades the level of corporate governance, safeguards the rights and interests of the Company itself and its shareholders, contributes to standardizing operations as well as realizes sustainable development based on independent and diversified three-institution and modern corporate governance system.

Three-institution operation

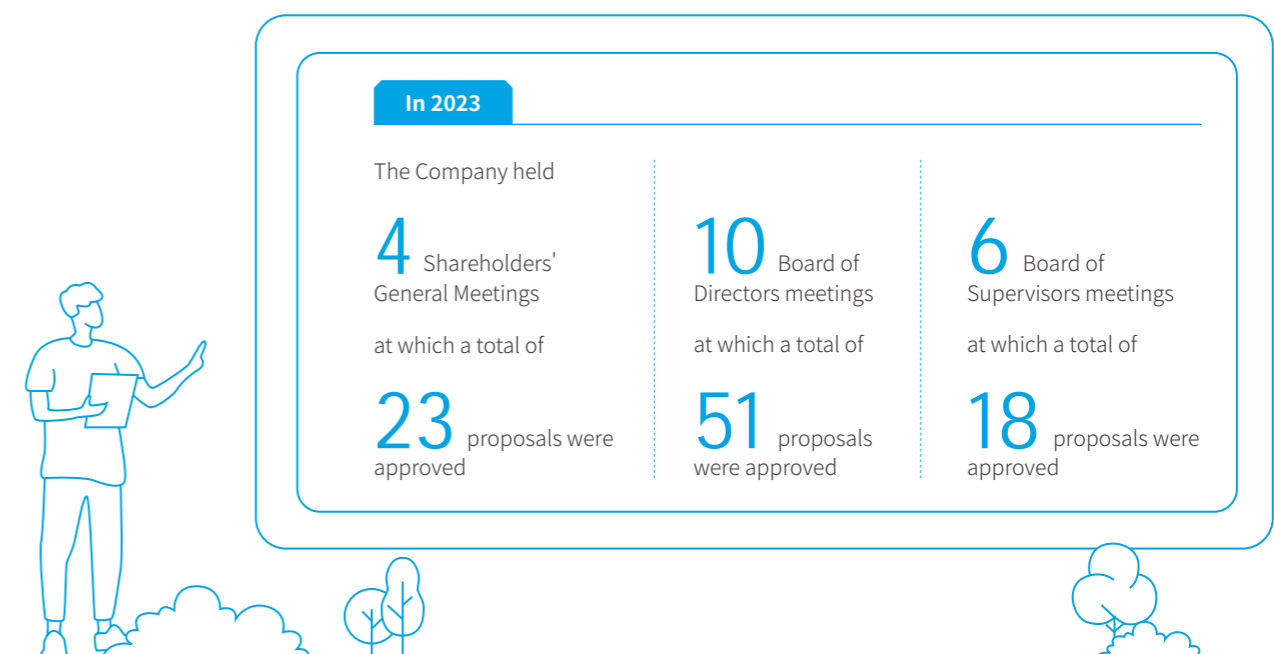
In light of the provisions of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Corporate Governance Guidelines for Listed Companies* as well as other relevant laws, regulations and normative documents, the Company has set up its Shareholders' General Meeting, the Board of Directors and its subordinate special committees and the Board of Supervisors. By giving full play to the functions of the Shareholders' General Meeting, the Board of Directors and the Board of Supervisors, the Company has continuously optimized its corporate governance structure, and promptly improved its rules and regulations based on operational needs, so as to ensure compliant and legal business decisions and escort long-term high-quality development.



Company organization chart structure chart



Three-institution responsibilities of the Company



Independence and diversity of the Board of Directors

The Company takes into account various factors such as cultural and educational background, gender, age, industry experience and professional competence of these candidates for the Board of Directors, aiming at further building an independent and diversified Board of Directors and enhancing the decision-making rationality and scientificity of the Board of Directors.

In 2023

the Board of Directors of the Company was composed of

11 members, including

7 non-independent directors

4 independent directors

4 directors with professional background or experience in the industry

3 directors with risk management experience or legal expertise

2 directors with financial expertise or financial management experience



Nomination and selection by the Board of Directors

The Company has established standardized nomination and selection procedures for the Board of Directors and its members so as to promote efficient and compliant corporate governance, enhance operational efficiency and advance long-term steady development through scientific and effective internal governance.

Director nomination procedures of the Company

- 01

The Nomination Committee communicates with relevant departments of the Company to clarify the Company's needs for new directors and forms written materials in the end
- 02

The Nomination Committee extensively searches for director candidates within the Company, the holding (shareholding) enterprises and the talent market
- 03

Collect the information about occupation, education level, professional title, detailed work experience and all part-time jobs of the preliminary candidates, and form written materials in the end
- 04

Solicit the nominees' consent to the nomination, otherwise they cannot be considered as director candidates
- 05

Convene a meeting of the Nomination Committee to conduct a qualification review of the preliminary candidates based on the qualifications of directors
- 06

Make suggestions and give relevant information to the Board of Directors regarding the candidates for directors before electing new directors
- 07

Carry out other follow-up work based on the decisions and feedback of the Board of Directors

Remuneration transparency

A transparent compensation policy for directors, supervisors and senior executives is crucial for the governance of the Company and the protection of shareholders' rights and interests. The Company formulates remuneration schemes for directors, supervisors and senior executives in strict accordance with national laws and regulations after discussion by the Remuneration and Assessment Committee and in light of its actual development status. The Company publicly discloses the remuneration levels and equity incentives of such directors, supervisors and senior executives, proactively accepts market and shareholder supervision of these compensation policies, and helps investors better understand the fairness and rationality of its governance structure and remuneration incentive system.

In 2023

the average remuneration of the Company's directors was RMB

1.6 million

and the ratio of the average compensation of the general manager to the employees was

18.05:1

Information disclosure

Since its listing, the Company has strictly followed the principles of truthfulness, accuracy and completeness in information disclosure during its daily operations in accordance with the *Stock Listing Rules of Shanghai Stock Exchange*, the *Measures for the Administration of Information Disclosure of Listed Companies*, the *Articles of Association of the Company*, the *Information Disclosure Management System of the Company* as well as other relevant regulations. The media designated by the Company for information disclosure include four newspapers (China Securities Journal, Shanghai Securities News, Securities Daily, and Securities Times) and the website of Shanghai Stock Exchange (www.sse.com.cn). All information to be disclosed by the Company is published in the above designated newspapers and website, so as to ensure that all shareholders have fair and timely access to the Company's information.

The Board of Directors is responsible for conducting the Company's information disclosure, the Chairman is the first person responsible for such information disclosure, the Secretary of the Board of Directors is responsible for specific coordination, and the Securities Affairs Department is the permanent institution for such information disclosure. The Company guides its own information disclosure with the Information Disclosure Management System of Ningbo Shanshan Co., Ltd., and has developed supporting information disclosure management documents such as Insider Registration Management System of Ningbo Shanshan Co., Ltd., Annual Report Information Disclosure Major Error Accountability System of Ningbo Shanshan Co., Ltd. and External Information User Management System of Ningbo Shanshan Co., Ltd., aiming at continuously strengthening internal information management and other relevant work to continuously improve the quality of information disclosure.

In 2023

the Company disclosed a total of

157 announcements

including

6 regular announcements

and

151 interim announcements

Investors' rights and interests

The Company attaches importance to investor relations management, legally formulates the Investor Relations Management Measures and other systems, carries out multi-channel, multi-platform and multi-method management for all investors, continuously improves the open, fair, transparent and multi-dimensional investor communication channels, and actively maintains a good relationship between the Company and its investors, so as to enable these investors to comprehensively and promptly understand the Company's development strategy, business model, business conditions, etc., thereby better conveying the Company's investment value and enhancing investors' sense of identification with the Company.

Investor communication Medium

- Official website column
- Facsimile
- Investor relations interactive platform of the stock exchange
- Investor hotline
- Email

Investor communication channels

- Shareholders' General Meeting
- Investor exchange meeting
- Performance briefing
- Analyst meeting
- On-site investigation

Investor relations management and maintenance channels of the Company

In 2023

the Company conducted more than

40 performance briefings

and online and offline investor researches, with a total of more than

500 organizations

with a response rate of

93 Q&A replies were made through Shanghai Stock Exchange's investor relations interactive platform

100 %

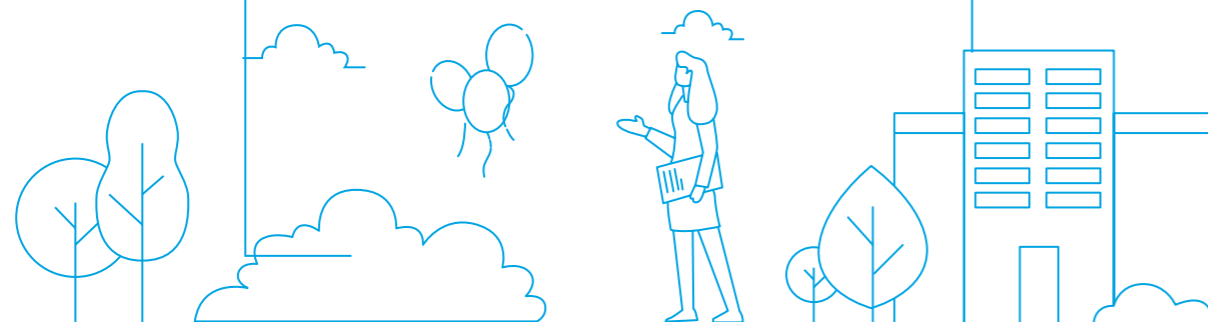
The Company has always regarded the return to shareholders as its core concept. In accordance with the *Articles of Association of the Company* and relevant rules and regulations, while ensuring normal operations and in combination with its operation status and business development goals, the Company adheres to providing continuous and stable cash dividends to investors, bringing long-term investment returns to shareholders, sharing development achievements with investors, safeguarding the interests of all shareholders and enhancing the sense of gain for investors.

In June 2023, the Company distributed a cash dividend of RMB3.00 (including tax) per 10 shares to all shareholders, totaling RMB

671,354,367.30
(including tax)

In 2023, the Company implemented the share repurchase fund amounting to RMB

546 million (regarded as cash dividend)

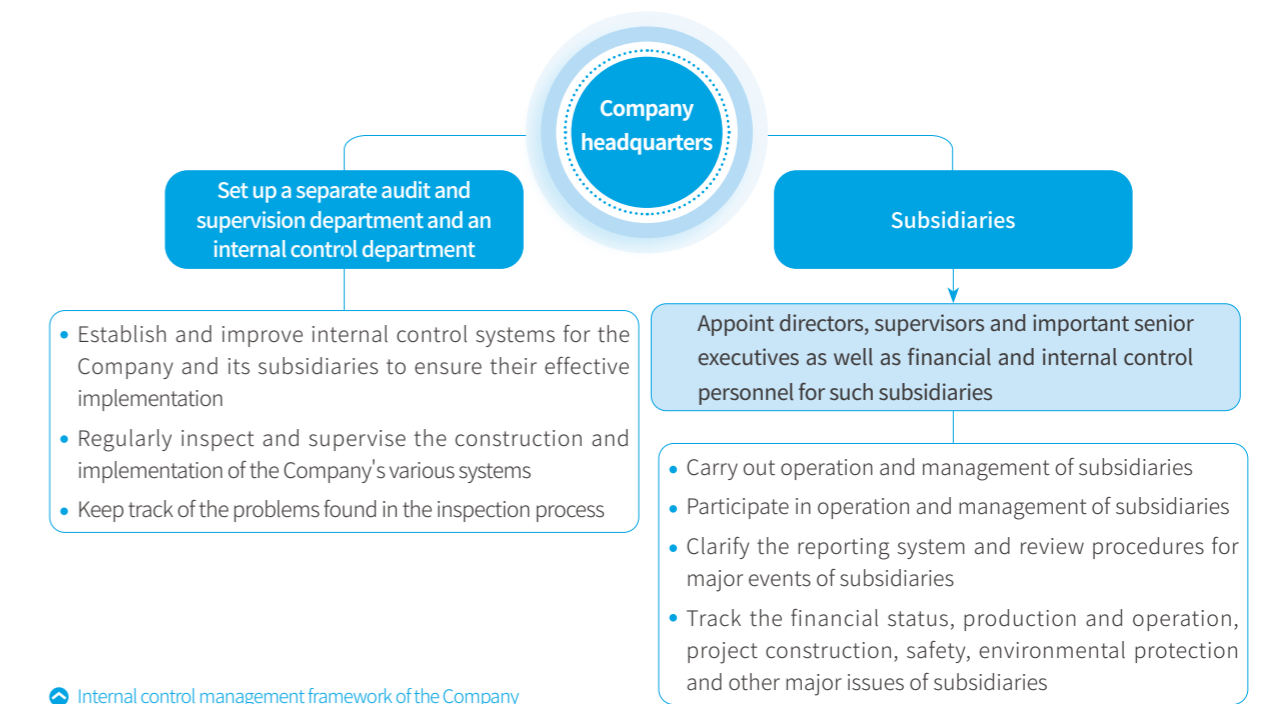


Internal Control and Risk Management

Since law-abiding and compliant operation is the lifeline of an enterprise, the Company has always insisted on carrying out internal control and risk management pursuant to laws and regulations, while continuously improving internal control system and risk management system and comprehensively implementing risk management so as to ensure the compliance and soundness of its business operations.

Internal control

Through strictly abiding by the *Basic Standards for Internal Control of Enterprises* as issued by five ministries and commissions, as well as laws and regulations such as the *Company Law* and the *Securities Law*, and relevant provisions of the *Articles of Association of the Company*, and combining with its actual situations, the Company has formulated the internal control systems for Shanshan in multiple dimensions covering internal control management, personnel management, information management and safety management, and revised and improved them every year. To ensure effective implementation of its internal control, the Company has established an internal control organizational structure system with the anode headquarters as the core management platform and various industrial companies as the executing entities, and has especially set up a full-time internal control department, with department heads appointed through shareholding to ensure the independence and impartiality of internal control.



Internal control management framework of the Company

Convening a work meeting on auditing internal control lines

In August 2023, with a view to consolidating internal control management and enhancing audit quality and efficiency, the Company organized and held a work meeting on auditing internal control lines within Shanshan to inform significant risks or cases in its daily operation, supervision and inspection. After that, the Company organized three trainings and on-site exchanges to strengthen corporate internal management and ensure the standardization and safety of business

Case



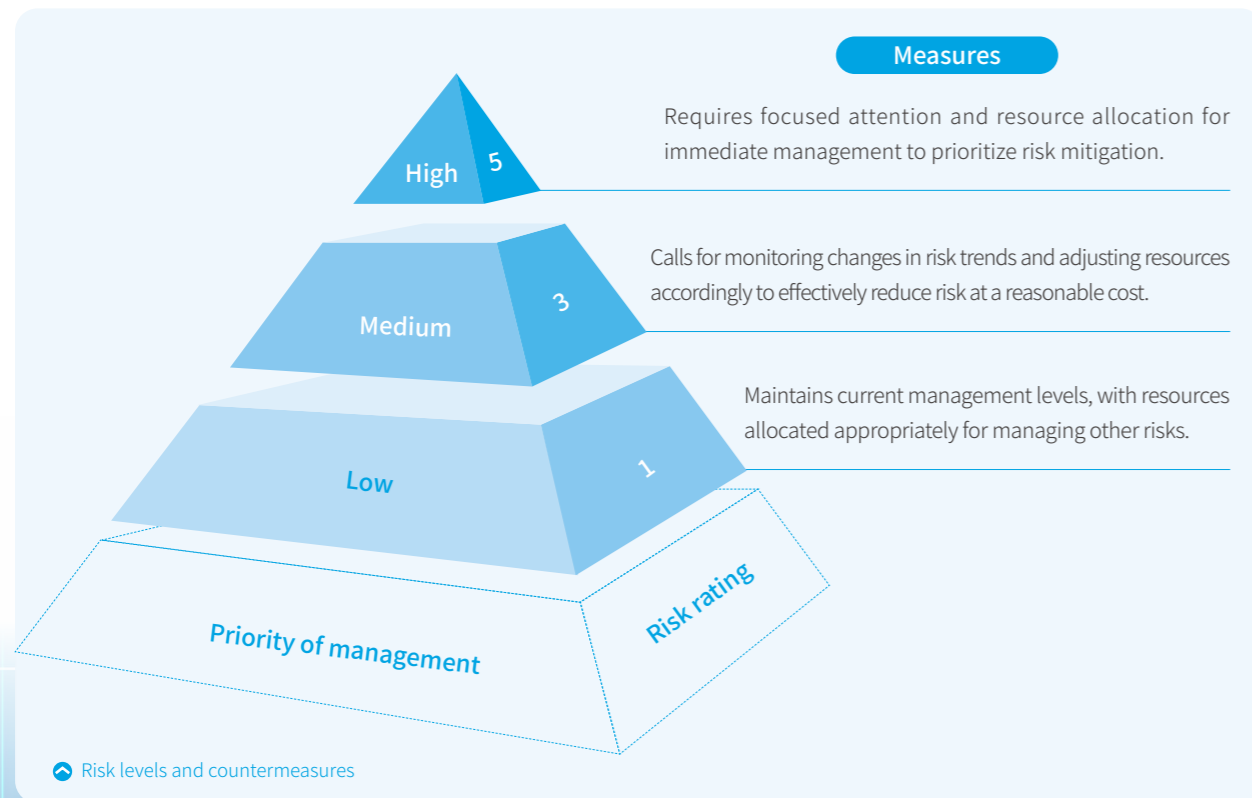
A work meeting on auditing internal control lines

Risk management


The Company has established and continuously optimized its risk management system, which is vertically managed by the internal control department to ensure effective execution of risk prevention and control measures, and has set up a risk asset management committee and a risk management team to be responsible for conducting risk level assessment, prevention and control, closely tracking risk changes, deeply analyzing the external situations and the Company's actual situations, as well as promptly identifying and responding to new risks.

Risk level assessment criteria

Based on the severity of potential consequences and the likelihood of occurrence, the Company has devised an assessment matrix that includes high, moderate, and low-risk categories. The risk management team members are tasked with assigning risk scores according to these levels.



Upon evaluation, the Company has classified five categories of risks closely related to itself, i.e., strategic risk, financial risk, market risk, operational risk and legal risk; and has formulated initiatives to strengthen risk management to ensure effective management and resolution of various risk matters, and meanwhile has constructed a solid line of defense against risks to safeguard the Company's sound and sustainable development.



Measures to strengthen risk management

- Regularly send information about risky assets and risky customers to industrial companies, and give early warning.
- Regularly and statistically analyze the inventories and idle fixed assets of each industrial company, and pay special attention to them.
- Continue to strengthen the pre-settlement management of engineering projects and on-site inspections.
- Convene meetings on internal control lines.
- Organize trainings on easy-to-manage internal control system by the Internal Control Department

Conducting trainings on risk management for overseas investment by enterprises

Case

In 2023

In December 2023, the Company invited lawyers to provide training on overseas investment risk management for Chinese enterprises. The training covers the main types of overseas investment, possible risks, evaluation of investment failure cases, and risk control of investment in the USA, aiming to enhance employees' risk awareness and provide guidance for future overseas investment.



☑ Training on overseas investment risk management and control

the Company **did not experience any significant** internal or external operational risks.



Adherence to Business Ethics

The Company pursues the business philosophy of "creating value for customers" and "operating with respect for personalities", obeys the free and fair market economy order, and makes continuous efforts to create a world-class enterprise based on mutual trust and cooperation. The Company continuously optimizes its business ethics management system; Shanghai Shanshan Lithium Battery incorporates business ethics and anti-corruption work into the scope of responsibilities of the Sustainable Development Management Committee and sets up a company-specific governance group under the Committee to report to the Board of Directors on a regular basis; and Shanjin Optoelectronics formulates the Code of Ethics that all employees should abide by and clarifies the six guidelines for proper business operation to ensure smooth operations.



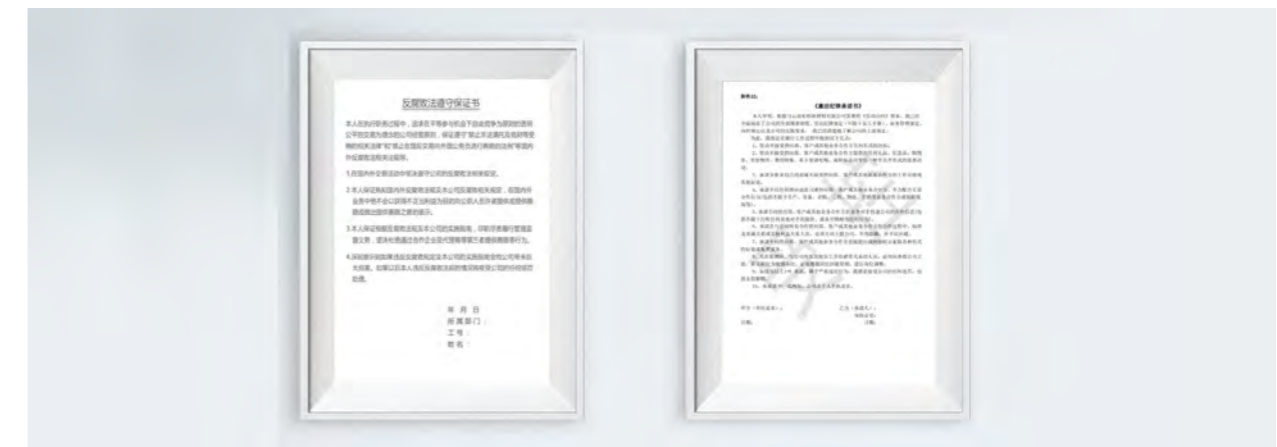
Integrity practice

The Company establishes and improves its integrity and anti-corruption system. Shanghai Shanshan Lithium Battery has established management systems such as Employee Handbook, Supervision of Reporting Special Matters and Procurement Management Policy to strengthen risk prevention and control. It has stipulated the prohibition of accepting gifts, entertainments and other types of similar behaviors, as well as the procedures for addressing such situations, so as to promote a business environment that is honest, fair, and free from corruption or bribery.

Integrity and anti-corruption measures taken by Shanghai Shanshan Lithium Battery

- Meanwhile, it has developed a procurement system about "Signing and Issuing Procurement Contracts and Orders", which requires the signing of the Sunshine Agreement/ integrity clauses for any procurement amount in excess of RMB30,000. For continuous supply across years, the Sunshine Agreement must be signed once a year.
- The Procurement Department has issued the Integrity Notification Letter to stakeholders before major festivals to advocate a clean and transparent cooperative relationship and resolutely resist the occurrence of improper and irregular matters such as corruption and bribery; and in 2023, more than 800 copies were sent to various factories.

Shanjin Optoelectronics requires that employees must sign and submit commitment letters such as Anti-Corruption Law Compliance Guarantee Letter and Integrity Discipline Commitment Letter to the Company during their entry, promotion and appointment, and that other employees shall update their signatures regularly. In addition, the Company requires all employees to refrain from receiving any benefits from stakeholders that could harm the fairness of their judgments during the performance of their duties, so as to prevent corruption.



Anti-Corruption Law Compliance Guarantee Letter

Integrity Discipline Commitment Letter

The Company actively carries out special internal anti-corruption audits, and conducts risk reviews every year on the management system, various positions and business processes of integrity and anti-corruption, including major faults, major violations of laws and regulations, unethical behaviors, fraud and other behaviors, so as to further create a clean and positive atmosphere for development.

In October 2023, Shanghai Shanshan Lithium Battery sorted out the list of key risk positions, and added a rotation cycle for relevant positions, requiring logistics engineers, weighers and solid waste warehouse managers to rotate once every 1 year and purchasers to rotate once every 2 years to strengthen the management of integrity practice.

Measures for integrity and anti-corruption audit results

In November 2023, Shanghai Shanshan Lithium Battery started to sort out the relatives of its employees, and took measures such as position transfer and key monitoring for those who might have conflicts of interest.

- In the internal control system under the Supervision of Reporting Special Matters, special reporting matters are stipulated, complaint reporting channels are established, and reports in good faith are encouraged.
- In the Employee Handbook and the Labor Relations Management, employees are explicitly required to refrain from corruption and bribery and to receive interest investigations.

The Company carries out special training on integrity and anti-corruption on a regular basis to publicize its specific policies and procedures, so as to ensure that integrity and anti-corruption becomes a conscious code of conduct for employees, enhance the judgment and decision-making ability of employees in practicing with integrity, circumvent any improper transfer of benefits in business activities and foster an ethical environment.

Carrying out integrity training and system publicity to strengthen integrity and anti-corruption management

Case

In August 2023, Shanghai Shanshan Lithium Battery issued the Notice on Further Strengthening the Company's Integrity Management, and posted a notice of integrity management norms in 30 places throughout the plant to increase the channels for employees and outsiders to report corruption. In September 2023, Shanghai Shanshan Lithium Battery conducted an integrity interview with suppliers, mainly to find out whether the employees have the illegal acts of "eating, taking, obstructing, and requesting" and to inform the feedback channels and feedback incentives to encourage suppliers to actively participate.



Notice of integrity management norms posted in the plant area

Shanjin Optoelectronics has always been committed to the "ethical business practices". Ahead of holidays, the Company sends letters to suppliers to underscore this commitment. It strictly prohibits employees from accepting gifts, red envelopes, or other valuable items and provides clear channels for whistleblowing. In the meantime, the Company regularly conducts comic promotion to reinforce employees' anti-corruption and integrity principles.



No gift acceptance publicity by Shanjin Optoelectronics

In 2023

the Company conducted

3 integrity and anti-corruption trainings

with a per capita length of integrity and anti-corruption training of

1.5 hours

and a cumulative employee coverage rate of

70 % for all training initiatives

Related party transactions

To regulate related party transactions, enhance compliant operations, and protect the legitimate rights of investors, the Company has developed the Measures for the Administration of Related Party Transactions of Ningbo Shanshan Co., Ltd., in accordance with laws and regulations and business rules such as the Measures for the Administration of Information Disclosure of Listed Companies, the Stock Listing Rules of Shanghai Stock Exchange, and the Guidelines No. 5 of the Shanghai Stock Exchange for the Self-regulation of Listed Companies – Transactions and Related Party Transactions. The Measures provide clear provisions regarding the identification of related parties, standards for the review of related transactions, disclosure of related transactions, and decision-making procedures.

To ensure the rigorous management of related party transactions, the Company has designated an employee to regularly update the list of the related parties. This employee works in accordance with the principles for identifying related parties, collaborating with the Company's controlling shareholders and others to regularly revise and update the list. The updated list is then distributed to the Company's financial staff members to enhance their sensitivity towards related parties, thereby enabling them to fully identify and report related party transactions in their daily work.

In accordance with relevant provisions regarding the management of related party transactions, the Company carries out the requisite review or disclosure procedures by type and amount of each transaction, and rigorously applies the system for abstention from voting by related directors and shareholders. Specifically, as for transactions that are either a one-off amount or a cumulative total over a 12-month period (which differentiates between the aggregate with a single related person and the aggregate with multiple related parties concerning the transaction subject) exceeding 0.5% of the Company's most recent net assets with a related legal entity, or transactions over RMB300,000 with a related individual, the Company will first obtain approval from a special meeting of the independent directors before undergoing the review and disclosure process of the Board of Directors. As for major related party transactions that exceed 5% of the Company's most recent net assets, the Company will also seek approval from the Shareholders' General Meeting.

During the reporting period, the Company's related party transactions were all conducted in light of commercial principles, with fair and reasonable pricing as the basis for determination. There were no instances where the interests of non-related-party shareholders were compromised.

Information security

In strict accordance with the requirements of ISO 27001 information security system, the Company has formulated a series of systems such as *Information Security Policy*, *Information System Access Management*, *Information Security Incident Management Provisions*, and *Information Security Management Manual*, clarifying the behavioral norms for employees to protect privacy and information security, ensuring the integration, compliance, and effectiveness of enterprise information systems, and preventing various potential information security risks.

In 2023

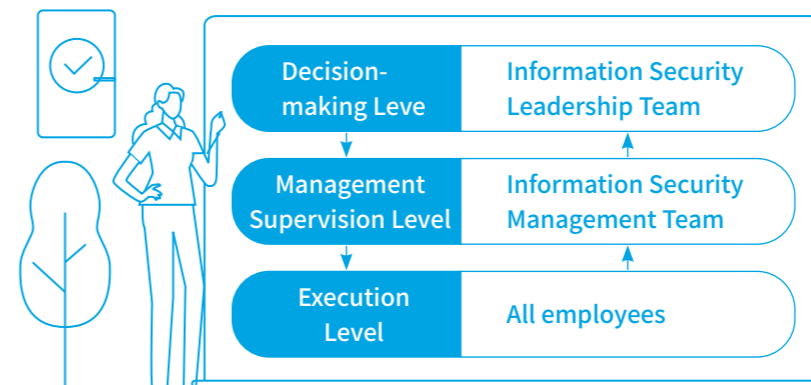
Shanghai Shanshan Lithium Battery and Shanjin Optoelectronics, as well as their subsidiaries, all obtained the ISO 27001 information security management system certification with a coverage rate of

100 %, effectively standardizing information security management and preventing information security risks.



ISO 27001 information security management system certification of Shanghai Shanshan Lithium Battery (left) and Shanjin Optoelectronics (right) (partially displayed)

The Company adheres to the information security management policy of "security first, prevention foremost, management and technology equally important, and comprehensive prevention", establishes an information security management organizational structure led by the general manager, forms a three-layer structure of "decision-making, management supervision, and execution", and establishes a PDCA closed-loop management system, so as to identify and evaluate the possibility and impact of various information security risks, conduct internal information security audits, and ensure effective management of information security.



Information security organizational framework

In 2023

the Company experienced

0 major information security incidents

and

0 information leakage incidents.

The Company has formulated the *Code for Employee Security Conduct*, which requires all employees to report information security incidents in a timely manner without concealment and to actively receive education on information security and confidentiality awareness, so as to enhance their sensitivity and correct understanding of information security and strengthen their ability to respond to information security incidents.

Conducting information security training and education activities

Case

In May 2023, Shanjin Optoelectronics provided information security education and training to all members of the Company. The training covered basic information security awareness and professional skills, as well as corporate information security policies, strategies, procedures, rules and regulations. The aim was to enhance employees' information confidentiality awareness in daily work and guarantee corporate security. The training lasted 8 hours, with a total of 30 participants and a 100% attendance rate.



Information security training

Organizing training on corporate confidentiality system

Case

In order to further enhance the confidentiality awareness and ability of its employees, Shanjin Optoelectronics actively conducted trainings on corporate confidentiality system to ensure that each employee understood the importance of confidentiality work, strictly abode by confidentiality regulations, and guaranteed the privacy and data security of themselves and the customers. The training lasted 6.5 hours, with a total of 44 participants and a 100% attendance rate.



Confidentiality system training

Whistleblowing and whistleblower protection mechanism

The Company has formulated the Supervision of Reporting Special Matters to standardize the whistleblowing process, strictly crack down on violations and disciplinary behaviors that infringe on the Company's interests and/or disrupt the Company's development order. The Company has posted whistleblowing channels on its official website, written contracts/agreements, cafeterias and other inner public areas, so as to encourage employees to actively report and complain about various fraudulent and unethical behaviors in good faith. Meanwhile, the Company has formulated the whistleblower protection mechanism, which includes rewarding those who report crucial information.

Whistleblowing channels for fraudulent or unethical behaviors:

- 

Telephone for whistleblowing
13777992677
- 

Mailbox for whistleblowing
jubao-ssgf@shanshan.com
- 


Whistleblowing page under the official website
www.ssgf.net or http://www.shanjin.sh.cn/rightway/index.html
- 

Express delivery/ mailing address
28F, Shanshan Building, 777 Rili Middle Road, Yinzhou District, Ningbo, Zhejiang (to be received by head of the Audit and Supervision Department)




Whistleblowing management process

Whistleblower protection mechanism

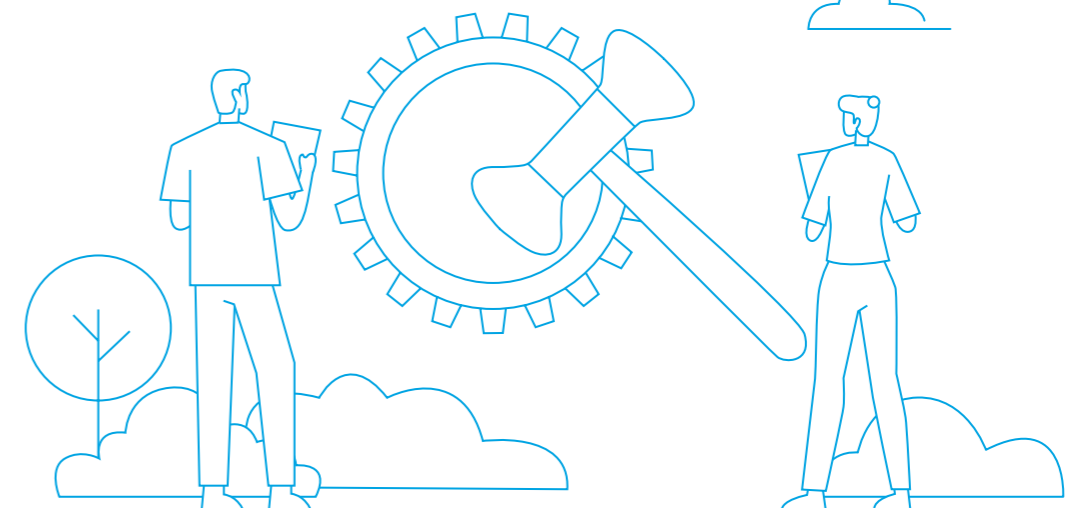
- 

Provide subsidies to the whistleblower for any expenses or losses incurred as a result;
- 

Protect the personal rights, property rights, work rights, democratic rights, reputation rights, and other legitimate rights and interests of the whistleblower and the witness, and resolutely eliminate all forms of retaliation and unfair treatment;
- 

Require related personnel who handle whistleblowing to strictly abide by the principle of confidentiality, keep all the relevant information and evidence strictly confidential, never disclose information about the whistleblower except with the consent of the party concerned, and prevent unrelated personnel from inquiring or learning about details of the whistleblower;
- 

Individuals found retaliating against well-intentioned whistleblowers will face stringent disciplinary measures, including possible termination of employment in severe cases. When the circumstances are so serious as to constitute a crime, the case should be transferred to a judicial organ for further action.



Leading Development with Party Building

The Company adheres to the guidance by Xi Jinping's thought of socialism with Chinese characteristics in the new era, comprehensively implements the spirit of the 20th National Congress of the Communist Party of China, constantly deepens ideological and political education for the Party members, strengthens the construction of organizational style, gives full play to the Party branch's leading role and the Party members' exemplary role, as well as leads development with Party building and strives for excellence. In 2023, while Shanghai Shanshan Lithium Battery Fujian Plant was selected among the "Leading Units of Private Enterprises That Drive Work with Party Building", Ningbo Shanshan Party Branch was approved for establishment and the Party Building Activity Room was set up to further strengthen the Party building team.



Party Building Activity Room of Ningbo Shanshan

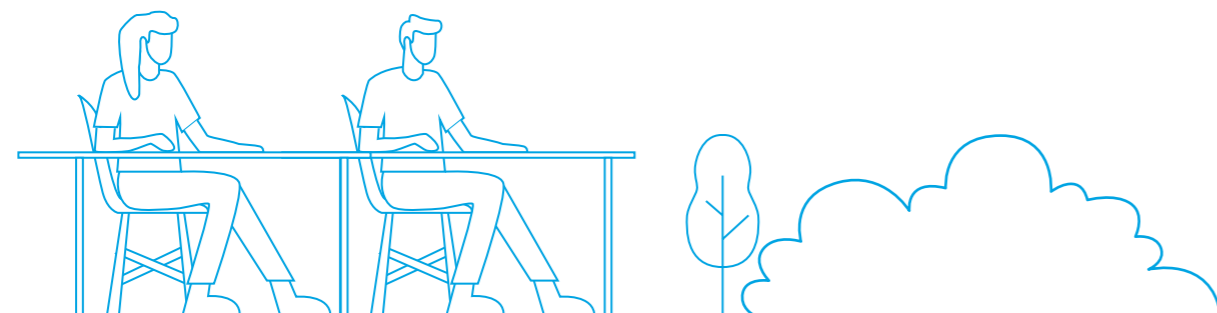
Carrying out Party history learning and education, and promoting fine traditions of the Party

Case

Shanghai Shanshan Lithium Battery Fujian Plant organized Party history-related study and education, deeply promoted the Party's fine traditions and spirit, systematically studied special excerpts of Xi Jinping's thought of socialism with Chinese characteristics in the new era, and guided Party members to deeply understand the Party's glorious history and great spirit so as to inherit the red gene.



Themed education and learning about Party history



Celebrating the anniversary of the founding of the Party and jointly building a brilliant new chapter

Case

In July 2023, Shanghai Shanshan Lithium Battery Sichuan Plant held a celebration activity for the 102nd anniversary of the founding of the Party themed "Celebrating July 1 and Praising the Party's Kindness", during which all Party members and cadres were organized to visit the former residence of Guo Zhushan in Pengshan District to pay tribute to the great achievements of revolutionary predecessors, review the glorious history of the Party, praise the great achievements made by the Party, stimulate the enthusiasm and vitality of Party organizations and Party members and cadres, and guide corporate development with the spirit of red revolution.



A visit to the red education base under the theme of "Celebrating July 1 and Praising the Party's Kindness" by Sichuan Shanshan Party Branch

Reviewing the history of the Party and the country and strengthening mission and responsibility

Case

In November 2023, Shanjin Optoelectronics organized an activity themed "Reviewing the History of the Party and the Country and Strengthening Mission and Responsibility" to experience the expansion activities such as retracing the Long March and eating Red Army meals in the Dajinshan Revolutionary Base, so as to review the turbulent times, consolidate ideals and beliefs, and strengthen mission and responsibility.



Party building themed activities

In 2023

there were

150 members across all the Company's Party branches

including

5 newly developed regular members

and

13 probationary members



02

Double-Carbon Guidance and Green Coexistence

Philosophy

With its vision of "building a respected global high-tech enterprise and realizing sustainable and high-quality development", the Company has established a sound environmental management system, actively responds to climate changes, attaches great importance to green and environmental protection of its own production and operation, continuously strengthens investment in environmental protection, builds an ecological civilization, and devotes itself to achieving a balance between economic benefits and environmental protection.

Our initiatives

- Environmental management system
- Response to climate change
- Enhancing emission management
- Chemical safety management
- Driving green operations

Environmental Management System

The Company adheres to the EHS policy of "compliance with regulations, pollution prevention, people orientation, and continuous improvement", and continuously promotes the systematization, standardization, and scientificization of its EHS management. In light of the Work Safety Law as well as other laws and regulations, the Company regularly conducts environmental risk identification and management, and environmental impact factor audits, and has established a top-down management framework, and concluded the "2023 EHS Management Responsibility Letter" with all responsible subjects. In this way, tasks related to environmental management are systematically delegated to ensure the effective operation of the environmental management system and continuously improve the Company's environmental performance. In 2023, the Company obtained the ISO 14001 environmental management system certification for its **10** factories, with a coverage rate of **83.33%**.



④ All factories of Shanghai Shanshan Lithium Battery (left) and Shanjin Optoelectronics (right) have obtained the ISO 14001 environmental management system certification (partially displayed)

Response to Climate Change

The Company actively responds to the national double-carbon strategy, sets and publicly declares its ambitious double-carbon goal, and fulfills its environmental commitment with practical inputs and practices. In the future, the Company will continue to deepen its efforts in energy conservation, emission reduction and climate change. While controlling and reducing its own carbon emissions, it will effectively drive carbon reduction in the value chain, and contribute Shanshan Power to the industry and society as a whole.

Due to the fact that the subsidiaries and plant bases of the Company are distributed in many regions and feature a large regional span, their geographical environment, business types, energy consumption structure and emission source types are different. With a view to making the goals more appropriate and enforceable, the Company has collaborated to formulate independent carbon reduction goals for each subsidiary and plant. Specifically, they could carry out carbon emission management work based on the requirements of ISO 14064 and in combination with their own emissions and carbon reduction goals. The work includes setting up a climate change management framework, promoting renewable energy alternatives, and carrying out special energy-saving and carbon-reduction practices. The Company has established the Energy Management System and actively carried out energy management practice. The digital energy online monitoring platform is used to monitor energy consumption. As a result, all its subsidiaries and factories obtained the ISO 50001 energy management system certification.

In 2023

the Company obtained the ISO 14064 carbon verification statement for its **8** factories with a coverage rate of **75%**



④ ISO 14064 greenhouse gas verification statement of Shanghai Shanshan Lithium Battery (left) and Shanjin Optoelectronics (right) (partially displayed)

the Company obtained the ISO 50001 energy management system certification for its **3** factories which included **2** new factories with a coverage rate of **25%**



④ ISO 50001 energy management system certification of Shanghai Shanshan Lithium Battery (left) and Shanjin Optoelectronics (right) (partially displayed)

Shanjin Optoelectronics

Shanjin Optoelectronics set and publicized carbon goals, formulated action plans for emission reduction and sustainable development, and implemented various emission reduction measures to promote the progress of achieving carbon neutrality.

Double-carbon goals of Shanjin Optoelectronics

To fully achieve carbon neutrality by 2050.



④ Sustainable development strategy direction of Shanjin Optoelectronics

Shanjin Optoelectronics implemented the medium- and long-term green development plan for 2022-2024



Shanjin Optoelectronics (Nanjing) aimed to achieve comprehensive carbon neutrality by 2050, and established clear basic environmental health and safety ideas, prioritizing environmental health and safety in all its business activities. In terms of green product research and development, green factories and green procurement, it actively carried out medium- and long-term plans. By continuously strengthening investment in environmental research, using renewable energy, carrying out energy saving and emission reduction, practicing "carbon reduction" actions, and building a green responsible supply chain, it led transformation and upgrading of the industry, promoted low-carbon development of China's new display industry and manufacturing industry, and helped achieve China's goals of "carbon peak and carbon neutrality".

Various energy-saving and carbon reduction practices of Shanjin Optoelectronics

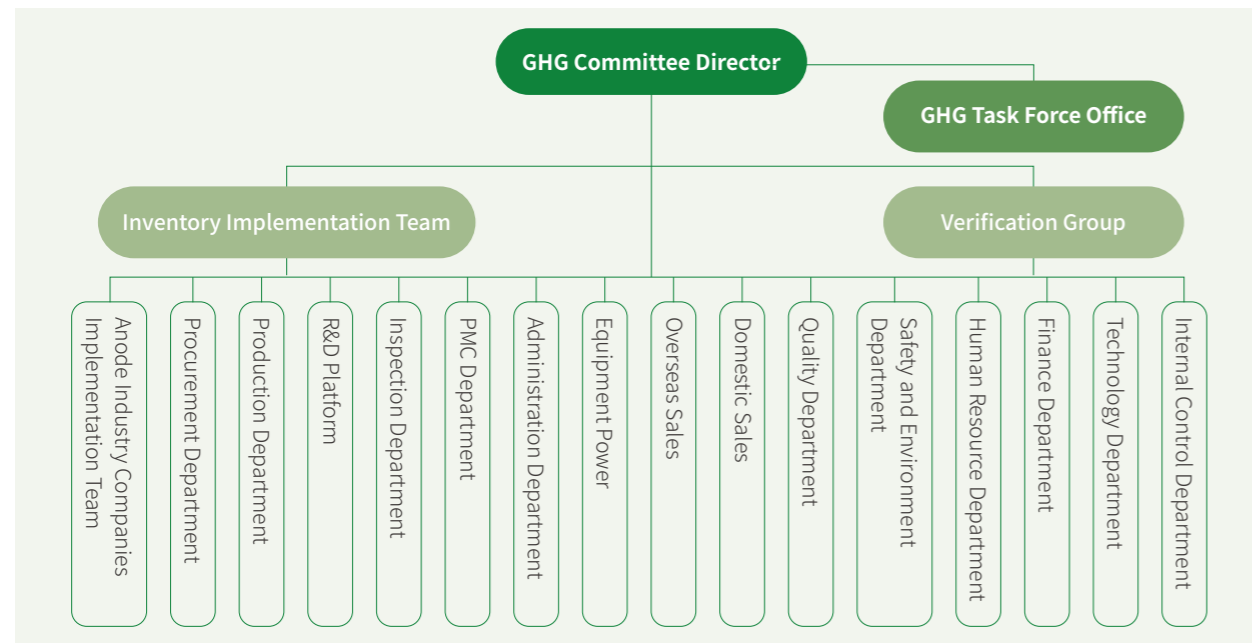
Case

Shanjin Optoelectronics (Guangzhou) significantly saved electricity and steam flow by recycling and reusing the exhaust gas, thereby reducing energy consumption and lowering carbon emissions. In 2023, such a measure helped save a total of 592,900 kWh of electricity and reduce carbon emissions by 569.2 tCO₂e throughout the year.

Shanjin Optoelectronics (Nanjing) laid rooftop photovoltaics to supply power to the plant. In 2023, Shanjin Optoelectronics (Nanjing) achieved a total photovoltaic power generation of 2.168 million kWh and reduced carbon emissions by 2,081.4tCO₂e. Shanjin Optoelectronics (Nanjing) also used exhaust gas to produce hot water, raising the water inlet temperature of the 90°C water system to 80°C, reducing the use of steam in the 90°C water system, and hence saving 22,630 tons of steam throughout the year.

Shanghai Shanshan Lithium Battery

Shanghai Shanshan Lithium Battery set and publicized carbon goals. Based on the Company's 2021 (base year) GHG verification results, such goals were broken down and subdivided into various factories. According to the requirements of the Science Based Targets initiative (SBTi), Shanghai Shanshan Lithium Battery planned its medium- and long-term goals for carbon reduction and sustainable development, and also formulated action plans for emission reduction and sustainable development. In order to further respond to the national strategy and ensure the realization of the double-carbon goal, Shanghai Shanshan Lithium Battery set up a greenhouse gas inventory and implementation committee to push forward carbon reduction.



GHG Inventory and Implementation Committee of Shanghai Shanshan Lithium Battery

Double-carbon goals of Shanghai Shanshan Lithium Battery: To achieve supply chain carbon neutrality by 2060

- Shanghai Shanshan Lithium Battery finished 30% of its green power procurement in 2023, and aims to complete 60% by 2025, and achieve 100% by 2030.
- Shanghai Shanshan Lithium Battery set 2023 as the base year for carbon emissions per unit product, with a 3% reduction year by year and an overall 34% decrease by 2030 (Scope 1 and Scope 2), achieving operation carbon neutrality by 2050 (Scope 1 and Scope 2) and supply chain carbon neutrality by 2060 (Scope 1, Scope 2 and Scope 3).

Carbon reduction policy of Shanghai Shanshan Lithium Battery

Adhere to green, circular and low-carbon development, strive to control and slow down greenhouse gas emissions, and promote sustainable development of the industry

Gradually improve the energy utilization structure, vigorously utilize renewable energy sources such as hydropower, wind power, solar energy and biomass energy, build low-carbon and zero-carbon factories, and achieve the strategic goal of supply chain carbon neutrality by 2060

Adopt new processes, new technologies, new equipment and new materials to accelerate the construction of resource-saving and environmentally friendly new production bases

Shanghai Shanshan Lithium Battery developed a "four-step" energy and carbon management action plan to drive the achievement of the 2060 carbon neutrality goal from energy, carbon emissions, recycled materials and sustainable procurement. In addition, the newly built Shanghai Shanshan Lithium Battery Sichuan Plant joined the RE100 "Green Initiative" and cooperated with State Grid, with 100% of its outsourced electricity from hydroelectric power generation.

Energy and Carbon Management Plan Action Program

Energy management

- Promoting energy management reviews and setting up management systems (some plants have achieved ISO 50001 certification)
- Technological energy savings by optimizing processes
- Management-based energy savings by applying the PDCA cycle and equipment upgrades
- Structural energy savings by implementing integrated processes in new bases
- Industry support from the government

Carbon peaking and carbon neutrality management

- Procuring green electricity: 100% by 2030
- Facilitating self-built photovoltaic projects by implementing photovoltaic projects in all new plants
- New bases: Prioritize clean energy, adopt streamlined integrated processes for enhanced efficiency and reduced emissions, and use large automated equipment to minimize product consumption per unit

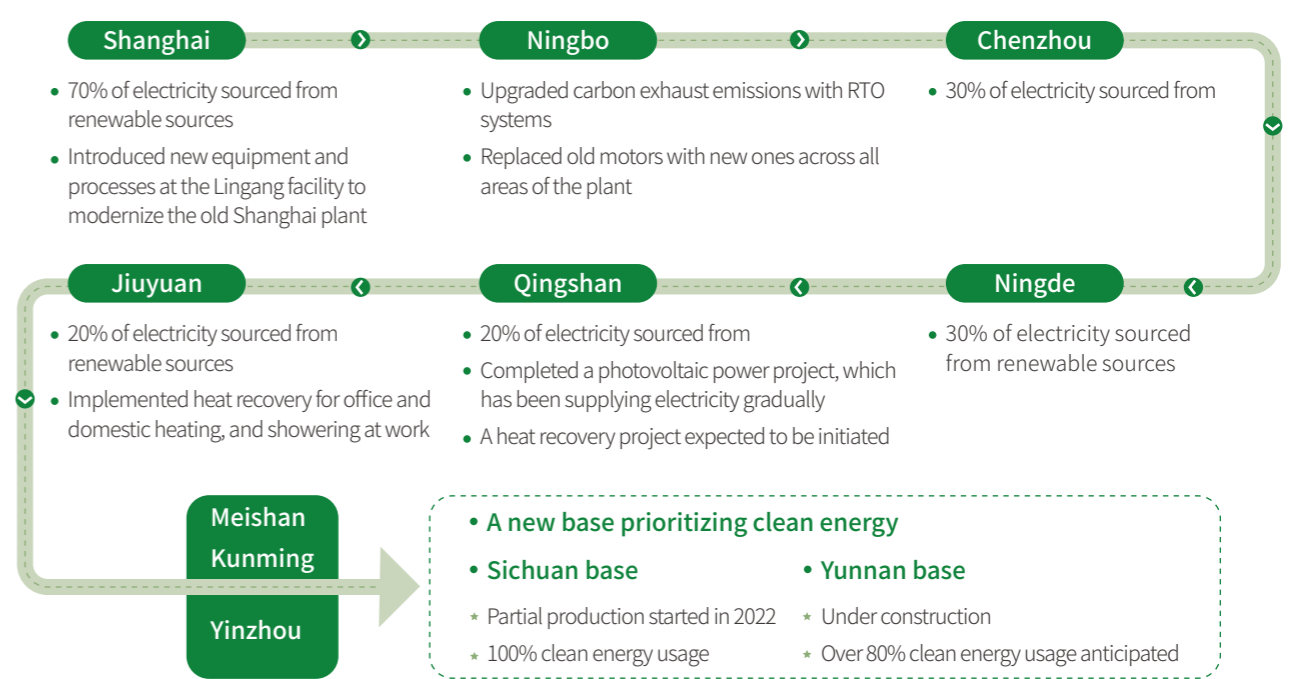
Recycled materials

- Incorporating recycled materials into R&D

Sustainable procurement

- Incorporating carbon emission into upstream supplier metrics

Carbon Reduction Measures in 2023



Shanghai Shanshan Lithium Battery Jiuyuan Plant effectively promoted carbon reduction

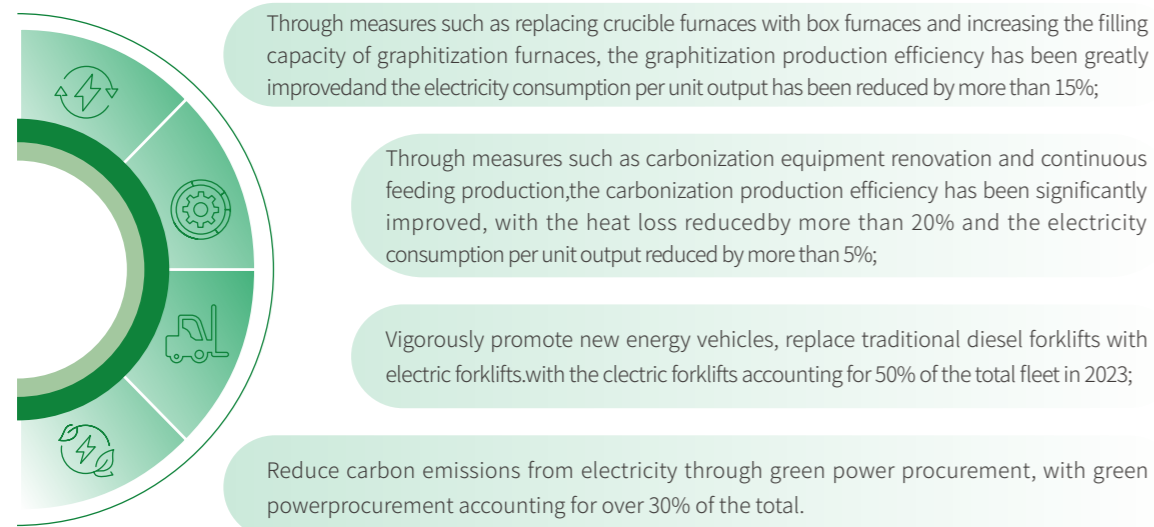
Case

In 2023, Shanghai Shanshan Lithium Battery Jiuyuan Plant actively used renewable energy and procured 20% of the total electricity from green power stations. It applied waste heat recovery boilers and utilized the kiln waste heat from the roasting process for heating instead of natural gas boilers to reduce natural gas consumption. It adopted commuter buses to effectively reduce the Company's carbon emissions. In 2023, such various emission reduction measures taken by Shanghai Shanshan Lithium Battery Jiuyuan Plant helped it reduce the total emissions by 68,400 tons of CO₂e.

Shanghai Shanshan Lithium Battery took multiple measures to promote the achievement of double-carbon goals

Case

Shanghai Shanshan Lithium Battery formulated its annual carbon reduction sub-goals and implementation actions based on double-carbon goals.



Shanghai Shanshan Lithium Battery promoted energy saving and emission reduction using multiple initiatives

Greenhouse gas emissions of the Company in 2023				
Type	Unit	Shanghai Shanshan Lithium Battery	Shanjin Optoelectronics ¹	
Scope 1	Tons of carbon dioxide equivalent	17,079.38	19,655.07	
Scope 2	Tons of carbon dioxide equivalent	586,803.22	175,554.58	
Scope 3	Tons of carbon dioxide equivalent	1,074,997.85	/	
Total emission	Tons of carbon dioxide equivalent	1,678,880.45	195,209.65	

Note1: The GHG emission of Shanjin Optoelectronics includes Guangzhou Plant and Zhangjiagang Plant.

On the basis of carbon reduction in the production and operation stages, the Company gradually promoted carbon reduction practices to the product category. Every year, according to Standards ISO 14044 and ISO 14067, the Company conducts full lifecycle carbon footprint management from cradle to gate, providing data and practice for carbon reduction in the industrial chain and contributing low-carbon products to the society.

In 2023

the greenhouse gas emissions during the lifecycle of QCG-N2 type 1kg battery anode materials (specially artificial graphite) were 13.993kg CO₂e. Among them, the greenhouse gas emissions in each stage of the lifecycle were as follows:

Lifecycle	Greenhouse gas emissions (kg CO ₂ e/kg)	Proportion
Raw material production	1.638	11.7%
Raw material transport	0.377	2.7%
Product production	11.773	84.1%
Product transport	0.205	1.4%
Total	13.993	100%

the greenhouse gas emissions during the lifecycle of a 1 square meter polarizing panel were 3.56kg CO₂e. Among them, the greenhouse gas emissions in each stage were as follows:

Lifecycle	Greenhouse gas emissions (kg CO ₂ e/kg)	Proportion
Raw material acquisition	2.14	60.30%
Product production	1.42	39.70%
Total	3.56	100%

Achievement and performance

The Company carried out greenhouse gas management in an all-round way. In 2023, Shanjin Optoelectronics (Nanjing) was shortlisted as a green factory in Jiangsu Province and a national level green factory in 2022, and Shanghai Shanshan Lithium Battery Chenzhou Plant was rated as "Green Factory in Hunan Province" and selected as "Green Factory Demonstration Unit in Hunan Province in 2022".

Green factory list

SN	Region	Factory name	Name of third-party evaluation agency
347	Jiangsu	Shanjin Optoelectronics (Nanjing) Co., Ltd.	China Electronics Standardization Institute

Shanjin Optoelectronics (Nanjing) was shortlisted as a national level green factory



Shanghai Shanshan Lithium Battery Chenzhou Plant was rated as "Green Factory in Hunan Province"

the Company obtained the ISO 14044 lifecycle assessment verification statement for its

1 plant

an increase of

1 compared to the previous year



Shanghai Shanshan Lithium Battery obtained the ISO 14044 lifecycle assessment verification statement (partially displayed)

the Company obtained the ISO 14067 product carbon footprint certificate for its

2 factories

an increase of

1 compared to the previous year



Shanghai Shanshan Lithium Battery (left) and Shanjin Optoelectronics (right) have obtained the ISO 14067 product carbon footprint certificate (partially displayed)

Enhancing Emission Management

The Company abides by the *Environmental Protection Law*, the *Water Pollution Prevention and Control Law*, the *Atmospheric Pollution Prevention and Control Law*, the *Law on the Prevention and Control of Environmental Pollution by Solid Waste* as well as relevant local laws and regulations, continuously strengthens investment in environmental protection, regularly maintains environmental protection facilities to reduce emission pollution caused by their failures, as well as actively carries out environmental pollution control and emission management, and regulates the environmental protection work regarding wastewater, exhaust gas and garbage.

In 2023

the Company's total investment in environmental protection was approximately up to RMB

280.8596 million

Wastewater and water resources management

The Company strictly complies with laws and regulations such as the *Water Pollution Prevention and Control Law*, formulates internal management documents, and clearly regulates the generation and control of wastewater in the production process of each plant. The Company's wastewater mainly consists of domestic sewage and production wastewater, both of which have been preliminarily treated and meet the takeover standards before being connected to the pipeline network for unified treatment and discharge. The Company collects its wastewater monitoring records on a monthly basis, and continues to explore initiatives to recycle wastewater and reduce wastewater discharge, so as to achieve the goal of water saving and emission reduction.

In 2023

the total amount of wastewater discharged by the Company was

1.7178 million tons

with a discharge compliance rate of

100 %

The Company attaches great importance to the conservation and management of water resources, strictly abides by relevant laws and regulations such as the *Water Law* and the *Water Pollution Prevention and Control Law*, and has formulated regulations such as the *Water Pollution Control Management Regulations*, the *Water Quality Management Regulations*, the *Rainwater Management Regulations*, and the *Water Quality Monitoring Operation Standards*. It continuously optimizes its own water resource management, links the comprehensive water resource management goals with the performance of its own CFO, and promotes its own water resource management from top to bottom, so as to continuously intensify water resource control. In addition, the Company actively explores the use of alternative water sources. Currently, rainwater is mainly taken by it as an alternative water source, but in the future, after the integrated project in Finland is launched, the Company intends to use desalinated seawater in the operation site of the project to continuously expand the types of alternative water sources and better save global water resources.

In 2023

the total water consumption of the Company was

4,001,617.45 tons

In addition

7,922 tons of rainwater were recycled by Shanghai Shanshan Lithium Battery

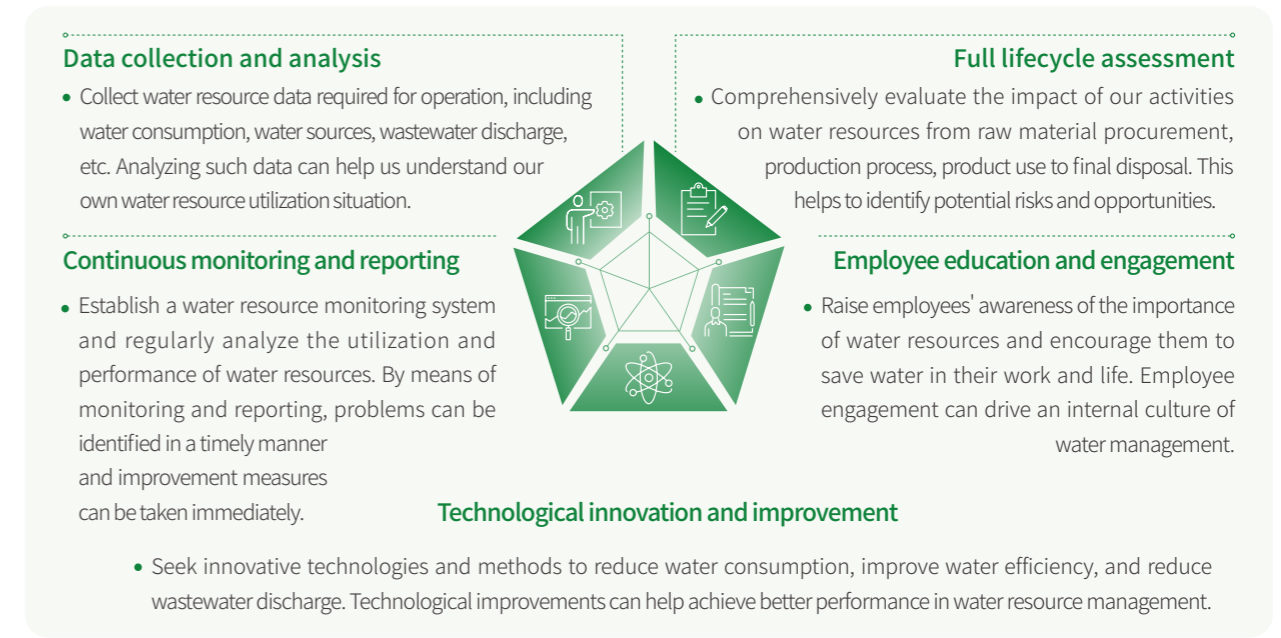
and the circulating water consumption of the Company was

1,148,292.76 tons

accounting for

0.7 % of its total water consumption

The Company firmly believes that carrying out water resource risk management is its due environmental responsibility, and is also an essential ESG management measure to maintain leadership in the industry. As part of its strategy to manage water risks for environmental optimization, the Company assesses annual water risk changes at its location using the *Aqueduct*™ tools developed by the World Resource Institute (WRI), which cover indicators such as physical risk quantity (e.g., baseline water pressure, and meteorological disaster impact), physical risk quality (e.g., water quality impact), and regulatory and reputational risks. **As of the end of the Reporting Period, all of the Company's plant sites were not located in or adjacent to water resource protection areas, and the Company has not had any negative impact on local water sources due to water intake and discharge.**



Water saving strategy of the Company

Shanjin Optoelectronics took diversified measures to comprehensively promote water saving and emission reduction

Case

Shanjin Optoelectronics (Guangzhou) used condensate waste heat to recover 90°C water and rise the temperature to improve BP

Shanjin Optoelectronics (Guangzhou) added a preheating plate exchanger which can utilize 95°C condensate water to preheat the return water from the production line equipment at 63°C. Such preheating process could raise the temperature of the hot water from 63°C to 90°C, which can save 20 tons of steam every day.

The condensate water was recovered to serve as supplementary water for cooling towers

Shanjin Optoelectronics collected the condensate water from air conditioning units and used it as replenishing water for cooling towers. This practice saved approximately 100 tons of tap water every day, promoting efficient water resource utilization and reducing operational costs.

Shanjin Optoelectronics conducted secondary concentration of concentrated pure water

Shanjin Optoelectronics collected concentrated water from the pure water station for secondary concentration, and the produced water was reused as pure raw water to improve water resource utilization, saving 400 tons of tap water every day.

Wastewater recycling and reuse programs were carried out

Shanjin Optoelectronics reused the low-concentration wastewater after microfiltration in a resin tank, realizing wastewater recycling with a reuse volume of 467,000 cubic meters.



Low-concentration wastewater microfiltration system

Various factories of Shanghai Shanshan Lithium Battery optimized water resources and wastewater management

Case

Excellent practice of rainwater reuse in Fujian Plant

Phase II of Fujian Plant was completed and put into operation in 2022. The rainwater tanks there were reconstructed. After substances in the rainwater were precipitated, rainwater entered the sewage lifting pump and was then lifted to a multi-media filter for the removal of pollutants. The purified rainwater was mainly used for replenishing water in the circulating water tanks of the cooling towers. In 2023, this rainwater reuse program managed to reuse a total of 7,922 cubic meters of rainwater.

Excellent practice of wastewater treatment at Jiuyuan Plant

Jiuyuan Plant adopted an integrated grease trap to treat catering wastewater; and after treatment, such wastewater combined with domestic sewage, cooling drained water and drained water from soft water equipment, and then was discharged into the sewage pipe network in the park, meeting the third-level discharge requirements under the wastewater discharge standards. The cooling and circulating water used at Jiuyuan Plant accounted for 80% of the total production water consumption and 50% of the total water consumption.

Excellent practice of water treatment at Yunnan Plant

The wastewater from Yunnan Plant's circulating cooling water system, the wastewater from the lime gypsum wet-process desulfurization system, and the concentrated water from the laboratory's pure water preparation system were all treated by the sewage treatment station and then reused in the circulating cooling water system after meeting the standards. Yunnan Plant also adopted the rainwater and sewage separation system, and set up sewage pipe networks for rainwater, greywater, and black water, respectively. The initial rainwater was collected by the initial rainwater tank, and then reused in the circulating cooling water system after being treated by the sewage treatment station.

Exhaust gas control

In light of the *Atmospheric Pollution Prevention and Control Law* as well as other laws and regulations, the Company formulated the *Air Management Regulations*, the *Management Systems for Exhaust Gas Treatment*, etc., and carried out exhaust gas treatment and upgrading programs including upgrading exhaust gas treatment technologies and equipment every year to ensure that the discharged exhaust gas could meet environmental standards. Moreover, we continuously monitor the operation and effectiveness of these waste gas treatment upgrade projects to ensure successful emission reduction and treatment. In 2023, Shanghai Shanshan Lithium Battery's Jiuyuan Plant formulated and executed the One Plant, One Strategy Implementation Plan for Inner Mongolia Shanshan New Material Co., Ltd. in Response to Heavy Pollution Weather. This initiative aimed to enhance the Company's ability to address severe pollution weather events.

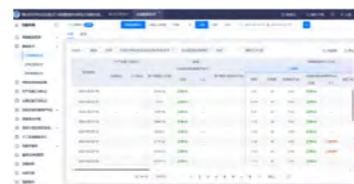
In 2023

the Company emitted a total of **309.72** tons of waste gas achieving a compliance rate of **100%**

Introducing innovative waste gas monitoring techniques to facilitate smart waste gas treatment

Case

In 2023, Shanghai Shanshan Lithium Battery's Ningbo Plant installed two new sets of real-time tail gas monitoring systems. These systems, which employ state-of-the-art Chinese technology, conduct continuous pollutant checks round the clock, providing data support for on-site tail gas treatment. By replacing outdated manual methods, these systems have ushered in a new era of intelligent and modernized tail gas monitoring, significantly enhancing precision in detection.



Real-time tail gas monitoring system

Upgrading tail gas treatment facilities for emission reduction, cost savings, and efficiency improvement

Case

In 2023, with a focus on reducing pollutant emissions and meeting future development needs, Shanghai Shanshan Lithium Battery's Ningbo Plant launched the Tail Gas Treatment Facility Upgrade Project. This initiative aimed to improve the efficiency of tail gas treatment and reduce overall pollutant emissions. Through round-the-clock data monitoring, the project focused on efficient treatment, cost reduction, and efficiency improvement. **It has received a special subsidy from the Chinese central government for atmospheric pollution prevention and control.**

Following the treatment of exhaust gas emissions by the thermal oxidizer (TO), the Ningbo Plant has effectively managed tail gas emissions from several of its workshops to ensure compliance with relevant standards.

	Current requirements	Actual emissions
Particulate matters	≤ 30mg/m ³	≤ 30mg/m ³ , (compliant)
Sulfur dioxides	≤ 200mg/m ³	≤ 35mg/m ³ , (well below standard)
Nitrogen oxides	≤ 300mg/m ³	≤ 50mg/m ³ , (well below standard)
Volatile organic compounds (VOCs)	≤ 60mg/m ³	≤ 60mg/m ³ , (compliant)

Enhancing the RTO and CTO units for reduced VOCs emissions

Case

In 2023, Shanjin Optoelectronics improved its approach to reducing VOC emissions by introducing additional catalytic thermal oxidizer (CTO) units and efficiently utilizing the internal heat from the existing regenerative thermal oxidizer (RTO) units. This combination allowed the CTO to achieve the optimal catalytic oxidation temperature, boosting the overall treatment efficiency of both RTOs and CTOs to 99.5%. This enhancement resulted in a reduction of 12.8 tons of VOC emissions.



RTO and CTO

Adjusting PSA for polarizers to reduce organic solvent evaporation and expand product applications, thus minimizing emissions

Case

In 2023, Shanjin Optoelectronics (Nanjing) adjusted the thickness of pressure-sensitive adhesive (PSA) for polarizers, increased the proportion of high-solid-content main agents, and lowered the ratio of ethyl acetate (EA) to reduce VOC emissions from PSA and broaden its range of applications. This initiative is estimated to reduce VOC emissions by 10.5 tons.

Waste management

The Company places a strong emphasis on managing waste effectively. We have established corporate systems such as the *Waste Management Standards*, the *Waste Warehouse Management Standards*, the *Standards for Hazardous Waste Management Operations*, and the *Environmental Permit Management Standards* in accordance with the *Environmental Protection Law*, the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*, and other relevant Chinese laws and regulations. We categorize and manage waste responsibly, engaging qualified organizations to handle waste disposal based on the types of solid and hazardous waste generated. Furthermore, we pursue innovative measures across our supply chain and production management to minimize waste generation and protect the environment.

In 2023

the Company emitted a total of _____ with _____ achieving a compliance rate of _____

50,301.11
tons of general solid waste

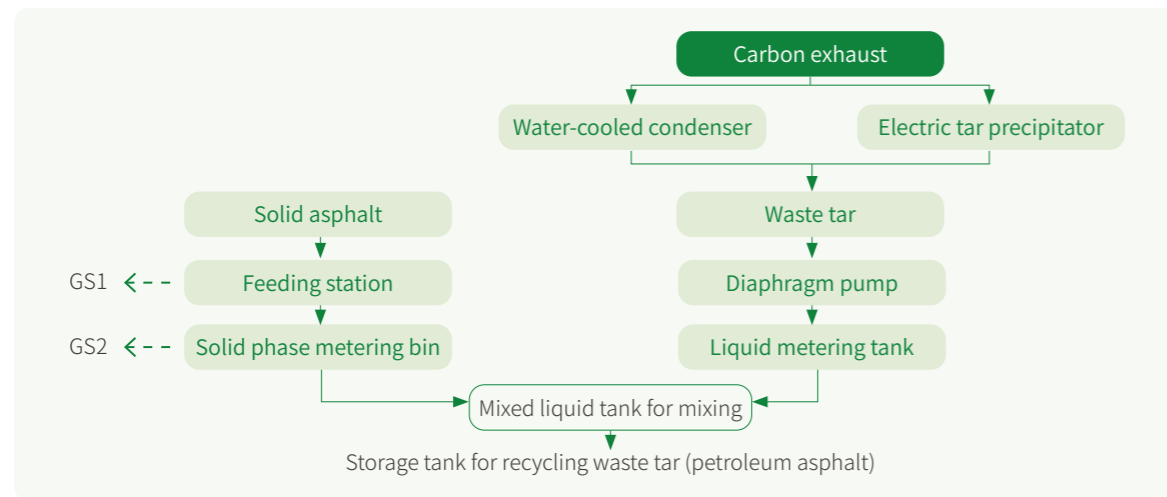
13,782.23
tons recycled

100 %

Establishing a waste tar recycling platform to reduce hazardous waste generation and emissions

Case

In 2023, Shanghai Shanshan Lithium Battery's Fujian Plant launched a waste tar recycling platform. This platform recycled waste tar, which was generated when the carbon exhaust from roller kiln furnaces underwent processes such as water-cooled condenser and electric tar precipitator. The recycled waste tar is then utilized as raw material for the production of semi-finished graphite anode materials.



Waste tar recycling process flowchart

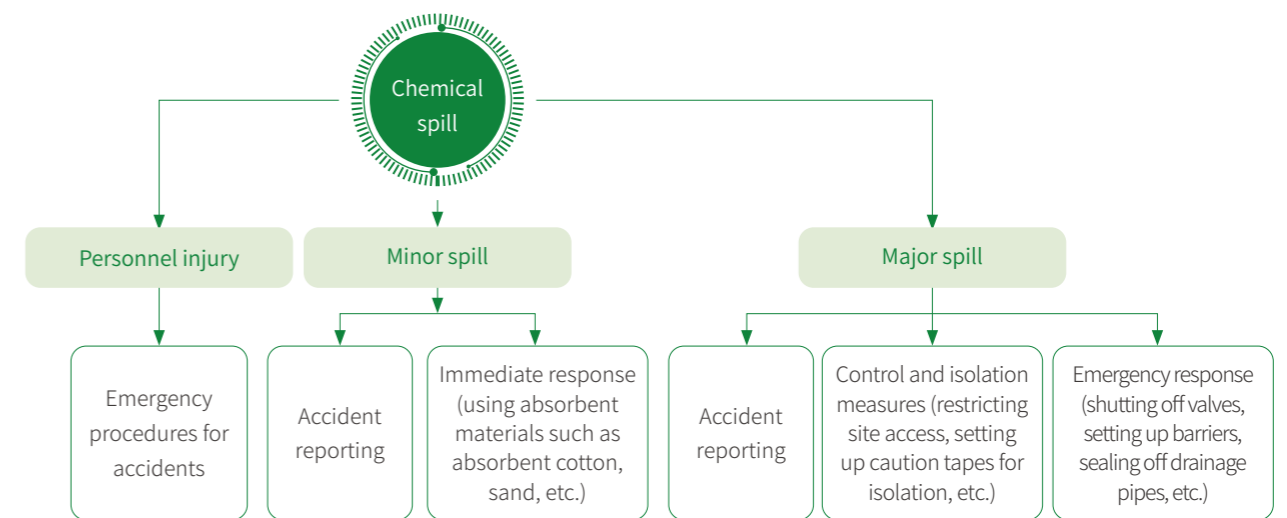
Using an innovative recycling process to reduce PSA usage in coatings

Case

In 2023, Shanjin Optoelectronics (Guangzhou) implemented a new method to reduce the amount of PSA used for coatings. By introducing a new adhesive formulation algorithm and implementing a PSA recycling process, the Company filters out PSA from the air and redirects it back into a service tank for filtration, enabling PSA recycling and minimizing waste. Moreover, the Company installed a new thickness measurement device to ensure consistent coating thickness, further reducing PSA usage. This process enables the recycling of 32.4 tons of PSA, resulting in a reduction of approximately 367.1 tons compared to previous methods.

Chemical Safety Management

The Company has established a comprehensive system for managing chemicals in compliance with relevant national and local laws, administrative regulations, and local rules in China. This system encompasses corporate policies and systems such as the *Chemical Management System*, the *Hazardous Chemical Management System*, the *Major Hazardous Source Management System*, and the *Precursor Chemical Management System*. The establishment of this system adheres to laws and regulations including the *Regulations on the Safety Management of Hazardous Chemicals*, the *Regulations on the Management of Precursor Chemicals for Controlled Substances*, and the *Regulations on the Management of Controlled Chemicals*, the *Catalog of Hazardous Chemicals*, the *Catalog of Classification and Varieties of Precursor Chemicals for Controlled Substances*, the *Catalog of Explosive Precursor Chemicals*, and the *Catalog of Highly Toxic Substance*. We ensure that our existing corporate policies and systems comply with legal requirements. Furthermore, we prioritize chemical safety as a fundamental aspect of our business operations. We have implemented strict management measures for hazardous chemicals and major hazard sources to prevent accidents and ensure the safety of our employees and partners, both in terms of personal safety and property protection.



Emergency procedures for chemical spills

When purchasing precursor chemicals for drugs or explosives, the Procurement Department submits a list of the types and quantities needed to the local regulatory authorities for approval before making the purchase. The departments using these chemicals are responsible for assisting the Procurement Department in preparing relevant documentation, such as instructions for safe use and the required amounts of these controlled substances. The Company identifies potentially hazardous chemicals through various standards and regulations, covering all stages from R&D to production, supply, storage, and packaging processes.



The Company stores and uses a variety of hazardous chemicals including

nitrogen, natural gas, helium, argon, liquid argon, helium-nitrogen mixtures, argon-methane gases, hydrogen-argon mixtures, acetylene, oxygen, diesel, hydrochloric acid, nitric acid, hydrofluoric acid, perchloric acid, toluene, alcohol, acetone, and quinoline.



Regarding product testing for harmful chemicals

we cover all our products, focusing on specific substances such as antimony (Sb), perfluorooctanesulfonic acid (PFOS), polychlorinated biphenyls (PCBs), perfluorooctanoic acid (PFOA), and the four halogen elements. Additionally, we ensure compliance with the restricted substances listed in the RoHS standard, including lead (Pb), cadmium (Cd), mercury (Hg), hexavalent chromium (Cr(VI)), polybrominated biphenyls (PBBs), polybrominated diphenyl ethers (PBDEs), di-butyl phthalate (DBP), butyl benzyl phthalate (BBP), di(2-ethylhexyl) phthalate (DEHP), and diisobutyl phthalate (DIBP). All substances tested in our products meet regulatory standards.

To further ensure the safety and meet the expectations of all stakeholders, the Company has launched a comprehensive plan to strengthen safe and transparent chemical management. As part of this plan, we have included the replacement and elimination of hazardous chemicals in our product planning. This initiative aims to gradually reduce the presence of harmful substances in our products, providing society with cleaner, healthier, and safer products.



Chemical safety commitment

We commit to prioritizing environmental and health aspects throughout the development of new products, striving to enhance their health and safety standards. We will actively seek eco-friendly materials to replace harmful chemicals and keep stakeholders informed of our progress. Particularly, we will intensify efforts to raise awareness among customers and users regarding chemical safety, ensuring they are well-informed about the chemicals used in our products.

Driving Green Operations

The Company is dedicated to running operations in a sustainable manner. We encourage all employees to embrace energy-saving practices and recycle resources to cut down on energy usage and waste, ultimately reducing production costs and boosting economic gains. Throughout our facilities, we conduct various activities and initiatives to fulfill the principles of green operations.



- We send out resource saving proposals to all departments, urging every employee to start with small daily actions to promote a culture of conservation. This includes using electricity, water, gasoline, and office supplies more efficiently to minimize waste and promote sustainable office practices.
- To raise environmental awareness among our employees, we implement measures such as promoting water and electricity conservation and displaying eco-friendly posters. We also take practical steps like printing on both sides of paper and eliminating paper-based check ins to reduce office resource consumption.
- We advocate for green office practices across the board, such as encouraging the use of personal water bottles in meetings to reduce disposable cup and bottled water usage. We also actively promote garbage sorting and recycling. We have established regulations on water, electricity, and official vehicle usage to encourage energy conservation and cost savings.
- Through various communication channels, we promote green operations and clean production to ensure that the green ethos is ingrained in all employees. This includes organizing company-wide training sessions, facilitating centralized learning and selfstudy, conducting suggestion programs, and organizing exchanges between technical experts and employees.
- We actively promote green office practices by raising awareness and fostering a culture where conservation is prioritized in every action. We have launched the "four.One" campaign, encouraging everyone to do their best to conserve resources, starting from saving even just one kilowatt.hour of electricity, one drop of water, one drop of gasoline, and one piece of paper.

Green activities and initiatives

Earth care extends beyond today

Case

In April 2023, Shanjin Optoelectronics (Nanjing) organized an environmental challenge event themed "Caring for the Earth" to raise awareness about World Earth Day among employees. The event aimed to inspire employees to embrace eco-friendly practices and cultivate good habits such as waste sorting. Through this challenge, the Company promoted resource conservation and green practices. The goal was to enhance employees' understanding of energy conservation and environmental protection and encourage them to translate their environmental knowledge into practical actions. This initiative reflects Shanshan's commitment to improving the environment and contributing to green and sustainable development.



"Caring for the Earth" environmental challenge event

03

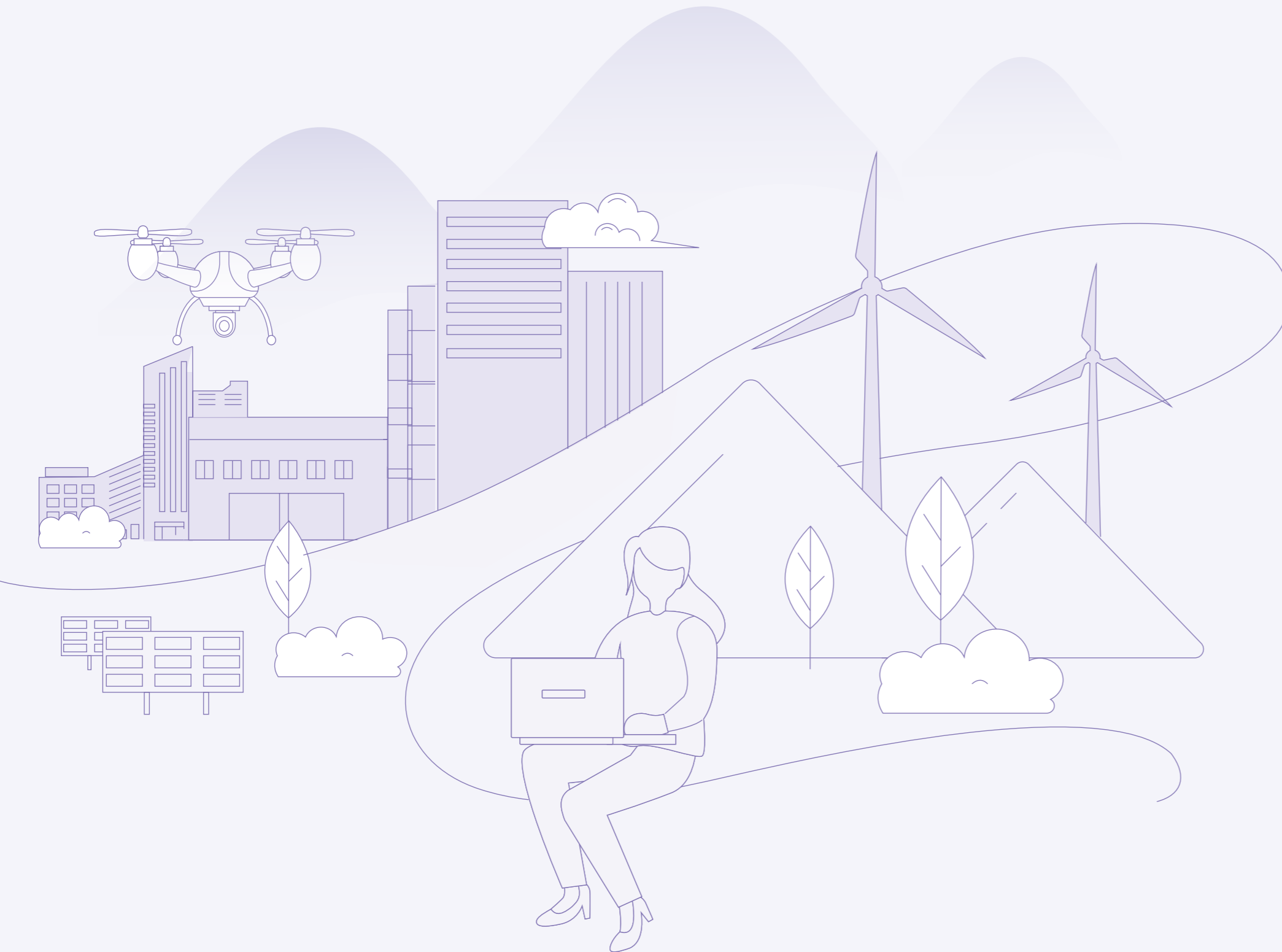
Innovative Development and Technology Empowerment

Philosophy

With a strong emphasis on green R&D, the Company strives to advance the innovation and application of eco-friendly technologies to protect our planet using the power of science and technology. Moreover, we uphold strict quality standards to ensure that our products are reliable for our customers. We actively listen to and respond to customer needs. Our aim is to steadily progress on the path of green development and earn market recognition and trust through the delivery of high-quality products and services.

Our initiatives

- Focusing on innovative R&D
- Ensuring strict quality control
- Responding to customer needs



Focusing on Innovative R&D

The Company places **clean tech innovation as a central part of our strategy** and attaches great importance to our technology development and management practices. Thanks to our well-established R&D management system, we will continue to invest heavily in R&D innovation to advance our technological revolution. In 2023, Shanjin Optoelectronics made significant progress in exploring polarizer technology. It overcame the challenges of large-scale laser cutting and collaborated with customers to develop and mass-produce 115-inch polarizers for ultra-large TVs. Meanwhile, Shanghai Shanshan Lithium Battery created all-round pathways for lithium-ion insertion by adjusting the microcrystal structure of carbon materials and modifying the surface of graphite. This action has enhanced the charging and discharging performance of anode materials.

Shanghai Shanshan Lithium Battery's fast-charging products continue to lead the industry, with its silicon-based anode products being the first to achieve mass production

Case

Since 2014, when Shanghai Shanshan Lithium Battery made an advanced strategic move into the R&D of fast-charging anode materials, the company has been enhancing its technological edge through innovations such as carbon coatings upgrades and improved conductivity of graphite anodes. Unique liquid-phase coating techniques and novel functional coating technologies have enabled Shanghai Shanshan Lithium Battery to achieve uniform layer application at the micrometer scale of graphite powders, facilitating rapid lithium-ion diffusion within the anode materials. The company's consumer fast-charging anode products with a 6C rate have been sent for sample validation, further solidifying its leading global position. The charge and discharge rates for power anode materials have also increased from 4C to 5C and 6C rates, making it a reality to achieve a 400-kilometer range with just a 10-minute charge.

The silicon-based anode products have continuously achieved technological breakthroughs. Through independent R&D, Shanghai Shanshan Lithium Battery has innovated proprietary technologies such as uniform ion doping, functional surface modification, and continuous chemical vapor deposition (CVD). These advancements have led to the creation of high-capacity, high-initial-efficiency, and low-expansion silicon-based materials such as the GS and SG series. These materials have consistently gained recognition from domestic and international clients, leading to their mass production and supply.

Shanjin Optoelectronics has initiated mass production of 115-inch ultra-large size polarizers

Case

As displays like televisions increasingly feature larger screens, polarizers, as a core material for displays, are experiencing a noticeable shift towards larger dimensions. The manufacturing of large-size polarizers imposes higher demands in several areas, including the width capacity of the production lines, the sophistication of manufacturing techniques, the performance of materials, and the precision of cutting technologies. Notably, the standards for optical uniformity and yield rates are even more stringent for large-size polarizers than for regular display applications.

Shanjin Optoelectronics' 115-inch LCD VA polarizer is the largest globally, used for high-end TV products that can accommodate 4K/8K ultra-high-definition resolutions. It is exclusively manufactured by Shanjin Optoelectronics (Guangzhou) on a 2,600mm ultra-wide production line. This achievement is a result of continuous innovation in core technologies such as materials, production processes, and product performance. It further expands the Company's polarizer business into the ultra-large display market and lays a solid foundation for continuously creating new display scenarios.



115-inch ultra-large size polarizers produced by Shanjin Optoelectronics

Protecting intellectual property

The Company places significant importance on managing and safeguarding intellectual property. By continuously enhancing our intellectual property management system, we have formulated policies such as the *Intellectual Property Management Measures*, the *Commercial Secrets Protection System*, and the *Patent Management System*. Moreover, we have obtained certification for our intellectual property management system. In 2023, our Shanghai Shanshan Lithium Battery's Jiuyuan Plant was recognized as a 2023 National Intellectual Property Advantage Enterprise.



Certificate of intellectual property management system certification

Practical patent training at Shanghai Shanshan Lithium Battery's Ningbo Plant

Case

In August 2023, to help employees better understand patent laws and regulations and improve its patent application and management capabilities, Shanghai Shanshan Lithium Battery's Ningbo Plant organized practical patent training sessions. An expert from the Ningbo Intellectual Property Protection Association was invited to conduct the training, covering topics such as patent practice, patent search and techniques, and practical requirements for patent authorization. A total of 33 employees participated in the training, which significantly boosted the quality and efficiency of patent applications. The training also provides strong support for Shanghai Shanshan Lithium Battery's technological innovation and competitiveness in the market.



Training site

In 2023

Shanghai Shanshan Lithium Battery held a total of

279 valid patents

with

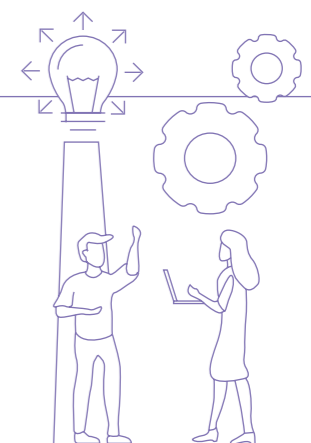
68 new patents granted

Shanjin Optoelectronics held a total of

1,149 valid patents

with

83 new patents granted



Ensuring Strict Quality Control

We consider the quality of our products and our reputation as essential to our business success. Our commitment is to deliver top-notch products and excellent services to our customers. We strictly adhere to all relevant laws and regulations and follow standardized management practices based on international quality standards. In 2023, both Shanghai Shanshan Lithium Battery and Shanjin Optoelectronics obtained ISO 9001 quality management system certification. This certification demonstrates our dedication to fulfilling all our commitments and continually improving the quality of our products.



Shanghai Shanshan Lithium Battery

Shanghai Shanshan Lithium Battery is committed to maintaining high-quality standards and fulfilling customer needs. The company aims for perfection, striving to achieve zero defects and zero customer complaints. Following international quality management standards such as IATF 16949, ISO 9001, and ISO 14001, Shanghai Shanshan Lithium Battery has established manuals and procedures to ensure strict quality control at every stage, from project inception to product delivery. These manuals and procedures include the Quality, Environmental, and Occupational Health and Safety Management Manual, the Product Manufacturing Control Procedure, the Non-Conforming Product Management Control Procedure, and the Continuous Improvement Control Procedure. The Company's goal is to provide customers with flawless products and services, and it continuously innovates products and improves quality to ensure customer satisfaction and trust.

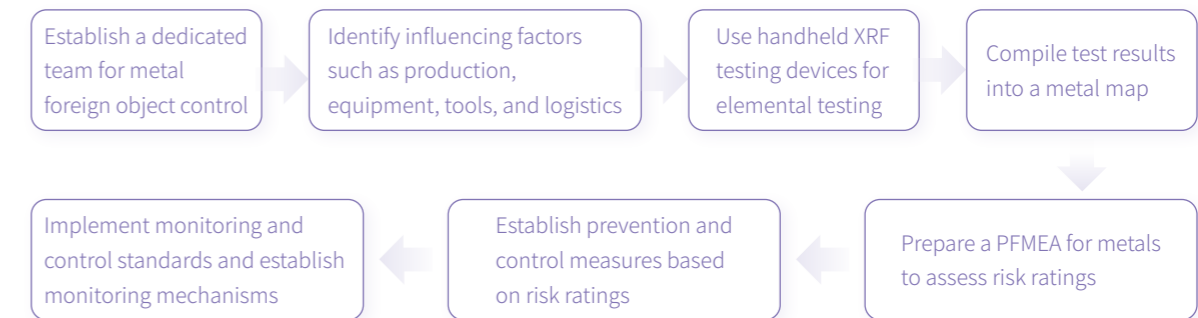
Shanghai Shanshan Lithium Battery's quality policy



Significant improvement in magnetic foreign object control sets new quality benchmark in the industry

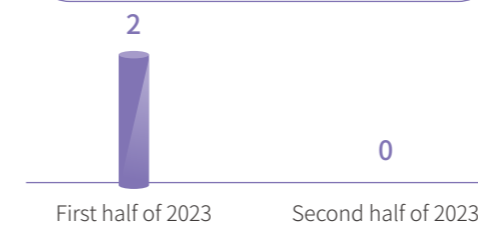
Case

Shanghai Shanshan Lithium Battery's Ningbo Plant launched a project to enhance magnetic foreign object control. The plant formed a dedicated team and devised detailed plans to manage and improve the situation. Their efforts paid off as they successfully achieved the impressive milestone of zero customer complaints regarding magnetic foreign objects in all their shipments. To spread this success, Shanghai Shanshan Lithium Battery organized training sessions across all its plants to deepen employees' understanding of magnetic foreign object control, thus ensuring continuous enhancement of product quality.



Metal foreign object control management process

Complaints of magnetic foreign objects in all Shanshan plants in 2023



Comparison of magnetic foreign object complaint rates in the first and second halves of 2023



Strengthening quality control capabilities through the Quality Month campaign

Case

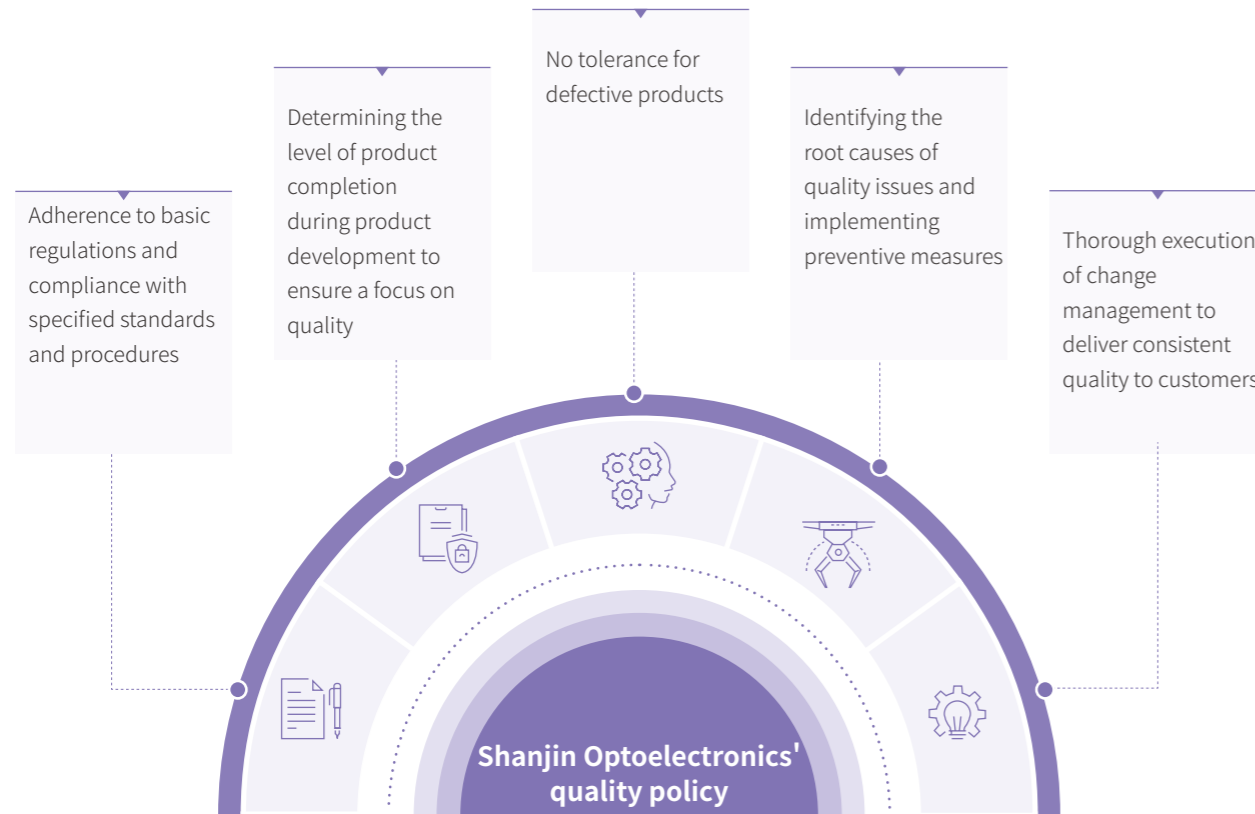
Shanghai Shanshan Lithium Battery has taken proactive steps by launching a series of Quality Month campaign activities. These initiatives include workshops, knowledge contests, expert lectures, and other interactive sessions aimed at enhancing employees' awareness of quality standards. By utilizing existing quality management practices, the Company thoroughly examines current challenges and outlines key areas for future quality improvement efforts. From September to November 2023, Shanghai Shanshan Lithium Battery and its plants held monthly quality workshops to deepen employees' understanding of standard procedures, strengthen internal processes, and foster greater collaboration across the Group.



Quality workshops

Shanjin Optoelectronics

Shanjin Optoelectronics has prepared the *Quality Operations Manual* by combining ISO 9001 and IATF 16949 standards with its quality operations system. This manual clearly defines the responsibilities and authorizations for all quality operation activities. Its goal is to minimize the impact of quality issues that arise during the company's operations and ensure that production meets the highest quality standards recognized by customers. To ensure product quality, Shanjin Optoelectronics implements full-lifecycle quality management. Every stage is rigorously controlled to ensure stability and reliability.



Shanjin Optoelectronics implements comprehensive improvements, achieving higher cutting yield

Case

Shanjin Optoelectronics has initiated internal small and medium projects aimed at addressing quality issues by mobilizing team efforts. To address the low yield of raw rolls of APF, the company conducted a thorough analysis and process streamlining, along with direct material feeding onto the rolls. These efforts have resulted in improvements in both pits and fingernail marks.



Digital transformation

The integration of digital technology into business management, smart manufacturing, and overall digital transformation have become crucial strategies for companies and industries to sustainably grow and enhance their competitiveness. To achieve this, we have established a comprehensive digital management system aimed at improving operational efficiency and enabling data-driven decision-making. This initiative drives us towards smarter production methods. Through a systematic and holistic digital transformation, we seek to achieve growth in both corporate value and social contribution.



Digital transformation vision

- platform to continuously monitor key information from all our plants in real-time, providing management with comprehensive, timely, and accurate decision-making support.
- processes across different departments, automating routine tasks, streamlining financial operations, and fostering horizontal collaboration between departments.
- experiences, and meeting customer demands by implementing standardized processes and IT systems, thereby expediting support for newly established production facilities.

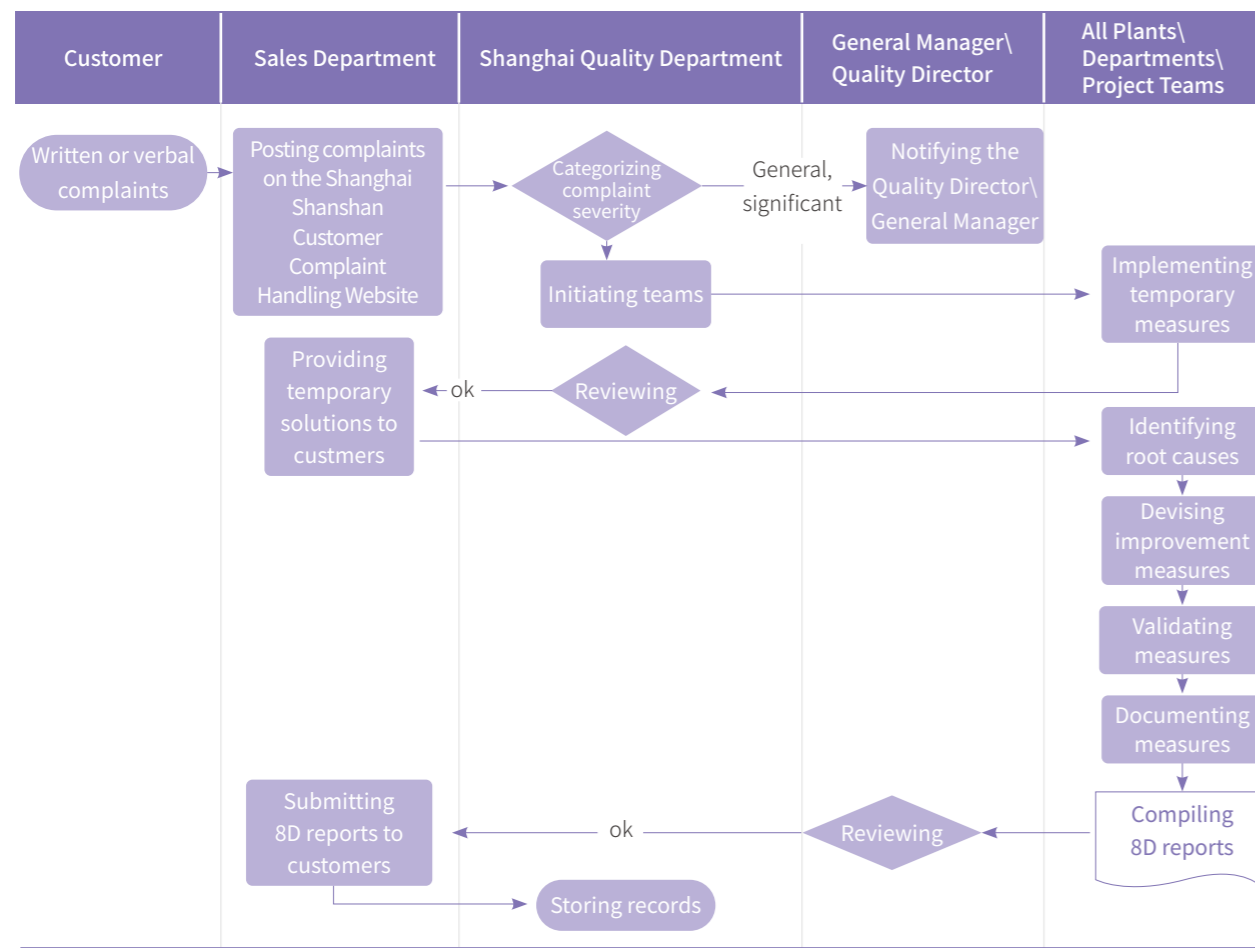
Digital transformation vision

Digital strategic objectives

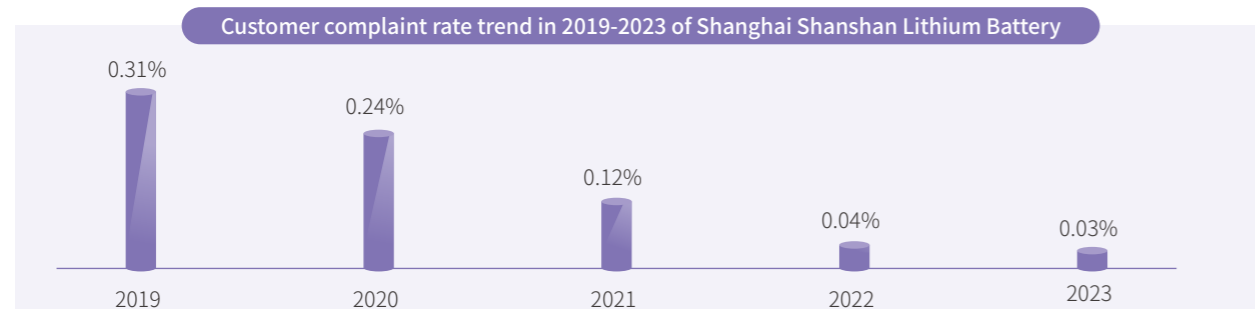


Responding to Customer Needs

We always prioritize customer experience, embracing a holistic service philosophy where all departments collaborate in unity to serve our customers. To secure a prompt and effective resolution of customer complaints, we have established and keep improving our handling process for customer complaints. This is exemplified by management policies such as the Customer Complaint Handling Procedures developed by Shanjin Optoelectronics, as well as Customer Satisfaction Control Procedures and the Customer Complaint Handling Regulations developed by Shanghai Shanshan Lithium Battery. In particular, we have established dedicated working teams that bring together the expertise and resources from key departments across the Company to cater to the tailored needs of key accounts. All these efforts ensure a sustainable improvement in customer satisfaction.



Customer complaint handling process



Committed to a customer-centric approach, we actively conduct customer satisfaction surveys and maintain strict quality control over our products. This dedication has been recognized with numerous honors, bestowed by our customers.

Key performance

The respective customer satisfaction results achieved by Shanghai Shanshan Lithium Battery and Shanjin Optoelectronics in 2023:



Key honors



The "CATL Supplier Quality Excellence Award" received by Shanghai Shanshan Lithium Battery in the second quarter of 2023



The "CATL Quality Excellence Award" received by Shanghai Shanshan Lithium Battery in 2023



LGD's "Best Partner Award" received by Shanjin Optoelectronics



BOE's "Diamond Award" received by Shanjin Optoelectronics



TCL's Partner Award received by Shanjin Optoelectronics



04

Collaborative Advancement for Mutual Success

Philosophy

We value partnerships, actively engaging in cooperation and exchanges with various parties and initiating a diverse range of cooperation activities. We strive to break down barriers in cooperation and expand the frontiers of industry cooperation. Committed to building a responsible supply chain, we work to mitigate social and environmental risks associated with conflict minerals. By adopting a holistic approach to lean management and sustainable development, we are propelling our industry towards a shared journey of progress and prosperity.

Our initiatives

- Responsible supply chain management
- Industry cooperation advancement



Responsible Supply Chain Management

We remain committed to a long-term, high-quality and sustainable supply chain management system. Therefore, we have developed the *Procurement Management System* to regulate procurement procedures and supplier management. We maintain transparent procurement practices and integrate ESG considerations into our supplier management system. In collaboration with premier suppliers, we are dedicated to forging a sustainable supply chain, fulfilling our social responsibilities and promoting harmonious growth within the industry.

Supplier management

We keep improving supplier management procedures by developing a set of guidelines, such as the *New Supplier Application Criteria*, *Procurement Management Policies*, and *Supplier Management Procedures*. These documents regulate the comprehensive life cycle management of suppliers, from review, selection, development, assessment, to withdrawal. We adopt the digital SRM system to elevate management efficiency and quality. We conduct extensive due diligence on prospective suppliers, evaluating their ESG practices, technical capabilities, and quality control standards to preemptively guard against any potential risks. We are dedicated to empowering our existing suppliers by requiring them to implement continuous improvement plans and encouraging active participation in capacity-building programs.

We have established a supplier evaluation system, whereby the Procurement Committee, by collaborating with relevant departments, assesses suppliers based on criteria such as their qualifications, product quality, pricing, and delivery timelines after each delivery, as well as on a monthly and quarterly basis. Suppliers that meet our evaluation criteria will be recognized as qualified and included in our approved supplier list. We will establish strategic partnerships with them to ensure a sustainable cooperation and a more efficient and reliable supply chain. The Company has established a supplier exit mechanism to address issues such as consistent quality or delivery problems, or situations where suppliers compromise the Company's interests. Such non-conforming suppliers are placed on a blacklist, with immediate cessation or discontinuation of any business dealings with them. Measures are also taken to mitigate any adverse impacts.

In 2023

we had a total of

5,070 suppliers

with

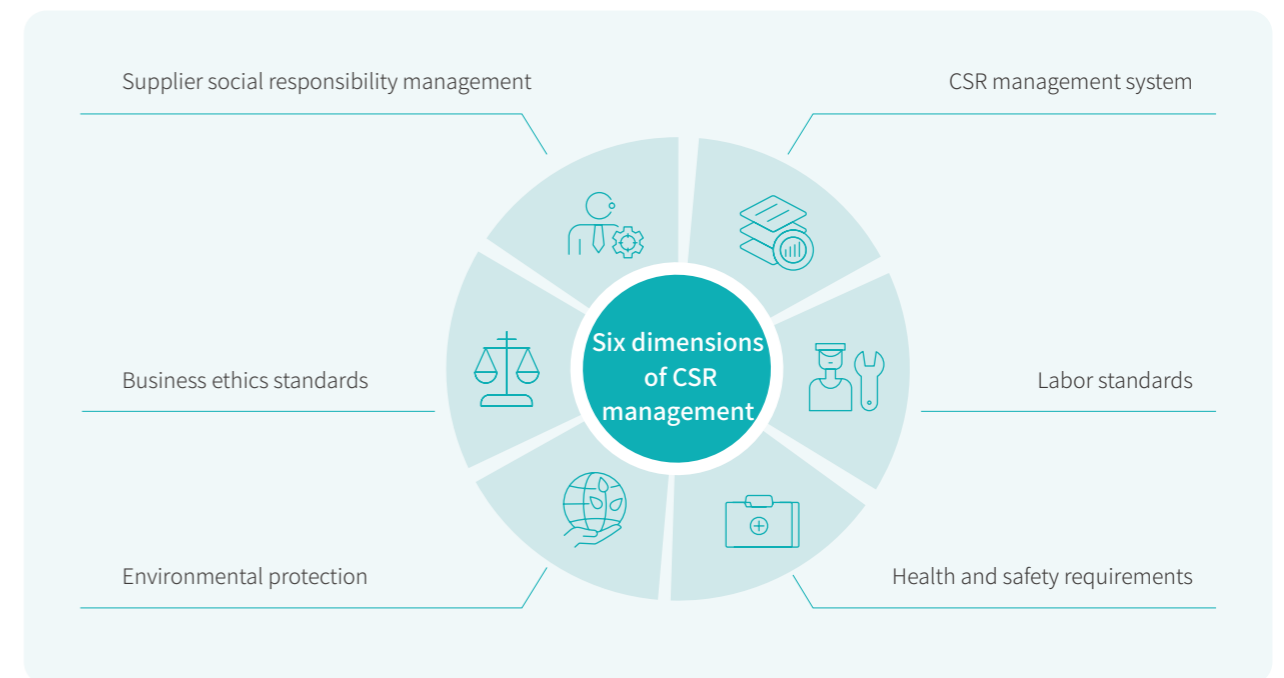
267 new ones added

Score	Rating	Handling
Above 90 points	Excellent	<ul style="list-style-type: none"> Share the evaluation results with suppliers
70-89 points	Good	<ul style="list-style-type: none"> Share areas where suppliers need improvement for general reference
60-69 points	Pass	<ul style="list-style-type: none"> Notify suppliers of areas where they need improvement, ask them to submit improvement plans, and provide feedback on their progress.
Below 60 points	Fail	<ul style="list-style-type: none"> Share evaluation results and deductions with suppliers; include them in assessments, and any losses will result in deductions; being rated as D grade for two consecutive years will lead to the cancellation of supplier qualification; and if the supplier is the sole designated supplier, the handling plan will be negotiated as appropriate.

Supplier rating

Sustainable supply chain

We incorporate ESG considerations into our supplier selection and evaluation system by formulating the Supply Chain Responsibility Management Policy and establishing the Supply Chain Responsibility Management Committee to supervise the progress of responsible supply chain practices. By signing Corporate Social Responsibility Performance Agreement and Supplier Non-Use of Hazardous Substances Declaration with suppliers, we require suppliers to establish and effectively operate their corporate social responsibility (CSR) management system in accordance with ISO 14001, ISO 45001, SA 8000, EICC, ISO 2600 and other regulations. We make joint declarations and collaborate with our suppliers to eliminate the use of conflict minerals. Furthermore, we place importance on the management of contractor responsibilities, concluding agreements with contractors regarding construction qualifications, safety, and environment protection. We collaborate with all our partners to ensure that suppliers adopt socially responsible practices in the production of goods or provision of services, thereby fostering the sustainable development of the industry chain.



Contractor responsibility management mechanism

- Contractors have appropriate construction qualifications, safety qualifications, and personnel qualification certificates;
- Contractors need to sign a Contractor Safety Agreement, which explicitly outlines the regulations to be adhered to and the safety measures to be implemented;
- Education sessions on safety and environmental protection are provided before contractors enter the plant for construction;
- Inspection and supervision of safety and environmental protection measures are conducted during the construction process;
- Safety supervision of contractors by supervisors is evaluated.

Moreover, we are committed to operating with the principle of fair competition, maintaining a transparent procurement that involves multi-department collaboration in the tender pricing. We enter into the *Supplier Code of Conduct*, *Transparent Agreement*, and *Transparent Commitment Letters* for major festivals with our suppliers. These agreements specify reporting channels and require suppliers to strictly adhere to ethical standards and confidentiality regulations. This enhances transparency in the procurement process and promotes the healthy development of the supply chain.

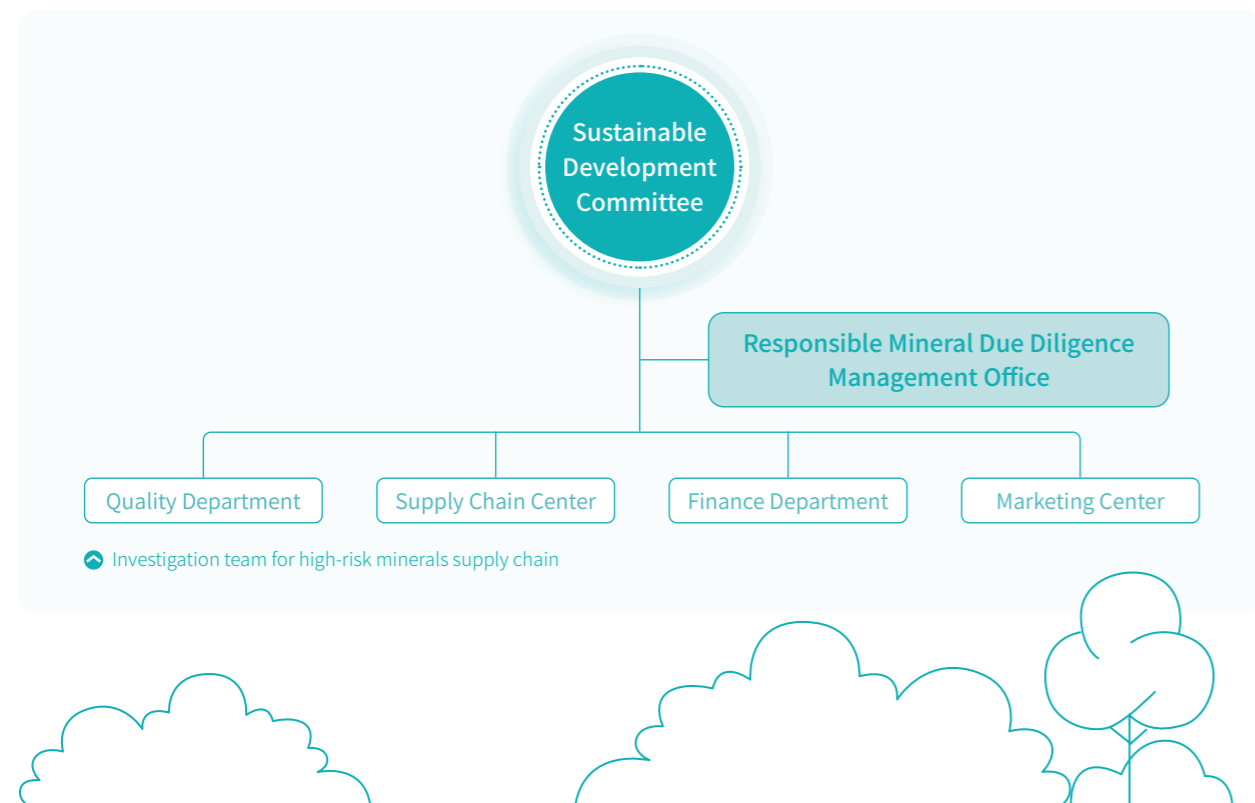
In 2023

92 % suppliers of Shanghai Shanshan Lithium Battery signed the Supplier Code of Conduct

100 % suppliers of Shanjin Optoelectronics did the same

Conflict minerals management

We keep improving our management on conflict minerals through such efforts: developing the *Supply Chain Management Program for High-Risk Minerals*; establishing the Investigation Team for High-Risk Minerals Supply Chain; signing *Conflict Minerals Declaration Agreement* and *RoHS Substance Declaration* with suppliers; identifying and assessing risks associated with suppliers; managing suppliers identified by the EU as being in the Conflict Affected and High-Risk Areas (CAHRAs) by strictly following the OECD due diligence guidelines for responsible supply chains of minerals from such areas; formulating annual supplier audit plans and organizing annual supplier audits; conducting due diligence on conflict minerals within our supply chain; being committed to avoiding the procurement or utilization of materials that may exacerbate conflicts; requiring suppliers to manage their upstream and raw materials suppliers, with a refusal to use conflict minerals. All these initiatives are aimed at ensuring that the entire supply chain operates in a controlled and compliant manner.



The management policy for high-risk minerals supply chain

We pledge to uphold the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas for both ourselves and our mineral supply chains. We conduct due diligence on our supply chains in accordance with this guidance. We maintain a zero-tolerance stance towards the following behaviors, and will immediately terminate or suspend cooperation with any suppliers found in violation:



- Any form of torture, cruel, inhuman, or degrading treatment
- Any form of forced or compulsory labor; It refers to any labor or service extracted from an individual under threat of punishment and not provided voluntarily
- The worst forms of child labor
- Other grave violations and abuses of human rights, such as widespread sexual violence
- War crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide
- Direct or indirect support to non-state armed groups
- Direct or indirect support to public or private security forces that engage in illegal taxation or extortion
- Offering and accepting bribes, and fraudulent misrepresentation regarding the origin of minerals
- Participation in or support/financing of money laundering, conflict, and terrorist activities
- Non-transparent payment of taxes, fees, and other charges to the government without providing relevant documentation

We have crafted a training program on sustainable procurement at least once a year for employees associated with high-risk minerals and key decision makers in the supply chain to increase their awareness and understanding of this area. Moreover, we organize at least one internal audit every year to ensure the adequacy, rationality, and effectiveness of high-risk mineral management. In 2023, we achieved **100%** participation in sustainable procurement training to **14** relevant sustainable procurement employees for a total of **16** hours, with an exam passing rate of 100%.

In 2023

we conducted conflict minerals due diligence on our

65 suppliers



Industry Development Advancement

As an industry leader, we place utmost emphasis on bolstering technological innovation and the application of technological breakthroughs to establish our dominance in the two segments of lithium battery anode materials and polarizers on a global scale. In addition, we foster industry growth and bring domestic products to the international markets by collaborating closely with head enterprises and hidden champions worldwide, and by enhancing partnerships with colleges and universities.

Industry-university-research collaboration

We are actively expanding our industry-university-research collaborations, partnering with esteemed institutions such as Zhejiang University, Huazhong University of Science and Technology, and the Ningbo Institute of Materials Technology & Engineering, CAS. Through a range of collaborative projects with these academic and research institutions, we aim to unlock the potential of underutilized patents held by universities and achieve their commercial purposes, thereby propelling the development of the industry.

Ningbo Institute of Materials Technology & Engineering, CAS

- One of the Ningbo's 2025 Science and Technology Innovation Megaprojects — the R&D project of low-cost, high-energy density battery anode materials for 5G base stations
- The project was constructed from October 2020 to March 2023 and was accepted in November 2023.

Ningbo Institute of Materials Technology & Engineering, CAS, Ningbo University, Beijing University of Chemical Technology, etc.

- Ningbo's Key R&D Program — development of high-performance hard carbon anode materials for sodium-ion batteries
- The project period runs from January 2023 to December 2025.

Industry-university-research projects

Shanghai Shanshan Lithium Battery's Sichuan Plant has joined hands with local universities to establish a long-term collaborative partnership aimed at fostering development.

Case

Partnership with Chengdu University of Technology

Shanghai Shanshan Lithium Battery's Sichuan Plant has entered into a partnership agreement with Chengdu University of Technology to establish a Lithium Resources and Lithium Battery Industry Institute. This collaboration is founded on the principles of complementary strengths, shared resources, collaborative construction, mutual benefit, and collective development, aiming to enhance our talent pool and foster innovation within the industry through the integration of academic research and corporate expertise.

01

The establishment of the employment internship base and the provision of job referral services

Collaboration on the establishment of internship and practical training bases

02

Collaboration between Shanghai Shanshan Lithium Battery's Sichuan Plant and Chengdu University of Technology

Partnership with Meishan Vocational and Technical College

Shanghai Shanshan Lithium Battery's Sichuan Plant has established a five-year cooperative relationship with Meishan Vocational and Technical College, supporting the development of the "1+3" industries (new energy and new material industry, plus electronic information, machinery and high-end equipment manufacturing, and biomedicine) in Meishan and promoting high-quality development of the city's industries.

Co-establishment of Tianfu New Energy and New Material Industry College

Joint cultivation of new energy and new materials professional cluster

Collaboration in talent development

Cooperation in vocational skills training

Joint building of a "dual-mentor" teaching team

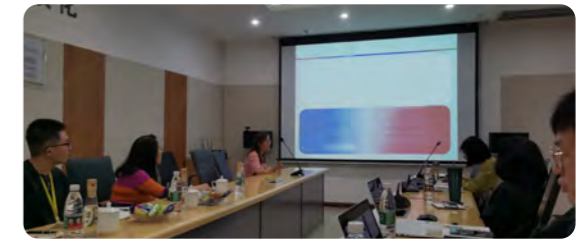
Establishment of a consultation mechanism for school-enterprise cooperation

Collaboration between Shanghai Shanshan Lithium Battery's Sichuan Plant and Meishan Vocational and Technical College

Shanjin Optoelectronics collaborates with South China University of Technology to leverage technological innovation for industry development

Case

In December 2023, Shanjin Optoelectronics and South China University of Technology convened for a progress review and discussion on research issues, with the participation of Professor He's team from South China University of Technology and representatives from Shanjin Optoelectronics. Shanjin Optoelectronics is continuously expediting the industry-university-research collaboration, driving the transformation of technological breakthroughs into practical applications.



Industry-university-research collaboration meeting between Shanjin Optoelectronics and South China University of Technology

Integrated development

We focus on bolstering our internal integrated development and nurturing our inherent growth and core competencies. Moreover, we seek to broaden collaboration with upstream and downstream enterprises, aiming to establish strategic partnerships characterized by mutual benefit and sustainable development. We strive to drive collaborative development throughout the supply chain from within, ensuring supply chain stability and contributing to the sustainable development of the industry.

The integrated base for lithium-ion battery anode materials of Shanghai Shanshan Lithium Battery's Sichuan Plant

Case

The Phase I of Shanghai Shanshan Lithium Battery's Sichuan Plant, designed for an annual output of 200,000 tons of lithium-ion battery anode materials, was successfully built in 2023 and has since started its production run.



Construction of the integrated base for lithium-ion battery anode materials of Shanghai Shanshan Lithium Battery's Sichuan Plant

The integrated base for lithium-ion battery anode materials of Shanghai Shanshan Lithium Battery's Yunnan Plant

Case

Shanghai Shanshan Lithium Battery's Yunnan Plant, an integrated base project with an annual production capacity of 300,000 tons of lithium-ion battery anode materials, encompasses six workshop processes including grinding, modification, graphitization, secondary coating, carbonization, and finished product processing. The plant produces a variety of specifications of artificial graphite anode materials for lithium batteries, applicable to the fields of power batteries for new energy vehicles and energy storage batteries, catering to the supply needs of leading enterprises at home and abroad.



Inauguration ceremony of the integrated base in Yunnan, titled "Shan illuminates Yunnan, meeting the demands of the times"

Shanghai Shanshan Lithium Battery's Integration Project in Finland

Case

As green industry development gains momentum in overseas markets, particularly across Europe, the sectors of new energy vehicles and energy storage are experiencing swift growth. This growth is propelling an ongoing surge in global demand for lithium batteries. In September 2023, Shanghai Shanshan Lithium Battery planned to establish a project company in Finland, with the objective of developing an integrated facility capable of annually producing 100,000 tons of lithium-ion battery anode materials. Furthering this initiative, a project planning conference was held in December in Finland. This move helps improve our overseas production capacity, thereby continuously enhancing our global market share and reinforcing our competitive edge in global integrated production capacity.



The announcement of the Finland project at the press conference by Shanghai Shanshan Lithium Battery

Industry advancement

Throughout our growth, we have actively engaged with various industry associations, joining them as a member. We contribute to technological innovation and sustainable growth in the industry by actively engaging in cross-strait events, including seminars, forums, and technical exhibitions and collaborating with top-tier enterprises worldwide.



Associations in which we participate

Shanghai Shanshan Lithium Battery attended the ICCSINO Forum

Case

In November 2023, Mr. Ding Xiaoyang, the Executive General Manager of Shanghai Shanshan Lithium Battery, attended the 14th International Needle Coke and Application Market Forum hosted by ICCSINO, and delivered a keynote report on the market development trends of lithium battery anode materials.



Mr. Ding Xiaoyang, the Executive General Manager of Shanghai Shanshan Lithium Battery, was delivering a keynote report

Shanghai Shanshan Lithium Battery attended the 2023 GGII Lithium Battery Annual Conference and Golden Globe Award Ceremony and received an award

Case

In November 2023, Ms. Li Fengfeng, Chairman of Shanghai Shanshan Lithium Battery, and Director and Deputy General Manager of Shanshan, attended the 2023 GGII Lithium Battery Annual Conference and Golden Globe Award Ceremony, at which the Company was honored with two awards: "Enterprise of the Year 2023" and "Fast-Growing Enterprise of the Year 2023".



Shanghai Shanshan Lithium Battery attended the 2023 GGII Lithium Battery Annual Conference and Golden Globe Award Ceremony

Shanjin Optoelectronics' participation in the parallel forum of New Display Industry Matchmaking Conference

Case

In September 2023, Mr. Wang Ning, Vice President of Shanjin Optoelectronics and General Manager of Shanjin Optoelectronics (Mianyang), delivered a speech titled "Collaborative Innovation for Boosting the High-Quality Development of the Display Industry" at the parallel forum of the New Display Industry Matchmaking Conference. He elaborated on various aspects, including the development trends of the new display industry, the market and technology of polarizers, and how technological innovation in polarizers can drive the development of the display industry.



The parallel forum of New Display Industry Matchmaking Conference

05

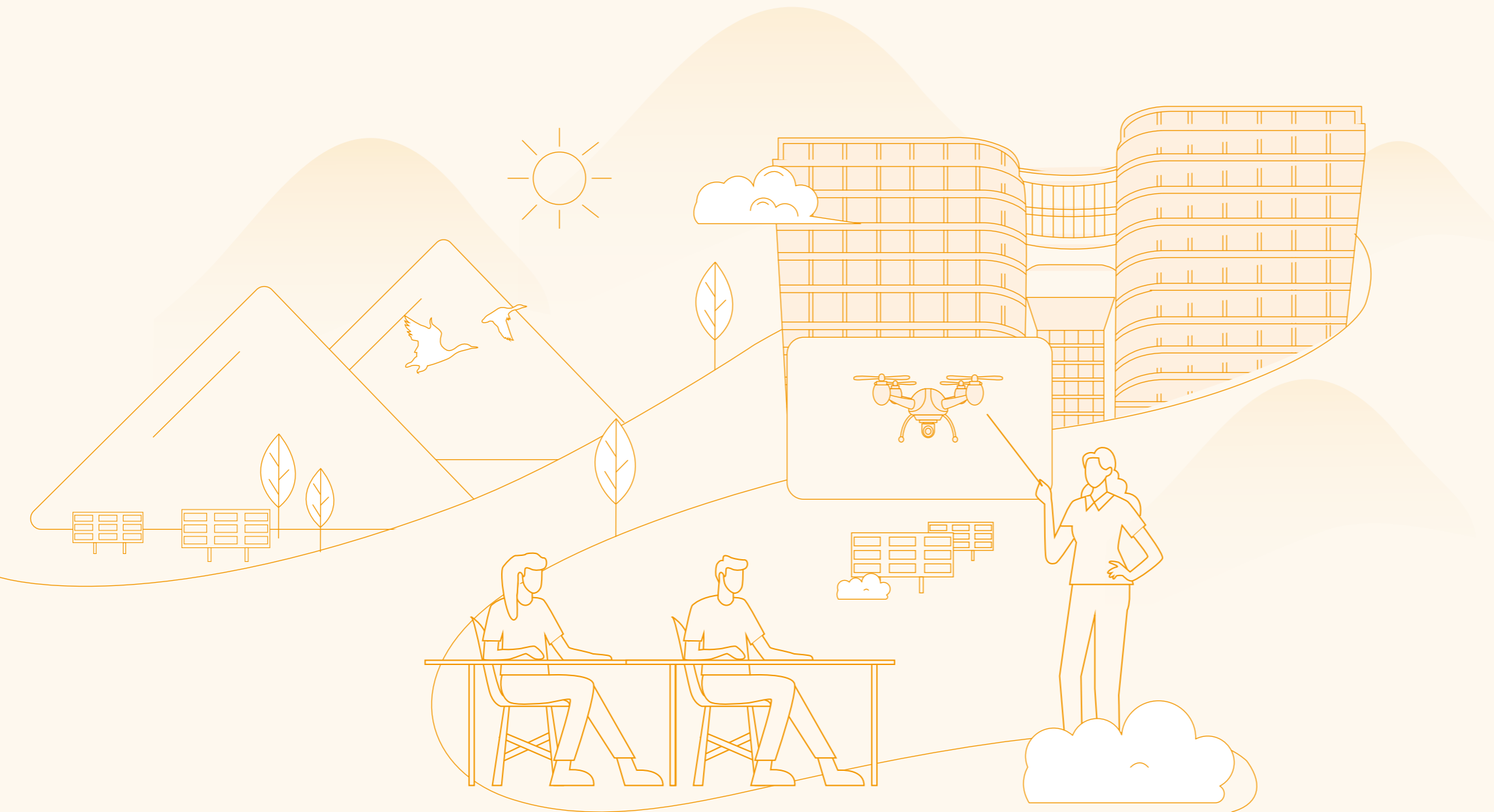
Employee Empowerment for Mutual Growth

Philosophy

Our employees are the essence of our Company, and we wholeheartedly embrace our role in cultivating a nurturing space for their growth and career aspirations. Recognizing our workforce as the lifeblood of our success, we maintain a people-centric management approach, prioritizing their welfare and professional development. We're invested in our team's potential, offering tailored training and growth opportunities to empower each individual. By enriching our benefits and fostering a supportive work environment, we're building a future where our employees and our organization thrive together.

Our initiatives

- Employee welfare assurance
- Employee growth support
- Diverse employee life
- Occupational health and safety



Employee Welfare Assurance

We rigorously observe legal statutes including the Labor Law and are committed to upholding recruitment practices that are equitable, impartial, and transparent. We have established a suite of policies such as the *Corporate Social Responsibility Management Manual*, *Anti-Discrimination Rules*, *Child Labor and Juvenile Worker Management Rules*, *Labor Management and Work Objective Management Procedures*, and *Personnel Recruitment System*. These policies are crafted to align with national legislation, industry norms, our labor philosophy, and the expectations of our clients. We have set labor management objectives that are subject to biannual review and annual renewal, facilitating more effective talent management and nurturing a workforce that is loyal, exceptional, and embraces our corporate culture and values.



Employment compliance

We uphold the human rights of our employees and are committed to ensuring that none of our employment practices, including hiring, compensation, training, promotion, rewards, benefits, or retirement, are subject to discrimination or differential treatment based on factors such as race, skin color, age, gender, sexual orientation, gender identity and expression, ethnicity or nationality, disability, pregnancy, religious beliefs, political affiliation, union membership, status as a protected veteran, genetic information, or marital status. We guarantee that pregnancy tests or contraceptive requirements will not be demanded as conditions of employment, nor will female employees be dismissed due to pregnancy. We refrain from conducting any medical tests or physical examinations with discriminatory purposes, and we protect the religious beliefs of our employees, providing reasonable arrangements for religious activities as requested. All the efforts are aimed at fostering an inclusive and harmonious labor relationship.

Democratic management

We are dedicated to a people-first philosophy, systematically promoting democratic management practices that respect and value the opinions from all employees at every level. We have established multiple channels for employee communication, such as the Chairman's mailbox and internal messaging platforms like DingTalk. By regularly conducting employee satisfaction surveys and promptly addressing employee feedback, we guarantee the right of all employees to freely express their opinions without interference. We are fully committed to safeguarding the legal rights and interests of our employees. To this end, we have established a trade union system, set up a Party branch and a youth league branch, and convene employees' representative assembly as needed. Moreover, our Corporate Social Responsibility Management Manual provides clear guidelines for resolving labor rights concerns raised by employees. We have crafted measures to support freedom of association and collective bargaining and have signed collective agreements with our employees. These efforts are aimed to enhance democratic management level and strengthen employee cohesion.

In 2023

we secured

90.75 %

execution of collective agreements.

Member election of the Second Trade Union Committee of Shanjin Optoelectronics (Nanjing)

Case

In December 2023, Shanjin Optoelectronics (Nanjing), in accordance with Constitution of the All-China Federation of Trade Unions and Regulations on the Election of Trade Union Grassroots Organizations, conducted its second election meeting for members of the Trade Union Committee after discussions and consultations by the Trade Union Preparatory Working Group. During the meeting, the trade union chairperson and the members for the First Auditing Committee presented a report on their activities over the previous year, and new committee members for the upcoming term were elected.



Election meeting

In 2023

the labor contract signing rate was

100 %

Our total employee headcount stands at

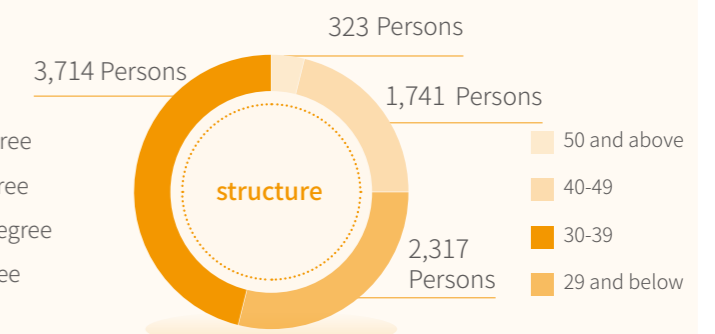
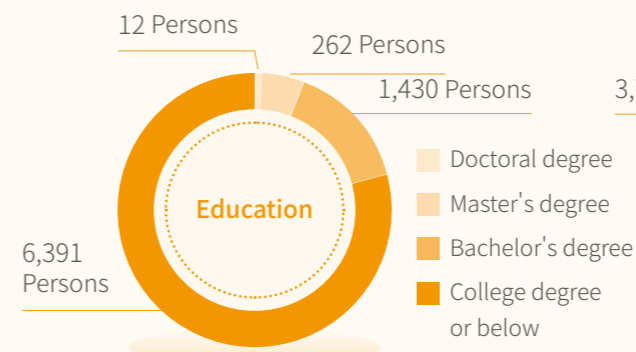
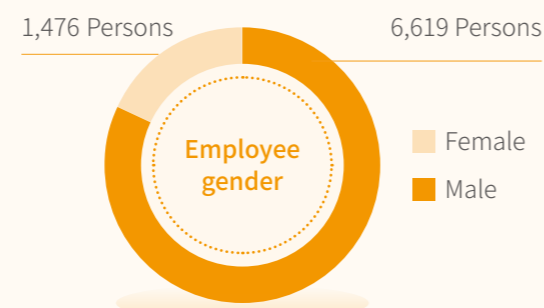
8,095

which includes

276 employees from ethnic minorities

3 employees with disabilities

and 28 foreign employees



Female rights and interests

We are dedicated to safeguarding the rights and interests of female employees, committing to ensuring equal pay for equal opportunities for employment and promotion for both male and female employees. We offer a caring environment and rights protection for our female employees, aiming to create a workplace that is equal, harmonious, and supportive for them. We firmly oppose gender discrimination and harassment by implementing targeted welfare benefits and care initiatives for our female employees, safeguarding them from adverse workplace events such as discrimination, abuse, and maltreatment. Furthermore, we have established a Women's Employee Committee to guarantee fair employment and remuneration for female employees. We have also integrated the protection of their rights into our collective agreements, actively working to uphold and advocate for the special interests and legal rights and interests of our female employees.

In 2023

we have

27.7 %

female middle managers

and

20 %

female senior executives

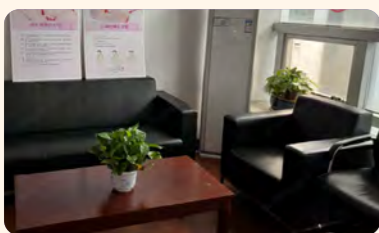
- Establishment of various women's holidays to grant rightful benefits to female employees
- Half-day holiday for International Women's Day and exclusive gifts for female employees
- Purchase of personnel protective supplies for female employees
- Establishment of nursing rooms and resting areas for pregnant employees
- Annual health check-ups that incorporate special items for women

Measures for safeguarding rights and interests for female employees

Supporting facilities for female employees



Resting areas for pregnant employees



Nursing rooms



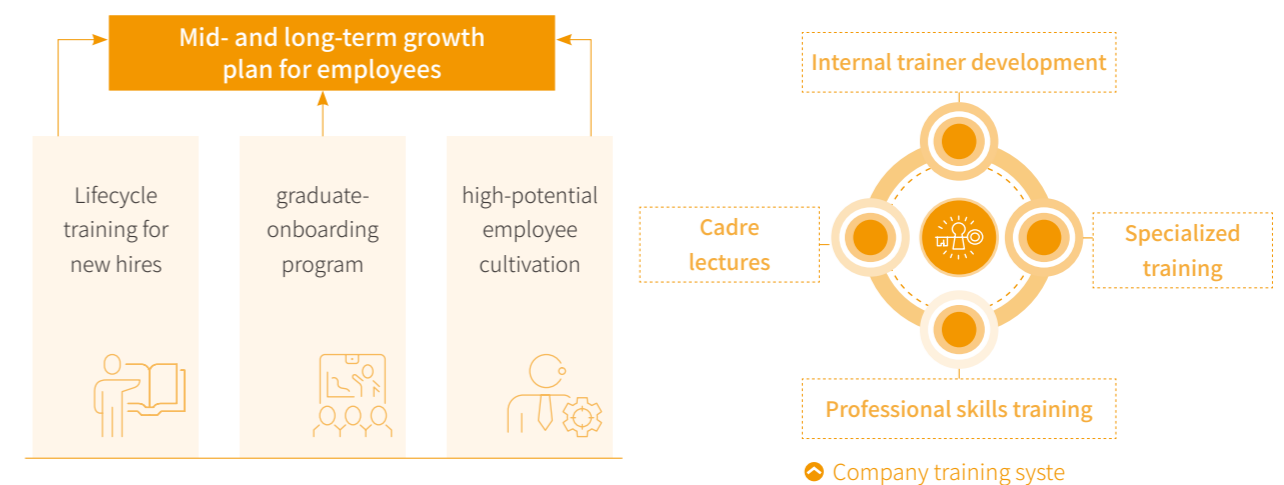
Activities on the International Women's Day held by Shanghai Shanshan Lithium Battery's Fujian Plant

Employee Growth Support

We place a high premium on team building and employee growth, embracing the philosophy of integrity, accountability, innovation, and proactivity. We have established a comprehensive mechanism for employee growth and a just compensation structure, addressing various aspects such as training, motivation, and career advancement. We aim to create a multifaceted and diverse employee growth system that encourages continuous learning and offers a variety of training opportunities. This encourages continuous learning and skill enhancement, aligning employees' goals with our vision.

Employee training

We are dedicated to fostering the growth and development of our employees by developing systematic documents such as the Employee Training Management to forge a robust system for employee advancement. This system encompasses every phase of an employee's career journey, from training needs identification, plan formulation, implementation, and to outcome evaluation. We utilize a mix of in-house and external instructors, coupled with off-site training opportunities, to deliver flexible learning experiences both online and offline. To ensure that employees acquire and retain the necessary knowledge and skills, we employ various assessment methods, including interactive Q&A sessions, written examinations, feedback surveys, and ongoing post-training assessments. These efforts sharpen our employees' professional abilities and boost their sense of pride in their work, fostering a culture of shared growth between employees and the organization.



In 2023

we conducted a diverse range of training sessions totaling

703

We secured a

100 %

completion rate for new recruits in corporate culture, policies, safety and position-specific training,

with employees collectively spending a total of

6,129.5 hours on training

and a

100 %

completion rate for job-transfer training for those who underwent role changes.

The expenditure incurred for employee training amounted to RMB

1.5526 million

Shanghai Shanshan Lithium Battery

Shanghai Shanshan Lithium Battery has conducted a total of 32 training sessions for employees, covering areas such as quality assurance, production processes, technological know-how, and management skills. The completion rate for the 2023 training plan stood at 95%. Moreover, focusing on the buildup of internal resources, Shanghai Shanshan Lithium Battery introduced an E-learning platform in November 2023, which has enabled online training, thereby fostering the sharing of resources across the organization.

Introducing E-learning Platform

In November 2023, Shanghai Shanshan Lithium Battery introduced E-learning platform, equipped with nail office system. To meet the daily needs of the headquarters, the establishment of E-learning platform as the ultimate goal, to create a combination of online and offline training ecology. Through the E-learning platform, Shanghai Shanshan Lithium Battery continuously precipitates internal courses, accelerates the dissemination speed and learning convenience of theoretical courses, improves the human efficiency of the training principals, and improves the online learning system.



E-learning Platform of Shanghai Shanshan Lithium Battery

Case

Shanjin Optoelectronics

In response to business growth and employee requirements, Shanjin Optoelectronics developed the 2023 Employee Training Program. Guided by this program, Shanjin Optoelectronics rolled out a wide range of training sessions, such as onboarding, technical understanding, and professional skills. In response to business growth and employee requirements, Shanjin Optoelectronics developed the 2023 Employee Training Program. Guided by this program, Shanjin Optoelectronics rolled out a wide range of training sessions, such as onboarding, technical understanding, and professional skills.

Training session on optics knowledge

In May 2023, Shanjin Optoelectronics held a training session on optics, aimed at deepening the understanding of polarizer materials and polarizer industry among R&D employees. This training session lasted 1.5 hours with 16 participants achieving a 100% attendance rate and a 100% pass rate on the subsequent assessment.



Training session on optics knowledge

Case

Leadership workshop for team leaders

In November and December 2023, Shanjin Optoelectronics conducted a leadership workshop focused on transformative thinking for team leaders and higher-ranking staff. This initiative aims to enhance managers' cognitive awareness and facilitate a shift in their mindset, thereby elevating their leadership and managerial skills. This training lasted 6 hours with 35 participants achieving a 100% attendance rate and a 100% pass rate on the subsequent assessment.



Leadership workshop for team leaders

Case

Remuneration package

We are committed to establishing a fair and comprehensive remuneration package system by developing policies such as the Remuneration Package Management and the Employee Attendance and Leave Management. We ensure that salary adjustments are never based on gender, provide competitive salaries, paid in full and on time, and legally compensate for overtime work and social insurance. Furthermore, we prioritize employee well-being, dedicated to fostering an improved workplace and living conditions, while also focusing on the overall health of our employees. Such initiatives are designed to not only retain valuable staff but also to strengthen the company's core competitiveness.

Remuneration package

- Standard salary: Base pay and performance-related salaries
- Overtime pay
- Allowances: Duty allowance, qualification allowance, night shift allowance, special allowance, university allowance, technician allowance, position allowance, communication allowance, transportation allowance, meal allowance
- Bonuses: Immediate bonuses, production bonuses, year-end bonuses, performance excellence awards, Spring Festival bonuses, achievement bonuses



Mandatory benefits

- Basic endowment insurance, basic medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing fund
- Mandatory holidays: Spring Festival, New Year's Day, Qingming Festival, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, National Day, totaling 11 days per year
- Mandatory welfare leaves: Paid annual leave, sick leave, marriage leave, funeral leave, prenatal check-up leave, maternity leave, paternity leave, and nursing break



Corporate welfare

- Training and learning opportunities, employee activities, holiday and birthday benefits, long-service awards, welfare annual leave, annual health check-ups and orientation health checks, staff annual outings, personal accident insurance, and assistance with household registration and residence permit credit application



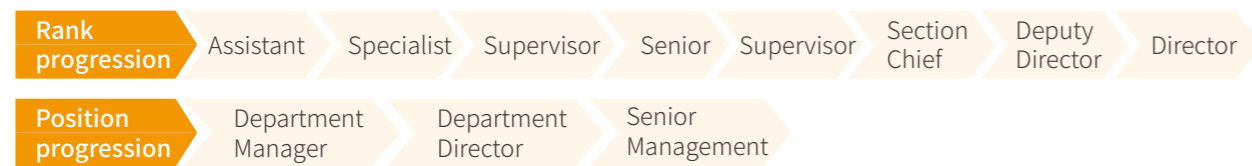
Remuneration package system

Corporate ladder

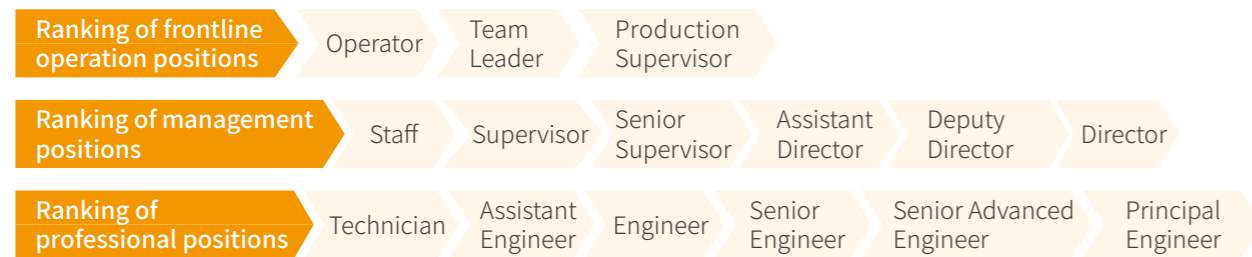
We hold in high regard the exceptional performance of every employee and have developed a thorough professional growth framework. By formulating policies such as Performance Assessment Management Measures, Role Assignment, Discharge, and Promotion Management System, and Job Description and Staffing, we have set clear position requirements and criteria for promotion eligibility. Our ongoing efforts to improve employee management aim to boost employee motivation, encourage them to fully apply their abilities, and thereby enhance the Company's overall competitiveness.

Rules on implementation of the employee development plan Long-term success, flexibility, coordination, fairness, efficiency, and innovation

Employee promotion pathway at Shanjin Optoelectronics



Employee promotion pathway at Shanghai Shanshan Lithium Batter



Diverse Employee Life

We strive to diversify the cultural and spiritual lives of our employees by organizing a range of activities, including anniversary celebrations, holiday-themed events, sports and cultural competitions, outdoor adventure programs, and charitable environmental initiatives. These activities offer our employees opportunities to relax and strengthen team unity beyond the work environment. Moreover, we strive to enhance employees' feeling of belonging and their satisfaction by establishing financial aid for employees in need and assist retirees with the retirement process, organizing send-off events for departing colleagues, and presenting them with commemorative trophies and gifts.

20th Anniversary Celebration of Shanghai Shanshan Lithium Battery's Ningbo Plant: Uniting for a New Chapter

Case

In July 2023, Shanghai Shanshan Lithium Battery's Ningbo Plant hosted a 20th anniversary celebration. Executive representatives delivered speeches, reflecting on the robust growth of the base over the past two decades, and presented commemorative medals to veteran employees in recognition of their contributions and to express gratitude for their dedicated service. Employees gathered for a joyous occasion, engaging in fun and entertaining games. Meanwhile, those who remained at their posts received delicious snacks, further strengthening employees' cohesion and unity.



20th anniversary cake cutting



"Charades" game activity

Charity sale to promote green, low-carbon and eco-friendly concepts

Case

In September 2023, Shanghai Shanshan Lithium Battery heeded the call for environmental protection by organizing a charity sale to promote green, low-carbon and eco-friendly concepts. The charity sale was met with enthusiastic participation from our employees, serving not only to enrich their lives but also as a practical action to embrace a sustainable, low-carbon, and green lifestyle. This collective effort contributes to the shared goal of building a beautiful home for all.



Charity sale activity

Employee sports event for health and well-being

Case

Shanjin Optoelectronics consistently prioritizes the physical and mental health of employees. In May 2023, the Company held a playful sports event for employees, with participants from different departments joining together in friendly competition. This event, designed to uplift spirits and encourage a proactive approach to life, helps to ease work stress and enhance the health and well-being of employees.



Employee sports event for health and well-being

Employee spring outing for team cohesion

Case

Shanjin Optoelectronics arranged a spring outing for employees to enhance their leisure activities. Together, they experienced the beauty of the natural scenery and explored unique local landmarks, which not only deepened their friendships but also made them feel genuinely valued and cared for by the company.



Employee spring outing for team cohesion

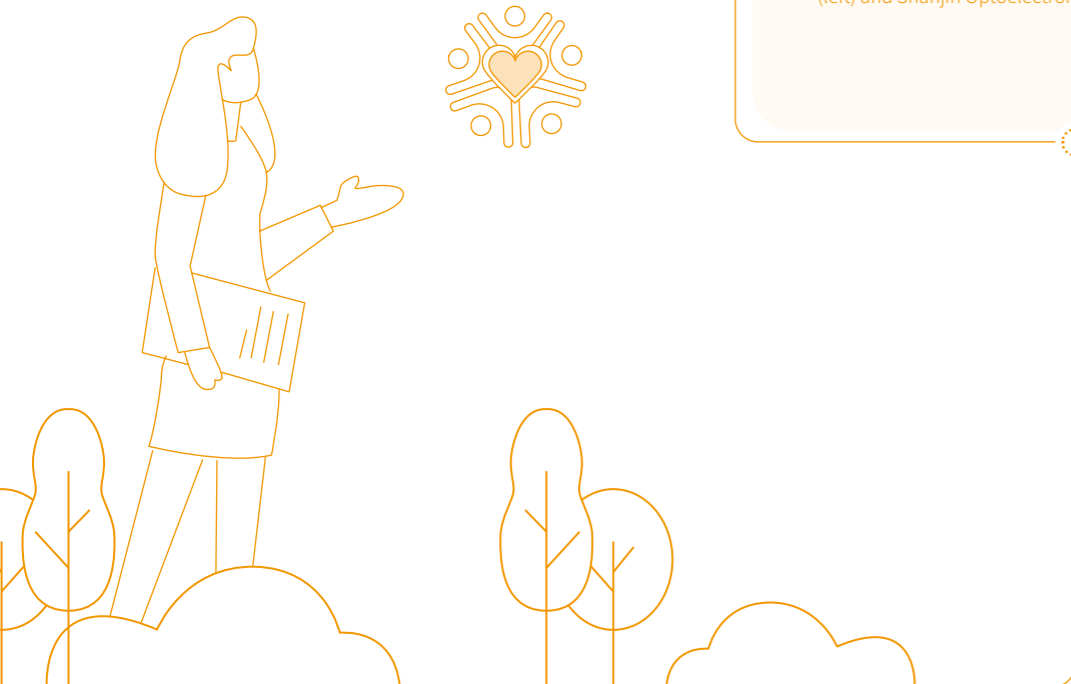
Occupational Health and Safety

We have implemented a robust occupational health and safety management framework to secure a safe and health workplace for our employees. For instance, we have formulated guidelines such as the *Occupational Health Management Procedures and Quality, Environmental & Occupational Health and Safety Manual*. In 2023, Shanghai Shanshan Lithium Battery and Shanjin Optoelectronics, along with seven subsidiaries in total, were awarded the ISO 45001 Occupational Health and Safety Management System certificates. In particular, Shanghai Shanshan Lithium Battery's Ningbo Plant was a newly certified company compared with the same period in 2022.

We are committed to enforcing regulations such as the *Work Safety Law of the People's Republic of China* and have formulated rules such as the Safety Production Target Management System, *Safety Inspection System*, and *Hazards Identification and Risk Assessment Standards*. Following a strategy of deconstructing complex safety objectives into manageable tasks, we implement these tasks categorically, advance step by step, and aim for overall improvement. We have established a Safety Risk Grading and Control Group to regularly conduct safety patrols and perform hazards identification and risk assessments, thereby strengthening risk management in our work environments. We prioritize the development of a safety culture within our organization by actively engaging in a variety of campaigns, including emergency response exercises and observance of National Safety Production Month, which are designed to bolster our employees' commitment to safe working practices.



ISO 45001 Occupational Health and Safety Management System certificates for Shanghai Shanshan Lithium Battery (left) and Shanjin Optoelectronics (right) (partially displayed)



National Safety Production Month campaigns to boost employee safety consciousness and skills

Case

In June 2023, as the nation celebrated the 22nd National Safety Production Month, Shanghai Shanshan Lithium Battery initiated safety-themed campaigns at its headquarters and across its subsidiaries with the slogan "Safety for All, Emergency Readiness for Everyone".

These activities included safety production training for employees, distribution of safety brochures, hands-on training with firefighting equipment, skill competitions, and team events to elevate their safety awareness.



Safety production training



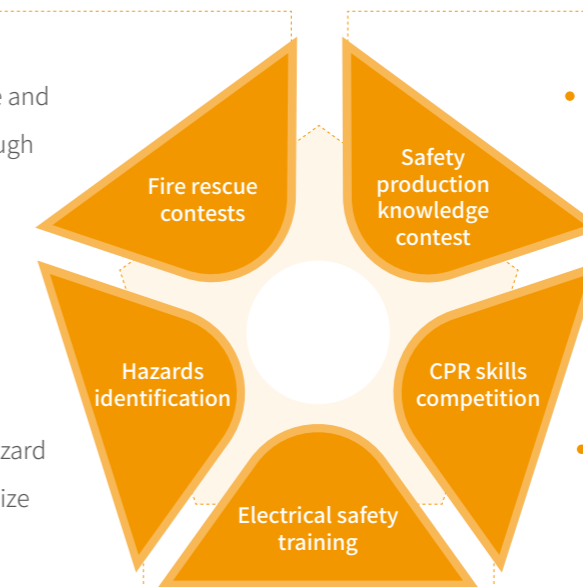
Hands-on training with firefighting equipment



Distribution of safety brochures

- Enhance fire response and emergency skills through practical drills

- Conduct thorough hazard inspections to maximize accident prevention



- Enhance safety awareness and self-protection through knowledge contests

- Improve emergency response and first-aid skills with CPR on mannequins

- Train on electrical safety across power systems, equipment, and personal protection to prevent electrical accidents

National Safety Production Month campaigns

As part of our commitment to managing occupational health and safety risks, we vigorously engage in health and safety training to prevent and reduce workplace accidents, supply labor protection items, medical kits, and AED devices, and organize health screenings annually for employees who have been with us for a year and for new joiners, all to ensure their personal health and safety.



First aid kit and AED device

Carry out pre-assessment of occupational hazards to prevent occupational health risks

Case

In 2023, during the construction and pilot phase of its Ningbo silicon-based facility, Shanghai Shanshan Lithium Battery conducted a pre-assessment for occupational hazards as mandated by law. The Company formulated the Preliminary Occupational Hazard Risk Assessment Report, identified risk factors, and provided pre-employment health screenings for 50 employees at risk of exposure, and replaced employees with identified occupational health contraindications.

Heatstroke emergency drill for employee safety

Case

In June 2023, Shanghai Shanshan Lithium Battery's Jiuyuan Plant conducted a combined tabletop and on-site drill for heatstroke emergencies. This exercise aimed to test the emergency plan, train employees, refine the response mechanisms, and enhance preparedness, ensuring the ability to swiftly and effectively manage any such incidents.



Heatstroke emergency drill

Focus on employees' mental health, conduct emotional management workshops

Case

As an initiative to value employee mental health, in July 2023, Shanghai Shanshan Lithium Battery's Ningbo Plant invited an external instructor to lead a workshop for 35 workshop employees on managing and releasing stress and emotions during extreme heat and high-intensity work, aiming to help them alleviate pressure and ensure their mental and physical well-being.



Workshop on stress management and emotional release

Occupational health campaigns for enhanced safety and emergency response

Case

In 2023, Shanjin Optoelectronics (Nanjing) organized a safety and health-themed event, where an external doctor was invited to explain to employees the management of the Company's health supervision files, the details of occupational hazard notification cards, and the provision of personal protective equipment, aiming to enhance both individual and collective awareness and prevention of diseases.



A safety and health-themed event

In 2023

403
OHS-related trainings

260
emergency drills of various types

28
work-related injuries

First aiders totaled

Investment in employee safety and health totaled RMB

with a medical examination coverage rate of

98

51.87 million

100 %

06

Social Contribution and Responsibility

Philosophy

Committed to social responsibility, we consistently recognize our role in contributing to society in every way. We actively participate in charitable initiatives and public welfare efforts, extending our corporate compassion and supporting rural revitalization, all in the pursuit of enhancing the community's well-being.

Our initiatives

- Participating in public welfare efforts
- Promoting rural revitalization



Participating in Public Welfare Efforts

We champion the spirit of philanthropy, steadfastly sharing positive energy with our community. We inspire our employees to stay engaged with social concerns, regularly partake in public welfare training and activities, and remain actively involved in charitable causes. Through these actions, we express the care and respect for our community.

In 2023

80 of our employees actively engaged in social volunteer service

totaling **200** hours

In 2023, we actively participated in donations to the Yinzhou Charity Federation and Ningbo Capital Market "Yangguang Yulu" Fund, contributing a total of RMB

1.05 million to aid the needy elderly and students from impoverished backgrounds



Blood donation campaign by Shanjin Optoelectronics: a life-saving effort

In September 2023, Shanjin Optoelectronics (Nanjing) partnered with the Nanjing Red Cross Blood Center to organize a public welfare blood donation titled "Tribute to Glory with Blood", garnering a positive response from over 40 employees. This initiative made a meaningful contribution to society, conveyed positive energy, and underscored our sense of responsibility and commitment.



Public welfare blood donation titled "Tribute to Glory with Blood"

Case

Elderly care campaign on Double Ninth Festival

On the Double Ninth Festival of 2023, Shanjin Optoelectronics (Guangzhou) visited the elderly residing in the resettlement housing along with community social workers to celebrate the occasion. The company leaders presented them with carefully selected gifts, inquired about their daily lives, health conditions, and needs, and expressed their care and warmth. This activity deepened our interaction with the community and the elderly, serving as a humble contribution to society.



Elderly care campaign on Double Ninth Festival

Case

Promoting Rural Revitalization

In 2023, guided by Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era, we fully implemented the central government's directives on consolidating and expanding the achievements of poverty alleviation and promoting rural revitalization comprehensively. We made detailed and practical efforts to implement the six initiatives, and actively fulfilled our political and social responsibilities in rural pairing assistance, so as to jointly create a better future for society.

Claiming one mu of land to support rural prosperity and development

Case

In 2023, Shanghai Shanshan Lithium Battery's Fujian Plant actively participated in the "Claiming One Mu of Land and Becoming a Land Owner" activity organized in Dajia Town, Gutian County, Ningde City, Fujian Province, claiming a total of 40 mu (about 26 thousand square meters) of paddy fields. This action was a response to and implementation of the national rural revitalization strategy aimed at supporting, benefiting, and prospering farmers.



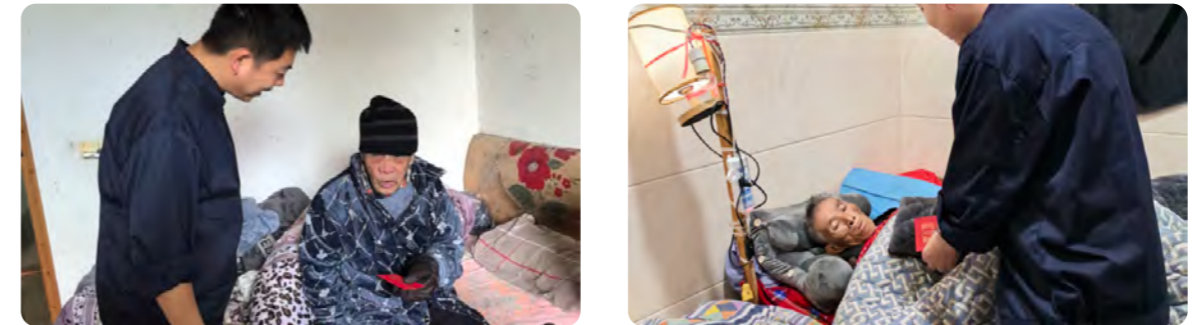
Certificate of claiming one mu of land



Rural pairing assistance and support for impoverished communities

Case

In 2023, in line with the spirit of the 20th CPC National Congress, Shanghai Shanshan Lithium Battery's Fujian Plant collaborated with underprivileged individuals in its vicinity. *The company focused on improving their quality of life, conducting quarterly visits and providing assistance, aiming to address the villagers' challenges and effectively fulfill its social responsibility.*



Consolation for the needy

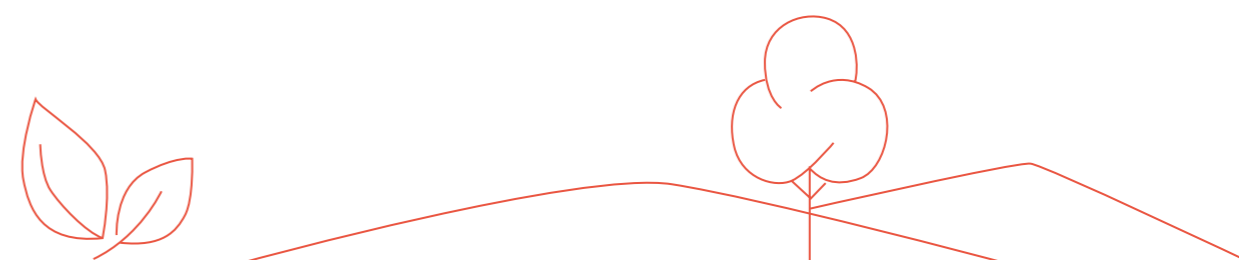
Compassionate support and consolation for the elderly living alone

Case

In October 2023, the Party Branch of Shanghai Shanshan Lithium Battery's Sichuan Plant joined forces with the Trade Union to organize an event titled "Consolation for the Needy", aimed at providing comfort and support to several elderly individuals living alone. By offering them essential supplies, the event allowed these seniors to deeply feel the care and warmth from both society and the corporate sector, embodying the principle of doing practical deeds for the people.



Supplies aid visit to solitary elders



Key Performance Indicators

Aspect	Indicator	Unit	Year 2021	Year 2022	Year 2023	
Economy	Revenue	RMB 10,000	2,069,938.26	2,170,161.73	1,907,022.52	
	Net profits	RMB 10,000	357,032.64	282,540.09	76,482.02	
	Total assets	RMB 10,000	4,028,846.90	4,492,549.12	4,847,496.60	
	Tax paid during the reporting period	RMB 10,000	137,925.41	87,280.19	104,614.29	
Society	Total number of employees	Person	5,982	7,543	8,095	
	Number of R&D personnel	Person	140	137	402	
	Proportion of R&D personnel	%	2.34	1.82	4.97	
	Total amount of R&D investment	RMB 10,000	71,563.21	95,257.23	86,829.73	
	Number of safety incidents	Cases	0	0	28	
	Total amount of safety and health investment	RMB 10,000	3,919.00	4,456.48	5,186.88	
	Safety and health training coverage	%	100	100	100	
	Medical examination rate	%	100	100	100	
	Number of newly added employees with occupational disease	Person	0	0	0	
	Total amount of social welfare investment	RMB	30,000	1,260,000	1,378,000	
	Social contribution value per share	RMB/share	2.95	2.38	1.65	
	Environment	Total amount of waste gas emissions	Tons	70.60	89.52	309.72
		Total amount of recyclable wastes	Tons	28,185.05	31,990.83	13,782.23
Total amount of solid wastes		Tons	46,313.93	60,132.48	50,301.11	
Total amount of hazardous wastes		Tons	7,303.51	7,662.26	8,179.78	
Total amount of recycled hazardous wastes		Tons	1,405.32	1,706.35	2,586.93	
Total amount of wastewater		Tons	1,627,074.94	1,555,865.60	1,717,750.77	
Total water consumption		Tons	2,409,716.23	2,501,502.20	4,001,617.45	
Water use intensity		Tons/RMB 10,000	1.16	1.15	2.10	

Benchmarking

Statement of used Ningbo Shanshan Co.,Ltd.has reported the information cited in this GRI index for the period from January 1,2023 to December 31,2023 with reference to the GRI Standards.

GRI 1 Used GRI 1:Foundation 2021

GRI Indicator	Disclosure	Location	
G2-1	Organizational details	About This Report、About Shanshan	
G2-2	Entities included in the organization's sustainability reporting	About This Report	
G2-3	Reporting period, frequency and contact point	About This Report	
G2-6	Activities, value chain and other business relationships	About Shanshan、Responsible Supply Chain Management	
G2-7	Employees	Employee Welfare Assurance	
G2-9	Governance structure and composition	Consolidating Corporate Governance	
G2-10	Nomination and selection of the highest governance body	Consolidating Corporate Governance	
G2-11	Chair of the highest governance body	Consolidating Corporate Governance、Refer to Annual Report	
GRI 2: General Disclosures	G2-12	Role of the highest governance body in overseeing the management of impacts	Consolidating Corporate Governance、Refer to Annual Report
	G2-13	Delegation of responsibility for managing impacts	Consolidating Corporate Governance
G2-14	Role of the highest governance body in sustainability reporting	Our Path to Sustainable Development	
G2-15	Conflicts of interest	Refer to Code of Conduct	
G2-16	Communication of critical concerns	Consolidating Corporate Governance、Our Path to Sustainable Development	
G2-17	Collective knowledge of the highest governance body	Our Path to Sustainable Development	
G2-19	Remuneration policies	Refer to Annual Report	
G2-20	Process to determine remuneration	Refer to Annual Report	
G2-21	Annual total compensation ratio	Refer to Annual Report	
G2-22	Statement on sustainable development strategy	Our Path to Sustainable Development、Response to Climate Change	

GRI Indicator	Disclosure	Location	
GRI 2: General Disclosures	G2-23	Policy commitments	Environmental Management System, Employee Welfare Assurance, Responsible Supply Chain Management
	G2-24	Embedding policy commitments	Environmental Management System, Employee Welfare Assurance, Responsible Supply Chain Management
	G2-25	Processes to remediate negative impacts	Internal Control and Risk Management, Adherence to Business Ethics
	G2-26	Mechanisms for seeking advice and raising concerns	Internal Control and Risk Management, Adherence to Business Ethics
	G2-27	Compliance with laws and regulations	Internal Control and Risk Management, Adherence to Business Ethics
	G2-28	Membership associations	Industry Development Advancement
	G2-29	Approach to stakeholder engagement	Consolidating Corporate Governance, Our Path to Sustainable Development
GRI 3: Material Topics	G2-30	Collective bargaining agreements	Employee Welfare Assurance
	G3-2	Process to determine material topics	Our Path to Sustainable Development
GRI 201: Economic Performance	G3-3	List of material topics	Our Path to Sustainable Development
	G201-1	Direct economic value generated and distributed	Refer to Annual Report
	G201-2	Financial implications and other risks and opportunities due to climate change	Response to Climate Change
	G201-3	Defined benefit plan obligations and other retirement plans	Employee Welfare Assurance
GRI 205: Anti-corruption	G201-4	Financial assistance received from government	Refer to Annual Report
	G205-2	Communication and training about anti-corruption policies and procedures	Adherence to Business Ethics
GRI 206: Anti-competitive Behavior	G206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Involved
GRI 207: Tax	G207-1	Approach to tax	Refer to Annual Report
	G207-2	Tax governance, control, and risk management	Refer to Annual Report
	G207-3	Stakeholder engagement and management of concerns related to tax	Refer to Annual Report
	G207-4	Country-by-country reporting	Refer to Annual Report
GRI 302: Energy	G302-1	Energy consumption within the organization	Response to Climate Change

GRI Indicator	Disclosure	Location	
GRI 302: Energy	G302-4	Reduction of energy consumption	Response to Climate Change
	G302-5	Reductions in energy requirements of products and services	Response to Climate Change, Driving Green Operations
GRI 303: Water and Effluents	G303-1	Interactions with water as a shared resource	Enhancing Emission Management
	G303-2	Management of water discharge-related impacts	Enhancing Emission Management
	G303-5	Water consumption	Enhancing Emission Management
GRI 305: Emissions	G305-1	Direct (Scope 1) GHG emissions	Response to Climate Change
	G305-2	Energy indirect (Scope 2) GHG emissions	Response to Climate Change
	G305-3	Other indirect (Scope 3) GHG emissions	Response to Climate Change
	G305-4	GHG emissions intensity	Response to Climate Change
	G305-5	Reduction of GHG emissions	Response to Climate Change
	G305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Enhancing Emission Management
	GRI 306: Waste	G306-1	Waste generation and significant waste-related impacts
G306-2		Management of significant waste-related impacts	Enhancing Emission Management
G306-3		Waste generated	Enhancing Emission Management
G306-4		Waste diverted from disposal	Enhancing Emission Management
G306-5		Waste directed to disposal	Enhancing Emission Management
GRI 308: Supplier Environmental Assessment	G308-1	New suppliers that were screened using environmental criteria	Responsible Supply Chain Management
	G308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain Management
GRI 401: Employment	G401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Welfare Assurance, Employee Growth Support, Diverse Employee Life
	G403-1	Occupational health and safety management system	Occupational Health and Safety
GRI 403: Occupational Health and Safety	G403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	G403-3	Occupational health services	Occupational Health and Safety
	G403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety

GRI Indicator	Disclosure	Location	
GRI 403: Occupational Health and Safety	G403-5	Worker training on occupational health and safety	Occupational Health and Safety
	G403-6	Promotion of worker health	Occupational Health and Safety
	G403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	G403-9	Work-related injuries	Occupational Health and Safety
	G403-10	Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education	G404-1	Average hours of training per year per employee	Employee Growth Support
	G404-2	Programs for upgrading employee skills and transition assistance programs	Employee Growth Support
GRI 405: Diversity and Equal Opportunity	G405-1	Diversity of governance bodies and employees	Consolidating Corporate Governance, Employee Welfare Assurance
GRI 406: Non-discrimination	G406-1	Incidents of discrimination and corrective actions taken	Not Involved
GRI 408: Child Labor	G408-1	Operations and suppliers at significant risk for incidents of child labor	Not Involved
GRI 409: Forced or Compulsory Labor	G409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not Involved
GRI 413: Local Communities	G413-1	Operations with local community engagement, impact assessments, and development programs	Participating in Public Welfare Efforts, Promoting Rural Revitalization
GRI 414: Supplier Social Assessment	G414-1	New suppliers that were screened using social criteria	Responsible Supply Chain Management
	G414-2	Negative social impacts in the supply chain and actions taken	Not Involved
GRI 416: Public Policy	G416-1	Assessment of the health and safety impacts of product and service categories	Ensuring Strict Quality Control, Chemical Safety Management
GRI 417: Marketing and Labeling	G417-1	Requirements for product and service information and labeling	Ensuring Strict Quality Control, Chemical Safety Management
GRI 418: Customer Privacy	G418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not Involved

Reader Feedback

Dear readers,

Thank you for reading the Ningbo Shanshan Co., Ltd. 2023 Environmental, Social, and Governance (ESG) Report. Your feedback and suggestions are greatly appreciated as the Company strives to provide more valuable information to you and other stakeholders and to continuously improve its ability to fulfill its corporate social responsibility.

Check the box that applies:

- How would you rate this report in general?
 Excellent Good Average Poor Very Poor
- How responsive do you think the report is to stakeholder concerns and the level of disclosure?
 Excellent Good Average Poor Very Poor
- How would you rate Shanshan's performance in fulfilling its financial responsibility?
 Excellent Good Average Poor Very Poor
- How would you rate Shanshan's performance in fulfilling its environmental responsibility?
 Excellent Good Average Poor Very Poor
- How would you rate Shanshan's security management performance?
 Excellent Good Average Poor Very Poor
- How would you rate Shanshan's performance in fulfilling its employee responsibility?
 Excellent Good Average Poor Very Poor
- How would you rate Shanshan's performance in fulfilling its community responsibility?
 Excellent Good Average Poor Very Poor
- Are the information, indicators, and data disclosed in the report clear, accurate, and complete?
 Excellent Good Average Poor Very Poor
- Do you find the content structure and format of the report to be reader-friendly?
 Yes No

Open-ended question:

Do you have any comments or suggestions regarding Shanshan's corporate social responsibility and this report?



杉杉股份
Shanshan