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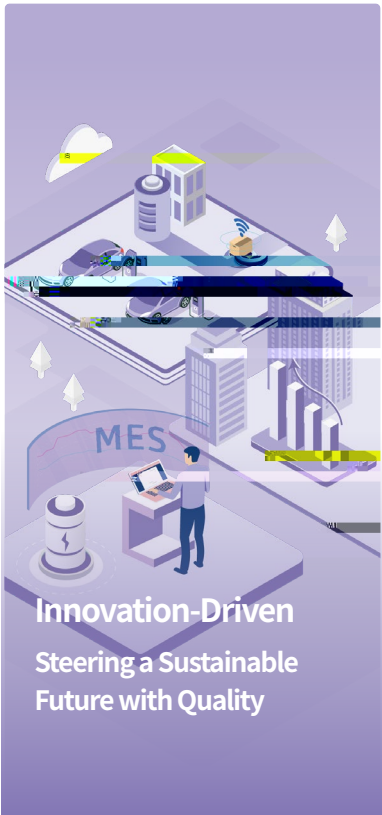
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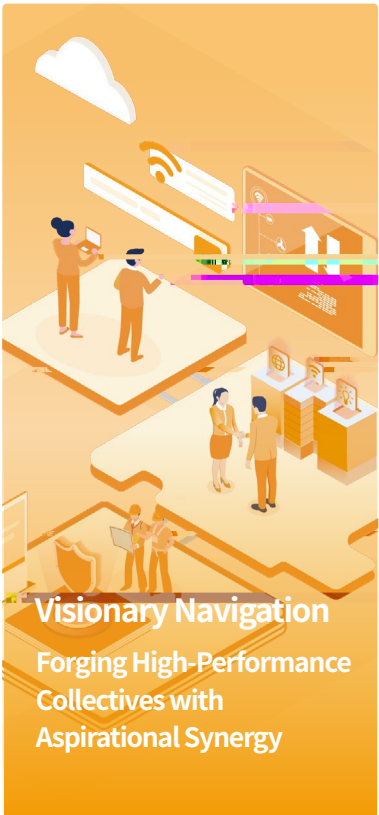
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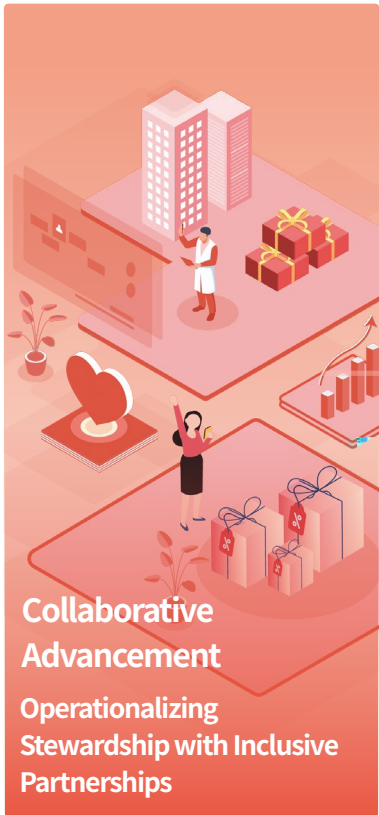
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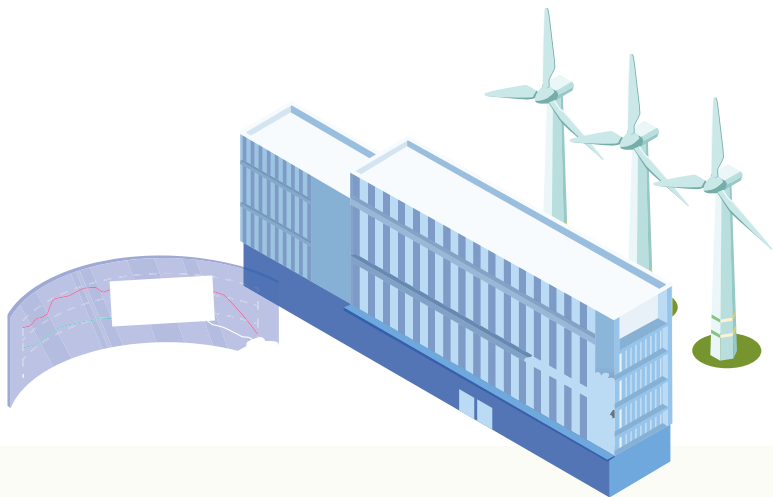
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About this Report

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.al 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. 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

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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.

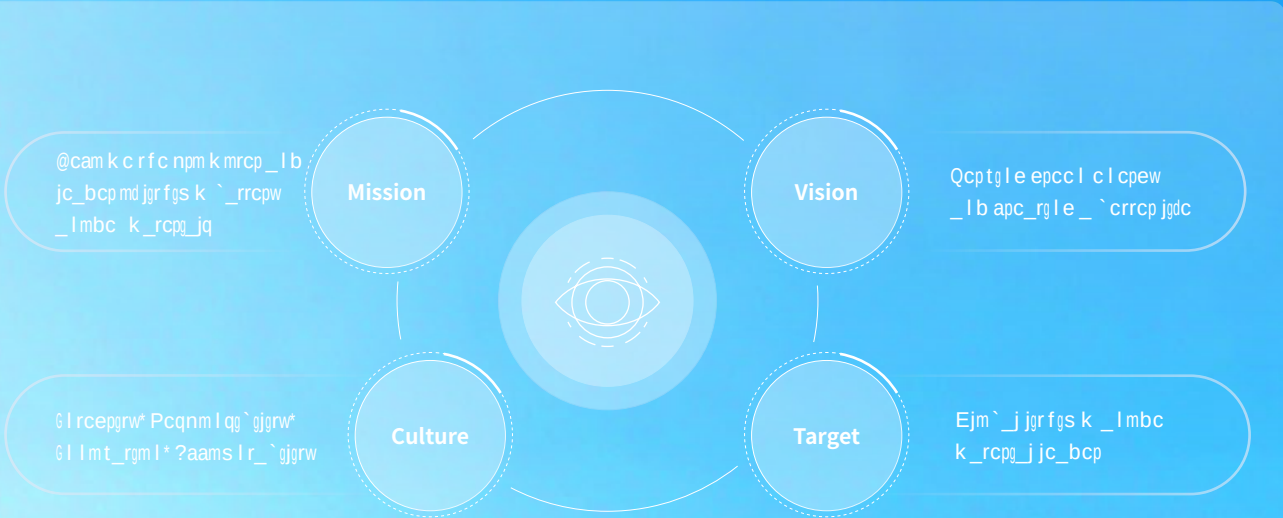
We actively fulfill our corporate mission and social responsibilities, committing to drive high-quality industry development through participation in industry standard-setting initiatives. We continuously lead innovation and transformation in the anode materials sector. Concurrently, we engage in public 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

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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.

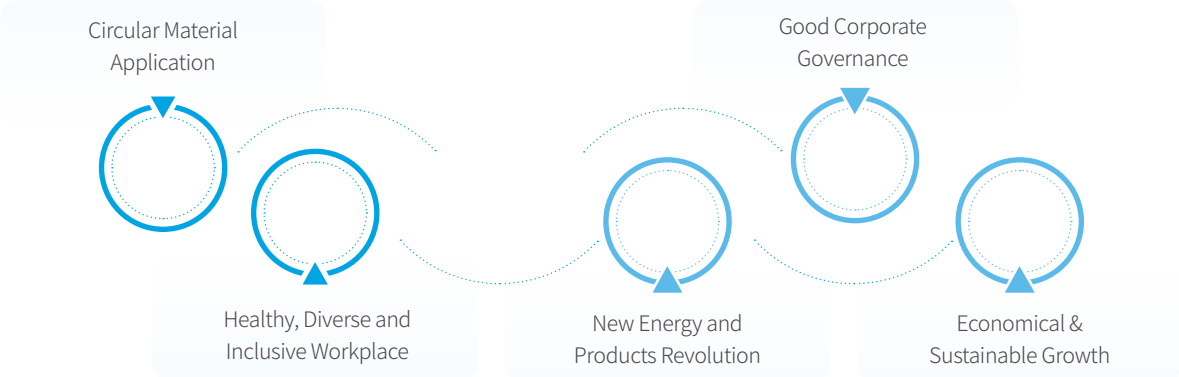
The Company's Main Product Advantages



The Path to Sustainable Development

ESG Development Concept

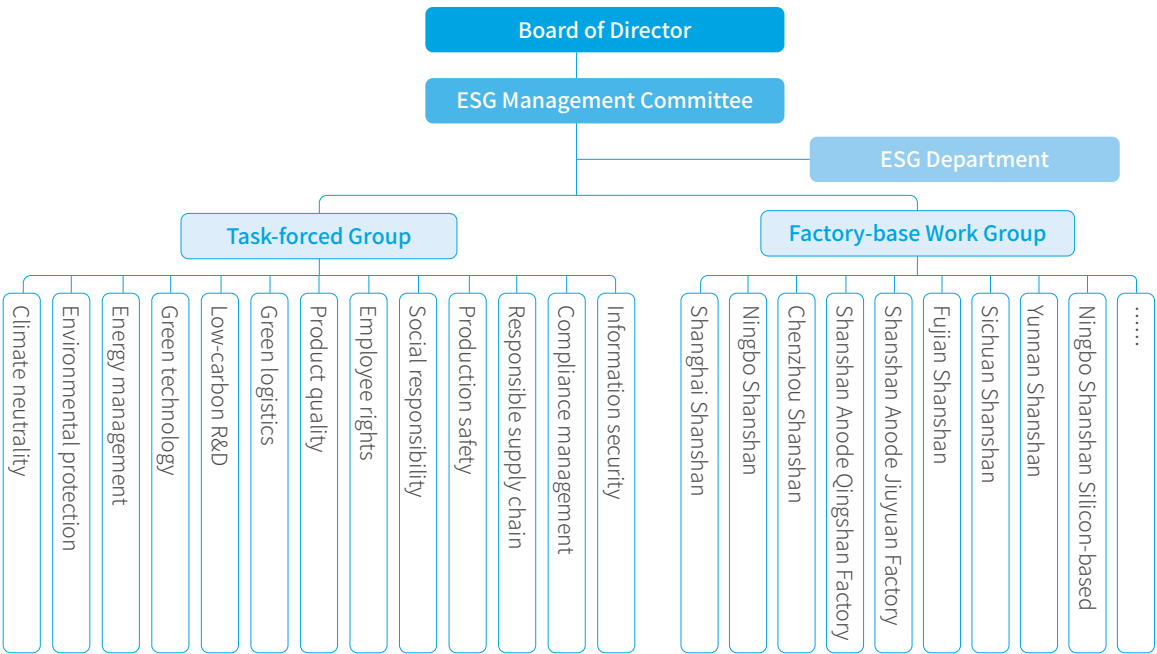
Aligning with its strategic development plan, the Company adopts the vision of "advancing the new energy revolution with new materials, innovative processes, and cutting-edge management" (We CHANGE), and further breaks it down into the actionable framework of "CHANGE". Shanshan Anode proposes that sustainable 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.

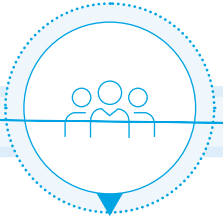
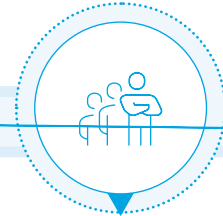
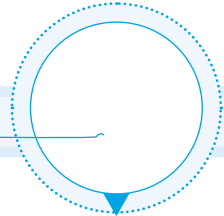
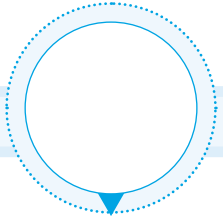
▲ Workflow of Sustainable Development Committee



Management of ESG Risks and Opportunities

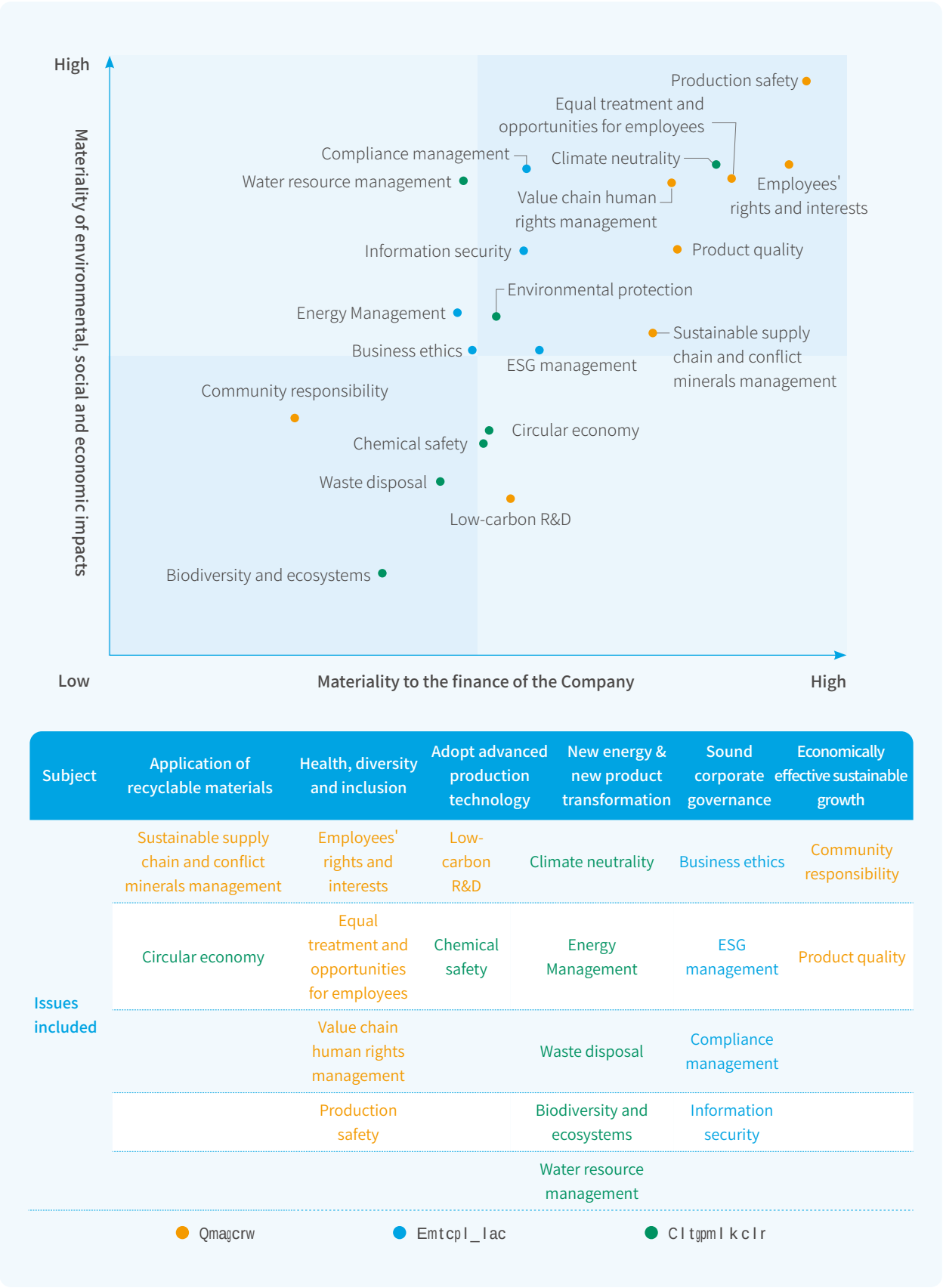
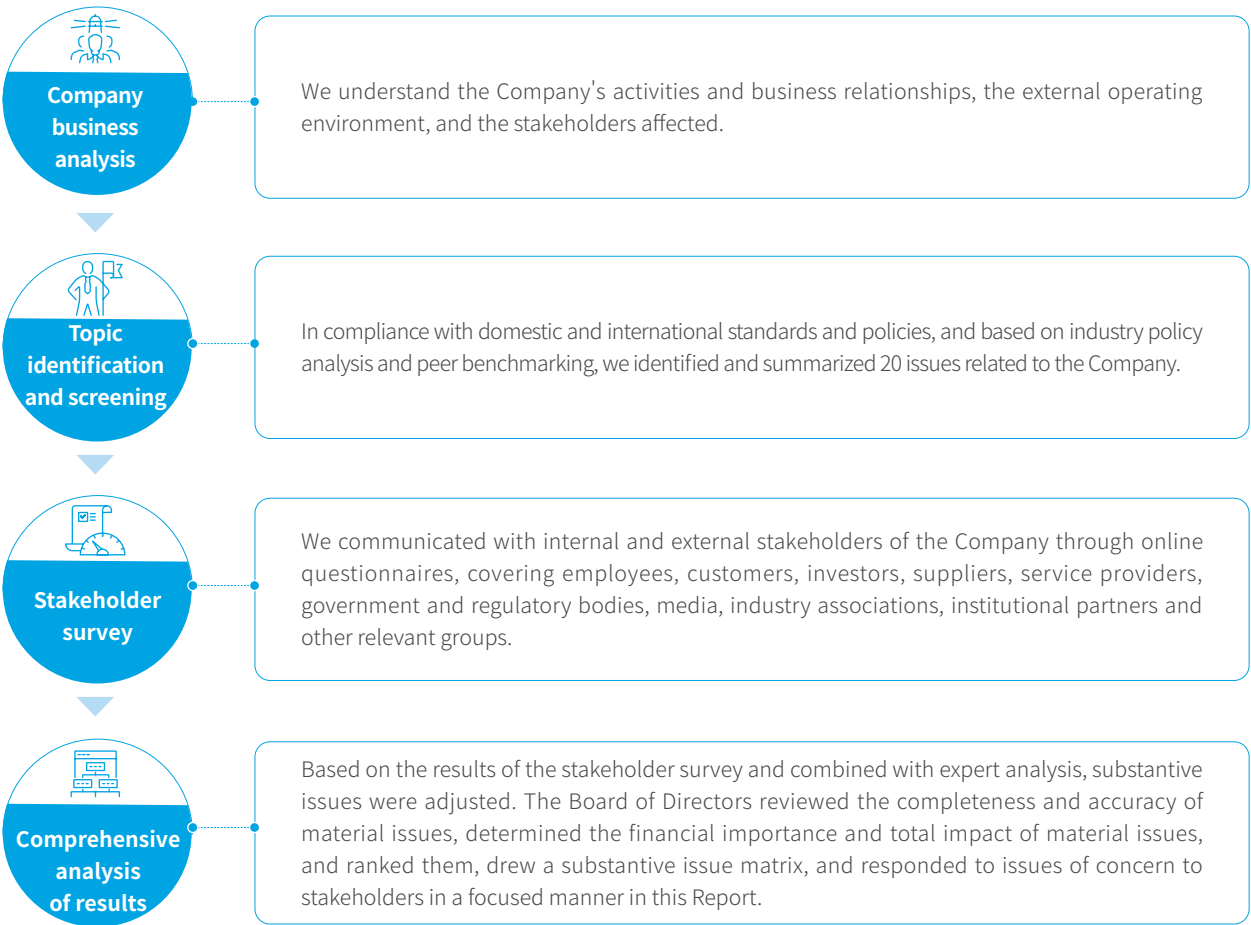
Communication with Stakeholders

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.

     						
Respond to national development strategies Operate in good faith and in compliance with laws and regulations Pay taxes in accordance with laws and regulations Prevent business risks	Sustainable profitability Regulate corporate governance Disclose operating information Asset preservation and appreciation and investment returns	Protect employees' basic rights and interests Complete career development system Competitive compensation and benefits Healthy and safe workplace	Green and high-quality products After-sales service	Fair, high-quality procurement Green procurement Friendly cooperation in good faith	R&D innovation Industry upgrading Industry collaboration	Social welfare
Internal control system Study and implement various regulatory regulations Actively cooperate with regulatory departments Law-abiding operation and fair competition Information disclosure	Regular reports, interim reports Investor survey, email, phoneInformation announcement on the Company's official website	Regular employee satisfaction surveys Questionnaire on substantive issues Complaint channel Labor union Staff training Staff Activities	Innovative R&D design Product compliance certification Product quality control High-quality and efficient service Customer satisfaction survey Customer audit	Supplier evaluation Supplier communication and training Open procurement Resource sharing	Actively communicate and visiteach other Participate in industry forums and standards	Charity activities Environmental activities Company website, public account Regular communication and feedback

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)

Chapter 4	The Company prohibits the employment of child labor, forced labor and other illegal employment practices. We are committed to providing employees with market-competitive, fair and just salaries, formulating and implementing a comprehensive welfare system and incentive measures to achieve a win-win situation for the Company's high-quality development and employee growth.	Chapter
		Chapter 4
		Chapter
		Chapter 4 Chapter 5
		Chapter
Chapter 1	The Company advocates responsible business practices, opposes unfair market competition, and continuously improves energy efficiency to promote the development of a green and circular economy.	Chapter
		Chapter 1 Chapter 3
		Chapter
		Chapter 2
		Chapter
Chapter 3	The Company has established a governance system with clear responsibilities and rights, compliance and efficiency, strengthened business ethics management, taken protective measures and carried out training in anti-corruption, responsible marketing, information security, intellectual property rights, etc., and put forward strict management requirements for suppliers and other partners.	Chapter
		Chapter 1 Chapter 3
		Chapter
		Chapter 1 Chapter 3
		Chapter

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

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.

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.



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.



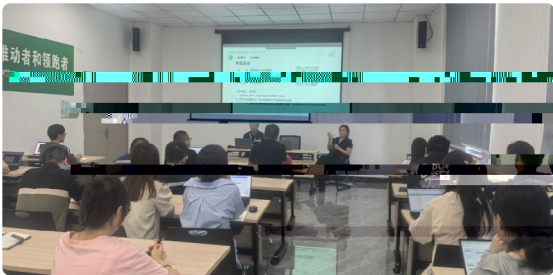
Commitment to Honesty and Self-discipline in the Workplace

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.



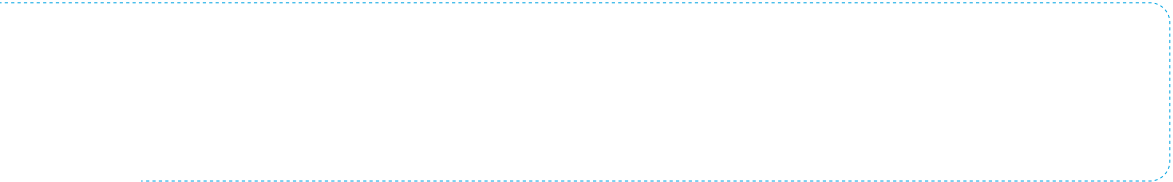
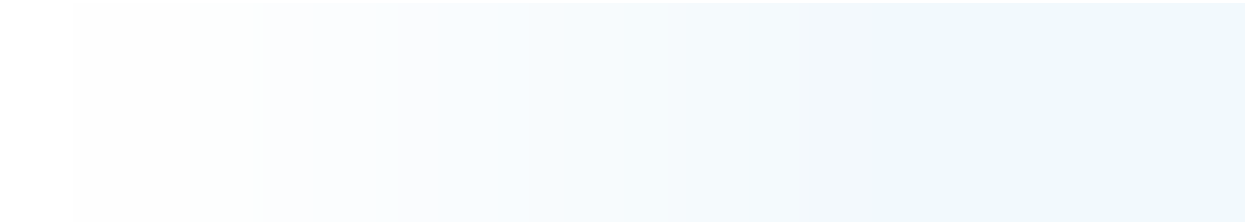
Integrity Management Training on Storage and Transportation Personnel

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.

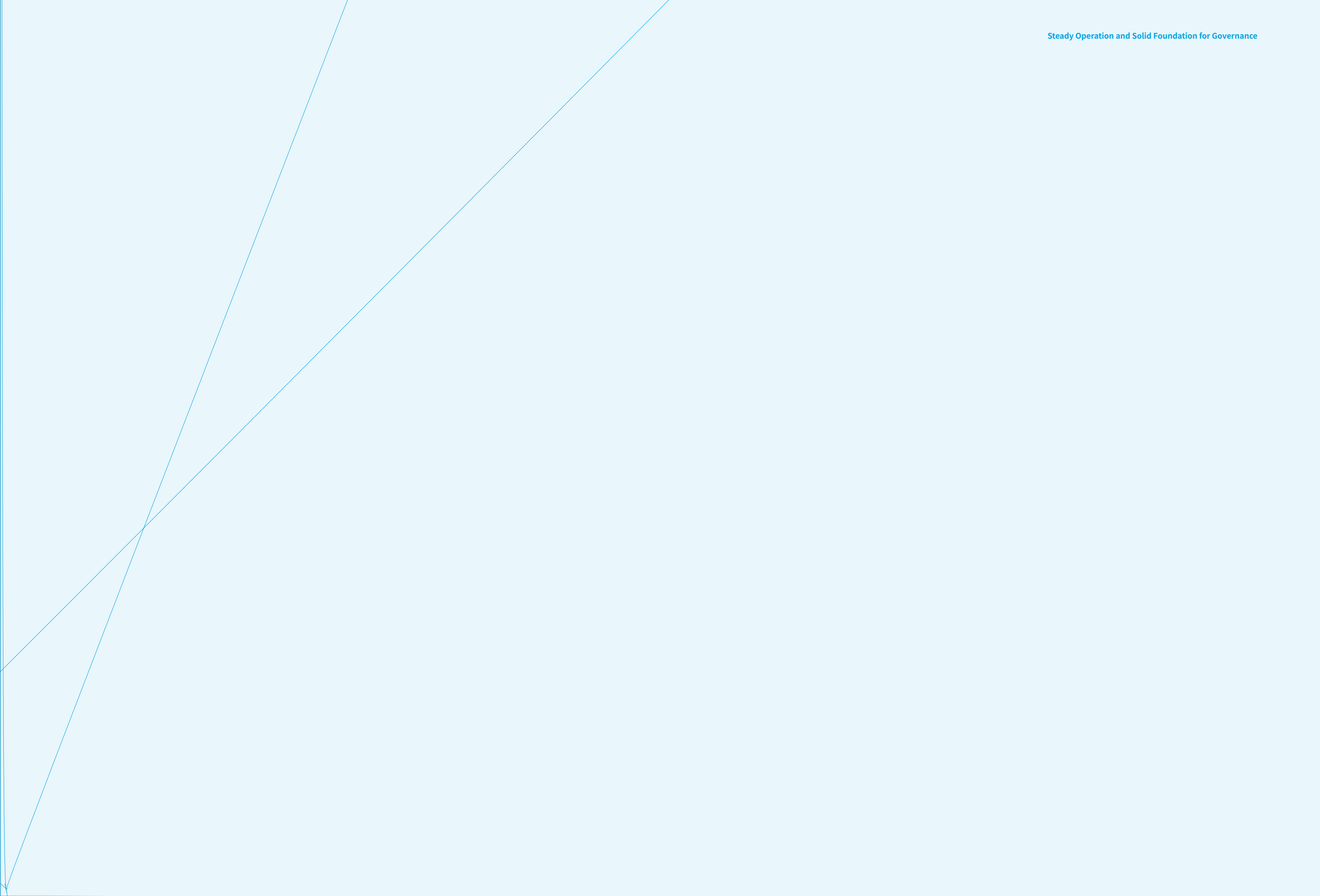


The Company's Internal Control Department and Ningbo Shanshan Co., Ltd. Audit and Supervision Department are the competent departments for accepting reports from suppliers, employees and customers and for preventing retaliation. They have set up mailboxes, telephone numbers and other reporting channels. 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.



In addition, the Company prevents retaliation and strictly protects good-faith whistleblowers and relevant witnesses from being treated unfairly due to their evidence-giving. The Company has established a whistleblowing protection system to ensure that whistleblowers can report without fear of retaliation. The Company will promptly handle reports and determine whether it falls within the scope of the whistleblowing protection system.

Handle it promptly to prevent retaliation
determine whether it falls within the



Practice Environmental Compliance

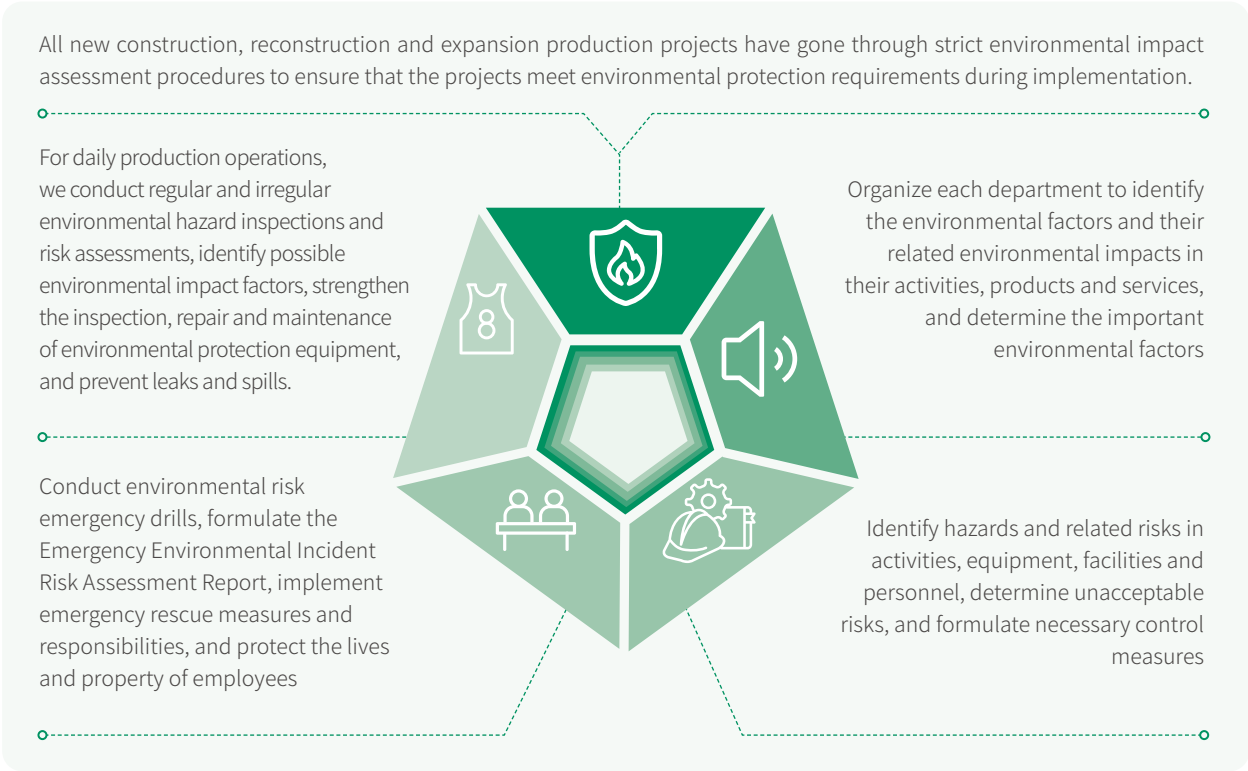
Shanshan Anode has established and improved the systems of the Environmental Management Regulations, the Environmental Management Material Control Specifications and the Environmental Post Responsibility System in accordance with laws and regulations and ISO 14001 environmental management system requirements. 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 scientification 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

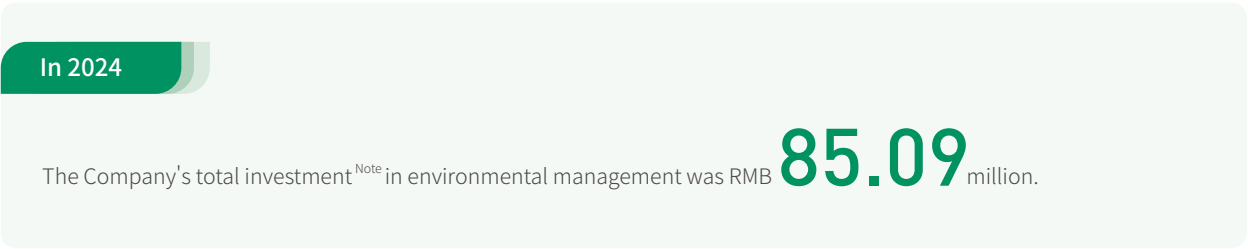
Attaching great importance to environmental risk management and hidden danger investigation, the Company has formulated systems such as the Environmental Risk Investigation and Hidden Danger Rectification System, the Environmental Protection Monitoring Management System, and the Environmental Factor 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.



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
- Prmote 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

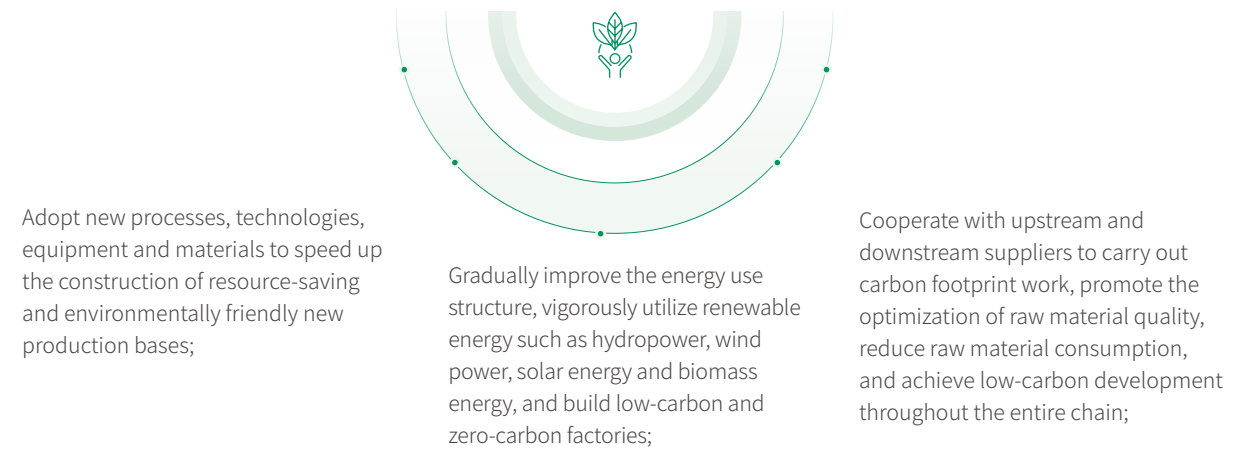
In order to better respond to climate change, the Company, relying on the ESG governance structure, defined the responsibilities and rights of organizations at all levels in responding to climate change, and formed a three-tier management structure of "Sustainable Development Committee for overall decision-making, 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
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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.



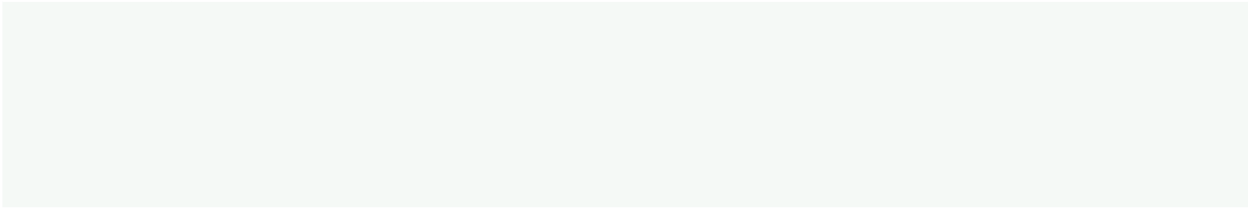
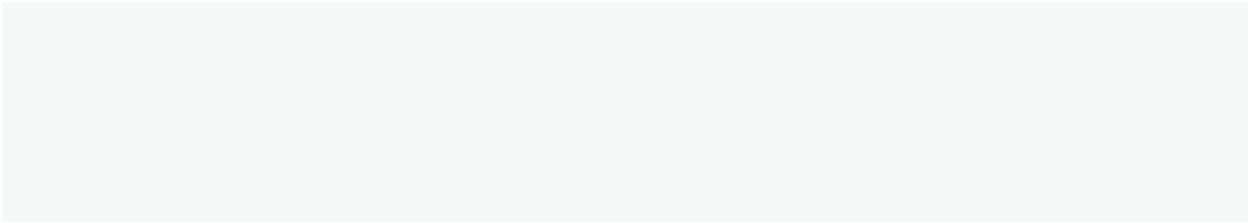
▲ Shanshan Anode's carbon reduction policy

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.	- Develop emergency plans to minimize losses caused by natural disasters. - Provide occupational health and safety (OHS) and climate change training for employees. - Monitor supplier locations, transportation routes, and corresponding weather forecasts along the logistics paths to mitigate potential financial impacts.
	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.	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.
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.	- Closely monitor policy and regulatory developments in carbon trading and global climate change to refine climate action roadmaps. - Monitor and optimize emission hotspots, scientifically conduct scientific greenhouse gas inventories, develop comprehensive emission lists, and enhance data disclosure quality. - Conduct carbon audits and product life cycle carbon footprint accounting to enhance greenhouse gas (GHG) emissions management capabilities.

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.	Actively develop green and low-carbon products and services, and plan ahead to meet customers' ESG requirements for suppliers and product supplies.
	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.	- Promote green and low-carbon design, promote the use of green recycling and renewable materials, and enhance green R&D capabilities. - 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.



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

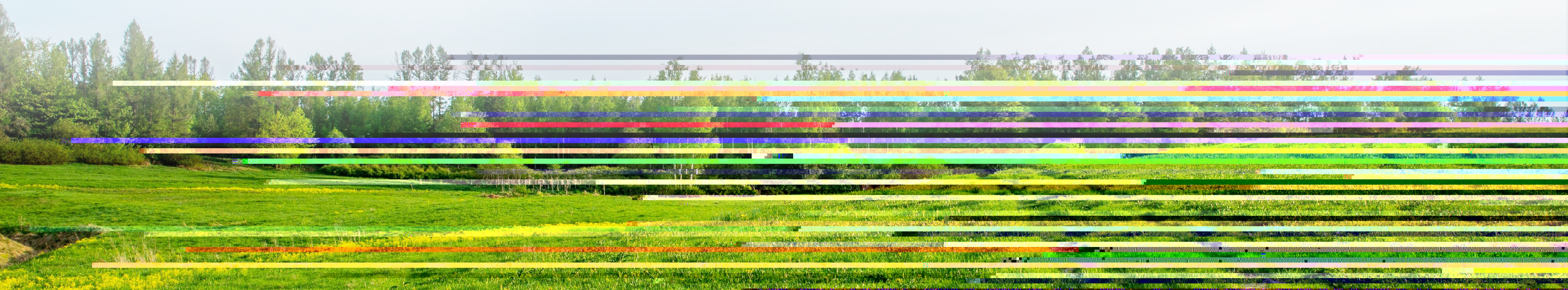
Greenhouse gas emissions (Unit: tCO₂e)

On the basis of reducing carbon emissions in the production and operation stage, the Company has implemented carbon reduction practices to the product category. Every year, we conduct full life cycle carbon gate" according to standards ISO 14044 and ISO 14067, providing data and practices for customers and contributing low-carbon products to society.

Key performance

As of December 31, 2024,

As of December 31, 2024,



Efficient Pollution Prevention

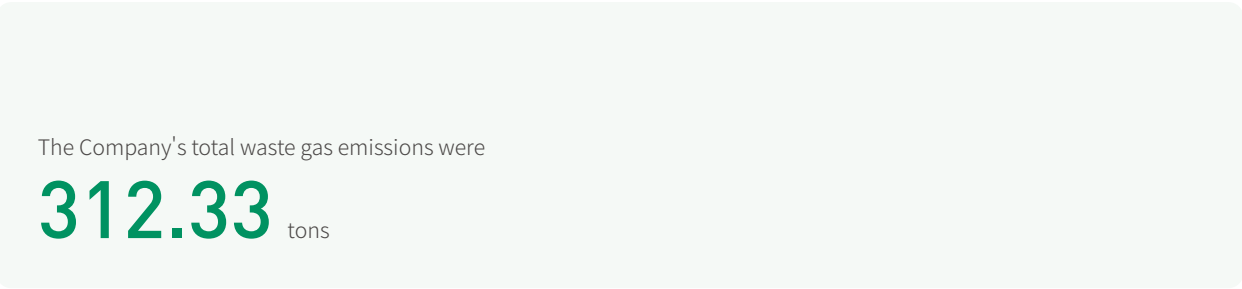
Pollutant Management

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.

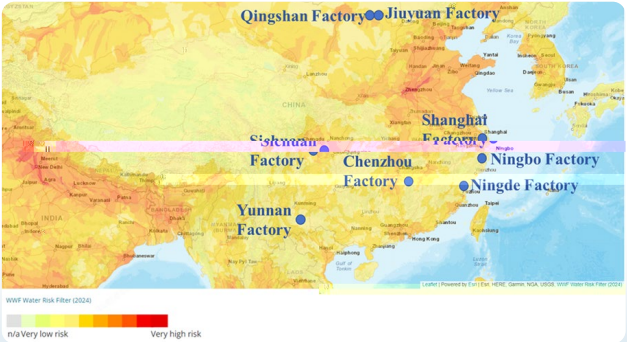
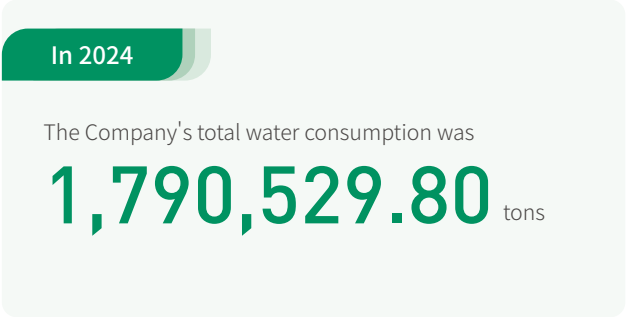


Optimize Resource Management

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.

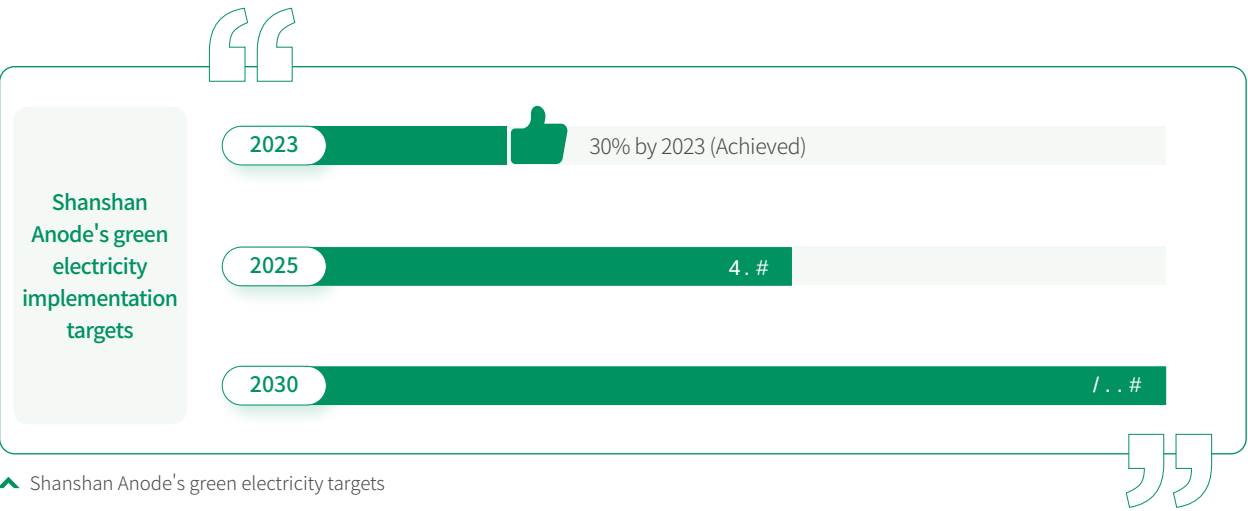
The Company uses the AqueductTM tools developed by the World Resources Institute (WRI) to assess annual changes in water risk in its locations, covering indicators such as the quantity of physical risks (such as baseline water stress and impacts of meteorological hazards), the quality of physical risks (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.



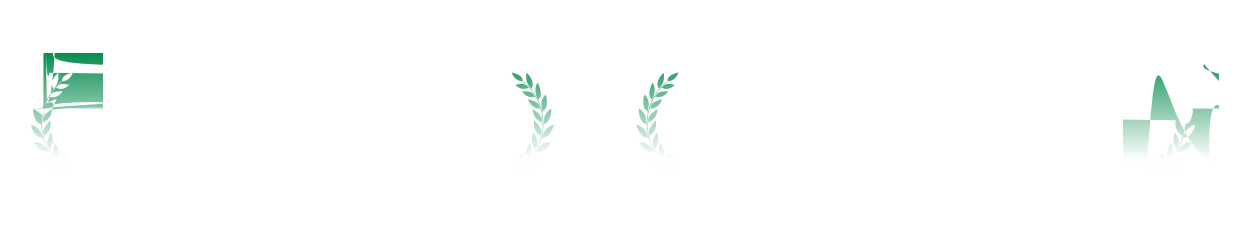
Shanshan Anode's green electricity targets



ISO 50001 Energy Management System Certification

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.



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.

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





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

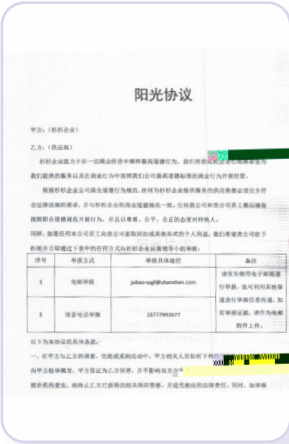
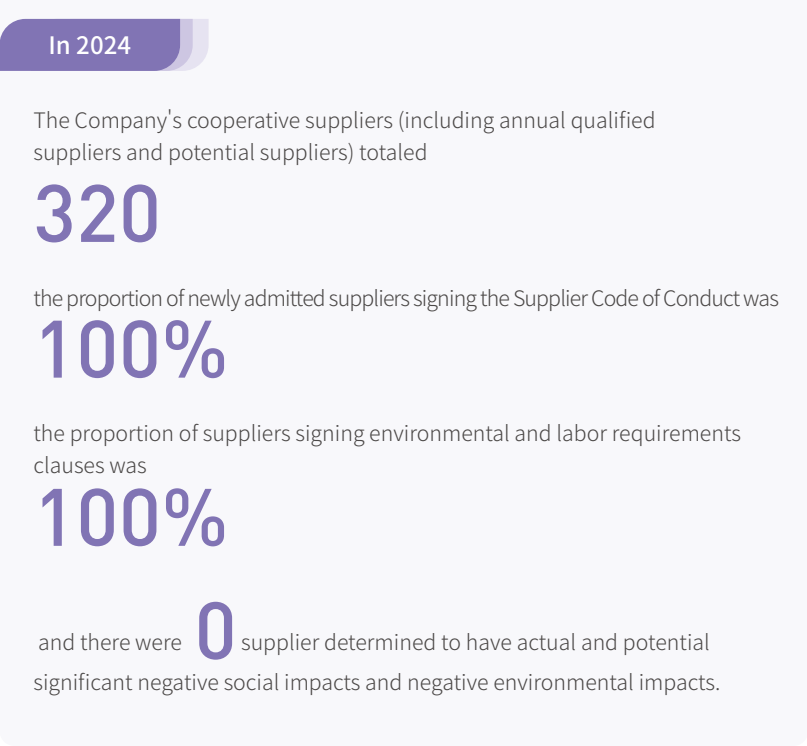
The Company strictly formulates supplier access principles in accordance with relevant laws and regulations, customer needs, supplier qualifications and other requirements, inspects all potential suppliers according to the supplier management and control procedures, issues trial production review reports, 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.

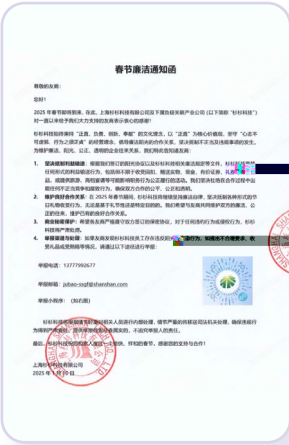
Supplier rating	Supplier score	Supplier management measures
A (Excellent)	Total score ≥ 90 points	The purchase ratio can be increased by about 10% to 20%
B (Acceptable)	80 points ≤ total score < 90 points	Approved for normal purchase
C (Conditional acceptance)	65 points ≤ total score < 80 points	Triggering 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.



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.

In 2024

The Company invested RMB 637.92 million in R&D

Accounting for 7.77% of its operating revenue

An increase of 46.26% over the same period last year

The R&D team of the Company consists of 308 members

Accounting for 5.90% of the total number of employees.

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

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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.

IP Management

The Company has established a comprehensive intellectual property management and protection of intellectual property system. The construction of the intellectual property management system includes a series of standardized documents such as the Patent Management System, the Trade Secret Protection System, and the Copyright Management System. The Company has a professional patent management team, which should properly protect the Company's intellectual property and unauthorized use of the Company's intellectual property. The Company conducts continuous training for its intellectual property management personnel and strengthen its intellectual property protection. In 2024, the Company was awarded the Intellectual Property Management System Certification.

Real-time intellectual

The Company has been awarded the Intellectual Property Management System Certification from a third-party institution and is committed to conduct 32-hour professional training for its intellectual property management of corporate products and to strengthen the professional intellectual property security management team to enhance intellectual property protection.



▲ Certificate of Intellectual Property Management System Certification

101
utility model patents

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.



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.

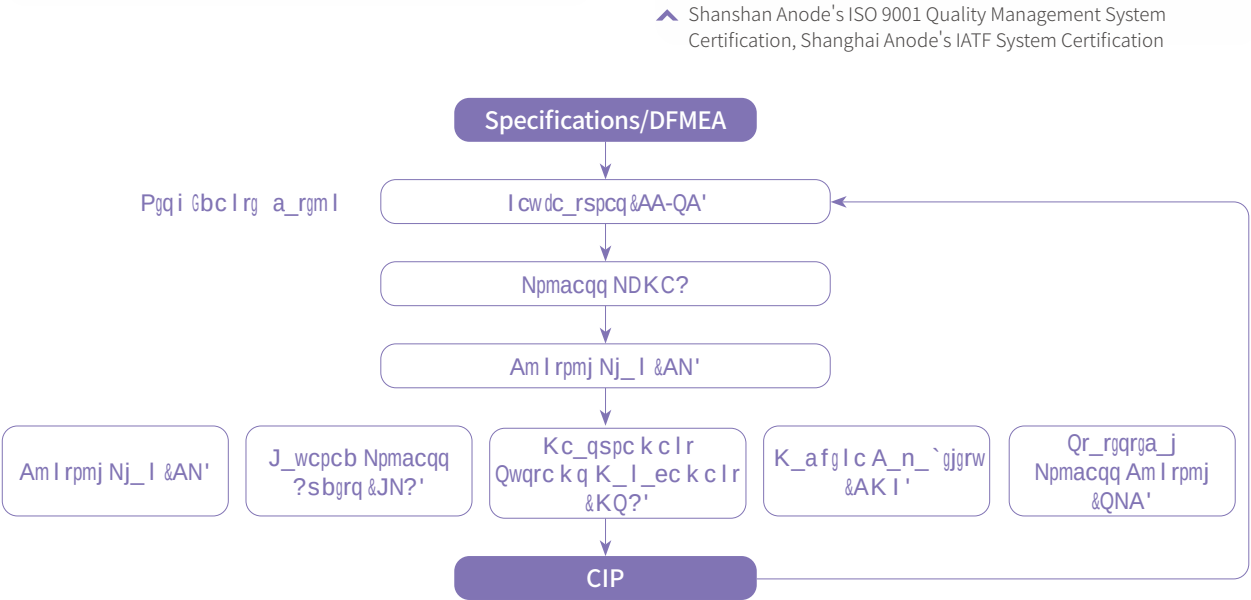
Systematically and automatically collect data related to the graphitization production process, build a production data model through IT technology, and improve product quality control; explore feasible solutions on how to recycle waste heat generated in the production process to indirectly achieve cost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

Strict Quality Control and Accountability

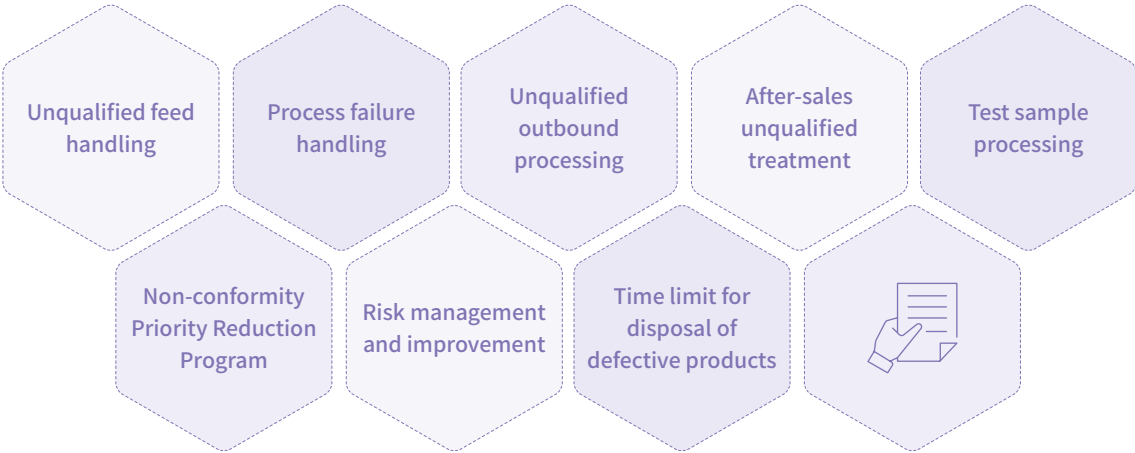
Shanshan Anode adheres to its own quality benchmark, regards meeting customer needs as its mission and pursues zero-defect standards. It has formulated the Management Manual for Quality, Environment, Occupational Health and Safety, the Control Procedure for Project Management, the Control Procedure for 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 aglobal brand. Cherish quality and reputation as theife 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.



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

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.

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

人力资源部

金属异物管理方法及运用

四川江安 品质部

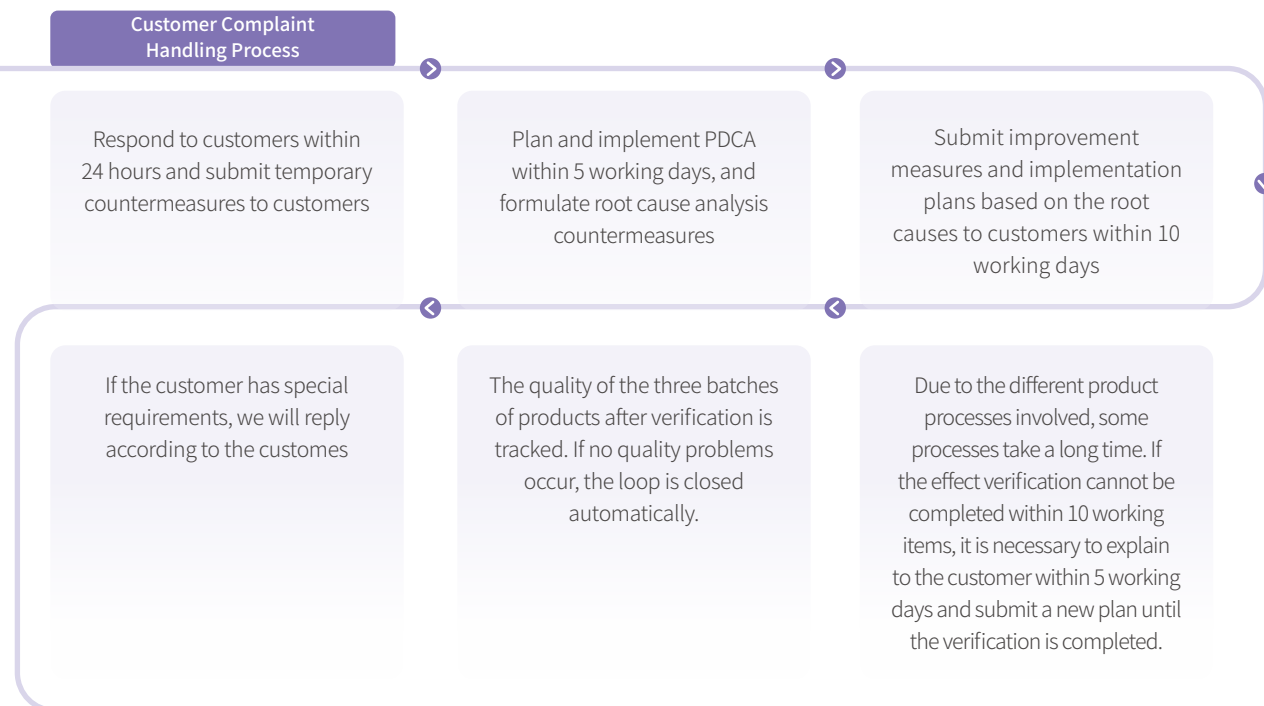
先机敏、警觉感、责任感是我们所有人都应具备的知识

长寿命人造石墨技术介绍和关键指标解析

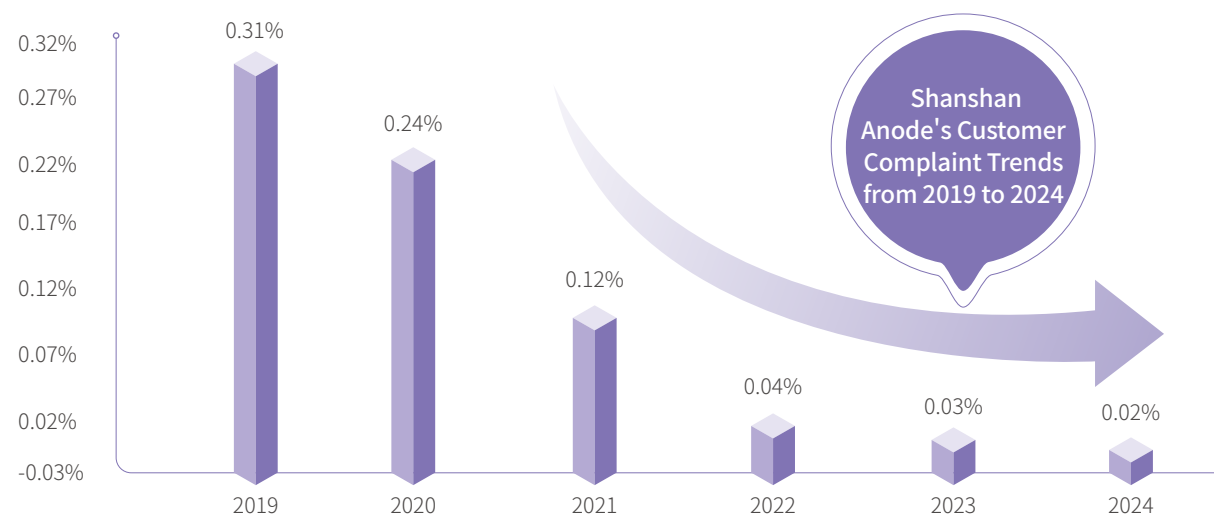
汇报人：上海杉杉新材料有限公司

Quality Seminar





▲ 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



▲ 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





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

Including

1,148

new employees.

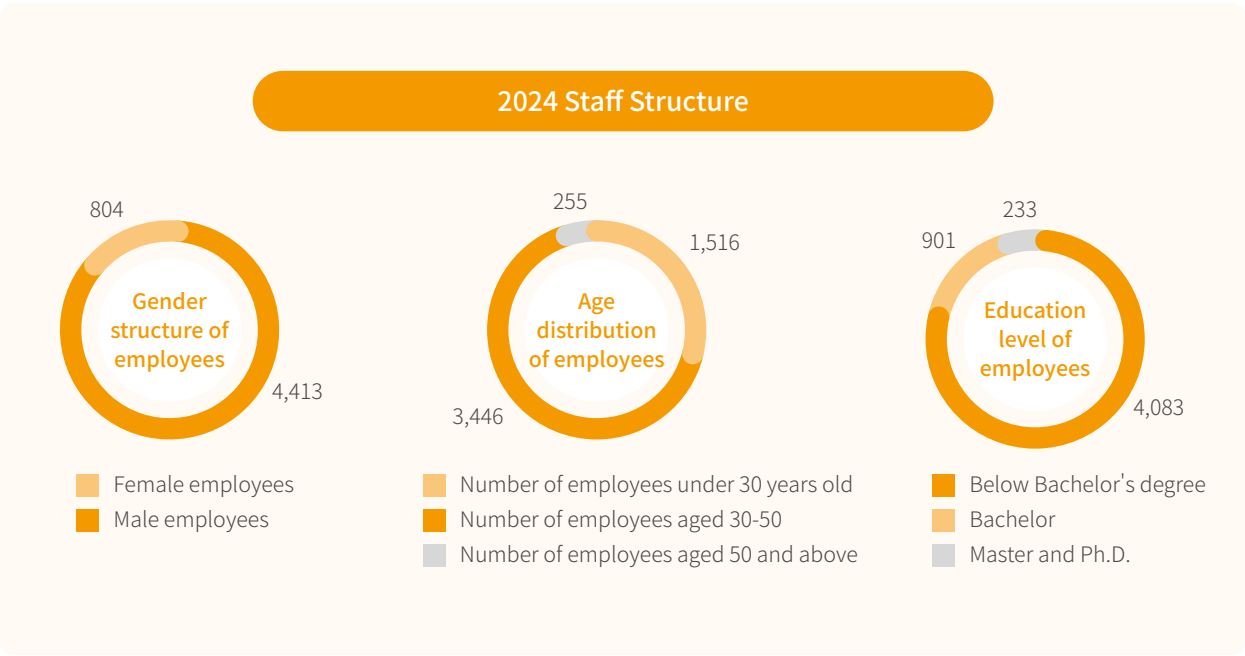
Equality, Diversity and Inclusiveness

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	and	
222	42	
minority employees	employees with disabilities	
40	26.26%	and
female R&D employees	of middle management	23.40%
		of senior management



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.

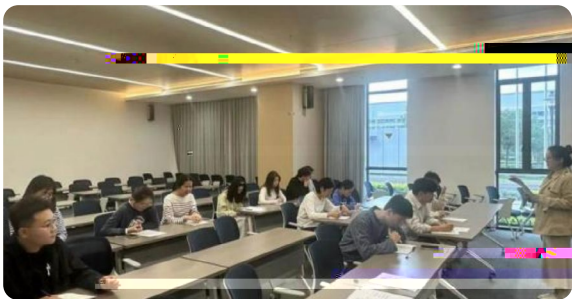


AI Office Skills Training

Case

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

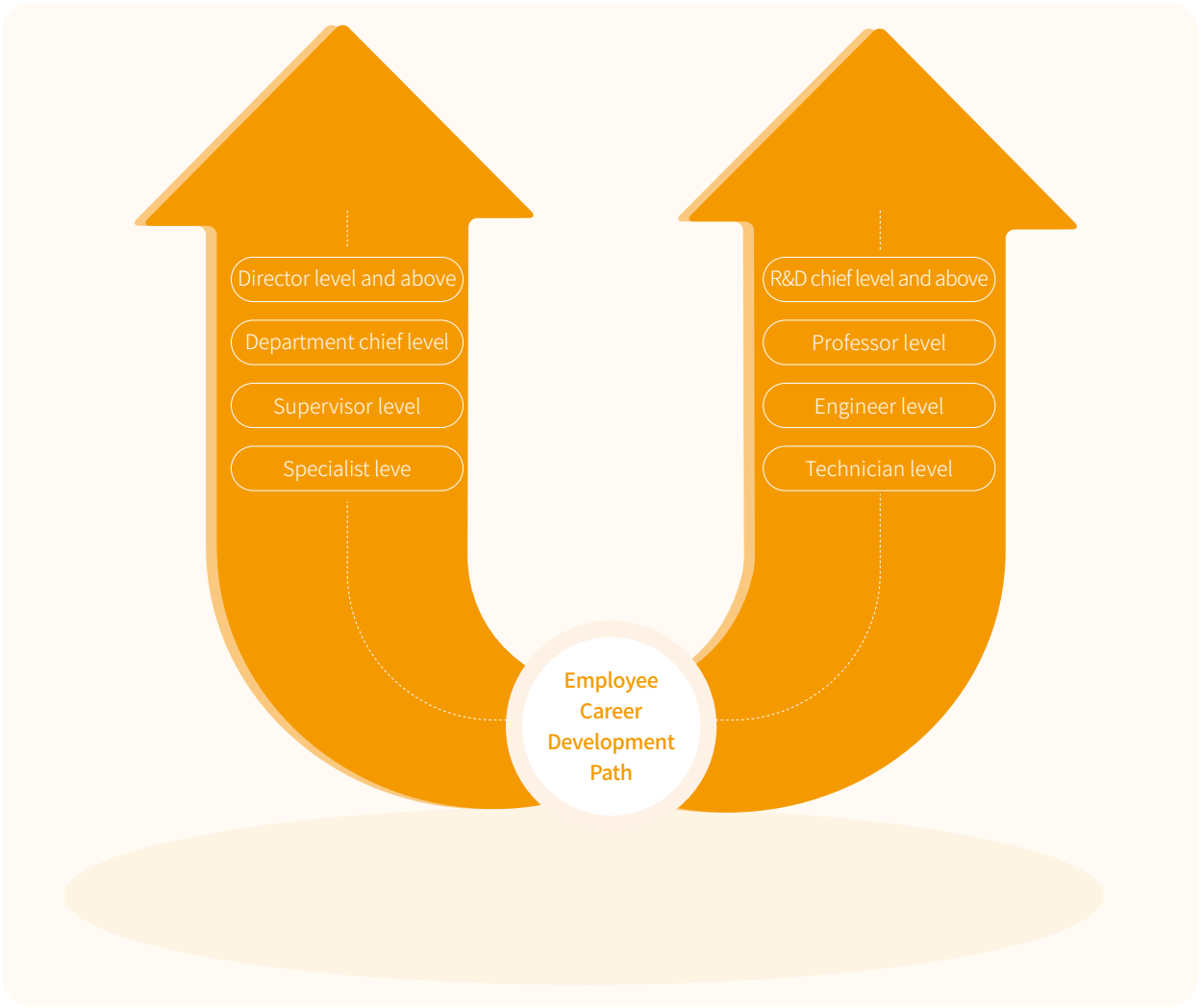
From September to October 2024, Shanshan Anode's internal lecturers conducted AEO customs certification training for overseas sales personnel and supply chain personnel involved, and provided detailed explanations on issues such as new certification indicators of the Customs Credit Management Measures 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.

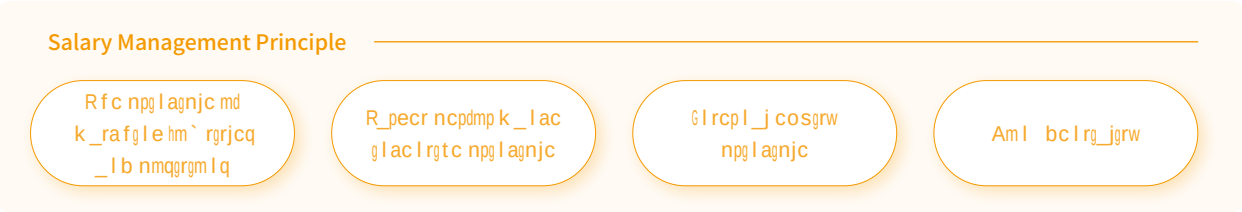


Diverse Employee Well-being Initiatives

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

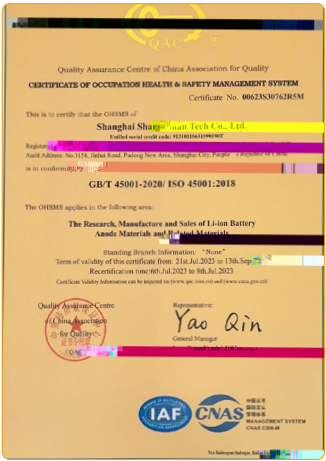
Consistently regarding employees as its most valuable assets, the Company is committed to providing employees with all-round care and support, focusing on the physical and mental health of employees and enriching cultural activities. The Company provides shuttle buses for employees in need, an on-site 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.



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

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.

▲ Publicity Slogan on Production Safety

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

the company has always been committed to providing a safe and healthy working environment for its employees. In 2024, the company has implemented a series of measures to improve occupational health management, including regular health examinations, safety training, and the provision of necessary protective equipment. The company also established a first aid team and organized first aid training for employees to ensure they can respond effectively in emergency situations. As of December 31, 2024, the company has a total of 61 qualified first aid workers, which is a significant improvement from the previous year. The company will continue to strengthen its occupational health management in the future, ensuring the health and safety of its employees.

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.

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

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



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 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
Business ethics	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
	Anti-commercial bribery and anti-corruption training	Number of anti-commercial bribery and anti-corruption training sessions conducted ¹	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 ²	Persons	118	71	28
		Total number of employees covered by anti-commercial bribery and anti-corruption training ³	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	0o

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 ⁵	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 ⁶	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 ofUtility Model Patents (UM)	Pcs	101	66	39

Environmental issues		Name of quantitative indicator	Unit	2024	2023	2022
Environment management		Total investment in environmental management ⁷	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
		Total energy consumption per unit of operating revenue	Tons of standard coal/million yuan in revenue	55.45	37.61	15.81
Energy use ⁸		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 ⁹	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 ¹⁰	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
Environmental management		Total greenhouse gas emissions	Tons of CO ₂ equivalent	4,306,847.40	3,629,891.19	1,499,076.49
		Of which: Scope 1 greenhouse gas emissions	Tons of CO ₂ equivalent	26,888.22	13,976.81	16,646.61
		Of which: Scope 2 greenhouse gas emissions (based on location)	Tons of CO ₂ equivalent	1,919,612.56	1,066,136.72	573,317.79
		Of which: Scope 3 greenhouse gas emissions	Tons of CO ₂ equivalent	2,360,346.63	2,549,777.65	909,112.08
		Greenhouse gas emission intensity	Tons of CO ₂ equivalent/million yuan in revenue	524.25	498.88	182.79
		Greenhouse gas emissions reduction ¹²	Tons of CO ₂ equivalent	1,138,073.05	812,218.79	74,427.26

Environmental issues	Name of quantitative indicator	Unit	2024	2023	2022
Air pollutant emissions ¹³	Waste disposal	Tons	312.33	275.42	40.27
	Nitrogen oxide (NO _x) emissions	Kg	66,768.70	65,606.29	11,499.46
	Sulfur oxide (SO _x) 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 ¹⁴	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) ¹⁵	Tons	75.14	24.49	11.68
	Biochemical oxygen demand (BOD) ¹⁵	Tons	21.71	8.41	4.79
	Ammonia nitrogen content (NH3-N) ¹⁵	Tons	7.39	1.93	1.97
Water resource management	Total water consumption ¹⁶	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 ¹⁷	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

Lmrc /8 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.

Lmrc 08 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.

Lmrc 18 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.

Lmrc 28 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.

Lmrc 38 Rotal 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.).

Lmrc 48 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.

Lmrc 58 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.

Lmrc 68 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.

Lmrc 78 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.

Lmrc / .8 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.

Lmrc / /8 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

Lmrc /08 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 kgCO₂e/kWh

Lmrc / 18 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.

Lmrc /28 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%.

Lmrc / 38 The emissions of chemical oxygen demand (COD), biochemical oxygen demand (BOD), and ammonia nitrogen content (NH₃-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.

Lmrc /48 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%

Lmrc / 5 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

Instructions	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.	
GRI 1 used	GRI 1: Basis 2021	
GRI 2: General Disclosures	GRI indicators	Related explanation
	GRI indicators	Location
	G2-1	Organization details
	G2-2	Entities included in the organization's sustainability report
	G2-3	Reporting period, frequency and contact points
	G2-4	Restatement of information
	G2-5	External assurance
	G2-6	Activities, value chain and other business relationships
	G2-7	Employees
	G2-8	Workers other than employees
	G2-12	Supervisory role of the highest governance body in managing impacts
	G2-14	Role of the highest governance body in the sustainability report
	G2-15	Conflicts of interest
	G2-16	Communication of key concerns
	G2-17	Highest governance body's shared knowledge
	G2-19	Remuneration policy
	G2-20	Procedures for determining remuneration
	G2-22	Statement on Sustainable Development Strategy
	G2-23	Policy commitment
	G2-25	Procedures for remediating adverse effects
	G2-26	Mechanisms for seeking advice and raising concerns
	G2-27	Comply with laws and regulations
	G2-28	Membership of the Association
	G2-29	Methods for stakeholder engagement

GRI indicators	Related explanation	Location

Independent Assurance and Statement of Opinion



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:

Inclusiveness	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.
Substantiality	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.
Responsiveness	Shanshan Anode has implemented relevant policies, and is able to respond to issues that concern the stakeholders in a timely manner.
Impact	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.

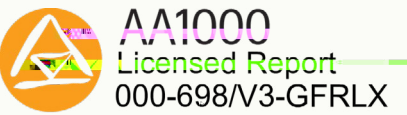
Because there is no internationally recognized and commonly used standard for the evaluation and measurement of non-financial information, the application of different but acceptable information and measurement technologies may affect the comparability with other institutions.

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

Tel: 021-20740303

Email: esg@infaith.com.cn

Address: 17F, Tower T1, Lujiazui Riverside Center, Lane 257, Binjiang Avenue, Pudong New District, Shanghai



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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 ☐ Yes

Open-ended question:

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



杉杉科技
Shanshan Technology