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Shanshan Technology

# 2024

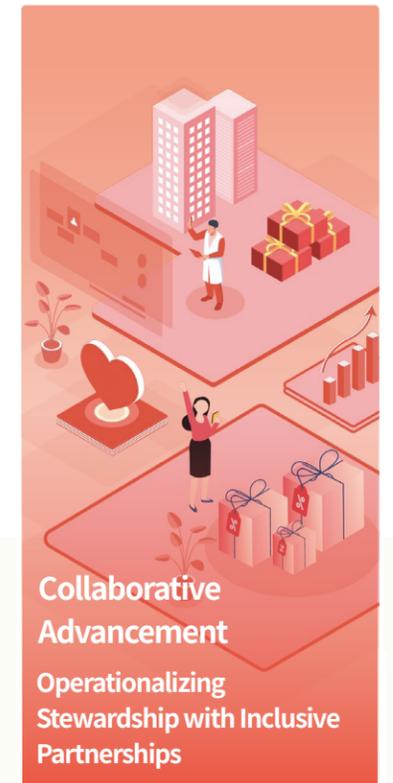
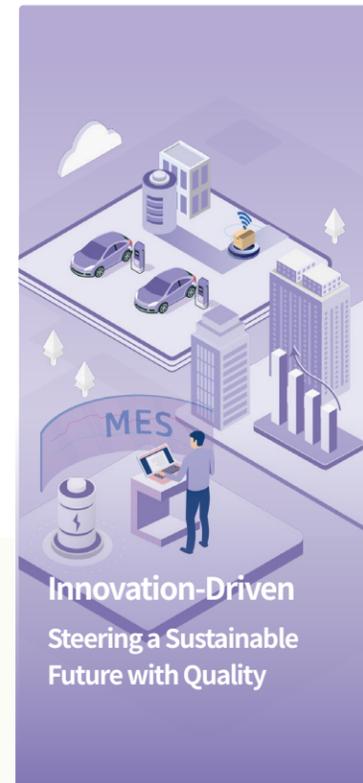
## Environmental, Social and Governance (ESG) Report

Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.



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# About this Report

This Report is the first ESG report released by Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. to its stakeholders. This Report discloses in detail the practices and performance of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. in fulfilling its responsibilities in the fields of economy, environment, social and corporate governance in 2024. It aims to communicate effectively with various stakeholders and systematically respond to the expectations and requirements of stakeholders.

## Period

From January 1, 2024 to December 31, 2024. To enhance the comparability and forward-looking nature of the report, some contents are appropriately extended to the previous and subsequent years.

## Scope of Disclosure

This Report discloses information and typical cases on the responsibilities of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. and its subsidiaries in the fields of economy, environment, social and corporate governance.

## References

Ningbo Shanshan Co., Ltd. (referred to "Shanshan")

Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (referred to as "Shanshan Anode", "Shanshan Technology" or "the Company")

Chenzhou Shanshan New Materials Co., Ltd. (referred to as "Shanshan Anode Chenzhou Factory" or "Chenzhou Shanshan")

Fujian Shanshan Technology Co., Ltd. (referred to as "Shanshan Anode Fujian Factory" or "Fujian Shanshan")

Ningbo Shanshan New Materials Technology Co., Ltd. (referred to as "Shanshan Anode Ningbo Factory" or "Ningbo Shanshan")

Ningbo Shanshan Silicon-based Materials Co., Ltd. (hereinafter referred to as "Ningbo Shanshan Silicon-based")

Inner Mongolia Shanshan New Materials Co., Ltd. (referred to as "Shanshan Anode Jiuyuan Factory")

Inner Mongolia Shanshan Technology Co., Ltd. (referred to as "Shanshan Anode Qingshan Factory")

Sichuan Shanshan Technology Co., Ltd. (referred to as "Shanshan Anode Sichuan Factory" or "Sichuan Shanshan")

Yunnan Shanshan New Materials Co., Ltd. (referred to as "Shanshan Anode Yunnan Factory" or "Yunnan Shanshan")



## Sources of Information

The information disclosed in this Report is derived from Shanshan Anode's internal official documents, statistical reports and annual reports.

The data disclosed in this Report are derived from the original data of Shanshan Anode's actual operation, public data from government departments, annual financial data, relevant internal statistical reports, third-party questionnaires, third-party evaluation interviews, etc. The financial data in this Report is in RMB, subject to the financial report of Ningbo Shanshan Co., Ltd.

## Preparation Basis

United Nations 2030 Sustainable Development Goals (SDGs)

Global Sustainability Standards Board's GRI Sustainability Reporting Standards (GRI Standards)

China National Standards - Guidance on Social Responsibility Reporting (GB/T36001-2015)

ISO 26000: Guidance on Social Responsibility (2010) of International Organization for Standardization

## Report Access

This Report is available in electronic form. You can visit the Company's official website at <https://www.shanshantech.com/> to read the electronic version of this Report. If you have any questions or suggestions about this Report, please send an email to [esg.office@shanshan.com](mailto:esg.office@shanshan.com). The English translation of this report is provided for reference only. In the event of any discrepancies between the English and Chinese versions, the Chinese version shall prevail.

## Message from Shanshan Anode



Since its inception, Shanshan Anode has shouldered the mission of advancing the lithium-ion battery anode materials industry. We have witnessed and actively participated in the sector's meteoric rise, evolving into a global leading supplier of lithium anode materials with advanced technology and high degree of intelligence. Every step of our growth has been fueled by an unwavering commitment to innovation and a profound dedication to ESG principles.



In the surging tide of global sustainable development in 2024, we remained true to our original aspirations, stayed focused on our core business, and forged ahead with determination, intricately weaving environmental protection, social responsibility, and corporate governance (ESG) into the fabric of our operations.

Guided by our sustainable development objectives, we have prioritized robust corporate governance as the bedrock for enduring growth. We continuously refined ESG management framework, enhanced the level of risk control and internal control, improved the business ethics system, and established and improved an independent and controllable information security system, thereby enhancing the stability and risk resistance of operations, creating a safer and more reliable environment for employees, partners and other stakeholders, and enhancing the credibility and competitiveness of the enterprise.

With the vision of "serving green energy and building a better life", we are fully aware of the environmental responsibilities we shoulder. We actively respond to the country's call for "dual

carbon" and the world's growing attention to climate change. We strive to promote energy conservation and emission reduction in the production process, continuously upgrade production processes and advanced environmental protection equipment, optimize the energy management system, and actively explore the large-scale application of renewable energy in production, in an effort to reduce carbon emissions at the source and contribute to building a green and low-carbon energy system. As of 2024, the Company has secured ISO 14067 Product Carbon Footprint certifications for 5 products, with 4 new certifications added in 2024 compared to the previous year. In the latest CDP Climate Change questionnaire, the Company achieved a B rating, maintaining its position at the Management Level and demonstrating sustained leadership in climate governance.

Stable and reliable supply chains, R&D innovation, and product quality have served as core drivers of our development. By intensifying R&D investments, optimizing intellectual property protection systems, advancing standard-setting and industry-

wide collaboration, and comprehensively promoting the green transformation and responsible practices across supply chains, we have mitigated environmental and social risks within supply chains while enhancing the Company's innovation capabilities and core competitiveness. As of the end of 2024, the Company has 334 authorized patents, including 8 international patents, 225 domestic invention patents and 101 utility model patents.

Throughout the years, we have adhered to the core value of "putting striving individuals at the heart of our philosophy," consistently regarding employees as the most valuable asset of the enterprise. We strive to create a fair, inclusive, and dynamic work environment, offering a total of 2,126 training sessions and abundant development opportunities to encourage continuous self-improvement, achieving synergy between personal growth and corporate objectives. Through well-structured career advancement paths, competitive compensation systems, and comprehensive employee care initiatives, the Company has strengthened employees' sense of belonging, satisfaction, and

loyalty, forging a cohesive and high-performing team.

We actively fulfill our corporate mission and social responsibilities, committing to drive high-quality industry development through participation in industry standard-setting initiatives. We continuously lead innovation and transformation in the anode materials sector. Concurrently, we engage in public welfare programs spanning educational support, disaster relief, and community development, contributing to the advancement of social equity and harmonious progress.

Looking ahead, we will align with high-quality development requirements and its corporate mission as a "pioneer and leader in lithium battery anode materials." We will continue to increase R&D investments, attract top-tier talent, enhance scientific and efficient management practices, and optimize product transformation and upgrading. Committed to becoming a global leader in lithium battery anode materials, we aim to serve as a driving force for industrial advancement and technological progress.

# About Shanshan Anode

## About the Company

Established in 1999, Shanshan Anode has been deeply engaged in the field of lithium battery anode materials for more than 20 years. It is a pioneer and technology leader in the lithium battery anode materials industry. Under the vision of "serving green energy and creating a better life" and the value philosophy of "deeply empowering customer needs", Shanshan Anode is committed to providing customers with world-class products and services. Relying on its persistent pursuits of independent research, development and technological innovation, the Company has developed into the world's largest supplier of lithium battery anode materials.



## Business Layout

The Company's main products include artificial graphite, silicon-based anode materials, natural graphite, novel soft/hard carbon and other materials, which are being widely used in new energy vehicles (NEVs), consumer electronics, and the energy storage industry. As a global leader in lithium battery anode materials, the Company currently operates 11 R&D and production bases across nine locations: Shanghai, Ningbo, Chenzhou, Ningde, Qingshan District in Baotou, Jiuyuan District in Baotou, Meishan, Yunnan, Yinzhou, and Finland. So far, it has established a domestic production capacity of 700,000 tons for artificial graphite, completed an integrated 100,000-ton production base in Finland, integrated layout of 40,000 tons of silicon-based materials in Ningbo.

- Artificial graphite**
  - Through advancements in granulation, coating, and heat treatment technologies, the Company's artificial graphite products deliver high energy density and rapid charging capabilities, making them ideal for mid- and high-end consumer batteries and power batteries.
  - To address diverse market demands, the Company has established four core product systems – cost-optimized, energy-oriented, fast-charging, and ultra-high-power solutions – encompassing economic power cells, high-end power cells and energy storage cells.
  - Thanks to advanced coating technology, the product exhibits minimal volume expansion and extended cycle life during charge and discharge.
  - According to data released by ICCSINO, the Company's market share of artificial graphite anodematerials continuously ranked first in 2024.
- Silicon-based anode**
  - Silicon-based anode materials (e.g., silicon-carbon anode materials and silicon-oxide anode materials) exhibit high specific capacity and high initial Coulombic efficiency.
  - Through advanced technologies such as vapor-phase nanoengineering and fluidized-bed carbon coating, the Company's silicon-based anode materials achieve exceptional cycling performance.
  - The silicon-based anode materials are being mass-produced, and being adopted by top-tier power battery manufacturers, and outperformed competitors in evaluations of consumer electronics companies.
- Natural graphite**
  - Natural graphite is widely used as anode material for lithium batteries due to its high capacity and high power performance.
  - The Company has optimized the performance of fast charging, high storage, long cycle and low expansion while developing products for cylindrical tools and square/soft-pack power applications.
  - Through optimized manufacturing processes, the Company's natural graphite products demonstrate balanced competitiveness in cost-performance and low-carbon attributes.
- Soft and hard carbon**
  - Hard carbon materials, characterized by high-rate capability, superior low-temperature performance, minimal volume expansion, and extended cycle life, are positioned as next-generation critical materials for dual applications in sodium-ion batteries and lithium-ion batteries.
  - The Company is the first in the industry to industrialize hard carbon materials, filling the domestic technological gap and leading the industry in terms of high compaction density and capacity.
  - Soft carbon materials demonstrate exceptional low-temperature charging performance and rapid-charging capability, making them ideal for specific application scenarios such as marine electric vessel batteries and compact batteries.

▲ The Company's Main Product Advantages

## Development History

### September 1999

#### Shanghai Shanshan was established

China's first lithium battery anode factory - breaking Japan's technological monopoly, and pioneering the industrialization of lithium batteries in China.

### July 2003

#### Ningbo Shanshan New Materials was established

Shanshan Technology took the first step in capacity expansion. In the same year, the Ministry of Personnel approved the company to establish a postdoctoral research workstation.

### April 2016

#### Fujian Shanshan was established

With a planned production capacity of 50,000 tons, the company has formed industrial cluster advantages along with partners

### January 2018

#### Inner Mongolia Shanshan New Materials was established

80,000 tons of graphite processing capacity

### April 2022

#### Yunnan Shanshan was established

With an annual production capacity of 300,000 tons and a planned fixed asset investment of RMB 9.7 billion in total (without any liquid funds), it will become the world's largest single-unit integrated factory after going into production.

#### Ningbo Shanshan Silicon-based

The total planned investment amounts to approximately CNY 5 billion, of which CNY 3.75 billion is allocated to fixed assets investment. Upon completion, the project will achieve an annual production capacity of 40,000 metric tons of silicon-based products.

### September 2023

#### Finland Factory was established

With an investment of less than € 1.28 billion, the Company has completed an anode project with an annual output of 100,000 tons in Finland.

### October 2009

#### Chenzhou Shanshan was established

Extended the industry chain of graphitization of lithium battery anode materials

### September 2017

#### Inner Mongolia Shanshan was established

With a planned production capacity of 100,000 tons, the company is the world's largest integrated production base for lithium battery anode materials.

### September 2017

#### Inner Mongolia Shanshan was established

With a planned production capacity of 100,000 tons, the company is the world's largest integrated production base for lithium battery anode materials.

### August 2021

#### Sichuan Shanshan New Materials was established

Sichuan Shanshan New Materials Co., Ltd. was established with a planned fixed asset investment of RMB 8 billion in total and annual production capacity of 200,000 tons

### January 2024

#### Yunnan Shanshan's

300,000-ton anode material integrated project was officially put into production

### October 2024

#### Shanghai Lingang

new headquarter officially opened.

## Honors in 2024

**ESG**

Honor	Awarded by
Graded as B in CDP Climate Change	CDP
Shanshan Technology has been awarded as a member of the Carbon Neutrality Professional Committee of China Energy Conservation Association	China Energy Conservation Association Carbon Neutrality Professional Committee
Shanshan Technology won the Outstanding Case Award in the 2024 Pudong New Area Industry Ecological Innovation Competition for Sustainable Development (ESG) of Chinese and Foreign Enterprises	Shanghai Pudong Headquarters Economy Shared Service Center, Shanghai Pudong Association of Enterprises with Foreign Investment, Shanghai Pudong Association of Enterprises with Local Investment

**Industry**

Honor	Awarded by
Shanshan Technology was honored as one of the Top 10 suppliers in terms of anode material shipments in China at the 9th New Energy Expo for 2024	Shanghai Metals Market Information Technology Co., Ltd.
Hurun China Renewable Energy Companies with Potential 2024 - Shanshan Lithium Battery	Hurun Report
Shanshan Technology won the 2024 Most Valuable Brand Award in the lithium battery anode materials Industry	ICC
Shanshan Technology was awarded the title of High Quality Enterprise in China's New Energy Industry for 2024	ICC

**Corporate contribution**

Honor	Awarded by
2024 Influential Enterprise (Materials) Medal	China Battery Enterprise Alliance, 9th International Summit on Power Battery Application
2024 Innovative Enterprise (Materials) Medal	China Battery Enterprise Alliance, 9th International Summit on Power Battery Application
2024 Shanghai Key Service Unicorn Enterprise	Greatwall Strategy Consultants, Shanghai Small and Medium Enterprise Development Co., Ltd.

**R&D and innovation**

Honor	Awarded by
National 'Little Giants' Enterprises (Specialized, Refined, Characteristic, and Innovative SRCI SMEs)	Ministry of Industry and Information Technology of the People's Republic of China
High-tech Enterprise - Shanshan Technology	Science and Technology Commission of Shanghai Municipality
2024 Lithium Battery Materials Innovation Enterprise Honorary Certificate	GGII



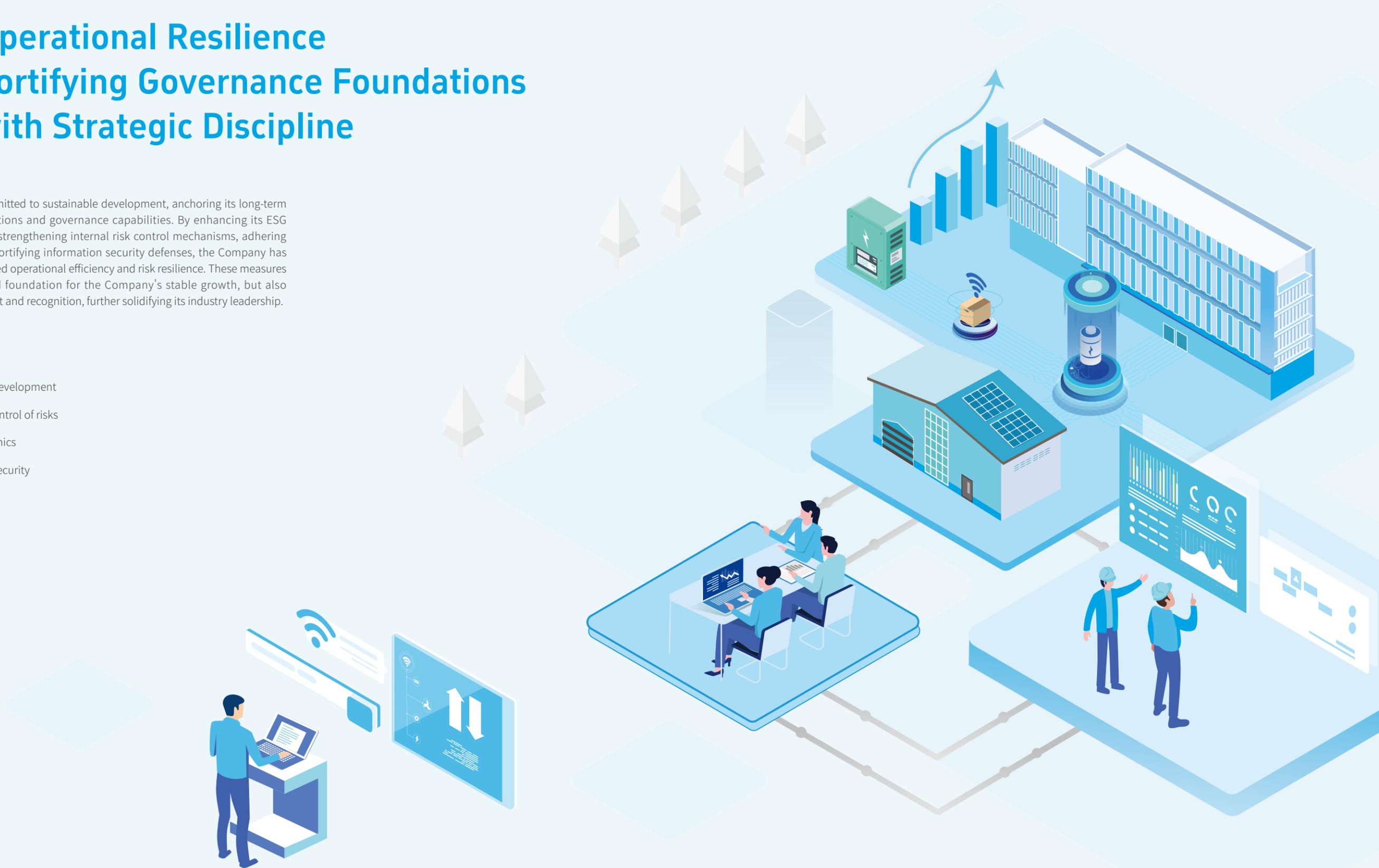
# 1 Operational Resilience Fortifying Governance Foundations with Strategic Discipline

## Concept

Shanshan Anode is committed to sustainable development, anchoring its long-term growth on sound operations and governance capabilities. By enhancing its ESG governance framework, strengthening internal risk control mechanisms, adhering to business ethics, and fortifying information security defenses, the Company has comprehensively improved operational efficiency and risk resilience. These measures not only provide a solid foundation for the Company's stable growth, but also reinforce stakeholder trust and recognition, further solidifying its industry leadership.

## Our actions

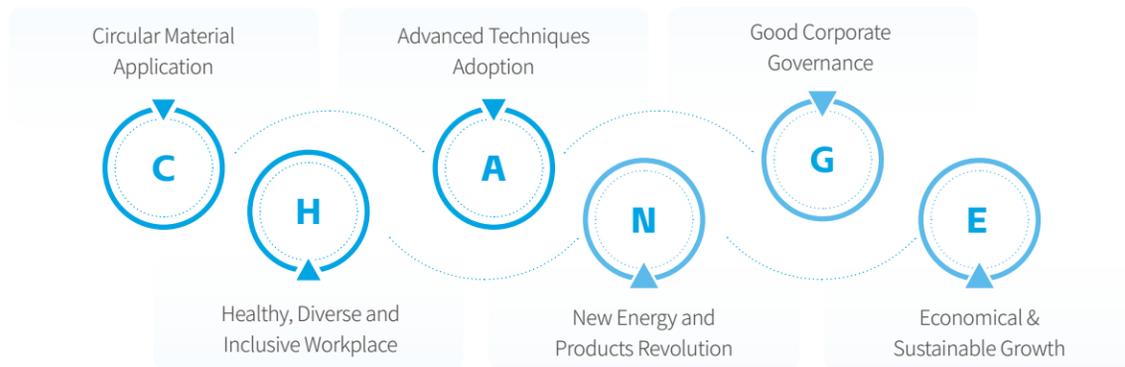
- The path to sustainable development
- Strengthening internal control of risks
- Adherence to business ethics
- Strengthen information security



# The Path to Sustainable Development

## ESG Development Concept

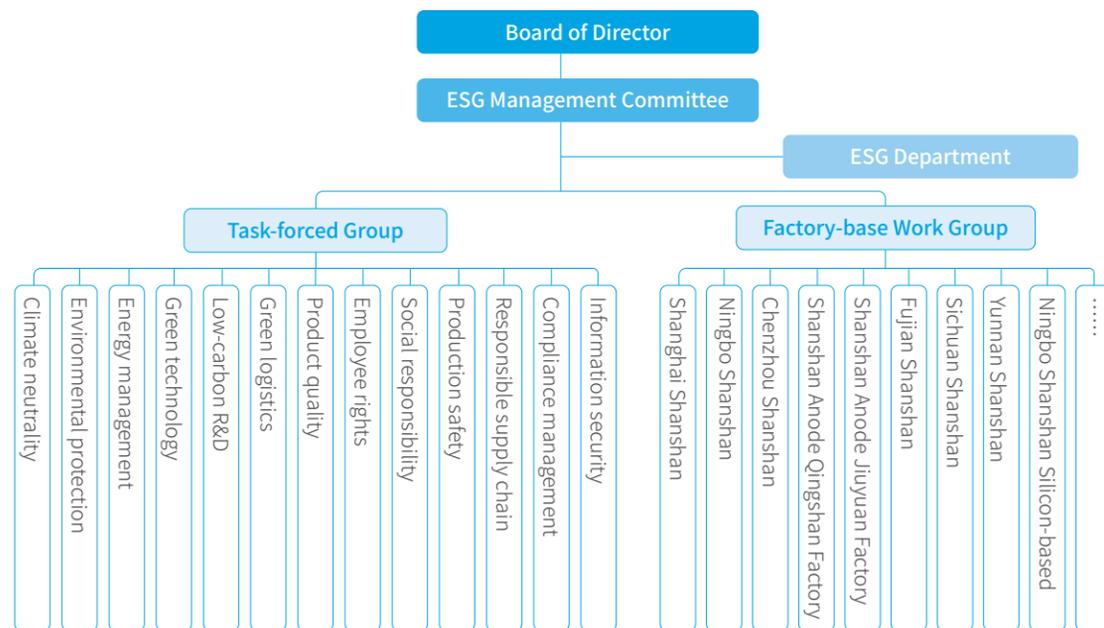
Aligning with its strategic development plan, the Company adopts the vision of "advancing the new energy revolution with new materials, innovative processes, and cutting-edge management" (We CHANGE), and further breaks it down into the actionable framework of "CHANGE". Shanshan Anode proposes that sustainable development cannot be separated from the foundational support of digital information management. Digital transformation will serve as a fundamental driver for the Company's comprehensive management upgrade, empowering the systematic advancement of sustainable development initiatives.



▲ Vision of Sustainable Development

## ESG Governance Structure

Shanshan Anode established a three-level ESG working mechanism of "decision-making - management - execution". The Sustainable Development (ESG) Committee is the highest decision-making body for Shanshan Anode's ESG management, and reports the effectiveness of ESG management to the Board of Directors on a regular basis. The management team, led by the ESG Department together with the Board Office, established specialized task forces for key ESG issues based on the three core ESG modules. These task forces align with the Company's strategic planning and the operational characteristics of each department, collaborating with business function heads and factory general managers to promote ESG implementation both horizontally and vertically.



The Sustainable Development Committee discusses and formulates the Company's strategies and work objectives. The heads of each special team are responsible for formulating work plans and implementing them. Employees at all levels shall contribute to the fulfillment of the goals.

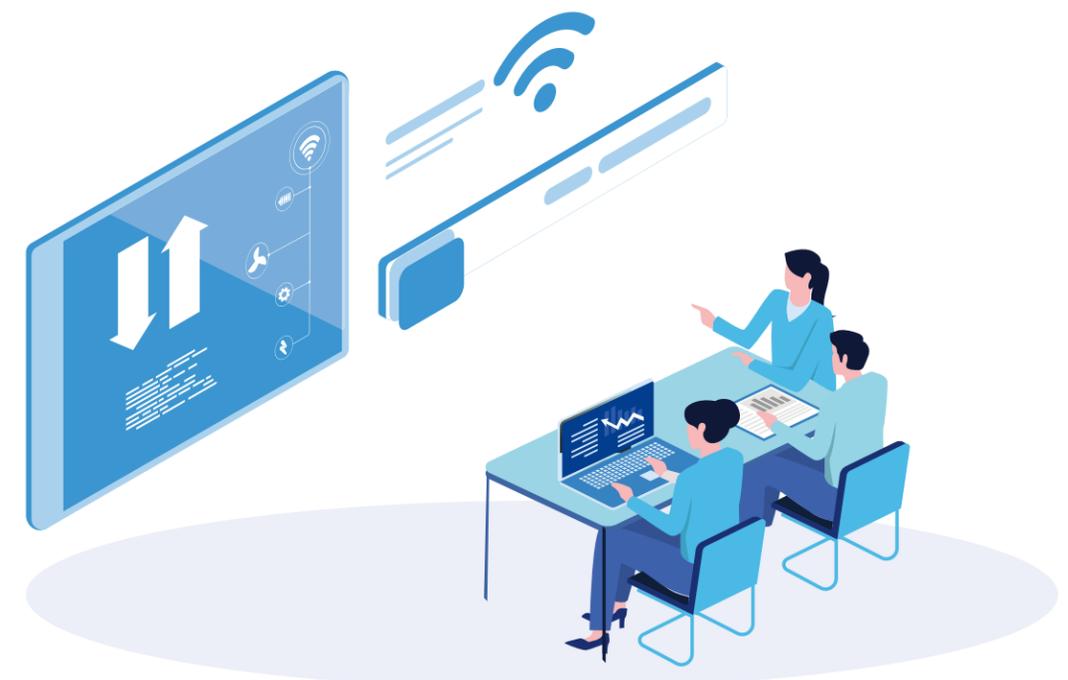
The Sustainability (ESG) Committee holds quarterly progress meetings to review the achievement of objectives, discuss solutions to key challenges, and deliberate on resource allocation.

The Special Working Group and Basic Working Group members are responsible for coordinating and tracking progress in accordance with the Committee's objectives, while regularly reporting updates to the Sustainable Development (ESG) Committee.

The heads of each special module are responsible for organizing special meetings at least once a quarter to decompose and promote the implementation of various work objectives. At the same time, they shall assign tasks to various industrial companies in accordance with the line management requirements.

All industrial companies should adjust their work objectives appropriately, implement division of responsibilities, and comprehensively promote and implement them in accordance with ESG management requirements based on their actual business operations.

▲ Workflow of Sustainable Development Committee



# Management of ESG Risks and Opportunities

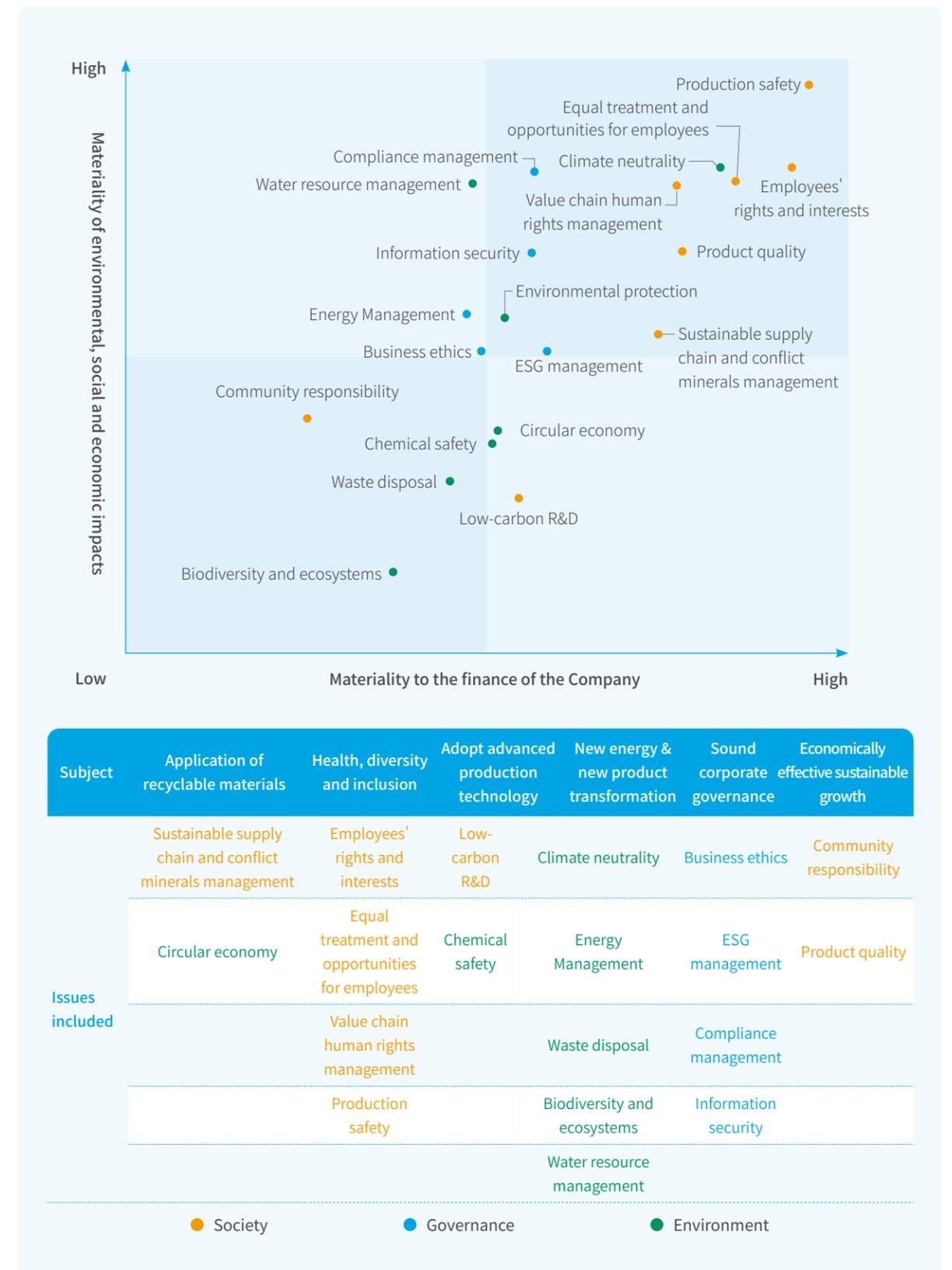
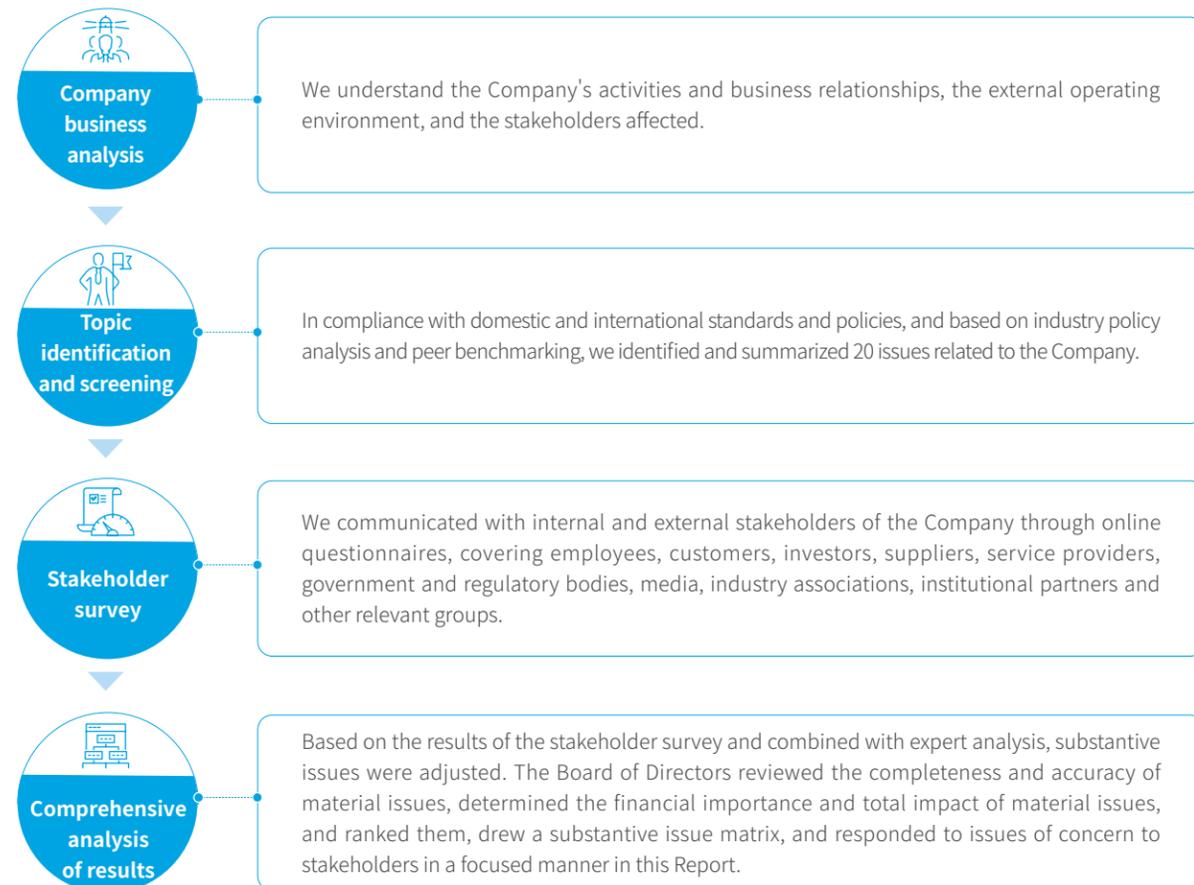
## Communication with Stakeholders

Based on the characteristics of the industry and operations, the Company identifies major stakeholders, including shareholders and investors, clients, partners, employees, government, communities and the public, and establishes regular communication mechanisms with stakeholders. By communicating with them through channels such as websites, media, meetings, reports, and activities, the Company actively responds to the demands and expectations of stakeholders.

Stakeholder	Government and regulatory bodies	Shareholders and Investors	Employees	Customer	Suppliers	Partners	Community and the public
Expectations and demands	<ul style="list-style-type: none"> <li>Respond to national development strategies</li> <li>Operate in good faith and in compliance with laws and regulations</li> <li>Pay taxes in accordance with laws and regulations</li> <li>Prevent business risks</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable profitability</li> <li>Regulate corporate governance</li> <li>Disclose operating information</li> <li>Asset preservation and appreciation and investment returns</li> </ul>	<ul style="list-style-type: none"> <li>Protect employees' basic rights and interests</li> <li>Complete career development system</li> <li>Competitive compensation and benefits</li> <li>Healthy and safe workplace</li> </ul>	<ul style="list-style-type: none"> <li>Green and high-quality products</li> <li>After-sales service</li> </ul>	<ul style="list-style-type: none"> <li>Fair, high-quality procurement</li> <li>Green procurement</li> <li>Friendly cooperation in good faith</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D innovation</li> <li>Industry upgrading</li> <li>Industry collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Social welfare</li> </ul>
Communication and response	<ul style="list-style-type: none"> <li>Internal control system</li> <li>Study and implement various regulatory regulations</li> <li>Actively cooperate with regulatory departments</li> <li>Law-abiding operation and fair competition</li> <li>Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Regular reports, interim reports</li> <li>Investor survey, email, phone information announcement on the Company's official website</li> </ul>	<ul style="list-style-type: none"> <li>Regular employee satisfaction surveys</li> <li>Questionnaire on substantive issues</li> <li>Complaint channel</li> <li>Labor union</li> <li>Staff training</li> <li>Staff Activities</li> </ul>	<ul style="list-style-type: none"> <li>Innovative R&amp;D design</li> <li>Product compliance certification</li> <li>Product quality control</li> <li>High-quality and efficient service</li> <li>Customer satisfaction survey</li> <li>Customer audit</li> </ul>	<ul style="list-style-type: none"> <li>Supplier evaluation</li> <li>Supplier communication and training</li> <li>Open procurement</li> <li>Resource sharing</li> </ul>	<ul style="list-style-type: none"> <li>Actively communicate and visit each other</li> <li>Participate in industry forums and standards</li> </ul>	<ul style="list-style-type: none"> <li>Charity activities</li> <li>Environmental activities</li> <li>Company website, public account</li> <li>Regular communication and feedback</li> </ul>

### Material Issues Management

The Company identified 20 material issues with significant impacts on both the organization and its stakeholders, drawing upon the Global Reporting Initiative (GRI) Standards of the International Sustainability Standards Board, integrating analysis of annual hot issues, national policies, and industry trends, while being grounded in the Company's actual development context. The outcomes served to establish the foundational direction for ESG management work.



Material Issues

## Response to the Sustainable Development Goals (SDGs)

The company aligns with the United Nations 2030 Agenda for Sustainable Development, prioritizing ESG operational priorities through its strategic commitment to "Advancing the New Energy Transformation via Novel Materials, Innovative Processes, and Progressive Management" (We CHANGE ESG Vision). By proactively fulfilling corporate social responsibilities, we implement tangible actions to accelerate progress toward UN Sustainable Development Goals (SDGs).

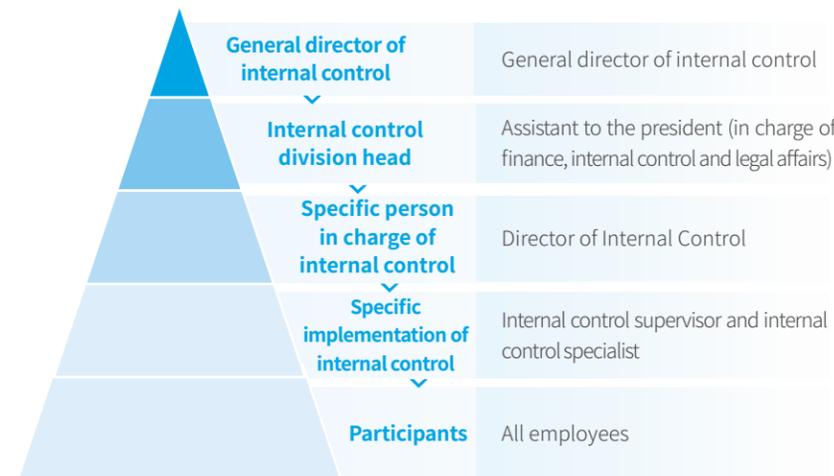


# Strengthen Internal Risk Control

Shanshan Anode consistently advanced its prudent operation philosophy, embedding internal risk control as a cornerstone of corporate governance. By establishing a robust internal control and risk management system, optimizing internal processes, and enhancing risk response capabilities, the Company strengthened its risk resilience, ensuring operational stability and long-term sustainable growth.

## Internal Control

In order to standardize its internal control management and prevent potential risks in business management, the Company formulated, regularly updated and issued institutional documents such as the Internal Control Management, which include 99 management systems in 14 categories, and put forward standardized requirements for the implementation of its internal control management from multiple aspects such as internal control organization, job responsibilities of the internal control department and internal control personnel, important internal control work, audit requirements, internal control inspections, and internal control accountability.



Organizational Structure Of Internal Control

In 2024, the Company issued and implemented the document of Internal Control Investigation and Inspection, aiming at further improving internal control management construction and standardizing internal control investigation/inspection work to ensure the independence and effective implementation of internal control work. The Company formulated internal control investigation/inspection management procedures, prepared internal control investigation forms and organized internal control investigations every year, and required the Internal Control Department to regularly inspect the internal control operations and issue written reports based on the principle of importance, business cycle and system regulations, so as to ensure that annual internal control inspections can cover all business lines, and the joint-stock company can review the Company's internal control evaluation every six months.



Construction of Internal Control System

The Company formulated the Internal Control Training management procedure, stipulated the requirements for internal control management training, and ensured the effectiveness and standardization of various internal control training work by standardizing the internal control training process, training skills and methods. These efforts deepened employees' understanding of the Company's various management systems and their risk control awareness of daily business management activities, and ensured the effectiveness of the implementation of various systems, thus improving the Company's risk management environment and enhancing its risk management and control capabilities.

### Case The training on internal control systems and revisions was carried out to lay a solid foundation for the precise implementation of the system

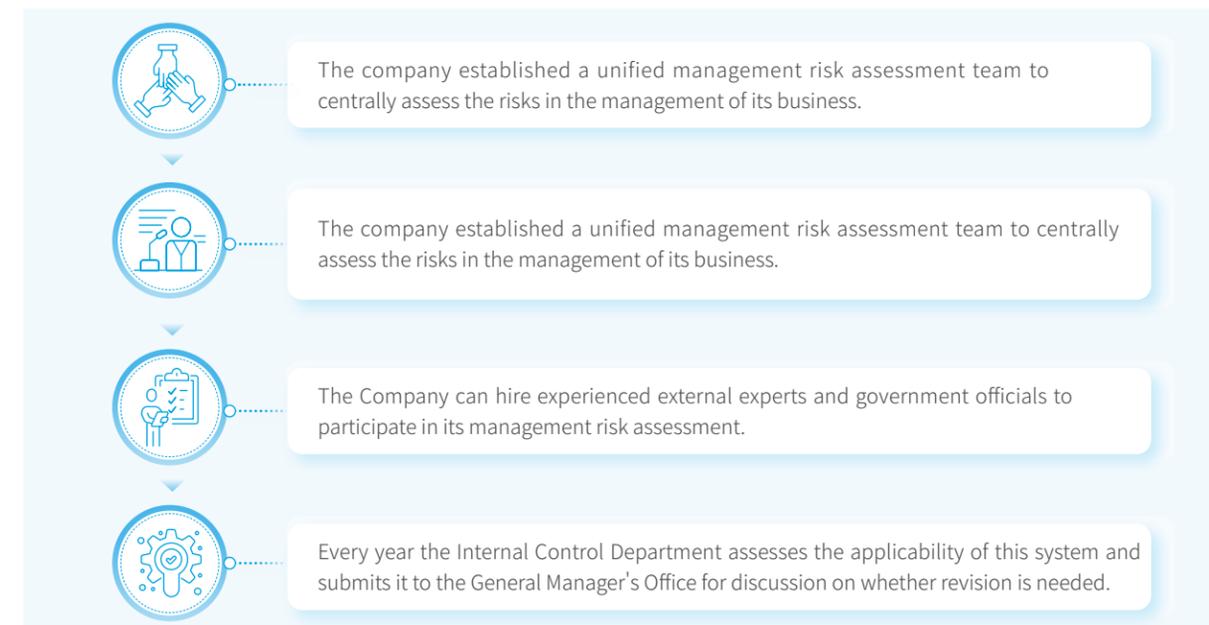
In October 2024, Shanshan Anode Yunnan Factory conducted a one-hour internal control training for 16 employees from relevant departments on the key issues concerning the revision of the 2024 version of the internal control system, strengthening the understanding of the key points of the revision and providing guarantees for the precise implementation of the system.



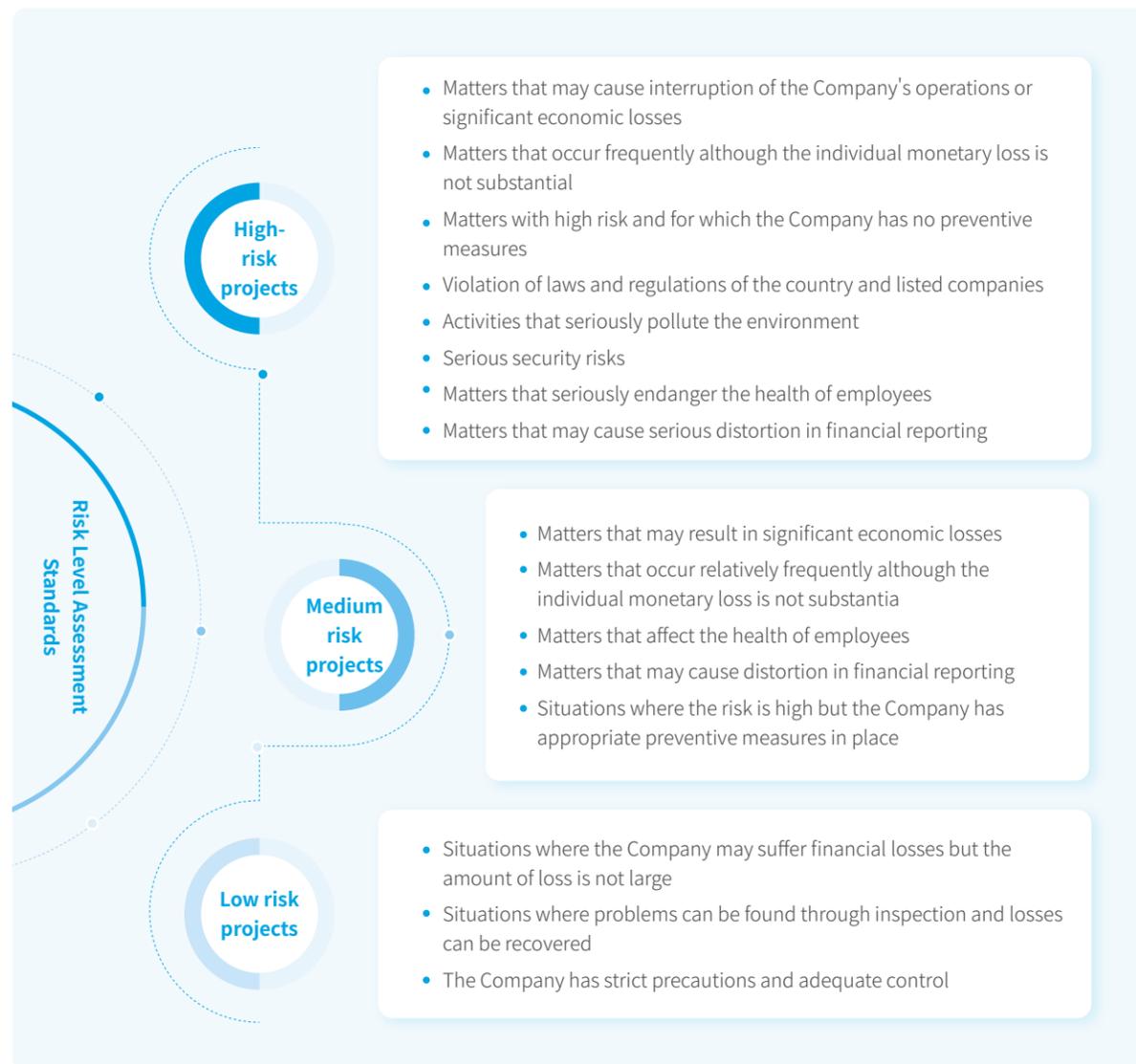
Training on Key Points of Internal Control System and Revision

## Risk Management

The Company formulated and continuously refined the Management Risk Assessment policy document, standardizing all aspects of risk assessment procedures to ensure effective identification and mitigation of operational risks within cost-efficient parameters. Additionally, the Company conducted risk control and risk awareness training for employees at all levels, enhancing their risk management awareness.



Risk Management Work Procedure



**Case** The training on corporate compliance and risk prevention

In July 2024, the Company carried out the training on corporate compliance and risk prevention with the theme of "on-site legal training focusing on legal disputes in the acceptance and delivery stages", and organized 21 employees from the Procurement Department, Internal Control Department, Equipment Department, Engineering Department and other departments to participate in the training to help employees improve their awareness of compliance and risk prevention.



▲ The Training on Corporate Compliance and Risk Prevention

**Case** A seminar on high inventory risk management was held to discuss warehouse management risks and countermeasures

The Company holds an inventory management seminar every month to reduce the proportion of capital utilization and to more efficiently handle materials that have been idle for a long time to reduce high inventory risks. In November 2024, Shanshan Anode Qingshan Factory held a seminar on the Efficient Material Management - Warehouse Management, Inventory Reduction to manage high inventory risks. At the seminar, middle and senior leaders and grassroots management personnel discussed the risks and countermeasures in the warehouse management process under the guidance of the trainers.



▲ Seminar on High Inventory Risk Management

**In 2024**

The Company **did not encounter** any major internal or external operational risks.




# Adherence to Business Ethics

Shanshan Anode aims to build a corporate culture of honest operation and regards business ethics as the core criterion for corporate development. We continuously improve the ethical code system and strengthen employee ethics training and strict supervision and implementation to ensure that the Company's business behavior is consistently in compliance with laws, regulations and ethical standards.

## Honesty in Business

The Company strictly requires employees to follow the Code of Business Ethics that it has formulated, continuously optimizes the honest practice management system, requires employees to sign and abide by the Integrity Discipline Commitment and to uphold the principle of "honesty and dedication, compliance with laws and regulations" and to abide by laws and regulations on anti-commercial bribery, anti-embezzlement and other internal rules and regulations of the Company. In addition, when signing contracts with suppliers, the Company requires suppliers to sign agreement to regulate integrity in the supply chain.



Commitment to Honesty and Self-discipline in the Workplace

The Company actively creates an anti-fraud corporate culture environment, defines the warning lines for fraudulent behavior for employees, carries out special training on honest practices and other forms of effective communication and training on its anti-fraud policies and procedures and related measures and regulations, enhancing the awareness of honest practices among employees at all levels and departments, and ensuring that there is no improper transfer of benefits in business activities.

### Case Shanshan Anode Sichuan Factory carried out integrity training to establish correct professional values

In September 2024, in order to actively respond to the construction of corporate culture and integrity culture, Shanshan Anode Sichuan Factory conducted integrity training for all employees. After the Internal Control Department conducted training for key positions and middle and senior management, each department conducted secondary publicity and integrity norms for front-line positions. At the same time, integrity training was positioned as part of new employee induction training, encouraging employees to establish correct professional values and create a clean working atmosphere.



Integrity Training at Shanshan Anode Sichuan Factory

### Case Shanshan Anode Qingshan and Jiuyuan Factories carried out business ethics training for middle and senior management

In September 2024, Shanshan Anode Qingshan and Jiuyuan Factories carried out business ethics training for middle and senior management. The training content included corporate ethical concepts, business ethics codes, special duties of management personnel, and supervision and management, aiming to strengthen the understanding of business ethics among middle and senior management, and enhance compliance control effectiveness and their awareness of responsibility.



Business Ethics Training for Middle and Senior Management

### Case Shanshan Anode Qingshan Factory conducted integrity training for storage and transportation personnel

In December 2024, Shanshan Anode Qingshan Factory conducted integrity management training for all storage and transportation personnel. The training content included relevant integrity risk points and specific cases, aiming to enhance the storage and transportation personnel's attention to integrity work and regulate their own behavior.



Integrity Management Training on Storage and Transportation Personnel

## Reporting Channels and Protection

The Company formulated the Special Inspection on Reported Issues to standardize the reporting management process and severely crack down on illegal and disciplinary violations such as infringing on the Company's interests and disrupting its development order. The Company actively encourages whistleblowers to report in good faith any misconduct or unethical behavior. Whistleblowing channels are prominently embedded in our corporate portal, public tenders, procurement documents, and written contracts. The Company rewards meritorious whistleblowers according to the circumstances.



The Company's Internal Control Department and Ningbo Shanshan Co., Ltd. Audit and Supervision Department are the competent departments for accepting reports from suppliers, employees and customers and for preventing retaliation. They have set up mailboxes, telephone numbers and other reporting channels. The Company's reporting mailbox is jointly managed by the Administrative Department and the Internal Control Department, and the two departments need to cooperate with each other to ensure that the reporting information can be received and handled in a timely manner by the corresponding department.

**At Ningbo Shanshan Co., Ltd.**

**Department accepting reports:** Audit and Supervision Department

**Report email:** jubao-ssgf@shanshan.com

**Hotline:** 13777992677

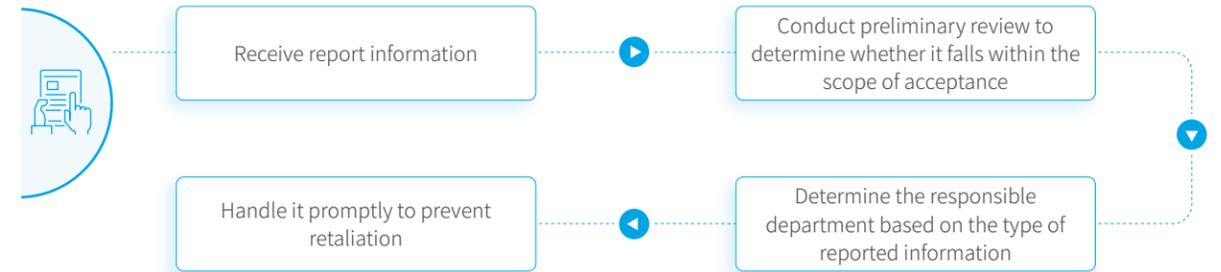
**Acceptance scope:** Cover the business units of Shanshan Co., Ltd. (including and managing Shanshan Anode)

**At Shanshan Anode**

**Department accepting reports:** Internal Control Departments of Shanghai Headquarters and subsidiary industrial companies

**Report email:** sskjnk@shanshan.com

**Other channels:** Each factory has set up a feedback mailbox for the chairman/general manager on site, and employees can anonymously provide feedback on various issues by scanning the code



Report Handling Procedure

Report content type	Responsible department for accepting reports
Bribery, corruption and favoritism	Ningbo Shanshan Co., Ltd. Audit and Supervision Department, Internal Control Department
Product quality complaints	Quality Department, Sales Department
Workplace harassment or discrimination	Human Resources Department, Legal Affairs Department
Violation of company rules or policies	Human Resources Department, Internal Control Department
Safety hazards or non-compliance	Safety and Environmental Protection Department, Internal Control Department
Misappropriation or illegal use of company property or resources	Finance Department, Internal Control Department
Information leakage or data security issues	Information Technology Department, Internal Control Department
Other types of reports where the responsible department cannot be determined	The Internal Control Department takes the lead in coordinating and handling the matter

Types of reported information and responsible departments for accepting reported information

In addition, the Company prevents retaliation and strictly protects good-faith whistleblowers and relevant witnesses from being treated unfairly due to their evidence-giving behavior. Anyone who retaliates against a good-faith whistleblower or relevant witness will be subject to severe disciplinary sanctions. In serious cases, the employment relationship will be terminated, and those who commit a crime will be transferred to judicial authorities for handling in accordance with the law.

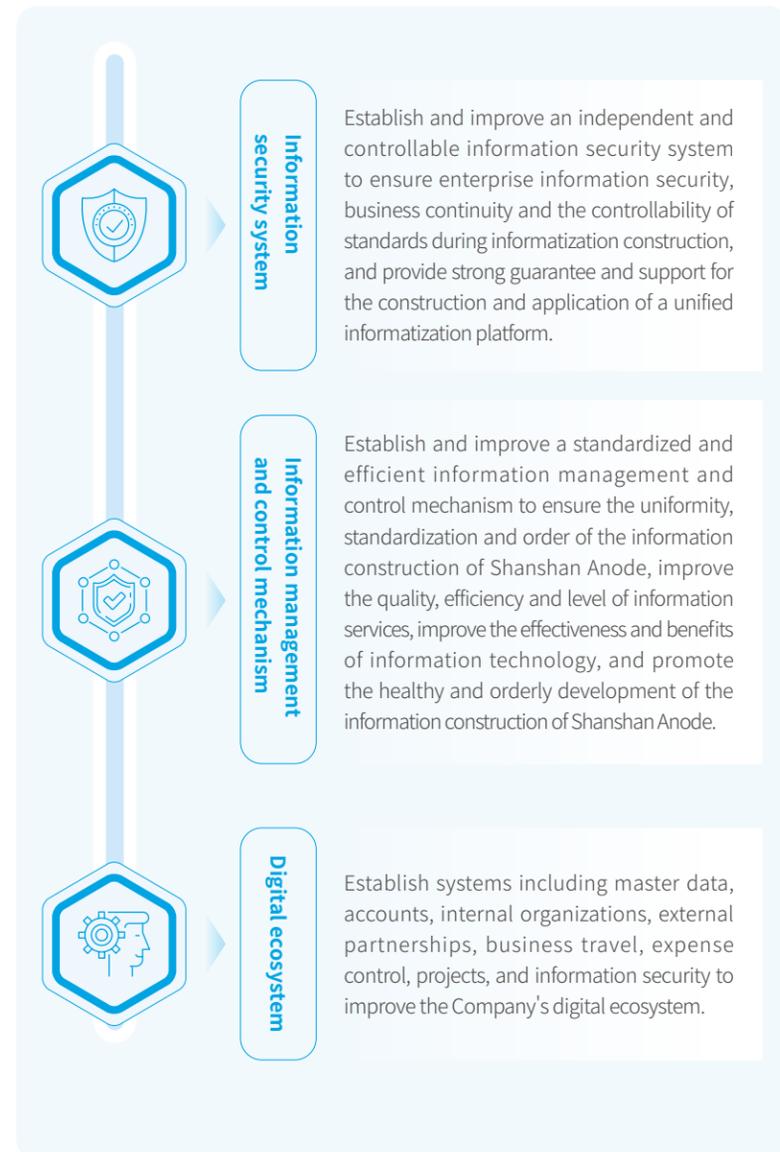


**In 2024**

The Company **had no** commercial bribery or corruption incidents.

# Strengthen Information Security

Shanshan Anode regards information security as its core goal. In accordance with laws and regulations and ISO 27001 certification requirements, it has established and improved an independent and controllable information security system, formulated and implemented the Information Security Management System, and built a complete information security protection system, strengthened technical support measures, and enhanced the safety awareness of all employees. We have comprehensively built a solid information security line of defense, effectively prevented potential risks, ensured corporate information security, business continuity and the controllability of standards during informatization construction, created a safer and more reliable information environment for employees and partners, and further enhanced the Company's credibility and competitiveness.



▲ Strategic Objectives for Information Security Management



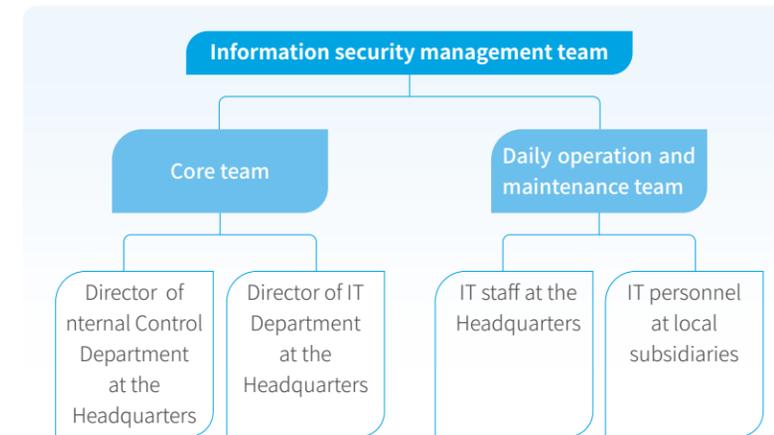
▲ Shanshan Anode's Certificate of ISO 27001 Information Security Management System Certification

**In 2024**

The Company had **0** major information security incidents

And **0** information leaks

The information security management team is an important part of the Company's information security management system and is responsible for ensuring the security and compliance of the Company's data assets. The team is composed of some members of the Information Technology Department and the Internal Control Department. It is divided into a core team and a daily operation and maintenance team according to their responsibilities. They work to ensure that the Company strictly abides by relevant laws and regulations in all aspects such as data collection, storage, processing and transmission.



▲ Composition of the Information Security Management Team



▲ Main Responsibilities of Information Security Management Team

In order to standardize its information security management work, the Company has formulated and implemented information backup and security recovery management workflows, and effectively prevented various potential risks in the process of information backup and security recovery through measures such as regular security assessments and drills, encrypted communications and data protection, security patch management and vulnerability repairs, and security awareness publicity and education. For information security risks detected during daily screening (such as software vulnerabilities, encryption vulnerabilities, weak control strategies, etc.), the Company's information security management team will record, analyze, and summarize the problems as soon as possible after promptly handling them, and submit them to a third-party organization for audit to prevent the occurrence of information security issues. In addition, the Company prepared network security booklets and distributed them to all employees to remind them to pay more attention to information security management.

Regular safety assessments and drills

Strengthen authentication and access control

Encrypted communication and data protection

Security patch management and vulnerability repair

Safety awareness promotion and education

- A comprehensive security assessment is conducted every year, covering multiple aspects such as physical security, network security, and application security.
- Promote unified authentication and permission management of accounts to limit access rights to key systems.
  - Establish a strict permission approval process to ensure that only authorized personnel can access sensitive information.
- Establish a VPN channel to protect the transmission process of important data.
  - All confidential computers are equipped with encryption software to encrypt data and prevent the risk of data leakage.
- Regularly check the security patches of the operating system and applications, and install the latest versions in a timely manner.
  - Establish a rapid response mechanism to carry out emergency repairs for known vulnerabilities to avoid malicious exploitation.
- Invite external experts to hold special lectures to enhance employees' professional quality and response capabilities. In 2024, a total of 4 training sessions were conducted, including 1 external training sessions and 3 internal training sessions.

Information Security Management Measures

**Case** Network security booklets were produced and distributed to enhance employees' awareness and knowledge

In 2024, the Company produced and distributed network security booklets to all employees, which systematically introduced how to prevent online fraud, password leakage, phishing emails, website Trojans, malicious mining programs, malware and ransomware attacks, which provided effective guidance and reference for the protection of employees' personal information and strengthened the Company's information security construction.



Network Security Booklet

**Case** ISO 27001 standard training was organized to enhance the professional knowledge level of information security personnel

In September 2024, the Company carried out ISO 27001 standard training for information security personnel from various departments. Through standard explanation and discussion, the professional knowledge level of information security personnel was enhanced, which strengthened the Company's information security construction.



ISO 27001 Standard Training

**Case** Information security training was organized to further enhance employees' information security awareness

In November 2024, the Company organized a special information security training, which lasted 2 hours. A total of 17 employees participated in the training. By emphasizing the importance of information security awareness, sharing the definition of information security and ways to prevent various security risks, the Company strengthened employees' confidentiality consciousness in daily operations and further enhanced overall information security awareness. Meanwhile, this training set up a post-training assessment session, which all participants passed.



Information Security Awareness Training



# Symbiotic Harmony Crafting an Ecological Masterpiece with Stewardship

## Concept

On the road to green development, Shanshan Anode vigorously builds a green production system, explores strategies and implementation paths for mitigating and adapting to climate change, promotes the use of clean energy and waste reduction, prioritizes chemical safety, and implements circular economic development initiatives. The Company is committed to exploring the harmony between human, nature and society, and striving to achieve harmonious coexistence with the natural environment.

## Our actions

- Environmental compliance
- Response to Climate Change
- Efficient pollution prevention
- Optimize resource utilization



## Practice Environmental Compliance

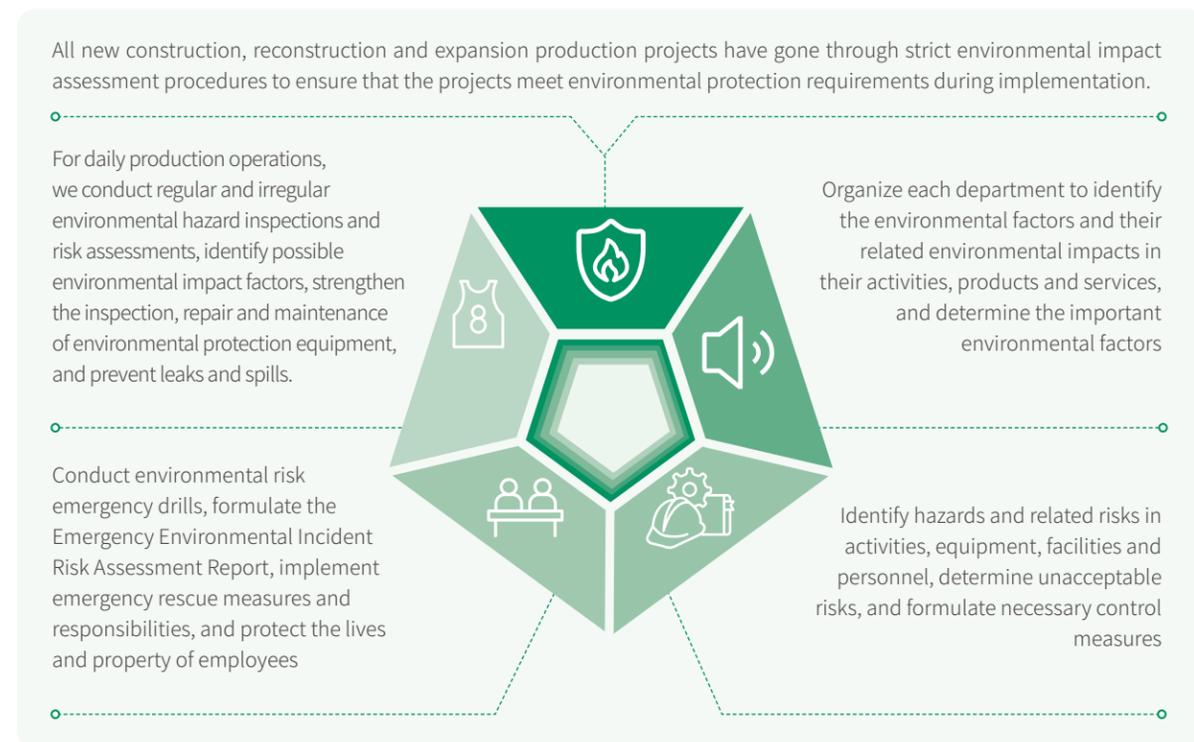
Shanshan Anode has established and improved the systems of the Environmental Management Regulations, the Environmental Management Material Control Specifications and the Environmental Post Responsibility System in accordance with laws and regulations and ISO 14001 environmental management system requirements. Under the EHS policy of "complying with laws and regulations, preventing pollution, giving priority to people, and making continuous improvement", the Company continues to promote the systematization, standardization and scientificization of EHS management. The general manager of each factory is the person responsible for environmental protection of the Company, and the environmental management tasks are broken down item by item to ensure the effective operation of the environmental management system. As of December 31, 2024, except for Lingang Factory at Shanghai Headquarters which was put into use in 2024 and is under application, all other factories had passed the ISO 14001 environmental management system certification.



▲ Certificate of ISO 14001 Environmental Management System Certification

## Environmental Risk Management

Attaching great importance to environmental risk management and hidden danger investigation, the Company has formulated systems such as the Environmental Risk Investigation and Hidden Danger Rectification System, the Environmental Protection Monitoring Management System, and the Environmental Factor Identification and Update Control Procedure in accordance with the law. We have established and improved management processes for environmental factor identification and environmental risk control, and have compiled the Environmental Pollution Emergency Plan for environmental risks and hidden dangers and filed it with the ecological environment bureau, and fully implemented rectification measures for environmental risk hazards, thereby effectively controlling risks and reducing environmental pollution.



▲ Environmental Risk Control Measures

## Implement Clean Production

The Company incorporates clean production into its daily management and continuously increases its investment in environmental protection. Through the implementation of clean production plans, we have further improved the level of clean production, consolidated the results of clean production, achieved the goals of "energy saving, consumption reduction, pollution reduction, and efficiency improvement", and built a resource-saving and environmentally friendly enterprise. In 2024, Shanshan Anode Ningbo Factory carried out clean production audits and formed the Clean Production Audit Report in accordance with relevant requirements of clean production.

In 2024

The Company's total investment<sup>Note</sup> in environmental management was RMB **85.09** million.

*Note: The total investment in environmental management mainly includes: 1. Environmental monitoring costs; 2. Environmental protection consulting (environmental impact assessment, pollutant discharge permit) service fees; 3. Costs of environmental protection facilities (waste gas and wastewater treatment equipment, temporary storage room for hazardous waste, temporary storage room for general solid waste); 4. Solid waste treatment and disposal costs (general industrial solid waste treatment, hazardous waste treatment, domestic waste treatment); 5. Environmental protection facility operation costs (electricity costs, spare parts replacement costs) 6. Environmental emergency costs; 7. Environmental protection signs, promotional brochures, etc.*

Case

### Shanshan Anode Ningbo Factory carried out clean production training

In November 2024, the Safety and Environmental Protection Department of Shanshan Anode Ningbo Factory organized a publicity and training session with the theme of "Adhere to clean production and create a waste-free factory". The training lasted for 2 hours in total, and helped 32 employees to learn about environmental protection-related laws and regulations, solid waste disposal procedures and specifications, etc. It systematically improved employees' capabilities in environmental protection practice and laid a cognitive and practical foundation for the green and waste-free development of Shanshan Anode Ningbo Factory.



▲ Clean Production Training

## Environmental Protection Publicity and Training

In order to enhance employees' environmental awareness and sense of responsibility, the Company prioritized the publicity and education of environmental protection, energy conservation and emission reduction knowledge, distributed energy-saving proposals to employees, and conducted regular training, continuously improving employees' environmental awareness and environmental professional and technical level, enhancing their practical ability in the fields of energy conservation and emission reduction and resource recycling, and improving the level of environmental protection management within the Company.



Shanshan Energy Saving Initiative

### Publicity and Management Measures for Energy Conservation and Environmental Protection

- Post slogans on using air conditioners in an energy-saving manner
- Promote the "Clear Your Plate" Campaign
- Promote paper conservation
- Carry out air conditioning inspection
- Arrange lighting inspection



### Case Shanshan Anode Jiuyuan Factory carried out training on compliance management of solid waste

In November 2024, Shanshan Anode Jiuyuan Factory organized a one-hour solid waste compliance training, explaining in detail the solid waste storage standards and assessment system to 18 employees from the Production Department, Safety and Environmental Protection Department, Equipment Department, etc. The training, with an attendance rate of 100%, further enhanced employees' environmental compliance awareness and practical management capabilities.



Training on Compliance Management of Solid Waste

## Response to Climate Change

Shanshan Anode regards addressing climate change as its own responsibility and adheres to the strategic policy of promoting greenhouse gas emission reduction through energy management. From the perspective of the entire industrial chain life cycle, the Company has made efforts in many aspects, set and publicly committed to the "dual carbon" goals, and effectively carried out energy conservation and carbon reduction work. This year, we started to strictly follow the International Financial Reporting Sustainability Disclosure Standard No. 2 - Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), identifying and disclosing the Company's climate change-related risks, opportunities and management work. We also planned to further strengthen and disclose the climate change governance system through the Science-Based Targets Initiative in the next two years to promote the green and low-carbon transformation of the industry.

### Governance

In order to better respond to climate change, the Company, relying on the ESG governance structure, defined the responsibilities and rights of organizations at all levels in responding to climate change, and formed a three-tier management structure of "Sustainable Development Committee for overall decision-making, ESG Department and Board Office for collaborative management, and Climate Neutrality Special Group for implementation". The Chairman of Shanshan Anode serves as the Chairman of the Sustainable Development Committee, and the work responsibilities of each management level were clearly defined, thereby improving the initiative and sustainability of climate action and efficiently promoting the implementation of related work.

### Sustainable Development Committee's Climate Change Responsibilities

Formulate strategic goals and program indicators for the ESG environment module;

Responsible for the development and implementation of various tasks of the ESG environment module;

Regularly organize and chair special team briefings on climate neutrality and other climate change-related initiatives, implement assigned tasks, and coordinate resources in a holistic manner;

Analyze existing production processes, seek opportunities for improvement and optimization, and improve production efficiency;

Develop eco-friendly processes to reduce waste generation, cut carbon emissions, and minimize water usage;

Design and improve the energy efficiency of production equipment and processes to reduce energy consumption.

## Strategy

Based on its actual development progress and strategic deployment, the Company has planned an action plan for emission reduction and sustainable development. While promoting its own carbon reduction work, it is committed to building a carbon-neutral ecosystem in the supply chain. Through actions such as green technology exports and co-construction of low-carbon products, it will link upstream and downstream partners to jointly build a low-carbon value chain and ensure the realization of the "dual carbon" goals.

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



Gradually improve the energy use structure, vigorously utilize renewable energy such as hydropower, wind power, solar energy and biomass energy, and build low-carbon and zero-carbon factories;

Mobilize the collective strength of the entire industry to jointly explore and develop energy-saving and carbon reduction initiatives, with any remaining emissions to be neutralized through carbon offset mechanisms.

Cooperate with upstream and downstream suppliers to carry out carbon footprint work, promote the optimization of raw material quality, reduce raw material consumption, and achieve low-carbon development throughout the entire chain;

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

▲ Shanshan Anode's carbon reduction policy

## Risk and Opportunity Management

In compliance with domestic and international standards, the Company categorizes climate change risks primarily into transition risks associated with the low-carbon economy and physical risks linked to climate change impacts. Aligned with its business operations and industry characteristics, the Company has identified and analyzed material risks and opportunities that it may encounter.

Risk category	Risk description	Countermeasures
Physical risks	Acute risks The increased frequency and severity of extreme weather such as typhoons, high temperatures, and floods may cause asset depreciation, disrupt employee commuting, and affect supply chain stability, thereby affecting normal production operations.	<ul style="list-style-type: none"> <li>Develop emergency plans to minimize losses caused by natural disasters.</li> <li>Provide occupational health and safety (OHS) and climate change training for employees.</li> <li>Monitor supplier locations, transportation routes, and corresponding weather forecasts along the logistics paths to mitigate potential financial impacts.</li> </ul>
	Chronic risks Abnormal climate conditions such as global warming and rising sea levels pose challenges to the enterprise's long-term and stable business operations.	<ul style="list-style-type: none"> <li>Conduct continuous monitoring of risks at operating sites and consider relevant environmental impacts in the environmental impact assessment of site selection and construction of new projects.</li> </ul>
Transformation risks	Policy risks The implementation of China's "Dual Carbon" strategy and the EU Battery Regulation has elevated requirements for information disclosure and carbon management.	<ul style="list-style-type: none"> <li>Closely monitor policy and regulatory developments in carbon trading and global climate change to refine climate action roadmaps.</li> <li>Monitor and optimize emission hotspots, scientifically conduct scientific greenhouse gas inventories, develop comprehensive emission lists, and enhance data disclosure quality.</li> <li>Conduct carbon audits and product life cycle carbon footprint accounting to enhance greenhouse gas (GHG) emissions management capabilities.</li> </ul>

Risk category	Risk description	Countermeasures
Transformation risks	Reputational risks Customers are more inclined to choose products from companies with good ESG records. If the Company does not actively carry out sustainable actions, it will not be able to meet the expectations of stakeholders such as customers and consumers, which will damage its own image and reputation.	<ul style="list-style-type: none"> <li>Actively develop green and low-carbon products and services, and plan ahead to meet customers' ESG requirements for suppliers and product supplies.</li> </ul>
	Technical risks The Company's failure to promptly identify and apply green and low-carbon technologies has resulted in the lagging low-carbon performance of its products, which may reduce product value or lead to the loss of orders.	<ul style="list-style-type: none"> <li>Promote green and low-carbon design, promote the use of green recycling and renewable materials, and enhance green R&amp;D capabilities.</li> <li>Monitor carbon market and green electricity market trends, actively participate in trading, and collaborate with the supply chain to promote green electricity adoption and emission reduction initiatives.</li> </ul>

Opportunity type	Climate change opportunities overview	Opportunity response
Market opportunities	The market's requirements for energy conservation and emission reduction are rising, and the demand for low-carbon products is increasing.	<ul style="list-style-type: none"> <li>Develop sustainable and environmentally friendly materials and ensure that the raw materials of its products comply with sustainable development standards such as RoHS and REACH;</li> <li>Reduce product carbon emissions by developing and validating natural graphite properties to ensure that performance and sustainability goals are achieved.</li> </ul>
Energy management	Reduce fossil energy consumption, increase the use and proportion of clean energy, and continuously optimize the energy structure.	<ul style="list-style-type: none"> <li>Formulate overall green energy goals and annual goals for each factory based on the conditions of each factory.</li> <li>Manage green energy procurement and use, track green electricity market trends, and find and select green power resources suitable for the organization.</li> <li>Establish and maintain data and records on carbon emissions and green electricity management to ensure the accuracy and completeness of the data.</li> </ul>
Resource efficiency	Improve the efficiency of natural resource utilization, reduce human activities' dependence on and damage to the external environment, and reduce the burden on the ecological environment.	<ul style="list-style-type: none"> <li>Use renewable materials in production and packaging to ensure product quality while enhancing the green and environmentally friendly attributes of the product.</li> <li>We started internal recycling of ton bags and worked with 10 partners to recycle and reuse pallets to improve resource utilization.</li> <li>Carry out green technical transformation work such as carbonization exhaust gas purification and waste heat recovery to reduce pollutants and greenhouse gas emissions in the production process.</li> <li>Train personnel of Process Equipment Department, Safety and Environmental Protection Department, etc., and strengthen the inspection, repair and maintenance of environmental protection equipment to ensure long-term and stable operation.</li> </ul>
Adaptation to climate change	Deploy climate change response plans in advance to mitigate and avoid financial losses caused by climate change risks.	<ul style="list-style-type: none"> <li>Formulate emergency response plans for natural disasters and climate change and carry out emergency capacity improvement activities to increase the stability of business operations, gain customer recognition and establish long-term cooperative relations.</li> </ul>

### Indicators and Targets

The Company set and disclosed carbon targets, adjusted the base year to 2023, broke down the targets into smaller parts and implemented them in each factory, and carried out carbon emission management work in accordance with ISO 14064 and other standards. Meanwhile, the Company received a B rating in the latest CDP climate change questionnaire, maintaining good performance at the manager level.

#### Shanshan Anode's "dual carbon" goal

- Based on 2023, a decrease of 3% took place each year.
- By 2030, the overall reduction of scope 1 and scope 2 will be 34%.
- Carbon neutrality will be achieved in operations (scope 1 and 2) by 2050.
- Carbon neutrality will be achieved in the value chain (Scope 1, Scope 2, Scope 3) by 2060.



ISO 14064 Greenhouse Gas Verification Statement

Category	2022	2023	2024
Scope 1	16,646.61	13,976.81	26,888.22
Scope 2(Location-based)	573,317.79	1,066,136.72	1,919,612.56
Scope 3	909,112.08	2,549,777.65	2,360,346.63
Total greenhouse gas emissions	1,499,076.49	3,629,891.19	4,306,847.40
Data coverage	Shanghai Headquarters, Chenzhou Factory, Fujian Factory, Ningbo Factory, Jiuyuan Factory, Qingshan Factory	Fujian Factory, Ningbo Factory, Jiuyuan Factory, Qingshan Factory, Sichuan Factory	Fujian Factory, Ningbo Factory, Jiuyuan Factory, Qingshan Factory, Sichuan Factory, Yunnan Factory

Greenhouse gas emissions (Unit: tCO<sub>2</sub>e)

On the basis of reducing carbon emissions in the production and operation stage, the Company gradually extends carbon reduction practices to the product category. Every year, we conduct full life cycle carbon footprint management from "cradle to gate" according to standards ISO 14044 and ISO 14067, providing data and practices for carbon reduction in the industrial chain and contributing low-carbon products to society.

#### Key performance

As of December 31, 2024,

the Company had one product - anode material FSN-1, which had obtained the ISO 14044 Life Cycle Assessment Verification Statement.



Shanshan Anode's ISO 14044 Life Cycle Assessment Verification Statement

As of December 31, 2024,

the Company had obtained ISO 14067 product carbon footprint certificates for a total of 5 products, 4 more than the previous year.



Shanshan Anode's ISO 14067 Product Carbon Footprint Certificates

# Efficient Pollution Prevention

## Pollutant Management

In accordance with the Environmental Protection Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Pollution Discharge Permit Management Measures and other laws and regulations and their requirements, the Company has formulated the Environmental Protection Management System, the Waste Gas Treatment Management System, the Wastewater Pollution Management and Control Regulations, the Waste Pollution Management Regulations, the Hazardous Waste Management and Control Regulations and other systems to define management responsibilities, carry out environmental management work, and ensure that waste gas and wastewater are discharged in compliance with emission standards, and that waste disposal meets environmental protection requirements. Meanwhile, the Company has further improved and refined the management level in the production process, set pollutant management goals and indicators, and avoided environmental penalties at the source through technical transformation and equipment upgrade emission reduction measures, thereby reducing the impact of pollutants generated during production and construction on the environment.



Pollutant management target indicators	Achievements
The emission concentration and total amount of pollutant factors meet the emission standards;	Achieved
The synchronous operation rate of various waste gas treatment and environmental protection facilities is 100%;	Achieved
The legal disposal rate of solid (hazardous) waste is 100%;	Achieved
The qualified rate of self-monitoring results is 100%;	Achieved

### Waste Gas Treatment

The Company's waste gas pollutants mainly include nitrogen oxides, sulfur dioxide, particulate matter, etc. The Company regularly monitored the emissions of each emission port and installed waste gas treatment facilities with online monitoring systems in some factories. We need to pay close attention to the pollution data and continuously improve the Company's environmental management to ensure that the waste gas within the Company are treated in accordance with the environmental impact assessment report, the approved relevant emission standards, and national and local policy requirements before meeting the emission standards.

In 2024

The Company's total waste gas emissions were

# 312.33

tons

And the emission compliance rate was

# 100%

### Case Shanshan Anode Ningbo Factory optimized waste gas treatment measures to improve VOCs removal efficiency

In 2024, in order to further improve waste gas treatment measures, Shanshan Anode Ningbo Factory transformed the original project's "water spray + oil spray + electric coke capture + incineration" measures into high-altitude emissions after RTO/TO treatment, and the removal rate of VOCs in sintering waste gas was increased from the original 95% to 99%, and VOCs emissions was reduced by 34.121t/a.



▲ RTO/TO Waste Gas Treatment Facilities at Shanshan Anode Ningbo Factory

### Case Shanshan Anode Qingshan Factory's Carbonized Exhaust Gas Purification Project drove green development with clean technology

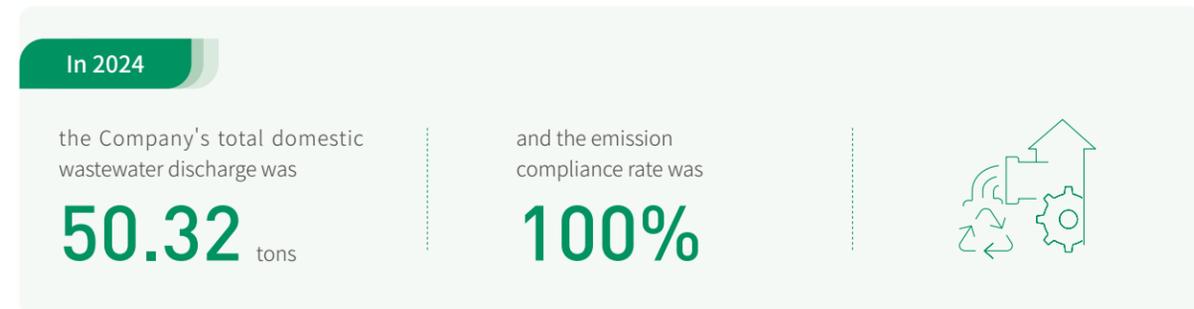
In 2024, in order to save natural gas energy consumption, Shanshan Anode Qingshan Factory implemented a technical transformation of centralized incineration of carbonized exhaust gas, reducing the unit consumption of natural gas for exhaust gas treatment of a single kiln from 30m<sup>3</sup>/hour to 20m<sup>3</sup>/hour, and driving breakthroughs in both production energy intensity and emission reduction efficiency through the upgrade of clean combustion technology, providing a reusable technical paradigm for the iteration of green and low-carbon processes.



▲ Carbonized Exhaust Gas Purification Project of Shanshan Anode Qingshan Factory

## Wastewater Treatment

The Company has built three major drainage systems in accordance with the principle of separating clean and dirty water and treating them according to their quality. That is, industrial wastewater, domestic sewage and rainwater must be discharged into the system pipe network and treatment system in an organized manner. Due to the Company's business characteristics, the wastewater generated is mainly domestic sewage, including major water pollutants such as COD and ammonia nitrogen.



## Chemical Safety Management

In accordance with the Regulations of the People's Republic of China on the Management of Controlled Chemicals, the Catalogue of Hazardous Chemicals and other national and local laws, administrative regulations and local regulations, the Company has established a chemical management system including the Management System for Chemicals, the Management System for Hazardous Chemicals and the Management System for Major Hazard Sources, which clearly defined the responsibilities and processes for the receipt, procurement, use and management of chemicals, and formed a management ledger for chemical warehousing, inspections, etc.

The Company has established chemical safety as a non-negotiable operational boundary, standardizing the management of hazardous chemicals and major hazard sources. Comprehensive safety risk assessments and controls are rigorously implemented, with heightened monitoring and governance over critical operational phases. Specifically, enhanced supervision and management measures are enforced throughout the storage, transportation, usage, and disposal of hazardous chemicals, ensuring all processes remain within safe operational parameters. Particular emphasis is placed on accident prevention and emergency response preparedness, including the development of detailed contingency plans, frequent emergency drills, and systematic improvements to incident-handling capabilities, thereby safeguarding employee safety.

The Company emphasizes the cultivation of safety awareness. By regular safety education and training, the Company has made employees fully aware of all potential risks posed by hazardous chemicals and the correct methods to respond to emergencies. In addition, the Company has established a sound safety awareness incentive mechanism to encourage employees to voluntarily comply with safety rules and regulations, strengthen safety awareness, and elevate the Company's safety culture.

The Company fundamentally ensures safety by reinforcing safety awareness, strengthening safety risk control, enhancing risk monitor and management, and solidifying safety responsibilities, supervision, and inspection. Through the summarization and implementation of these practices, the Company has elevated safety management standards, thereby protecting employees' safety and ensuring the stable operation of facilities.

The Company has consistently monitored high-concern substances related to products, such as RoHS, halogens, and REACH. In accordance with customer requirements and relevant laws, regulations, and standards, the Company has conducted screening tests and submitted test reports and results to customers to ensure the legal and compliant chemical safety practices.



### We are committed to

We strictly follow the laws and regulations on environmental management substances such as RoHS and REACH. During the new product development stage, we value the environmental and health attributes of the products, upgrade product health and safety standards, look for more environmentally friendly raw materials to replace hazardous chemicals, and report progress to stakeholders. In particular, we strengthen the awareness of chemical safety among customers and users, so that users have the fullest right to know about the chemical substances in the products.



▲ Test Report for RoHS, Halogen, REACH



# Optimize Resource Management

## Water Resource Management

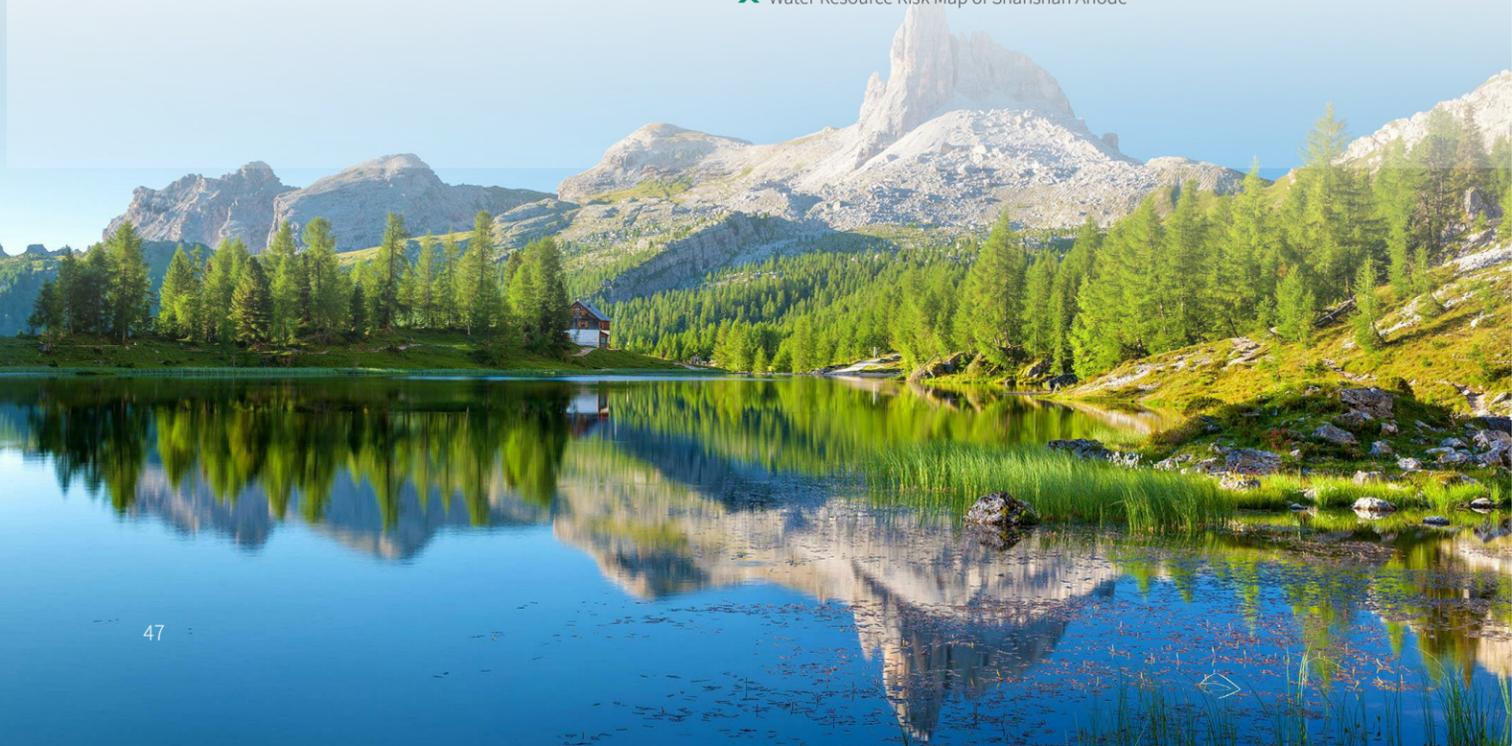
The Company attaches great importance to the conservation and management of water resources, strictly abides by the Water Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China and other relevant laws and regulations. We have formulated the Water Resources Management Measures to define the responsibilities of various departments in carrying out water resources management, increase the supervision and inspection of water use, organize monthly inspections of water use and the implementation of water-saving measures, and improve the efficiency of water resource utilization. Meanwhile, the Company regularly inspects and evaluates the daily water-saving management work of each department. The evaluation results are included in the Company's monthly evaluation. It uses incentives and evaluation methods to ensure that the goals of water conservation and pollution reduction are achieved and a water-saving enterprise is established.



The Company uses the Aqueduct™ tools developed by the World Resources Institute (WRI) to assess annual changes in water risk in its locations, covering indicators such as the quantity of physical risks (such as baseline water stress and impacts of meteorological hazards), the quality of physical risks (impacts on water quality), and regulatory and reputational risks. As of the end of the reporting period, all of the Company's factory sites were not located in or adjacent to water resource protection areas, and there was no negative impact on local water sources due to water extraction and discharge.

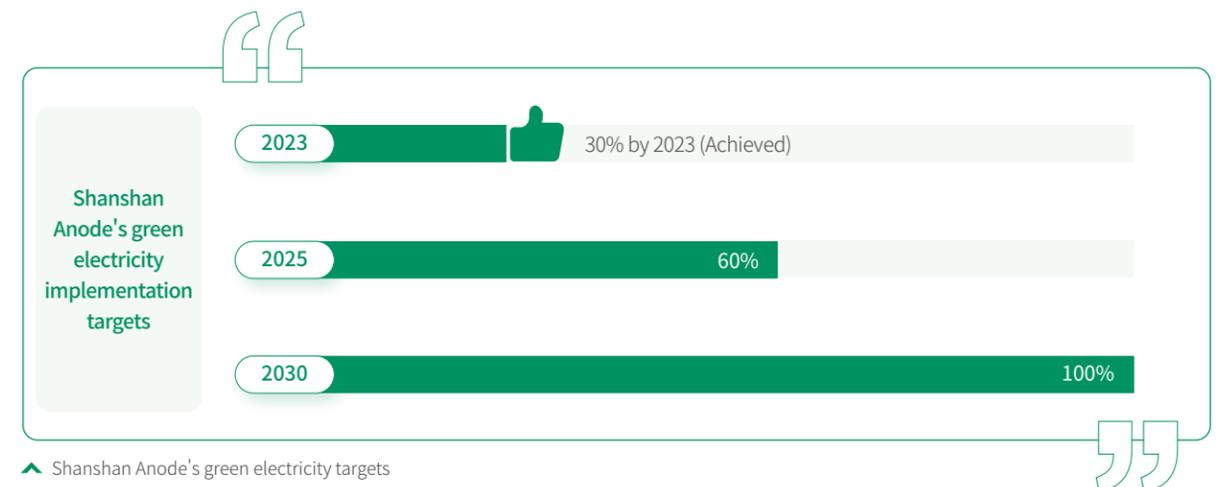


Water Resource Risk Map of Shanshan Anode



## Energy Management

The Company's mission statement is "standardized management, energy saving and efficiency improvement; compliance with laws and regulations, and continuous improvement". In order to implement the energy consumption management policy, we have established the Energy Management Manual and other systems in accordance with laws and regulations and the requirements of the ISO 50001 energy management system certification. We have set energy management goals according to the actual conditions of each company and factory, made the goals and measures more adaptable, formulated the path of energy conservation, actively carried out energy management practices, established a long-term mechanism for energy conservation and consumption reduction, promoted renewable energy substitution, continuously improving the energy management system and achieving sustainable development goals. As of December 31, 2024, three Shanshan Anode factories have obtained ISO 50001 Energy Management System certifications, with Shanshan Anode Sichuan Factory's facility achieving compliance in September 2024.

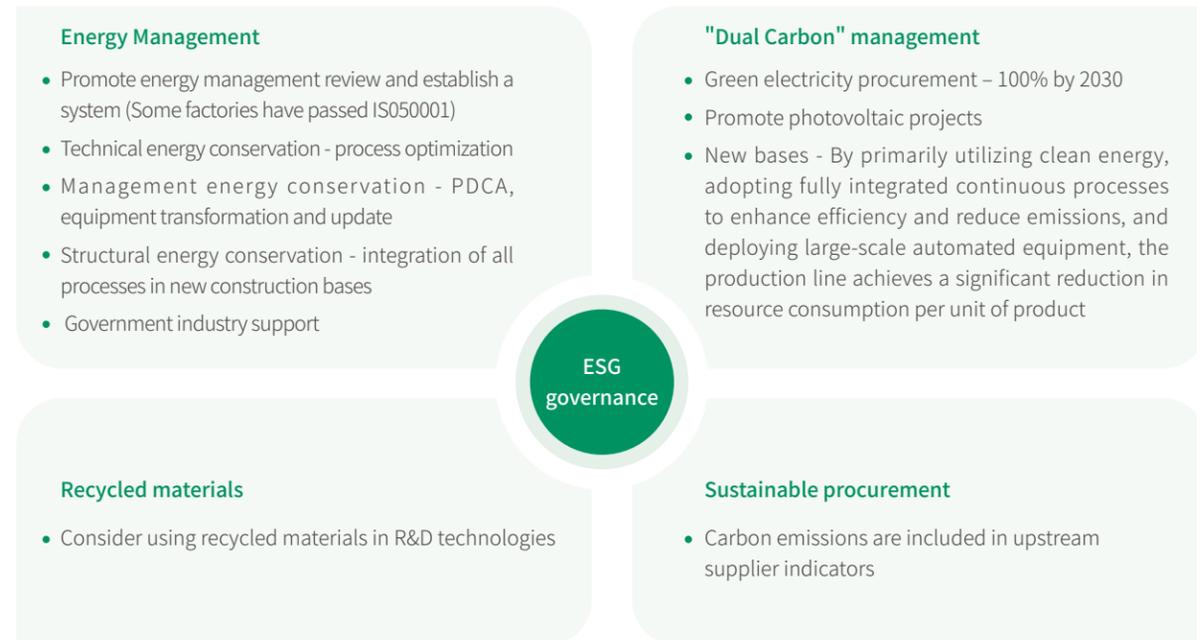


Shanshan Anode's green electricity targets

ISO 50001 Energy Management System Certification

The Company has formulated a four-step energy and carbon management action plan to achieve the goal of carbon neutrality in the value chain by 2060, starting from energy, carbon emissions, recycled materials, and sustainable procurement.

Action plan for energy/carbon management



Case Shanshan Anode actively participated in green electricity transaction and embraced clean energy opportunities

In 2024, Shanshan Anode's factories actively participated in green electricity transaction and green certificate transaction, with an annual trading volume of 1,834,122.56 MWh, primarily including wind, solar PV, hydropower, and nuclear energy, continuously promoting green and low-carbon transformation.

In 2024, the Company's purchased electricity contained **1,834,122.56** MWh green energy reaching **50.57%** of purchased electricity



Green Electricity Certificate (GEC) Transaction Vouchers (Partial)



Key performance

We actively promote the use of electric forklifts throughout the Company. As of December 31, 2024, a total of

**235** electric forklifts were in use, with **19** new units added, accounting for **68.31%** of the total forklifts.

Case

The Exhaust Gas Waste Heat System that Shanshan Anode Qingshan Factory introduced to comprehensively reduce the Factory's overall energy consumption

In November 2024, Shanshan Anode Qingshan Factory added two sets of plate heat exchangers for heating and one set of plate heat exchangers for hot water supply in the boiler room, and adopted a parallel plate heat exchanger system to optimize the original heating and domestic hot water circulation paths, forming a tiered energy supply model that complements waste heat utilization and conventional energy, and promoting the coordinated development of production operation cost reduction and ecological environment efficiency improvement. By December 31, 2024, the use of waste heat instead of boilers in the living area for heating saved 26,530 cubic meters of gas year-on-year, and the use of waste heat instead of boilers in the production area for heating saved 10,634 cubic meters of gas year-on-year. In total, 97,415 cubic meters of natural gas were saved.



Aerial Photo of the Newly Renovated Exhaust Gas Station

## Practice Circular Economy

The Company actively responded to the requirements of the circular economy, and gradually established a series of comprehensive management and control mechanisms for energy conservation, consumption reduction, recycling and reuse in the aspects of raw and auxiliary materials, production and waste, packaging, and transportation, promoting green, low-carbon and circular development through practical actions.

### Key honors

<p>Shanshan Anode Qingshan Factory was awarded the title of <b>"Green Factory in Baotao City"</b> May 2024</p>	<p>Shanshan Anode Sichuan Factory was awarded the title of <b>"Waste-Free Factory in Meishan City"</b> July 2024</p>
<p>Shanshan Anode Sichuan Factory was awarded the title of <b>"Green Factory in Meishan City"</b> June 2024</p>	<p>Shanshan Anode Ningbo Factory was awarded the title of <b>"Waste-Free Factory in Zhejiang Province"</b> December 2024</p>

### Waste Disposal

In strict compliance with laws, regulations and their requirements, the Company formulated systems such as the Waste Pollution Management Regulations and the Hazardous Waste Management and Control Regulations. The Safety and Environmental Protection Department provided a list of solid wastes generated in each production process, and supervised and inspected the processes of generation, transportation, temporary storage, utilization, and disposal. It also formulated a strict management process for hazardous wastes to reduce the risk of additional environmental pollution caused by hazardous wastes. The Company signed contracts with third parties with professional qualifications to dispose of waste in a classified manner, implemented full-process monitoring and data recording, ensured standardization, traceability as well as the legality and compliance of the entire process.



### Management Measures for Hazardous Waste

Hazardous waste shall be placed in storage facilities. The storage period shall generally not exceed one year and shall be managed by assigned personnel.

Facilities and places for storage, transportation and temporary storage of hazardous wastes must be equipped with hazardous waste signs, warning signs and nameplates in accordance with the law. The nameplates should indicate the code of the hazardous waste being stored, its hazard properties and the time when storage began.

Take protective measures that comply with national environmental protection standards, and establish containment and treatment facilities for leaks and overflow incidents.

Hazardous waste management signs and related information on hazardous waste that should be disclosed shall be posted in the temporary storage room for hazardous waste.

Hazardous waste containers, packaging and collection containers shall be marked with hazardous waste identification signs and affixed with hazardous waste labels.

The Production Department shall formulate the hazardous waste management plan for the year, and the Safety and Environmental Protection Department shall carry out emergency plans, training, drills, etc.



Temporary Storage Room for Hazardous Waste



Hazardous Waste Management Notice

### In 2024

The Company's total waste emissions were

**74,713.28** tons

including

**67,809.11** tons of general solid waste

Including

**6,904.17** tons of hazardous waste

And a total of

**68,257.14** tons of recycled waste

### Case

#### Shanshan Anode Ningbo Factory recycled waste liquid and comprehensively utilized hazardous waste

In 2024, Shanshan Anode Ningbo Factory carried out comprehensive utilization and disposal of 508.895 tons of waste oil generated during the production process. The disposal unit reused the waste oil as fuel, comprehensively utilized the value of hazardous waste and reduced pollution emissions.

### Packaging Material Recycling Management

To promote the concept of green development, the Company fully integrated recyclability features in compliance with international regulations, optimized packaging design, and ensured the recyclability of packaging materials. Furthermore, in collaboration with partners, the Company implemented initiatives such as pallet recycling, shared pallet systems, and bulk bag reuse to optimize transport routes and modes. Together, we explored green logistics solutions, fostered the development of a sustainable value chain, and advanced low-carbon sustainability.

Strengthen the classification management of solid waste, collect and store waste metal, wood and cardboard separately, and sell them as recyclable materials.

Encourage the reuse of ton bags and pallets, and sell the non-reusable scrapped ton bags and scrapped pallets as recyclable materials.

### Recycling and Reduction Measures

Customers were encouraged to return packaging materials, which were cleaned and reused upon recovery.

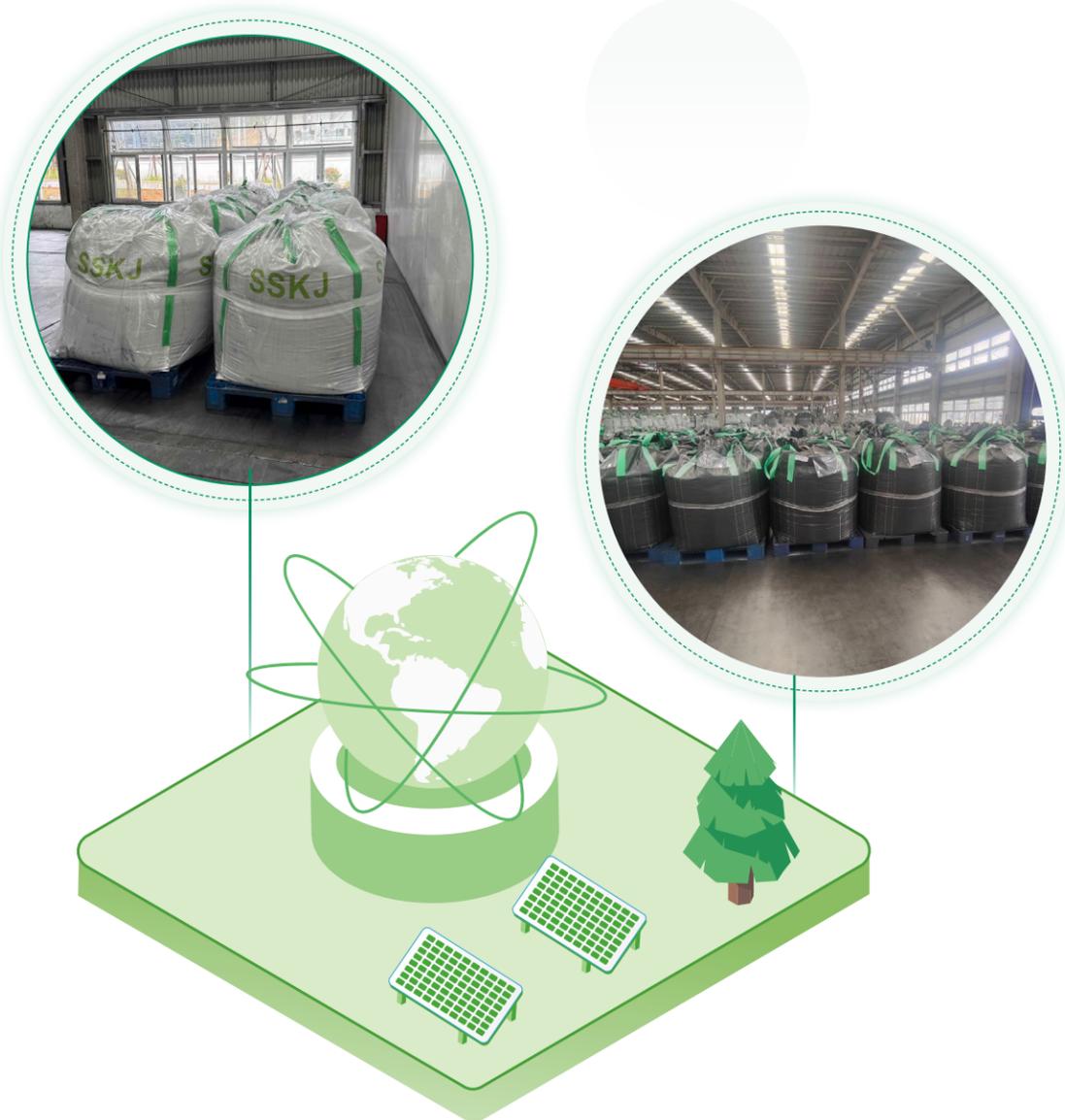
Promote packaging lightweighting and collaborated with clients to implement bare packaging shipments.

Case

Shanshan Anode Yunnan Factory introduced a packaging material recycling plan to promote recycling and reuse

From April to October 2024, the Production Departments 1 and 2 of Shanshan Anode Yunnan Factory used a total of 134,824 ton bags, of which 70,378 were recycled old ton bags, with a recycling rate of 52%. In order to further reduce solid waste pollution and waste of resources, Shanshan Anode Yunnan Factory issued the Waste Ton Bag Recycling and Reuse Plan (hereinafter referred to as the "Plan") in October 2024. Through measures such as improving material feeding and integrating personnel layout, and formulating a positive incentive mechanism based on 10% of the total amount of recyclable and reusable ton bags, we managed to promote the circulation, recycling and reuse of ton bags in factory workshops.

Thanks to the Plan, Shanshan Anode Yunnan Factory reused 24,313 old ton bags in November, with a recycling rate of 78%. In December, 17,182 old ton bags were reused, with a recycling rate of 60%. With the recycling rate of ton bags in both months exceeding 60%, the factory better responded to the global circular economy policy and promoted the green transformation of the industrial chain.



▲ Ton Bags Reused by Shanshan Anode Yunnan Factory

2024 年

Total amount of production material recycled and reused reached

**20,562.89** tons



Implemented packaging material recycling plan with

**10** partners

**741,613**

pallets and ton bags were recycled and reused

## Biodiversity Protection

The Company pays attention to biodiversity conservation and abides by relevant laws and regulations. Before selecting a site for factory construction, we conducted environmental assessments in terms of air, water, sound, soil, and ecological environments to ensure that all subsidiaries were not within the ecological red line, that there were no nature reserves in the surrounding area, and that there were no sensitive targets such as historical and cultural relics and scenic spots, and that there are no rare animals and plants and no relevant nature reserves in the surrounding area. The Company continuously monitored the possible impacts of its operating sites and business activities on biodiversity, striving to protect the surrounding ecological environment. In 2024, the Company found no significant impacts on biodiversity.





# Innovation-Driven Steering a Sustainable Future with Quality

## Concept

Shanshan Anode aims to promote technological progress in the industry and achieve sustainable development. By building a sustainable supply chain system, continuously investing in innovative research and development, strictly controlling product quality, and accurately meeting customer needs, we have comprehensively improved product competitiveness and market influence, laying a solid foundation for high-quality development and further consolidating our leading position in the industry.

## Our actions

- Build a sustainable supply chain
- Focus on innovative R&D
- Strict quality control and accountability
- Respond to customer needs



# Build a Sustainable Supply Chain

Shanshan Anode aims to achieve sustainable development of the supply chain. By building a green procurement system, optimizing resource utilization efficiency, strengthening supplier cooperation and improving supply chain transparency, we have comprehensively driven the green transformation and responsible practice of the supply chain. This not only reduces the environmental and social risks of the supply chain, but also provides customers with more competitive products and services, further consolidating the Company's leading position in the industry.

## Supply Chain Stability Management

To continuously optimize and manage qualified suppliers, promote their ongoing improvement, and ensure their sustained ability to meet specified requirements, the Company has established and rigorously implemented the Supply Chain Management Control Procedure. This Procedure has defined 16 major directions, including access to potential suppliers, supplier audit, supplier performance evaluation, annual supplier assessment and supplier due diligence management, so as to improve the development of supplier management.

## Supply Chain ESG Management

The Company strictly formulates supplier access principles in accordance with relevant laws and regulations, customer needs, supplier qualifications and other requirements, inspects all potential suppliers according to the supplier management and control procedures, issues trial production review reports, and conducts on-site reviews of important suppliers. Only after passing all reviews can they become qualified suppliers. In order to ensure the effective implementation of relevant ESG management work, the Company actively holds ESG training for supply chain management-related personnel to enhance their ESG supply chain management awareness and work level.

In addition, to further reduce supply chain risks, the Company has established supplier rating standards and conducted performance evaluation and graded management of suppliers. The Company conducts comprehensive assessments on qualified level-A and level-B suppliers every quarter based on the Supplier Assessment Summary Sheet. The assessment content includes 14 items such as quality, cost, delivery, service, environment, supply chain management, labor and human rights, health and safety, greenhouse gas emissions, and governance. The Company also requires level A and level B qualified suppliers to obtain ISO 9001 certifications from accredited third-party certification bodies. In order to strengthen the control of hazardous substances, the Company requires suppliers of major raw materials, secondary raw materials, packaging and auxiliary materials to provide relevant product RoHS information, and update it once a year to explain the ingredients of the products provided.

Supplier rating	Supplier score	Supplier management measures
A (Excellent)	Total score $\geq$ 90 points	The purchase ratio can be increased by about 10% to 20%
B (Acceptable)	80 points $\leq$ total score < 90 points	Approved for normal purchase
C (Conditional acceptance)	65 points $\leq$ total score < 80 points	Triggering a yellow card requires counseling and reducing the purchase ratio by 10% to 20%
D (Unacceptable)	Total score < 65 points	A red card is triggered. If a supplier fails to meet the standards twice in a row or twice in total within one year, the supplier may be eliminated and removed from the qualified supplier list and included in the Suspended Supplier List

Supplier Ratings and Management Measures

Committed to maintaining the highest ethical standards in all business operations, the Company requires suppliers to sign the Social Responsibility Commitment and the Sunshine Agreement to ensure that suppliers' behavior fully complies with legal and regulatory requirements and is consistent with the Company's business ethics. In addition, the Company sends the Commitment to Integrity to all suppliers during major holidays and requires them to stamp and send it back. In 2024, the Company issued 369 anti-corruption compliance confirmations to stakeholders, with 339 signed acknowledgments returned, achieving a 91.87% response rate.

In 2024

The Company's cooperative suppliers (including annual qualified suppliers and potential suppliers) totaled

# 320

the proportion of newly admitted suppliers signing the Supplier Code of Conduct was

# 100%

the proportion of suppliers signing environmental and labor requirements clauses was

# 100%

and there were **0** supplier determined to have actual and potential significant negative social impacts and negative environmental impacts.



Sunshine Agreement



Integrity Notice Sent during the Spring Festival

## Conflict Minerals Management

The Company attaches great importance to conflict mineral management and clearly states that suppliers should commit to complying with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act on legal requirements for responsible mineral supply chains. The Company recognizes that there are risks of significant adverse impacts in the mining, trading, processing and export of mineral resources in conflict-affected and high-risk areas, and the obligations to respect human rights without fueling conflict and producing a negative impact on the environment and society.

In addition, the Company stipulates that suppliers should formulate policies to reasonably ensure that the natural graphite contained in their manufactured products will not directly or indirectly provide funds or benefits to armed groups that seriously violate human rights in the Democratic Republic of the Congo or its neighboring countries/regions. It sets up and requires suppliers to fill out the Responsible Mineral Sourcing Assessment Form to conduct self-assessment of conflict mineral risks, and conducts systematic conflict mineral risk assessments on them through the Supplier Information Form, the Regional Risk Assessment Form and the CAHRAs Risk Warning Identification Form.

## Focus on Innovative R&D

Shanshan Anode regards technological innovation as its core driving force and continuously promotes product upgrades and industry progress. The Company continues to enhance its core competitiveness by increasing R&D investment and optimizing the intellectual property protection system, which has also opened up new growth space for the industry and further consolidated its leading position in the global market.

### R&D-driven Development

The Company aims to lead technological change in the industry by continuously promoting R&D innovation, breaking through technological bottlenecks, and optimizing product performance and solutions. In order to further improve its R&D level and fully mobilize the enthusiasm and initiative of employees to engage in R&D and innovation, the Company has formulated and implemented the Incentive Measures for R&D Projects to commend and encourage teams and individuals with outstanding performance in R&D and innovation activities, and promote R&D and innovation work to move steadily to a higher level, thereby enhancing its technical strength and market competitiveness, injecting new vitality into the industry, and helping to achieve a more efficient and sustainable development path.



#### Case

#### A review meeting was held for postdoctoral research proposals for R&D talents

In July 2024, the Company and the Ningbo Institute of Materials Technology and Engineering, Chinese Academy of Sciences jointly held a postdoctoral proposal report review meeting for two introduced R&D talents, Dr. Yin Xiuping and Dr. Ren Xiaoying. The two doctors successfully completed the proposal reports and officially started their postdoctoral research. The two doctors' research topics were "Study on the influence of pore structure of lithium-ion battery negative electrode materials on electrochemical performance" and "Development of polymer composite solid electrolytes and research on their matching silicon-carbon negative electrode materials". In the future, they will continue to explore new negative electrode material solutions suitable for green industrialization.



Review Meeting for Postdoctoral Research Proposals

Shanshan Anode was authorized a total of **3** overseas patents in 2024, achieving major breakthroughs in the field of new silicon-carbon research.

US11876220B2

Silicon-based anode material for secondary battery and preparation method thereof, secondary battery

CA3203562C

Silicon-based anode material and preparation method thereof, lithium ion battery

CA3203502C

Silicon-based anode material for secondary battery and preparation method thereof, secondary battery

#### High initial efficiency technology

- With the self-developed coating agent D18, the surface defect concentration of carbon materials is reduced, and the initial charge and discharge efficiency of the material in battery cell applications is improved.
- The initial efficiency is increased by 1.0-2.0% compared with traditional asphalt coating agents, reducing lithium loss during battery cycling and improving the cycle life and high temperature performance of the material.

#### Oxidation etching technology

- This technology can achieve a simultaneous increase in capacity and compaction by performing oxidation etching on the surface of artificial graphite, with a capacity increase of 3-5mAh/g and a compaction increase of 0.05-0.08g/cc, which can effectively improve the product cost performance.
- Currently, it has been verified and promoted on the customer side.

#### Shanshan Anode's R&D Achievements in 2024

#### High temperature modification technology

- After the material surface is carbon-coated, the continuous graphitization furnace and improved conventional furnace technology are used to achieve mass production of low-temperature graphitization process, which can reduce the activity of the surface coating layer, improve the storage performance of natural graphite, and meet the performance requirements of power batteries for high energy density and compatible life.

#### High-performance new silicon carbon AS6

- The silane cracking deposition route is adopted to overcome the problem of uniform deposition of silicon, with no empty carbon nor floating silicon in the products. Shanshan Anode provides a series products, such as low-cost biomass-based product AS6A, resin-based low-expansion product AS6BP and spherical high-density product AS6S.
- The product features high initial Coulombic efficiency (>90%), high capacity (>1,800mAh/g) and long cycle (>1,200cls).
- The AS6 series products are currently leading in performance in the test results of South Korean power customers, and are also used as base groups by many European and American customers.

## Intellectual Property Management

The Company attaches great importance to the management and protection of intellectual property rights. By continuously improving the construction of the intellectual property system, it has formulated and implemented a series of standardized documents such as the Intellectual Property Management Measures, the Trade Secret Protection System, and the Patent Management System, and has established a comprehensive intellectual property protection mechanism. The Company has a professional patent management team, which incorporates intellectual property protection into its code of business ethics, and makes it clear that company employees should properly protect the Company's intellectual property, strictly prohibit the theft and unauthorized use of the Company's intellectual property for personal purposes. The Company conducts continuous training to improve the professional level of patent management personnel and strengthen employees' awareness of intellectual property protection. In 2024, the Company was awarded a new certificate of intellectual property management system certification.

### Case

#### Training was held for full-time intellectual property personnel

In March 2024, the Company hired lecturers from a third-party institution and organized intellectual property professionals to conduct 32-hour professional training on the theme of intellectual property management of corporate products entering overseas markets. The training aimed to strengthen the professional capabilities of the Company's intellectual property security management team and help to improve the Company's level of intellectual property protection.



▲ Certificate of Intellectual Property Management System Certification

## Digital Construction

The Company continues to explore and build a comprehensive and in-depth digital management system, and proposes the management concept of "regarding data as the core driving force, using modern information technology to deeply integrate and optimize the Company's business activities, and realizing efficient use of information resources, accurate and fast decision-making processes, and intelligent operation management". We are committing to promoting the transformation of production models towards intelligence, continuously improving the value of data mining, process transparency, and real-time dynamic monitoring capabilities through holistic and systematic digital transformation, and to achieving high-quality growth of the Company and innovative creation of social value.



By establishing a unified and shared information platform, Shanshan Technology Shanghai headquarters can monitor and supervise key information such as inventory, output, cost and cash flow of each factory in real time, and effectively use the data technology platform to provide management with comprehensive, timely and accurate decision-making information support.



Integrate internal upstream and downstream information resources with business processes, automate transactional tasks, unify financial and operational functions, enhance cross-departmental collaboration, improve asset operational efficiency, optimize production coordination, and significantly boost overall work efficiency.



Respond quickly, improve customer experience, meet customer requirements, and increase support for new production bases by introducing standardized processes and IT systems.

### As of the end of 2024



According to the actual needs of the factories and the development trend of the enterprise, the MES intelligent manufacturing system has been introduced in Qingshan Factory, a production digital management platform has been built, and an intelligent production line and intelligent manufacturing factory have been created.

Gradually promote the implementation of the MES intelligent manufacturing system in Sichuan Factory, Yunnan Factory and Ningbo Silicon-based Materials Factory, and reshape the traditional production processes through digital means to achieve real-time monitoring, accurate prediction and efficient scheduling of the production process.

Use QMS and LIMS systems to strengthen quality control management, reduce production costs, improve product and service quality, and thus enhance market competitiveness.

Systematically and automatically collect data related to the graphitization production process, build a production data model through IT technology, and improve product quality control; explore feasible solutions on how to recycle waste heat generated in the production process to indirectly achieve cost reduction and efficiency improvement.

# Strict Quality Control and Accountability

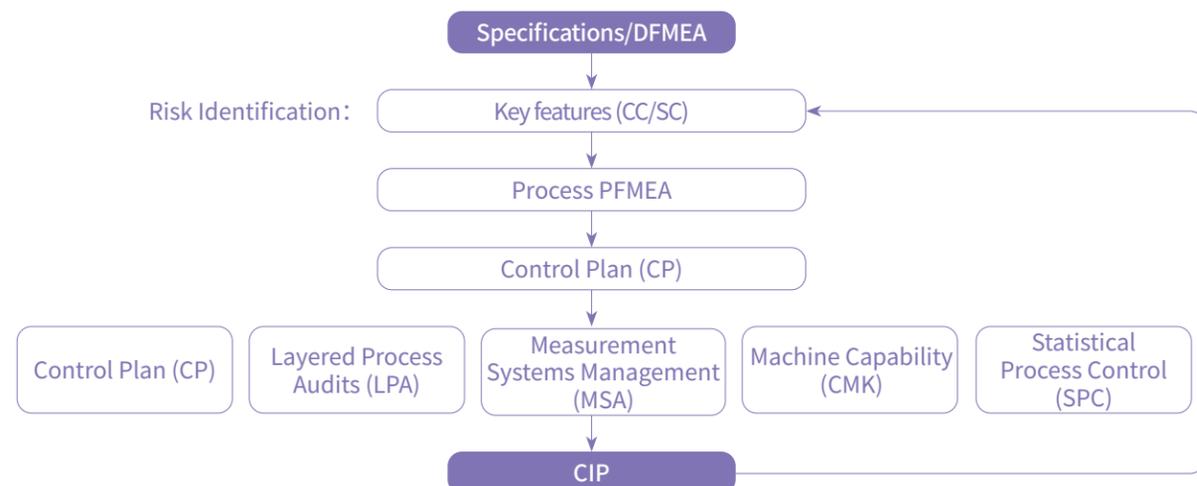
Shanshan Anode adheres to its own quality benchmark, regards meeting customer needs as its mission and pursues zero-defect standards. It has formulated the Management Manual for Quality, Environment, Occupational Health and Safety, the Control Procedure for Project Management, the Control Procedure for Product Manufacturing, the Control Procedure for Corrective and Preventive Measures, the Control Procedure for Non-conforming Product Management and the Control Procedure for Continuous Improvement in accordance with international quality management system standards such as IATF 16949, ISO 9001, ensuring that every link from project initiation to product delivery is subject to strict quality monitoring. We have actively carried out quality management training and activities to effectively improve the overall quality of products. Meanwhile, we have piloted and promoted product life cycle management measures in some factories to further improve quality management and enhance customer satisfaction and trust.

## Shanshan Anode's Quality Policy

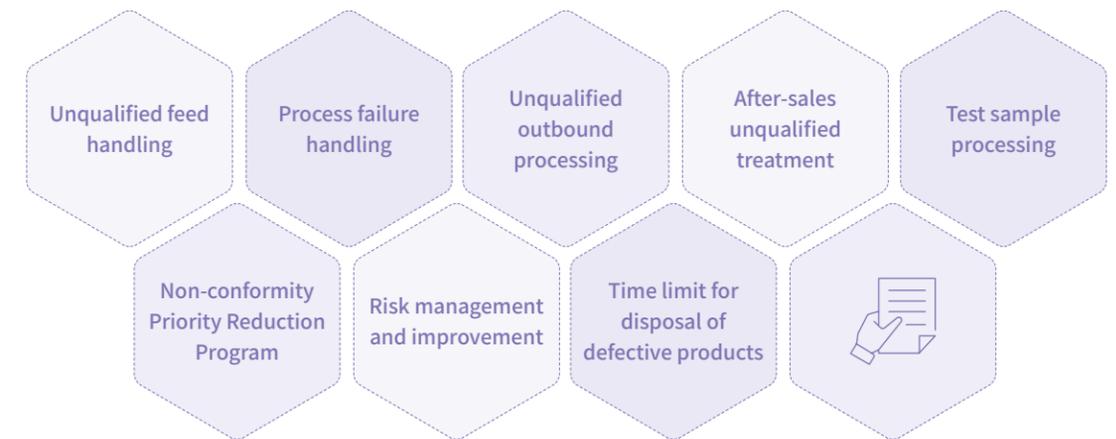
The Company has built Shanshan Technology as a global brand. Cherish quality and reputation as the life of the enterprise, and provide customers with high-quality products and perfect services. Fulfill all commitments, continuously innovate and improve, and achieve and exceed customer expectations. Become an industry benchmark in the lithium-ion battery anode material market, and promote the development of new energy business.



Shanshan Anode's ISO 9001 Quality Management System Certification, Shanghai Anode's IATF System Certification



The Whole Process of Quality Management



Correction, Prevention & Continuous Improvement

## Case: SPC statistical process control training was conducted to improve product monitoring and risk prevention capabilities

In March 2024, in order to further enhance employees' awareness of the quality management system and customer requirements and empower employees, the Company organized SPC statistical process control training to enable employees to better monitor products and prevent risks.



SPC Statistical Process Control Training

**Case** Shanshan Anode promoted foreign matter management regulations to improve clients' satisfaction

In October 2024, Shanshan Anode's Quality Department took the lead in organizing special training on foreign matter management in anode factories, focusing on the control standards of magnetic materials, covering 150 key employees in multiple departments such as production, quality, testing, equipment and PMC, promoting the penetrating implementation of standards and cross-departmental collaborative execution, and laying a solid foundation for product consistency control.

## 异物管理规定宣导

部 门: 上海品质部

▲ Promotion of Foreign Matter Management Regulations

**Case** A series of quality month activities were carried out to lay a solid foundation for quality improvement work

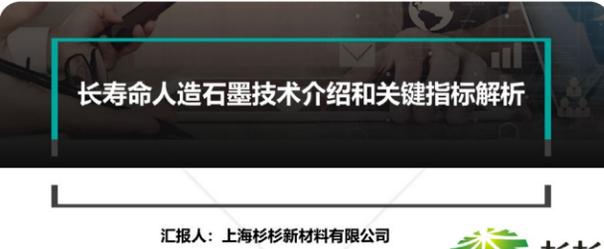
Every year the Company actively launches a series of Quality Month activities, such as improvement initiatives, knowledge competitions, and special seminars. These efforts strengthen quality awareness across all employees, deepen quality expertise, resolve quality issues, and ultimately enhance customer satisfaction. From September to November 2024, the Company's Shanghai Headquarters and local factories held three special seminars and conducted online training through live broadcast software. The seminar topics were first principles, metal foreign matter management methods and applications, and long-life artificial graphite technology introduction and key indicator analysis, which consolidated and enhanced the professional knowledge of employees and laid a solid foundation for future quality improvement work.



第一性原理



金属异物管理方法及运用



长寿命人造石墨技术介绍和关键指标解析

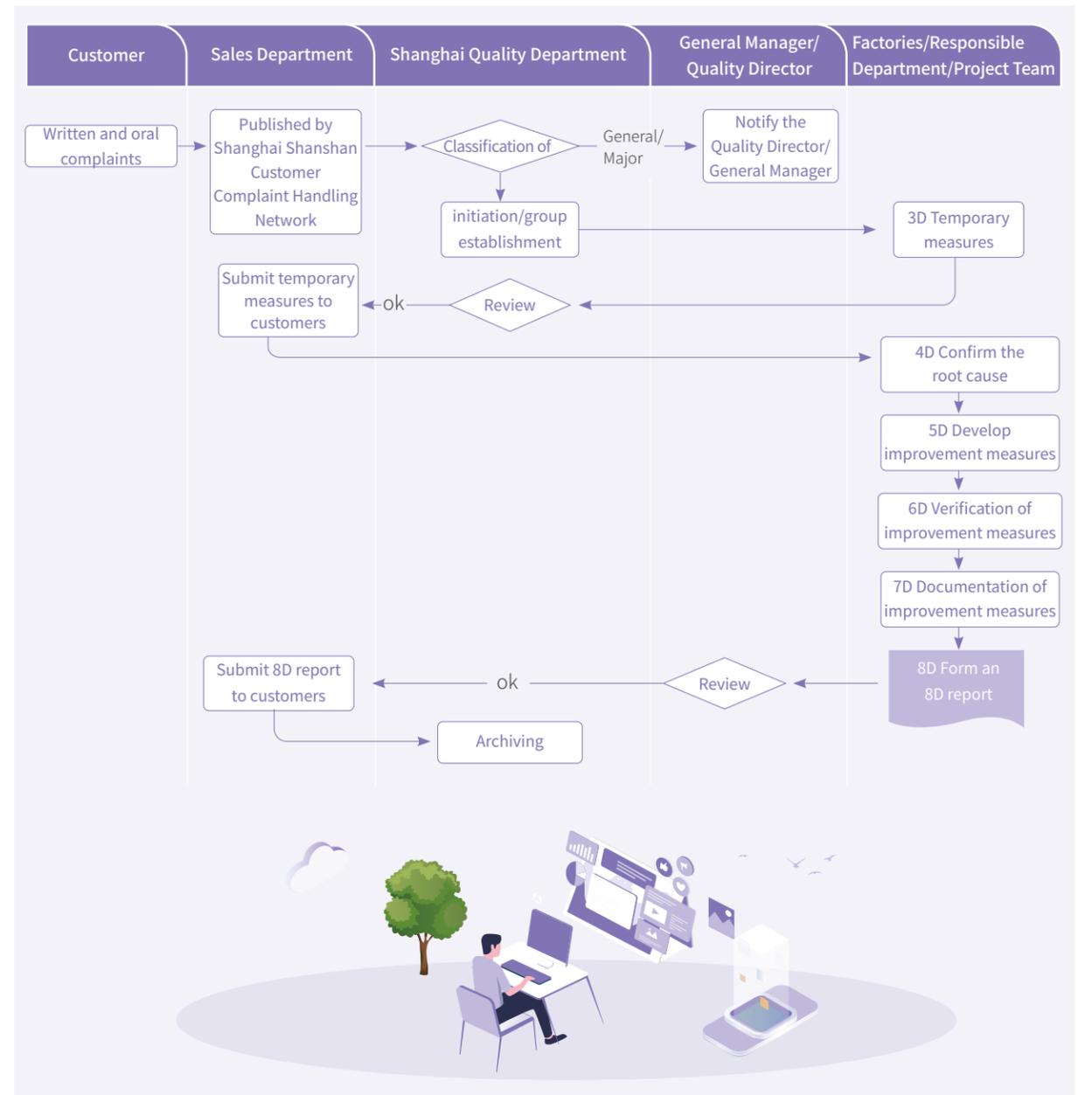
汇报人: 上海杉杉新材料有限公司



▲ Quality Seminar

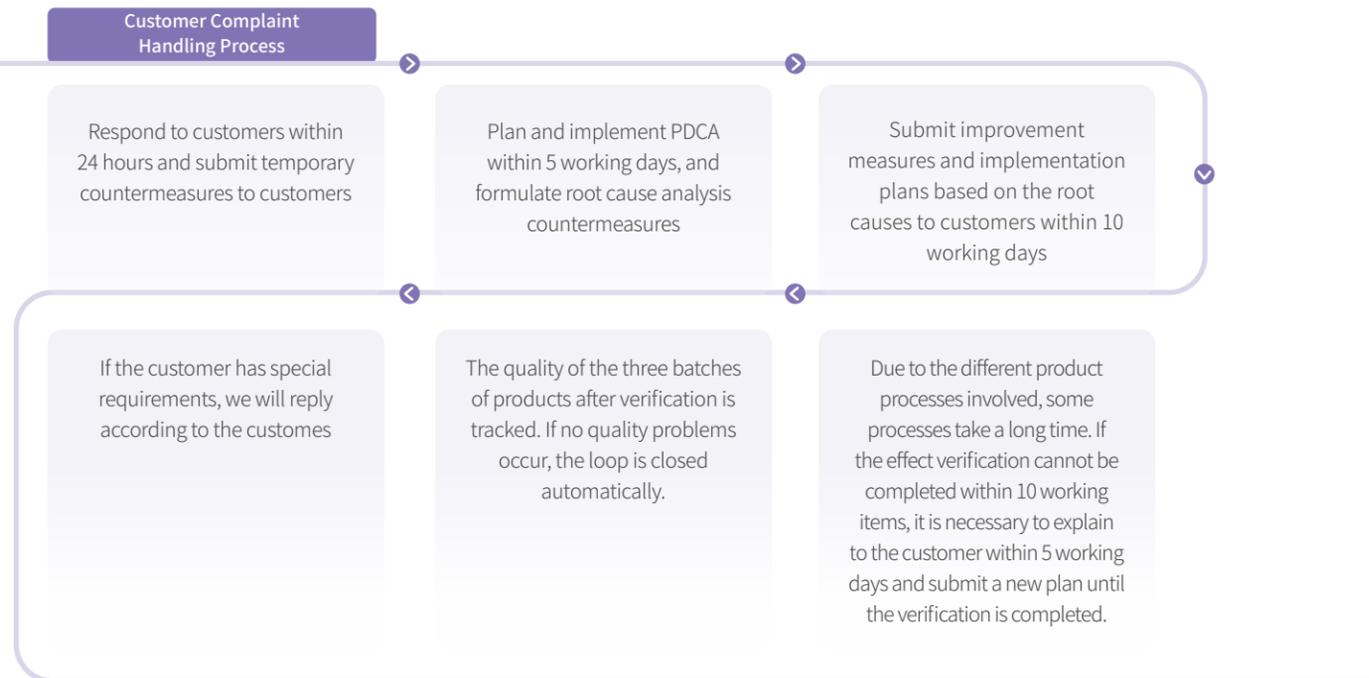
## Respond to Customer Needs

Shanshan Anode adheres to the philosophy of customer-centric and always regards improving customer experience as its top priority. Upholding the concept of all-round service, the Company has formulated systems such as the Customer Satisfaction Control Procedure and the Customer Complaint Handling Regulations, built and continuously optimized the customer complaint handling process, actively responded to customer complaints, shortened response time and improved work efficiency. Meanwhile, the Company regularly conducts training on product knowledge, service skills, communication skills, etc. to optimize customer service processes and professional capabilities, effectively reducing customer complaints and continuously improving customer satisfaction.

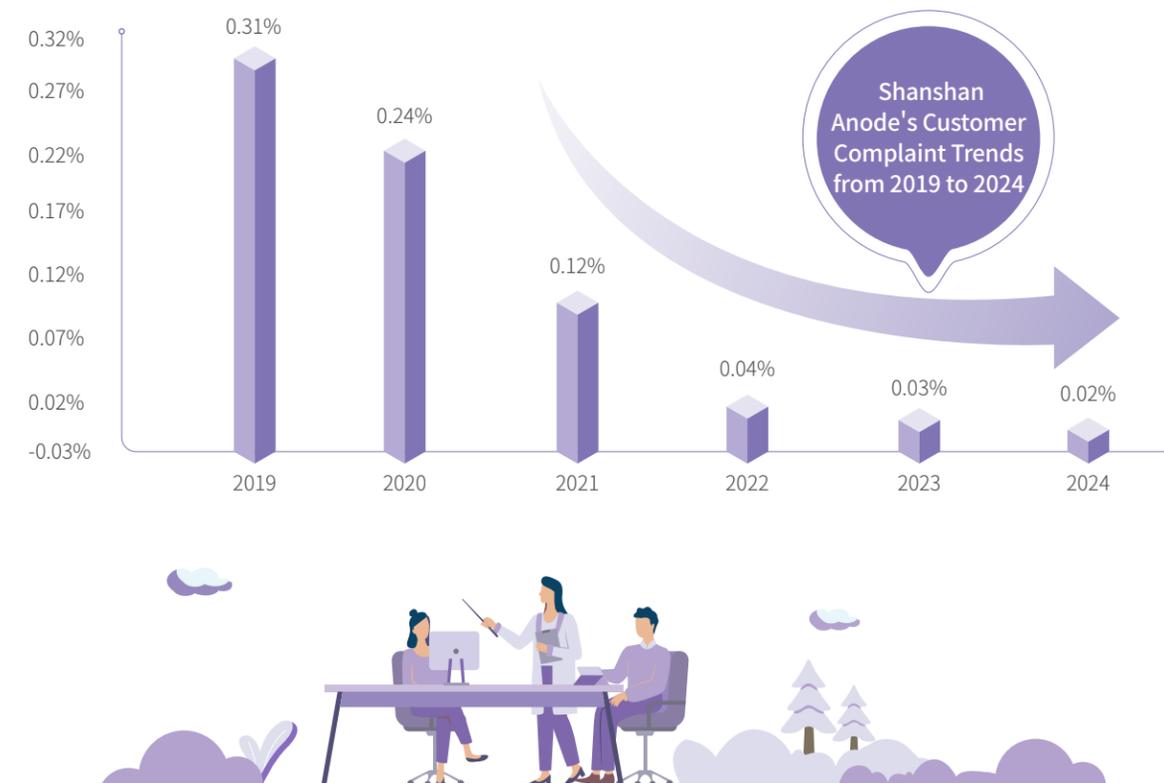


▲ Customer Complaint Handling Process

The Company has established a tiered customer complaint management system, defining graded response timelines and resolution mechanisms. Proactive measures ensure effective complaint resolution, upholding accountability and service integrity.



Customer Complaint Handling Process



The Company formulates and implements customer satisfaction control procedures. According to its business objectives and customer satisfaction in previous years, the Company sets customer satisfaction targets and conducts regular customer satisfaction surveys. After the survey, it issues a research report and proposes and implements targeted corrective measures.



**In 2024**

The Company conducted a customer satisfaction survey, with domestic customer satisfaction being **95.75** points

And overseas customer satisfaction being **92.52** points

**Key Honors**

- Won the ATL Carbon Reduction Pioneer Award
- Won the 2024 CATL Quality Excellence Award
- Won the 2024 Excellent Supplier Award from Zhuhai Guanyu
- Won the 2024 Delivery Excellence Award from Honeycomb Energy
- Won the 2024 Excellent Quality Award from Farasis Energy
- Won the 2024 Strategic Partner Award from Sunwoda

# 4

## Visionary Navigation Forging High-Performance Collectives with Aspirational Synergy

### Concept

Upholding the value concept of "focusing on strivers", Shanshan Anode is committed to creating a good working environment and development platform for employees, improving employees' job satisfaction and work efficiency, and creating a more outstanding corporate culture. The Company pays attention to the physical and mental health of employees through employee satisfaction surveys, employee communications and other means, creating a healthy and safe working environment for employees to achieve a win-win situation of high-quality development of the Company and growth of employees.

### Our actions

- Protect employees' rights and interests
- Promote employee development
- Diverse employee well-being initiatives
- Occupational health and safety



# Employee Employment and Rights

Shanshan Anode strictly implements the Labor Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Women's Rights and Interests and other laws and regulations, follows the standards and requirements of the Responsible Business Alliance (RBA), and promotes the value concept of "focusing on strivers". We have formulated the Labor Rights Protection Policy and the Recruitment Management and other systems and established comprehensive striver evaluation standards, assessment systems, and incentive mechanisms so as to build a sustainable development talent platform for employees, manage the Company's talents more effectively, improve employee satisfaction and capabilities, promote the steady development of the Company, and achieve a "win-win" situation for the Company's strategic goals and talent development.



Employment and Talent Concepts

# Compliance with Employment Regulations

Firmly believing that corporate development and talent development complement each other, the Company is committed to recruiting employees in a fair, equitable and open manner. Every year, the Human Resources Department formulates an annual human resources establishment plan and recruitment plan based on the Company's development strategy and management requirements. Through multiple recruitment channels such as internal recruitment, online recruitment, and headhunting, we introduce first-class talents who are talented and able to cooperate, cultivate loyal, excellent people who identify with the Company's corporate culture, continuously improving its talent reserve management mechanism.



As of December 31, 2024

The total number of employees was **5,217**

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Including **1,148** new employees.

# Equality, Diversity and Inclusiveness

The Company respects the human rights of its employees and promises to ensure equal pay for equal work in employment, remuneration, benefits, development, selection, promotion and other matters. It resolutely does not employ child labor and has signed the Commitment on No Child Labor. It does not engage in or support any discrimination or unfair treatment of employees based on their race, beliefs, gender, religion, age, marital status, nationality, disability, sexual orientation and other factors. It has a zero-tolerance attitude towards insulting or degrading behavior, including corporal punishment, mental abuse, physical abuse, violence, obscene language and sexual harassment, and guarantees that no medical tests or physical examinations with discriminatory purposes will be conducted, and actively builds an inclusive and harmonious labor relationship. In 2024, there were no incidents of forced labor, child labor or other violations of employee rights.



As of December 31, 2024

The Company had <b>222</b> minority employees	and <b>42</b> employees with disabilities	
<b>40</b> female R&D employees	of which women accounted for <b>26.26%</b> of middle management	and <b>23.40%</b> of senior management

2024 Staff Structure

<p><b>Gender structure of employees</b></p> <p>804 Female employees, 4,413 Male employees</p>	<p><b>Age distribution of employees</b></p> <p>255 employees under 30 years old, 3,446 employees aged 30-50, 1,516 employees aged 50 and above</p>	<p><b>Education level of employees</b></p> <p>901 Below Bachelor's degree, 4,083 Bachelor, 233 Master and Ph.D.</p>
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## Employee Communication

The Company adheres to the people-oriented principle and respects the rights of all employees to freely associate and participate in collective bargaining. We attach great importance to listening to the voices of grassroots employees in its daily work, facilitate communication between employees and the Company, conduct employee satisfaction surveys, fully protecting the legitimate rights and interests of employees and enhancing employee cohesion.

### Case

#### An employee satisfaction survey

In December 2024, Shanshan Anode conducted an employee satisfaction survey focusing on the personal rights and needs of employees, covering multiple dimensions such as work environment, working hours, leadership attention, work recognition, colleague relationships, leadership communication, job responsibilities, and job challenges. Through questionnaire surveys and analysis of questionnaire results, the Company conducted self-examination of existing management problems, optimized management mechanisms, and improved the level of the management team. In 2024, the employee participation rate of Shanshan Anode Employee Satisfaction Survey was **88.7%**, and the overall satisfaction rate was **85.67%**.



## Promote employee development

Shanshan Anode aims to achieve win-win results between employee growth and corporate development. By improving the training system and optimizing career development channels, it fully supports employee capacity improvement and career development. This not only enhances employees' sense of belonging and creativity, but also provides a solid talent guarantee for the Company's continuous innovation and high-quality development.

### Staff Training

In order to help employees to master the necessary knowledge and skills and optimize the management and implementation of internal training, the Company has formulated and implemented the Employee Training Management System and continuously improved the construction of the training system based on the basic principles of training management of "practicality, effectiveness and pertinence". The Company encourages employees to continuously improve their personal abilities through continuous learning and skills improvement, thereby promoting the improvement of the overall team efficiency. Every year, through sufficient research, the Company formulates multi-dimensional training plans covering management capabilities, professional skills, industry knowledge and professional qualities to ensure that employees remain competitive in a rapidly changing industry.



▲ Formulation Process for Training Plans

### In 2024

The Company organized **2,126** training sessions throughout the year

with a coverage rate of

**100%**

**5,217** employees participated in the training



The total training duration was

**49,378** hours

And the average training duration per person was

**9.46** hours

Specifically, the total training time for female employees was

**9,826.31** hours

The total training time for male employees was

**39,551.59** hours

and the total training time for senior management was

**211.50** hour



## New Employee Training

In order to help new employees quickly integrate into the team and improve their job competency, the Company fully supports the career start-up and development of new employees through systematic induction training. We develop training plans and courses for fresh graduates recruited from campus and employees recruited from the society to ensure that new employees can quickly understand the Company's conditions, fit in and start working as soon as possible.

### Case Paragon Initiative: Lithium Science Training Program in 2024

To strengthen the talent pipeline for sustainable competitiveness, the Company has onboarded over 100 elite graduates from world-class institutions holding bachelor's, master's, and Ph.D. degrees. In July 2024, Shanshan Anode's 24 lithium specialists convened at the Anning facility in Yunnan Province, marking the launch of the Paragon Initiative at its benchmark anode production base.



▲ Paragon Initiative training site



▲ Welcoming the new employees of 2024

### Case Shanshan Anode's social recruitment and employee training

Considering that the new employees recruited from the society already have certain work experience and professional knowledge, Shanshan Anode customizes a series of relatively short-term training for them, including 9 courses such as the basic knowledge of lithium batteries and induction quality training. The training lasted for 6 hours in total, helping new employees quickly understand and integrate into the Company and get into work as soon as possible.

Course name	Main content	Responsible department	Class hour(hours)
Basic Knowledge of Lithium-ion Batteries	Basic knowledge of lithium-ion batteries	Research and Development Department	1
Induction Quality Training		Quality Department	0.5
Ensure Your Safety	3-level safety education and training	Safety and Environmental Protection Department	1
Development Trends and Latest Progress in the Anode Industry		Research and Development Department	0.5
Quickly Understand the Technology and Process of the Anode Industry from 1-100	Technology and process	Technical Department	0.5
Products and Markets	Products and Markets	Marketing Department	0.5
Streamlined Procedures for Reimbursement Review	usiness trip and expense reimbursement	Finance Department	0.5
Shanshan Takes off - IT Information Support	IT systems	IT Department	0.5
Aspire to an Outstanding Employee	Sharing of personnel policy	Personnel Department	1

▲ Induction Training for New Employees

## Professional Training

The Company attaches great importance to the continuous education and personal growth of employees, provides employees with training programs related to obtaining professional certificates and improving professional capabilities, integrates internal and external education development resources, formulates core talent training programs, and organizes employees to participate in various professional training sessions. Meanwhile, it also encourages employees to form an open, shared, and mutually supportive learning atmosphere through sharing, public classes, E-learning online platforms, and overseas education, so as to improve their comprehensive capabilities.



▲ E-learning Online Platform

**Case** AI skills training was carried out to improve the professional capabilities of all employees

From March to December 2024, Shanshan Anode coordinated the promotion of special training on AI office skills, systematically carried out four courses including AI prompt word optimization, data analysis, localized deployment and cultural image application, involving 200 employees and achieving a 100% pass rate. While accelerating the Company's digital transformation process by building a digital talent team, the training injected core momentum into the upgrade of the smart office system.



AI Office Skills Training

**Case** The Customs AEO certification training was carried out to enhance compliance awareness among supply chain-related employees

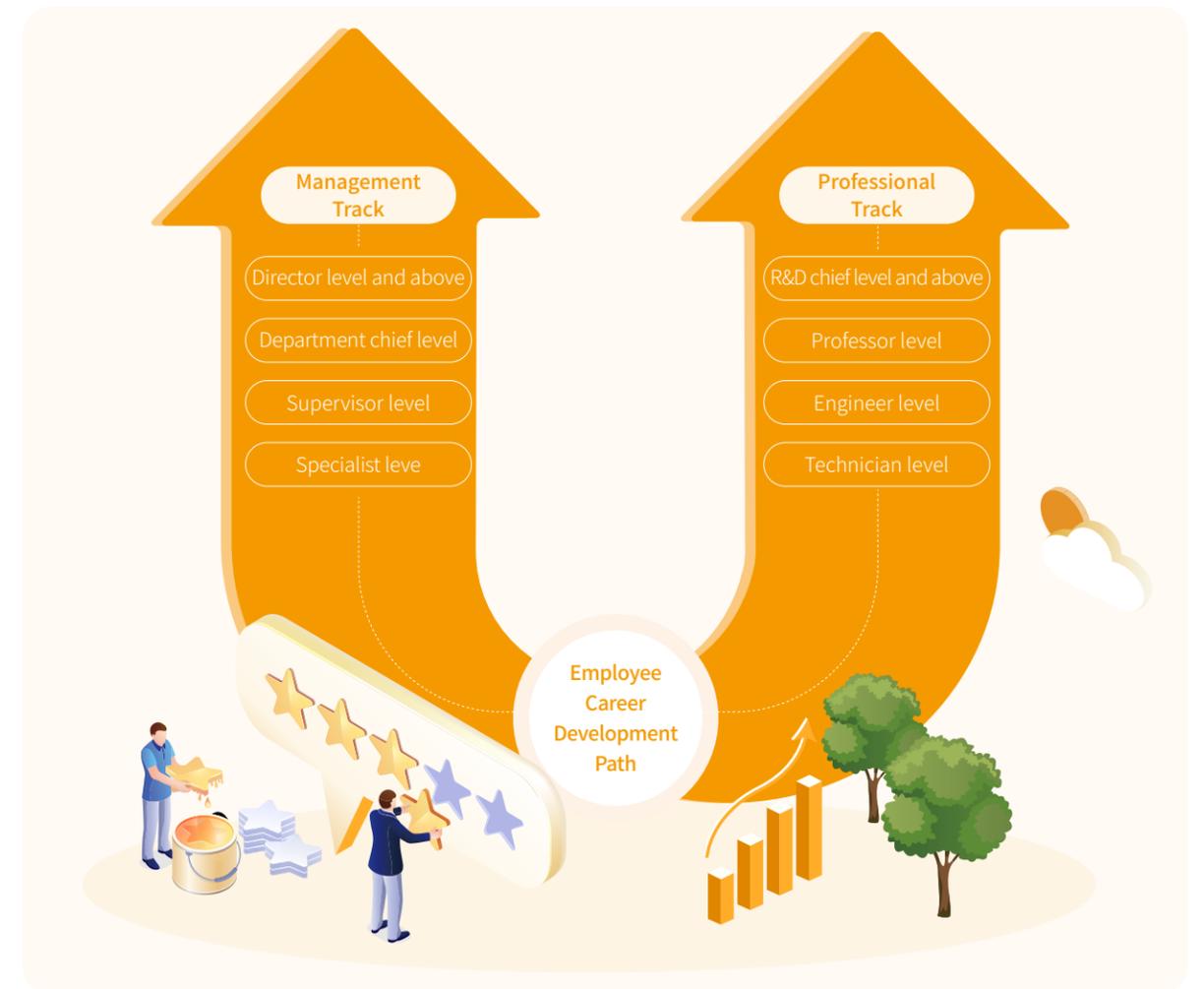
From September to October 2024, Shanshan Anode's internal lecturers conducted AEO customs certification training for overseas sales personnel and supply chain personnel involved, and provided detailed explanations on issues such as new certification indicators of the Customs Credit Management Measures and major revisions and changes to the new Tariff Law. A total of 20 employees participated in the training, and the trainee conducted training assessments on the employees by asking questions, with a pass rate of 100%.



Customs AEO Certification Training

## Talent Development

The Company values the outstanding work performance of every employee and always adheres to the corporate culture of "integrity, responsibility, innovation and commitment". Firmly believing that talent is the core driving force for its development, the Company is committed to creating a complete career development path for employees. We have formulated an assessment and management mechanism, which has defined job requirements and promotion qualification assessment criteria. Meanwhile, the Company encourages internal referrals and healthy internal flow of outstanding talents, publishes competition information through the Human Resources Department and stimulates employees' work enthusiasm. These efforts have enhanced the Company's overall competitiveness.



**In 2024**

The Company recruited **300** employees through internal referrals

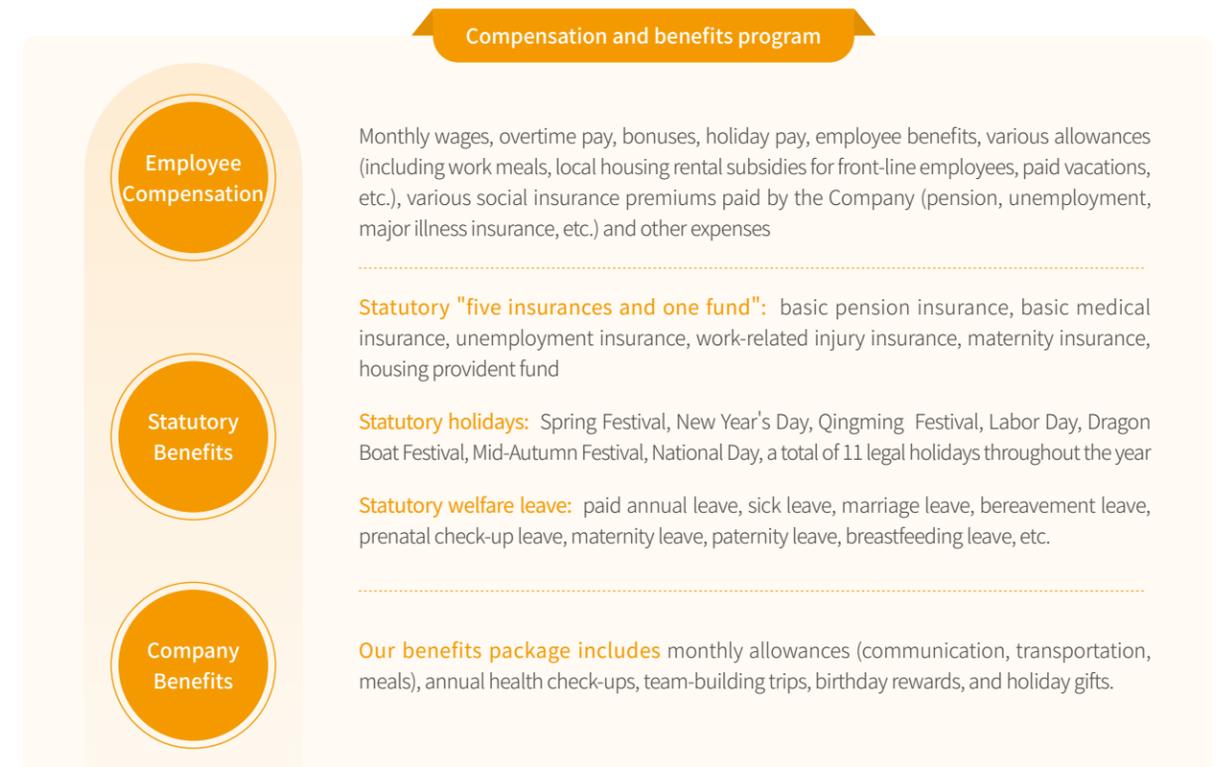
**212** employees were hired through internal competition

# Diverse Employee Well-being Initiatives

Shanshan Anode aims to enhance employees' sense of happiness and belonging. By optimizing the salary and benefits system and implementing a variety of employee care programs, it pays full attention to the work-life balance of employees. This not only enhances employee satisfaction and loyalty, but also creates a harmonious and positive working atmosphere for the Company, injecting lasting impetus into the sustainable development of the enterprise.

## Compensation and Benefits

In order to standardize the employee salary and welfare management work and build a complete salary and welfare system, the Company has formulated and implemented the Salary and Welfare Management System to ensure that it is fair, just and reasonable in handling employee salary and welfare business, thereby forming effective incentives for all employees and preventing various risks in salary management.



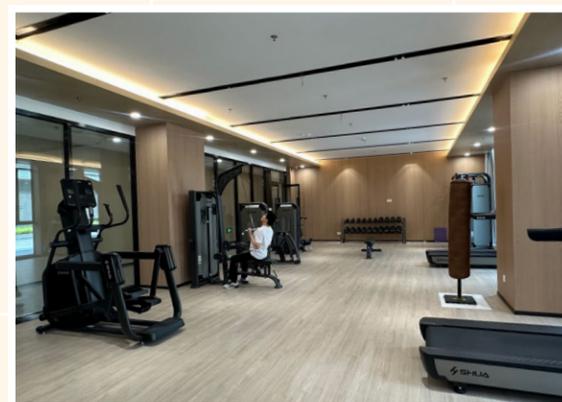
▲ Salary and Benefits Structure

## Care for Employees

Consistently regarding employees as its most valuable assets, the Company is committed to providing employees with all-round care and support, focusing on the physical and mental health of employees and enriching cultural activities. The Company provides shuttle buses for employees in need, an on-site gym, and free regular badminton court bookings to encourage moderate exercise after work. We also organize diverse employee activities such as monthly birthday parties, International Women's Day celebrations, and Christmas events - all designed to enhance well-being, foster a sense of belonging, and cultivate a warm, inclusive working environment.



▲ Commuting Bus



▲ Gym



▲ Birthday Party for Employees



▲ Christmas Celebrations



# Occupational Health and Safety

Shanshan Anode always puts the occupational health and safety of its employees first, strictly implements the Production Safety Law of the People's Republic of China and other laws and regulations as well as the requirements of the ISO 45001 occupational health and safety management system. We have formulated the Quality, Environment, Occupational Health and Safety Management Manual and the Occupational Health and Safety Management Procedures and other systems. Upholding the principle of "prevention first, combination of prevention and treatment", the Company establishes and improves the occupational health and safety management mechanism, enhances the responsibility incentive and constraint mechanism, prevents and controls occupational diseases, and ensures the health of all employees.

Annual management objectives related to occupational health and safety	Target value	Achievements
Major and serious EHS accidents	0	No major or serious EHS accidents occurred
Occupational disease incidence rate among employees	0	Completion
Completion rate of rectification of major hidden dangers	100%	Completion
Completion rate of emergency drill plans	100%	Completion



Shanshan Anode's ISO 45001 Occupational Health and Safety Management System

## In 2024

The Company's total investment in production safety was RMB **21.55** million<sup>Note</sup>

**435** occupational health and safety-related training sessions were conducted,

Occupational health coverage rate reached **100%**

And the incidence rate of occupational diseases was **0**

Totalling **70,111.50** hours

The number of work-related injuries (minor injuries or above) was **11**

And the number of work-related deaths was **0**

Note: The Company's total investment in production safety includes 1. Investment in PPE labor protection supplies; 2. Safety education and training; 3. Health check-up expenses and safety emergency expenses; 4. Third-party consulting service fees related to safety evaluation and occupational evaluation; 5. Special equipment and lightning protection testing fees; 6. Safety-related publicity expenses such as safety labels and promotional pictures; 7. Purchase and recharge of fire-fighting facilities; 8. Fire label; 9. Third-party expenses of the fire control room; 10. Work-related injury insurance expenses; 11. Safety Month activity expenses (bonuses, activity funds, etc.).

# Production Safety Risk Management

In order to implement the work of risk control and hidden danger management in production safety, the Company has formulated the System of Safety and Environmental Protection Inspection and Hidden Danger Management, set up a safety risk classification control team, regularly carried out safety inspection, hidden danger investigation, hazard identification and safety risk assessment according to the Work Plan of Safety and Environmental Protection Hidden Danger Investigation, and formed the Report of Hidden Danger Investigation and Risk Identification and Classified Control, and formulated corresponding control measures with source management and process control as the core to effectively control hazards. In addition, based on the results of the factory-area safety risk assessment, the Company has developed a four-color risk distribution chart, which clearly identifies the risk levels of different areas, optimizes safety management, and ensures that key areas are effectively monitored and managed, thereby preventing accidents.



## Case: Comprehensive safety inspections were conducted to reduce production safety risks in factory areas

In December 2024, Shanshan Anode Qingshan Factory carried out a comprehensive safety special inspection in accordance with laws, regulations and relevant company systems. The general manager took the lead in grouping 23 inspectors from the Safety and Environmental Protection Department, Production Department, Equipment Department, etc. to inspect key inspection areas such as special operations and food safety. A total of 71 non-conformities were detected during this inspection. For the problems found, the responsible departments completed the rectification on schedule and fed back the photos to the part-time safety officer group so that the Safety and Environmental Protection Department could conduct statistical summary. The rectification completion rate was 100%.



Special Safety Inspection

## Safety Training and Emergency Drills

To further promote the construction of corporate safety culture, the Company has formulated the Emergency Plan for Sudden Occupational Health and Safety Incidents, the Safety and Environmental Protection Emergency Plan and Drill Management System, and the Safety Education Management System. Through systematic measures, it enhances the safety awareness and sense of responsibility of all employees and their emergency response capabilities, driving the comprehensive implementation of the safety management system.



▲ Publicity Slogan on Production Safety



### Case First aid training was conducted to strengthen safety first aid capabilities

In September 2024, Shanshan Anode Qingshan Factory, in collaboration with the district trade union and the Red Cross Society, conducted a total of 8 hours of first aid training and helped employees obtain first aid certificates to enhance their emergency response and rescue capabilities in emergency situations. A total of 38 employees participated in the training. As of December 31, 2024, the Company had a total of 61 qualified first aid workers, which greatly enhanced the Company's ability to respond to emergencies and ensured safety and health in the workplace.



▲ First Aid Training Site

### Case Production Safety Month Activities were carried out to enhance safety production awareness and capabilities

In June 2024, in order to implement the requirements of the country's 23rd "Production Safety Month", Shanshan Anode Jiuyuan Factory systematically carried out a series of safety activities around the theme of "everyone is safety-conscious and knows how to respond to emergencies" through organizational guarantees, publicity and education, and practical drills. Shanshan Anode Jiuyuan Factory publicized safety knowledge through multiple channels such as DingTalk group and regular meetings, opened special columns to strengthen the participation of all employees, and conducted two internal training sessions on high-risk operations and four emergency drills, covering scenarios such as handling heat stroke, evacuation from dormitory buildings, response to furnace explosion accidents and warehouse fire emergencies, with a focus on testing the effectiveness of emergency plans and employees' practical capabilities. The activity combined theory with practice to consolidate the foundation of safety management, promoted the implementation of responsibilities and the investigation and rectification of hidden dangers, effectively improved the level of risk prevention and control, and provided support for the continuous improvement of the occupational health and safety system.



▲ Warehouse Fire Drill



▲ Heat Stroke Drill

## Occupational Health Management

The Company attaches great importance to occupational health and safety risk management, implements the Occupational Disease Prevention and Control Law of the People's Republic of China, conducts occupational health examinations for employees exposed to toxic and harmful factors before they start work, during their work, when they leave their jobs or transfer to other jobs, and after they leave their jobs. The Company takes timely intervention measures for patients with occupational health damage, occupational contraindications or suspected occupational diseases, provides labor protection supplies, medicine boxes and AED equipment, organizes health examinations for employees and new employees every year to protect the health of employees.



▲ First Aid Kit and AED Equipment



### Case Occupational disease examinations were carried out to ensure employees' health

In October 2024, Shanshan Anode Sichuan Factory hired a third-party professional medical institution to conduct occupational health check-up for 1,296 workers who intended to be engaged in or were exposed to toxic and harmful substances such as welding smoke, welding arc, manganese and its inorganic compounds (calculated as MnO<sub>2</sub>), carbon monoxide, carbon dioxide, other dusts, graphite dust, etc. before taking up their posts, during their employment, and when leaving their posts. The participation rate reached 100%. Based on the Occupational Health Examination Summary Report, the Company transferred two employees who were found to have occupational contraindications to ensure their health.

In addition, the Company actively carried out occupational health education. Through pre-job education and on-the-job education, it introduced employees to the occupational hazards and prevention measures of their positions, provides occupational health and safety management knowledge training to employees in positions involving occupational hazards and those using occupational health protection facilities, and carried out burden-reduction activities for the physical and mental health of employees.

### Case Non-violent communication courses were offered to improve employees' communication skills and reduce communication pressure

In August 2024, the Company offered non-violent communication courses for all employees by internal trainers, focusing on invisible violent communication methods, listening skills, efficient and accurate expression of emotions and needs, to improve employees' communication skills and help employees reduce unnecessary social pressure and potential violent communication while communicating effectively.



▲ Poster of Non-violent Communication Training

### Case Mindfulness breathing and aromatherapy healing courses were offered to help employees relax and relieve physical and mental stress

In December 2024, Shanghai Headquarters hired professional trainers to offer mindfulness breathing and aromatherapy courses for 30 employees, guiding them to combine mindfulness breathing with the natural energy of aromatherapy, fully feel the harmonious unity of body and nature with every breath, and relax physically and mentally and relieve stress in the process.



▲ Poster of Mindfulness Breathing and Aromatherapy Training



# Collaborative Advancement Operationalizing Stewardship with Inclusive Partnerships

## Concept

Shanshan Anode is committed to practicing its corporate mission and social responsibility and promoting sustainable social development by leading industry development and actively participating in public welfare and charity activities. The Company continues to promote industry innovation, deepen industry-university-research cooperation, assist in rural revitalization and participate in social welfare undertakings, demonstrating its concept of actively giving back to society and promoting common development while realizing economic value. These efforts not only enhance its influence in the industry, but also contribute to the harmonious progress of society.

## Our actions

- Lead industry development
- Engagement in charity



# Lead Industry Development

Shanshan Anode deems it its mission to promote high-quality development of the industry, and continues to lead the progress and changes in the field of anode materials through technological innovation, standard setting and industrial collaboration. With its outstanding practices in technology research and development, industry exchanges, etc., the Company has not only improved its own competitiveness, but also set a benchmark for the industry, provided assistance in upgrading the industrial chain, and injected strong impetus into the sustainable development of the global new energy industry.

## Case Shanshan Anode attended the Sustainable Battery Value Chain Reception in Finland, for jointly building a green European supply chain

In June 2024, Shanshan Anode was invited to attend the Sustainable Battery Value Chain Reception in Finland. General Manager Ding Xiaoyang delivered a speech on behalf of the Company, highlighting the integrated anode material project with an annual capacity of 100,000 tons in Finland. During the event, Shanshan Anode engaged in in-depth discussions with representatives from the Finnish government and enterprises on clean energy transition pathways, demonstrating the technological capabilities and responsibility of Chinese enterprises in the global carbon neutrality process. The Company also outlined how the project, upon completion, would leverage its integrated global capacity synergies to drive the industry toward low-carbon and large-scale development.



▲ General Manager of Shanshan Anode Delivers a Speech

## Case Participation in the 9th CLNB 2024 Expo to promote industry optimization, upgrading and sustainable development

From May 29-31, 2024, Shanshan Anode participated as an exhibitor in the 9th China International New Energy Conference and Industry Expo (CLNB) hosted by Nonferrous Network at Jiangsu International Expo Center, and conducted business linkage and industry exchanges with many overseas customers and industry association leaders.



▲ Shanshan Anode at the CLNB 2024

## Case Carrying out industry exchanges at the 2024 Gaogong Lithium Battery Annual Conference

In November 2024, Shanshan Anode attended the 2024 Gaogong Lithium Battery Annual Conference with the theme of "Reorganizing Boundaries, Reconstructing Values, and Reshaping Ecology". The event covered the entire industrial chain of the lithium battery industry. The Company, along with business leaders and elites in the industry, jointly carried out extensive brainstorming and predicted the trend of the industry. During the seminar, company representatives participated in the discussions on industry trends, focusing on the issue of "Coordinated development of technological innovation of anode materials and industrial chain", and shared Shanshan's progress in mass production of graphite anode materials and development of new anode technologies.



▲ Shanshan Anode Attended the Gaogong Lithium Battery Annual Conference

## Case The Company was invited to attend CBIS2024 and won two awards

In November 2024, the 9<sup>th</sup> International Summit on Power Battery Application (CBIS2024) opened in Shanghai. With the theme of "Towards Innovation and Integration - Creating a New Era of Industrial Cooperation", the Summit aimed to tap into the new quality productive forces of the new energy industry and create a new era of high-quality development of the new energy battery industry. Shanshan Anode was invited to attend the event and had in-depth exchanges with top experts and corporate representatives in the global battery new energy industry, and won two major awards: "Influential Enterprise of the Year" and "Innovative Enterprise of the Year".



▲ "Influential Enterprise of the Year" and "Innovative Enterprise of the Year" Awards

No.	Project name	Preparation and revision	Competent department	Standard level
GB/T 38824-2020	Soft charcoal	Chair	China Iron and Steel Association	National standards
GB/T 37592-2019	Mesophase carbon microspheres	Chair	China Iron and Steel Association	National standards
GB/T 1427-2016	National standard for sampling methods of carbon materials	Participation	China Iron and Steel Association	National standards
GB/T 37308-2019	Oil-based needle coke	Participation	China Iron and Steel Association	National standards
YB/T 4822-2020	Coal-based needle coke mesophase coke	Participation	China Iron and Steel Association	Industry standards
T/SPFRDI 002-2024	Guidelines for the Whole-Process Management of Intellectual Property Rights in Corporate R&D Institutions	Participation	/	Group standards

▲ Industry Standards Shanshan Anode Participated in the Compilation

**In 2024**

- The Company participated in **3** large-scale exhibitions and annual meetings
- More than **10** industry conferences and forums
- And the formulation of **6** industry standards

# Engagement in Charity

Shanshan Anode has always regarded public welfare and charity as an important way to fulfill its social responsibilities, and actively participated in public welfare undertakings in the fields of education support, disaster relief, community development, etc. Through continuous investment and practical actions, the Company not only provides practical help to vulnerable groups, but also contributes to promoting social equity, harmony and sustainable development, demonstrating the warmth and responsibility of the enterprise.

## Case Participation in the winter charity campaign to help young people in need

In January 2024, the Party Branch of Shanshan Anode Sichuan Factory participated in the warm winter charity campaign with the theme of "New Year's Wishes and Power of Youth". The campaign was carried out by the Xiejia Neighborhood Social Work Station in Pengshan District, Meishan City, Sichuan Province at Xiejia Primary School. This event helped 60 disadvantaged children realize their wish and distributed snacks, providing tangible support to disadvantaged youth.



▲ Winter Charity Campaign with the Theme of "New Year's Wishes and Power of Youth"



## Case Donations were made to paired regions to help needy students complete their studies

In July 2024, Shanshan Anode Sichuan Factory launched a charity donation ceremony to pair up with Gonghe Village, donating RMB 12,147 of charity funds raised in the early stage to student He in Gonghe Village, Huangfeng Town, to help her complete her studies and contribute to the education cause.



▲ Shanshan Anode Sichuan Factory Paired with Gonghe Village at the Donation Ceremony

## Case Visit farmers in need every quarter as an effort to fulfill corporate social responsibility

In 2024, the Party branch of Shanshan Anode Ningbo Factory, consisting of 18 members, organized quarterly visits to Shenxi Village, Haishu District, to support paired low-income households. They delivered daily necessities to residents in need, providing not only material assistance but also companionship and care, demonstrating the Company's commitment to social responsibility.



▲ Visit Designated Impoverished Rural Families under the Paired Assistance Initiative

# Key Performance

Economic and governance issues		Indicator name	Unit	2024	2023	2022
Economic indicators		Operating revenue	RMB 10,000	821,525.52	727,602.26	820,109.59
		Net profit	RMB 10,000	39,003.93	15,339.48	92,033.15
		Total assets	RMB 10,000	2,237,645.92	2,193,659.87	1,702,734.19
Commercial bribery and corruption incidents		Number of commercial bribery and corruption incidents	Cases	0	0	0
		Number of employees fired, disciplined, or investigated by competent authorities for corruption-related violations	Persons	0	0	0
		Number of cases where contracts with business partners were terminated or not renewed due to corruption-related violations	Cases	0	0	0
Business ethics	Anti-commercial bribery and anti-corruption training	Number of anti-commercial bribery and anti-corruption training sessions conducted <sup>1</sup>	Cases	70	3	1
		Average time spent on anti-commercial bribery and anti-corruption training	Hours/person	1.00	4.00	0.50
		Total number of management personnel covered by anti-commercial bribery and anti-corruption training <sup>2</sup>	Persons	118	71	28
		Total number of employees covered by anti-commercial bribery and anti-corruption training <sup>3</sup>	Persons	5,835	221	11
	Percentage of people signing the code of conduct commitment	Percentage of employees who signed integrity commitment letters	%	100%	100%	100%
		Proportion of suppliers who have signed an anti-bribery commitment	%	100%	100%	100%
Unfair competition cases	Total number of lawsuits/administrative penalties for violations of fair competition	Pcs	0	0	0	

Economic and governance issues		Indicator name	Unit	2024	2023	2022
Data security and customer privacy		Number of confirmed incidents of data security	Cases	0	0	0
		Number of training sessions of data security and customer privacy protection	Cases	1	1	1
		Number of relevant emergency drills	Cases	4	4	4
		Number of confirmed incidents of customer privacy breach	Cases	0	0	0

Social issues		Name of quantitative indicator	Unit	2024	2023	2022
Number of employees		Total number of employees	Persons	5,217	5,858	4,836
		Number of new employees hired	Persons	1,148	2,790	2,293
Number and proportion of employees by gender		Number of female employees	Persons	804	762	554
		Number of male employees	Persons	4,413	5,096	4,282
Number and proportion of employees by age		Number of employees under 30 years old	Persons	1,516	1,674	1,019
		Number of employees aged 30-50	Persons	3,446	3,931	3,363
		Number of employees aged 50 and above	Persons	255	253	454
Employee recruitment	Number of employees by educational background	Number of employees with bachelor's degree or below	Persons	4,083	4,872	4,160
		Number of employees with bachelor's degree	Persons	901	821	575
		Number of employees with master's degree and Ph.D.'s degree	Persons	233	165	101
Number of employees by job level <sup>4</sup>		Number of senior management staff	Persons	47	50	33
		Number of mid-level management staff	Persons	160	175	127
		Number of junior management staff	Persons	302	251	148
		Ordinary employees	Persons	4,708	5,382	4,530
R&D department personnel		Total number of R&D personnel	Persons	308	148	98
		Proportion of R&D personnel	%	5.90%	2.53%	2.03%

Social issues	Name of quantitative indicator	Unit	2024	2023	2022	
Diversity and equality	Protection of basic rights and interests	Employee social security payment coverage rate	%	100%	100%	100%
	Discrimination	Confirmed incidents of discrimination	Cases	0	0	0
	Forced labor	Confirmed incidents of forced labor	Cases	0	0	0
	Child labor	Confirmed incidents of child labor	Cases	0	0	0
	Female R&D staff	Number of female R&D personnel	Persons	40	24	12
	Female managers	Number of employees at middle management level	Persons	42	44	34
		Number of employees in senior management	Persons	11	11	11
Occupational Health and Safety	Health and safety training and drills	Total duration of occupational health and production safety training	Hours	70,505.50	37,718.50	41,308.50
		Number of safety drills (fire, toxic gas leak, etc.)	Cases	435.00	65.00	39.00
	Production safety investment	Total investment in production safety <sup>5</sup>	RMB 10,000	2,155.32	2,036.78	1,244.66
		Employee physical examination coverage	%	100%	100%	100%
	Work-related injury	Number of people injured at work (minor injuries or above)	Persons	11	8	9
		Work-related fatalities	Persons	0	0	0
		Number of working days lost due to work-related injuries <sup>6</sup>	day(s)	1,565	1,703	1,411
Occupational disease incidence		%	0	0	0	
R&D innovation	R&D investment	R&D expenditure	RMB 10,000	63,792.37	43,616.96	45,038.32
		Total R&D expenditure in operating income	%	7.77%	5.99%	5.49%
	Intellectual Property Rights	Number of Granted Patents	Pcs	334	279	211
		Number of International Patents (PCT)	Pcs	8	6	2
		Number of Domestic Invention Patents	Pcs	225	207	170
	Number of Utility Model Patents (UM)	Pcs	101	66	39	

Environmental issues	Name of quantitative indicator	Unit	2024	2023	2022
Environment management	Total investment in environmental management <sup>7</sup>	RMB 10,000	8,508.74	1,811.96	2,171.81
	Comprehensive energy consumption	Tons of standard coal	455,565.87	273,687.05	129,654.75
Energy use <sup>8</sup>	Total energy consumption per unit of operating revenue	Tons of standard coal/million yuan in revenue	55.45	37.61	15.81
	Of which: gasoline	L	65,793.31	60,218.96	40,802.70
	Of which: diesel	L	627,347.40	696,111.86	351,467.01
	Of which: natural gas	Cubic meters	6,755,396.08	4,758,638.82	3,805,705.84
	Of which: liquefied petroleum gas <sup>9</sup>	Kg	159.50	81.00	12,109.50
	Of which: electricity	MWh	3,626,756.89	2,167,832.82	1,009,362.88
	Total amount of purchased electricity	MWh	3,626,756.89	2,167,832.82	1,009,362.88
	Green energy in purchased electricity <sup>10</sup>	MWh	1,834,122.56	1,308,974.68	119,947.24
	Proportion of green energy in purchased electricity	%	50.57	60.38	11.88
	Of which: wind energy	MWh	304,214.01	201,027.74	51,510.00
Of which: solar energy	MWh	164,899.81	76,762.45	0.00	
Greenhouse gas emissions <sup>11</sup>	Total greenhouse gas emissions	Tons of CO <sub>2</sub> equivalent	4,306,847.40	3,629,891.19	1,499,076.49
	Of which: Scope 1 greenhouse gas emissions	Tons of CO <sub>2</sub> equivalent	26,888.22	13,976.81	16,646.61
	Of which: Scope 2 greenhouse gas emissions (based on location)	Tons of CO <sub>2</sub> equivalent	1,919,612.56	1,066,136.72	573,317.79
	Of which: Scope 3 greenhouse gas emissions	Tons of CO <sub>2</sub> equivalent	2,360,346.63	2,549,777.65	909,112.08
	Greenhouse gas emission intensity	Tons of CO <sub>2</sub> equivalent/million yuan in revenue	524.25	498.88	182.79
Greenhouse gas emissions reduction <sup>12</sup>	Tons of CO <sub>2</sub> equivalent	1,138,073.05	812,218.79	74,427.26	

Environmental issues	Name of quantitative indicator	Unit	2024	2023	2022
Air pollutant emissions <sup>13</sup>	Waste disposal	Tons	312.33	275.42	40.27
	Nitrogen oxide (NO <sub>x</sub> ) emissions	Kg	66,768.70	65,606.29	11,499.46
	Sulfur oxide (SO <sub>x</sub> ) emissions	Kg	126,731.56	112,834.99	7,907.63
	Emissions of Volatile Organic Compounds (VOCs)	Kg	55,196.53	47,541.83	5,970.59
	Particulate matter (PM) emissions	Kg	63,636.37	49,438.74	14,895.48
Water pollutant discharge	Total wastewater discharge <sup>14</sup>	10,000 Tons	50.32	59.33	28.98
	Wastewater discharge per unit of operating revenue	Tons/million yuan revenue	61.25	81.54	35.34
	Chemical oxygen demand (COD) <sup>15</sup>	Tons	75.14	24.49	11.68
	Biochemical oxygen demand (BOD) <sup>15</sup>	Tons	21.71	8.41	4.79
	Ammonia nitrogen content (NH <sub>3</sub> -N) <sup>15</sup>	Tons	7.39	1.93	1.97
Water resource management	Total water consumption <sup>16</sup>	Tons	1,790,529.80	845,282.49	448,018.94
	Intensity of use of water resource	Tons/million yuan revenue	217.95	116.17	54.63
Waste disposal	Total waste generated <sup>17</sup>	Tons	74,713.28	39,520.28	22,070.33
	Of which: total amount of hazardous waste	Tons	6,904.17	5,178.06	4,325.98
	Of which: total amount of general industrial solid waste	Tons	67,809.11	34,342.21	17,744.35
	Hazardous waste density	Tons/million yuan revenue	0.84	0.71	0.53
	General industrial solid waste density	Tons/million yuan revenue	8.25	4.72	2.16
	Total amount of waste recycled/reused	Tons	68,257.14	34,477.71	18,973.75
	Of which: total amount of hazardous waste	Tons	4,366.51	2,386.35	1,844.15
	Of which: total amount of general industrial solid waste	Tons	63,890.63	32,091.36	17,129.60
	Total waste recycling per unit of revenue	Tons/million yuan revenue	8.31	4.74	2.31
	Waste recycling rate	%	91.36	87.24	85.97

**Note 1:** The number of anti-commercial bribery and anti-corruption training sessions conducted in 2022 referred only to the data of Shanshan Anode Ningbo Factory, and in 2023 it was the sum of the data of Shanshan Anode Ningbo Factory and Shanshan Anode Sichuan Factory. The data of other factories cannot be traced. All data in 2024 covers Shanshan Anode and all its subsidiaries.

**Note 2:** Among the total number of management personnel covered by anti-commercial bribery and anti-corruption training, the middle-level management refers to deputy department chiefs and above. The data for 2022 was only for Shanshan Anode Ningbo Factory, and the data for 2023 was the sum of the data of Shanshan Anode Ningbo Factory and Shanshan Anode Sichuan Factory. The data of other factories cannot be traced. All data for Shanshan Anode are from 2024.

**Note 3:** The increase in the total number of employees covered by anti-commercial bribery and anti-corruption training in 2024 was due to the large number of employees trained Shanshan Anode Sichuan Factory, including the training of contract workers.

**Note 4:** Among the number of employees divided by rank, senior management refers to the highest decision-making level of the Company, including general managers, board members, etc., who are responsible for formulating long-term strategies and overall direction. The middle level refers to those between senior and junior management, responsible for translating strategies into department-level action plans. Typical positions include department managers, regional directors, etc. Junior managers are the most basic management level in an organization and are directly responsible for the management of front-line employees and the execution of daily operations. They are usually department heads, team leaders or project supervisors.

**Note 5:** Total investment in production safety includes 1. Investment in PPE labor protection supplies; 2. Safety education and training; 3. Health check-up expenses and safety emergency expenses; 4. Third-party consulting service fees for safety evaluation and occupational evaluation; 5. Special equipment and lightning protection testing fees; 6. Safety-related publicity expenses such as safety labels and promotional pictures; 7. Purchase and recharge of fire-fighting facilities; 8. Fire label; 9. Third-party expenses of the fire control room; 10. Work-related injury insurance expenses; 11. Safety Month activity expenses (bonuses, activity funds, etc.).

**Note 6:** The statistical caliber of the number of working days lost due to work-related injuries is the number of days of work-related injury leave.

**Note 7:** The total investment in environmental management mainly includes: 1. Environmental monitoring expenses; 2. Environmental protection consulting (environmental impact assessment, pollutant discharge permit) service fees; 3. Costs of environmental protection facilities (waste gas, wastewater treatment equipment, temporary storage room for hazardous waste, temporary storage room for general solid waste); 4. Solid waste treatment and disposal costs (general industrial solid waste treatment, hazardous waste treatment, domestic waste treatment); 5. Environmental protection facility operation costs (electricity costs, spare parts replacement costs); 6. Environmental emergency costs; 7. Environmental protection signs, promotional brochures, etc.

**Note 8:** Energy consumption includes clean energy, and the conversion coefficients of various bases have been kept consistent. In addition, among all the energy data, Shanshan Anode Sichuan Factory did not go into production in 2022, and Shanshan Anode Yunnan Anode Factory did not go into production in 2022 and 2023. Therefore, there is no relevant data.

**Note 9:** Liquefied petroleum gas is only used in Shanshan Anode Fujian Factory. The main source of energy consumption in 2022 was the canteen. Later in 2023, the stove was renovated and electricity was used instead, so the data decreased.

**Note 10:** The use of clean energy is mainly through green electricity transaction and green certificate transaction. Shanshan Anode Qingshan Factory utilizes self-built photovoltaic systems, Ningbo Factory engages in green certificate trading, while all other production sites adopt green power trading. In addition, the data of Shanshan Anode Jiuyuan Factory in 2022 is missing and cannot be traced.

**Note 11:** The factories covered by greenhouse gas emission data for each year are as follows:

- The data of 2024 covers: Fujian, Ningbo, Sichuan, Jiuyuan, Qingshan, Yunnan
- The data of 2023 covers: Fujian, Ningbo, Jiuyuan, Qingshan, Sichuan
- 2022 data covers: Chenzhou, Fujian, Shanghai, Ningbo, Jiuyuan, Qingshan

**Note 12:** The statistical scope primarily covers carbon reductions from green electricity and Renewable Energy Certificates (RECs) procured by our production bases. On January 21, 2025, the average carbon footprint factor of China's 2023 national grid electricity, calculated and released by the Ministry of Ecology and Environment, National Bureau of Statistics, National Energy Administration, and China Electricity Council, was 0.6205 kgCO<sub>2</sub>e/kWh

**Note 13:** The calculation formula for air pollutant emissions is: monitoring data\*operating time, measured data; Shanshan Anode Sichuan Factory did not go into production in 2022, and Shanshan Anode Yunnan Factory did not go into production in 2022 and 2023. Therefore, there is no relevant data available.

**Note 14:** The total amount of wastewater discharged by each factory is as follows:

- Shanshan Anode Sichuan factory has an emission meter, which was put into use in May 2024. The emissions from January to May were estimated based on the emissions from June to December, so the calculation caliber is the emission data.
- Shanshan Anode Jiuyuan Factory, Qingshan Factory, and Yunnan Factory have separate water meters for domestic water measurement, so the external discharge volume is calculated as domestic water\*90%.
- Shanshan Anode Chenzhou Factory and Fujian Factory do not have separate water meters for domestic water measurement. The external discharge is calculated by using the daily water consumption per person in the environmental impact assessment \* number of days \* number of people \* emission coefficient.
- Shanshan Anode Shanghai Factory and Ningbo Factory do not have separate water meters for domestic water measurement, and the external discharge volume is calculated by using the total water consumption of the factory \* 90%.

**Note 15:** The emissions of chemical oxygen demand (COD), biochemical oxygen demand (BOD), and ammonia nitrogen content (NH<sub>3</sub>-N) of Shanshan Anode Fujian Factory, Shanghai Factory, Ningbo Factory, Jiuyuan Factory, and Yunnan Factory are calculated based on external emissions\* monitoring data. Shanshan Anode Chenzhou Factory and Qingshan Factory report the quantity according to the annual report of pollutant discharge permit.

**Note 16:** The total water consumption of each factory is calculated as follows:

- Shanshan Anode Chenzhou Factory: total water consumption = water consumption - wastewater discharge;
- Other factories: Total water consumption = domestic water consumption \* 10%

**Note 17:** The total amount of waste generated is not yet available as Shanshan Anode Sichuan Factory did not go into production in 2022, and Shanshan Anode Yunnan Factory did not go into production in 2022 and 2023.

# Benchmarking of Indicators

## Global Sustainability Standards Board GRI Standards Index

<b>Instructions</b>	Shanshan Anode reported the information cited in this GRI Content Index in accordance with the GRI Standards from January 1, 2024 to December 31, 2024.
<b>GRI 1 used</b>	GRI 1: Basis 2021

GRI indicators	Related explanation	Location
<b>GRI 2: General Disclosures</b>	G2-1 Organization details	About This Report
	G2-2 Entities included in the organization's sustainability report	About This Report
	G2-3 Reporting period, frequency and contact points	About This Report
	G2-4 Restatement of information	About This Report
	G2-5 External assurance	Independent Assurance
	G2-6 Activities, value chain and other business relationships	About Shanshan Anode
	G2-7 Employees	Employment, rights and interests of employees
	G2-8 Workers other than employees	The Company has no workers other than employees
	G2-12 Supervisory role of the highest governance body in managing impacts	The path to sustainable development
	G2-14 Role of the highest governance body in the sustainability report	The path to sustainable development
	G2-15 Conflicts of interest	The path to sustainable development and adherence to business ethics
	G2-16 Communication of key concerns	The path to sustainable development
	G2-17 Highest governance body's shared knowledge	The path to sustainable development
	G2-19 Remuneration policy	Diverse employee care
	G2-20 Procedures for determining remuneration	Diverse employee care
	G2-22 Statement on Sustainable Development Strategy	The path to sustainable development and addressing climate change
	G2-23 Policy commitment	Adhere to environmental compliance, employee employment and rights, and build a sustainable supply chain
	G2-25 Procedures for remediating adverse effects	Strengthen internal risk control and abide by business ethics
	G2-26 Mechanisms for seeking advice and raising concerns	The path to sustainable development
	G2-27 Comply with laws and regulations	Strengthen internal risk control
	G2-28 Membership of the Association	Lead industry development
	G2-29 Methods for stakeholder engagement	The road to sustainable development

GRI indicators	Related explanation	Location
<b>GRI 3: Material Topics</b>	G3-1 Process for identifying substantive issues	The path to sustainable development
	G3-2 List of substantive issues	The path to sustainable development
	G3-3 Management of substantive issues	The path to sustainable development
<b>GRI 201: Economic Performance</b>	G201-1 Economic value directly generated and distributed	Key Performance Table
	G201-2 Financial impacts and other risks and opportunities arising from climate change	Response to Climate Change
	G201-3 Defined benefit plan obligations and other retirement plans	Diverse employee care
<b>GRI 203: Indirect Economic Impacts</b>	G203-1 Infrastructure investment and supporting services	Engagement in charity
	G203-2 Significant indirect economic impact	Focus on R&D and innovation
<b>GRI 205: Anti-corruption</b>	G205-1 Operations that have undergone corruption risk assessments	Adhere to business ethics
	G205-2 Communication and training on anti-corruption policies and procedures	Adhere to business ethics
	G205-3 Confirmed incidents of corruption and actions taken	Adhere to business ethics
<b>GRI 206: Unfair Competition</b>	G206-1 Legal proceedings against unfair competition, antitrust and anti-monopoly practices	Adhere to business ethics
<b>GRI 301: Materials</b>	G301-1 Materials used by weight or volume	Optimize resource management
	G301-2 Recycled imported materials	Optimize resource management
	G301-3 Recycled products and packaging materials	Optimize resource management
<b>GRI 302: Energy</b>	G302-1 Energy consumption within the organization	Optimize resource management
	G302-2 Energy consumption outside the organization	Optimize resource management
	G302-3 Energy intensity	Optimize resource management
	G302-4 Reduce energy consumption	Optimize resource management
	G302-5 Reduce the energy demand for products and services	Optimize resource management
<b>GRI 303: Water Resources</b>	G303-1 Interactions with water as a shared resource	Optimize resource management
	G303-2 Manage impacts associated with water discharge	Optimize resource management
	G303-3 Water withdrawal by source	Optimize resource management and key performance
	G303-5 Water consumption	Optimize resource management and key performance

GRI indicators	Related explanation	Location
<b>GRI 304: Biodiversity</b>	Operations owned, leased or managed within or adjacent to protected areas, as well as areas of high biodiversity value outside protected areas	Biodiversity Conservation
<b>GRI 305: Emissions</b>	G305-1 Direct (Scope 1) greenhouse gas emissions	Response to Climate Change, key performance
	G305-2 Energy indirect (Scope 2) greenhouse gas emissions	Response to Climate Change, key performance
	G305-3 Other indirect (Scope 3) greenhouse gas emissions	Response to Climate Change, key performance
<b>GRI 305: Emissions</b>	G305-4 Greenhouse gas emission intensity	Key performance
	G305-5 Greenhouse gas emissions reduction	Key performance
	G305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ) and other significant gas emissions	Key performance
<b>GRI 306: Waste</b>	G306-1 Waste generation and significant waste-related impacts	Practice circular economy
	G306-2 Manage significant waste-related impacts	Practice circular economy
	G306-3 Waste generation	Practice circular economy
	G306-4 Wastes transferred for disposal	Practice circular economy
	G306-5 Wastes designated for disposal	Practice circular economy
<b>GRI 308: Supplier Environmental Assessment</b>	G308-1 New suppliers screened using environmental criteria	Build a sustainable supply chain
	G308-2 Negative impacts of supply chain on the environment and the actions taken	Build a sustainable supply chain
<b>GRI 401: Employment</b>	G401-1 New Employees and Employee Turnover	Employment, rights and interests of employees
	G401-2 Benefits provided for full-time employees (not including temporary or part-time employees)	Diverse employee care
	G401-3 Parental leave	Diverse employee care
<b>GRI 403: Occupational Health and Safety</b>	G403-1 Occupational health and safety management system	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
	G403-5 Occupational health and safety training for workers	Occupational Health and Safety
	G403-6 Promote workers' health	Occupational Health and Safety
	G403-7 Prevent and mitigate occupational health and safety impacts directly related to business relationships	Occupational Health and Safety
	G403-8 Workers covered by the occupational health and safety management system	Occupational Health and Safety
	G403-9 Work Injury	Occupational Health and Safety
	G403-10 Work-related health problems	Occupational Health and Safety

GRI indicators	Related explanation	Location
<b>GRI 404: Training and Education</b>	G404-1 Average hours of training per employee per year	Promote employee development
	G404-2 Employee skills improvement program and transition assistance program	Promote employee development
<b>GRI 405: Diversity and Equal Opportunity</b>	G405-1 Diversity of governance bodies and employees	Employment, rights and interests of employees
<b>GRI 406: Anti-discrimination</b>	G406-1 Incidents of discrimination and corrective actions taken	Key performance; no related incidents occurred this year
<b>GRI 407: Freedom of Association and Collective Bargaining</b>	G407-1 Operations and suppliers where freedom of association and collective bargaining rights may be at risk	Employment, rights and interests of employees
<b>GRI 408: Child Labor</b>	G408-1 Operations and suppliers at significant risk of child labor incidents	Key performance; no related incidents occurred this year
<b>GRI 409: Forced or Compulsory Labor</b>	G409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Key performance; no related incidents occurred this year
<b>GRI 413: Local Communities</b>	G413-1 Operations with local community engagement, impact assessments and development plans	Engagement in charity
<b>GRI 414: Supplier Social Assessment</b>	G414-1 New suppliers screened using social criteria	Build a sustainable supply chain
	G414-2 Negative impacts of supply chains on society and the actions taken	Build a sustainable supply chain; no related incidents occurred this year
<b>GRI 416: Customer Health and Safety</b>	G416-1 Assessment of the health and safety impacts of product and service categories	Strict control of quality
	G416-2 Non-compliance incidents involving the health and safety impacts of products and services	Conduct strict control of quality; no related incidents occurred this year
<b>GRI 417: Marketing and Identity</b>	G417-1 Requirements for product and service information and labeling	Strict control of quality
	G417-3 Marketing communications violations	Adhere to business ethics; no related incidents occurred this year
<b>GRI 418: Customer Privacy</b>	G418-1 Substantiated complaints regarding breaches of customer privacy and loss of customer data	Strengthen information security and key performance; and no related incidents occurred this year

# Independent Assurance and Statement of Opinion

InFaith Group (hereinafter referred to as “InFaith” ), as entrusted by Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (hereinafter referred to as “Shanshan Anode” ), has conducted independent limited assurance of the environmental, social and governance information and data disclosed in *Shanshan Anode 2024 Environmental, Social and Governance Report* (hereinafter referred to as “Report” ), and disclosed the assurance result and conclusion to readers of the Report in the form of independent assurance and statement of opinion.

## Independence and Capability

- 1.All the assurance team members of InFaith have no business relationship with Shanshan Anode that leads to conflicts of interest; The team of InFaith has performed this assurance work independently.
- 2.The assurance team of InFaith consists of experienced professionals in the industry. Relevant persons have received professional training on the GRI Standards issued by the Global Sustainability Standards Board, AA1000AS v3, ISO 14001, ISO 26000, SA 8000, EcoVadis global supply chain rating and other sustainability-related standards and have adequate understanding and practical experience in relevant international principles, evaluation systems and assurance standards.

## Assurance Statement

- 1.Shanshan Anode management shall be fully held accountable for the preparation and content of the Report. It is the responsibility of InFaith to conduct an assurance based on the scope as described herein, and to provide professional assurance opinions to the Report readers and stakeholders.
- 2.Based on the assurance scope limits, InFaith shall, in accordance with AA1000AS v3, conduct independent limited assurance and guarantee conclusion for the matters within the scope defined in the Report. In addition to providing independent assurance and making other statements of opinion on the facts of assurance under the conclusion, InFaith will not assume any legal or other liabilities for any inquiries for any other purposes, or for any other persons who read this Independent Assurance and Statement of Opinion.
- 3.If you have any questions about the contents contained herein or related matters, Shanshan Anode will jointly reply.
- 4.In the event of any conflict or inconsistency between the Chinese version and the English version of this Independent Assurance and Statement of Opinion, the Chinese version shall prevail.

## Assurance Standard

InFaith adopts AA1000 v3 type-1 medium assurance level, which includes Shanshan Anode's evaluation of the compliance situation and degree of the four AA1000 v3 assurance principles, including inclusiveness, substantiality, responsiveness and impact.

## Assurance Guidelines

The following assurance criteria were used in performing the assurance work:

- The United Nations Sustainable Development Goals (UN SDGs)
- Global Sustainability Standards Board GRI Sustainability Reporting Standards
- Guidance on Social Responsibility Reporting GB/T 36001-2015
- International Standard ISO 26000 Guidance on Social Responsibility 2010

## Assurance Scope

- 1.The assurance scope is limited to the information and data of Shanshan Anode and its affiliated companies covered by the Report, excluding the data and information of Shanshan Anode suppliers, contractors and other third parties.
- 2.InFaith adopts AA1000AS v3 type-1 moderate assurance level to evaluate Shanshan Anode's compliance nature and degree of the four assurance principles in AA1000AS v3.

## Assurance Process and Work

In order to collect evidence related to the conclusion, InFaith Group has carried out the following work:

- 1.Interview with the senior management team and employees of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. to understand the overall situation and related processes of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. in fulfilling its corporate environmental, social and governance responsibilities.
2. Verify the key development and policy implementation of relevant organizations of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd., and the supporting evidence of the announcement made in the verification report.
3. Through interviews and inspection of relevant documents, understand the expectations and needs of major stakeholders and stakeholders of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd., the specific communication channels between the two parties, and how Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. responds to the expectations and needs of stakeholders.
4. Select the information related to environment, society and governance in this report, carry out analytical verification procedures and overall performance of this information, and evaluate and verify whether it is consistent with the contents of the report.
5. Verify the process management of the principles of inclusiveness, materiality, responsiveness and impact in the report and its related AA1000AS v3 to confirm the appropriateness of this statement.
6. Sampling inspection on supporting evidence of data reliability and quality of selected specific performance information.
7. Recalculate and verify the selected specific performance information.
8. Perform other procedures deemed necessary by InFaith Group.



**Assurance Conclusions**

1. According to the information provided by Shanshan Anode and the sample test, there is no misrepresentation in the Report.
2. For the principles of inclusiveness, substantiality, responsiveness and impact included in AA1000AS v3, the detailed assurance conclusions are as follows:

<b>Inclusiveness</b>	According to the Report, Shanshan Anode has taken important measures including continuously seeking the participation of stakeholders in the business operation, understanding their expectations and concerns, communicating about and confirming substantive issues in a timely manner, etc., to respond responsibly and strategically to stakeholders related to the social responsibilities of the Company.
<b>Substantiality</b>	Shanshan Anode has announced major topics that will have substantial influence and impact on the evaluation, decision-making, actions and performance of the organization and its stakeholders, and judged and improved the management and performance of the issues.
<b>Responsiveness</b>	Shanshan Anode has implemented relevant policies, and is able to respond to issues that concern the stakeholders in a timely manner.
<b>Impact</b>	Shanshan Anode has the adequate ability to identify substantive issues. It has implemented balanced and effective evaluation and disclosure methods, and has established a systematic process for monitoring, measurement, evaluation and management impact, so as to achieve more efficient management of decision-making and results within the organization, and demonstrate the impact of the substantive issues in an impartial and objective manner.

3. Based on the procedures implemented and the evidence obtained by InFaith, we have found nothing that causes us to doubt the reliability and quality of the specific performance indicators selected in the Report.

**Limitation**

The assurance process was carried out at the location within the scope of the Report. Because there is no internationally recognized and commonly used standard for the evaluation and measurement of non-financial information, the application of different but acceptable information and measurement technologies may affect the comparability with other institutions.

If you have any advice for this Independent Assurance and Statement of Opinion, you may contact:

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InFaith Group  
Shanghai, April 2025

# Reader Feedback

Dear readers,

Thank you for reading the Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. 2024 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:

1. How would you rate this report in general?  
 Excellent     Good     Average     Poor     Very Poor
2. How responsive do you think the report is to stakeholder concerns and the level of disclosure?  
 Excellent     Good     Average     Poor     Very Poor
3. How would you rate Shanshan Anode's performance in fulfilling its financial responsibility?  
 Excellent     Good     Average     Poor     Very Poor
4. How would you rate Shanshan Anode's performance in fulfilling its environmental responsibility?  
 Excellent     Good     Average     Poor     Very Poor
5. How would you rate Shanshan Anode's security management performance?  
 Excellent     Good     Average     Poor     Very Poor
6. How would you rate Shanshan Anode's performance in fulfilling its employee responsibility?  
 Excellent     Good     Average     Poor     Very Poor
7. How would you rate Shanshan Anode's performance in fulfilling its community responsibility?  
 Excellent     Good     Average     Poor     Very Poor
8. Are the information, indicators, and data disclosed in the report clear, accurate, and complete?  
 Excellent     Good     Average     Poor     Very Poor
9. 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 Anode's corporate social responsibility and this report?

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杉杉科技  
Shanshan Technology