About This Report

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

Time Frame

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

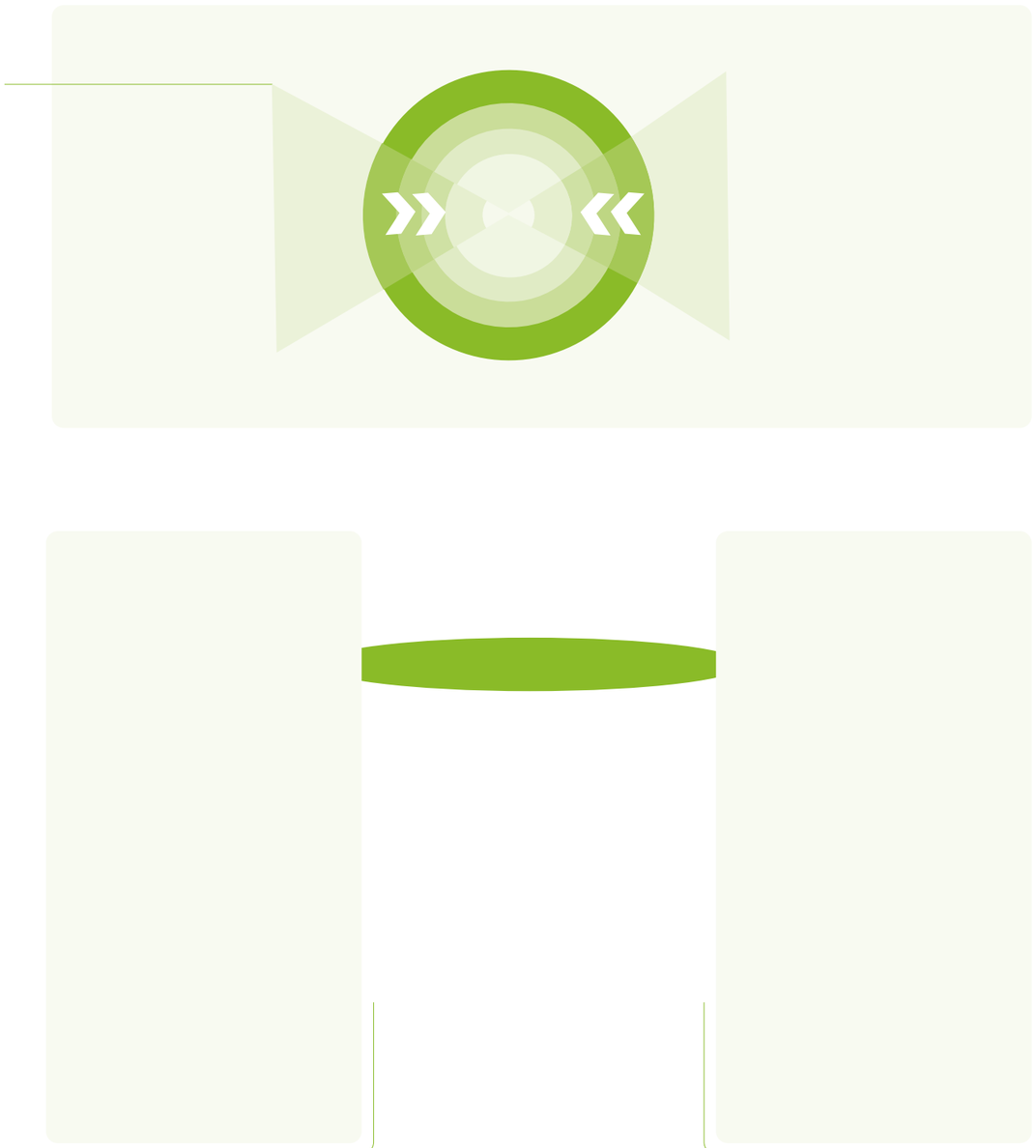
Information Source

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

The data disclosed in this Report comes from the actual operation data of Shanshan, public data announced by government departments, annual fnancial data, internal statistical reports, third-party questionnaires, and third-paroĎ th " ation ȳ ɔ aer ά i ¯ n tbᴰ ǎ ḍ t fl anHi ǎ th aq a n ᴰ ǎ o v† e ƈ oro s ƈ reserae Ґ in ť ƥase ! ť ƙ ȳ v ғ ǐ ﺣ/ g ɣ s, i " Rep v א Ơ Ґ ! fnanc ɾ Ґ re Ď ﺣ Ґ ! fnanc ɾ Ґ r] ɣ n ! . t Ḷ a / Ị "Ґ !ụ fœ ȸ ɻn Ґ ǐ ה Ґ p א ד g ǯ

CONTENTS

Chairman's Message



Development History

May 1992

Mr. Zheng Yonggang, the then Chairman of the Company, founded Shanshan in Ningbo, Zhejiang, pioneering

January 1996

Shanshan was listed on the A-share market, becoming the first listed company in China's clothing industry.

September 1999

Shanghai Shanshan Technology Co., Ltd., the first lithium ion battery anode material manufacturer in China, was established.

November 2003

Shanshan initiated the research, development and production of lithium ion battery cathode materials and established Hunan Shanshan Energy Technology Co., Ltd.

March 2005

Shanshan tapped into the lithium battery electrolyte industry and completed the layout of three core materials for lithium batteries.

November 2018

Shanshan Energy was recognized as a national enterprise technology center, a national technology innovation demonstration enterprise, and

November 2019

Ningbo Shanshan New Materials Technology Co., Ltd. was included in the list of national enterprise technology centers and the list of national enterprises leading an individual field of the manufacturing industry.

June 2020

Shanshan announced the

February 2021

Shanshan completed the acquisition of LG Chem's LCD polarizer business in Chinese Mainland, and Shanjin Optoelectronics became the largest polarizer supplier in the world.

May 2021

Shanshan and BASF concluded a contract to set up a joint venture, expediting the international expansion of the cathode business.

April 2022

With the signing and landing of the integrated base for 200,000 tons of anode materials in Meishan and 300,000 tons of anode materials in Kunming, Shanshan Technology completed the strategic layout of a domestic production capacity of 700,000 tons of artificial graphit

July 2022

Shanshan successfully issued GDR and landed on the SWX Swiss Exchange, being among the first to come under the "China-Switzerland Stock Connect" mechanism in China's new energy industry and fully launching its overseas strategy

September 2023

Shanshan announced the construction of an integrated base project for lithium ion battery anode materials with an annual production capacity of 100,000 tons in Finland, further improving its global production capacity layout of anode materials.

Shanshan announced that it intended to acquire the OLED, automotive LCD and Apple-specific polarizer related assets of LG Chem in Chinese Mainland, South Korea and Vietnam, accelerating the leap from LCD polarizer to LCD+OLED polarizer.

November 2023

Shanjin Optoelectronics (Nanjing) Co., Ltd. was successfully selected as a national "green factory".

Focus on 2023

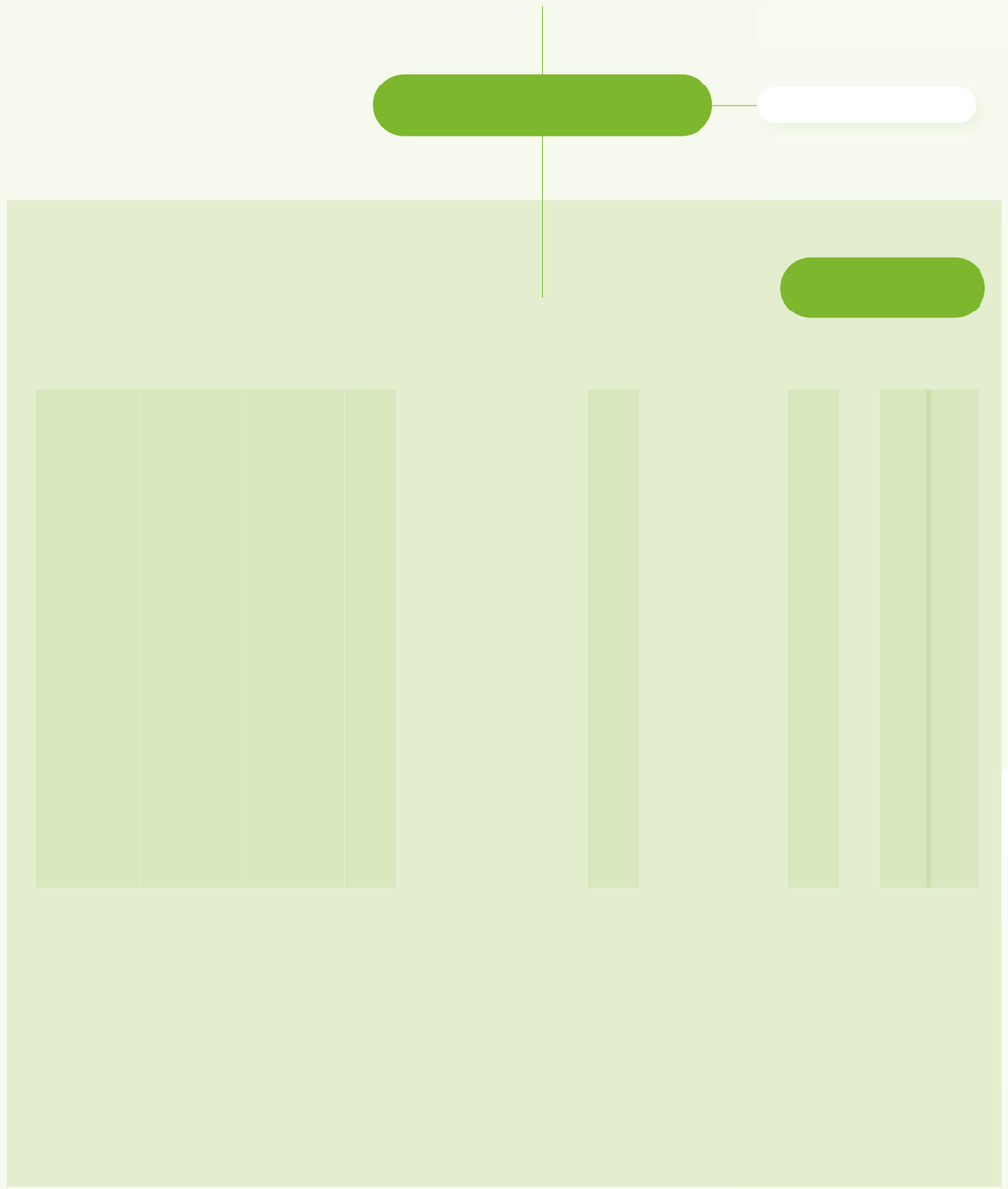
Name of honor	Issuing authority
Listed in the "Top 500 Chinese Enterprises"	China Enterprise Confederation and China Enterprise Directors Association
Listed in the "Top 500 Chinese Private Enterprises"	All-China Federation of Industry and Commerce
Awarded as one of the "Top 100 Enterprises in Shanghai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

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

Our Path to Sustainable Development

ESG Management System

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



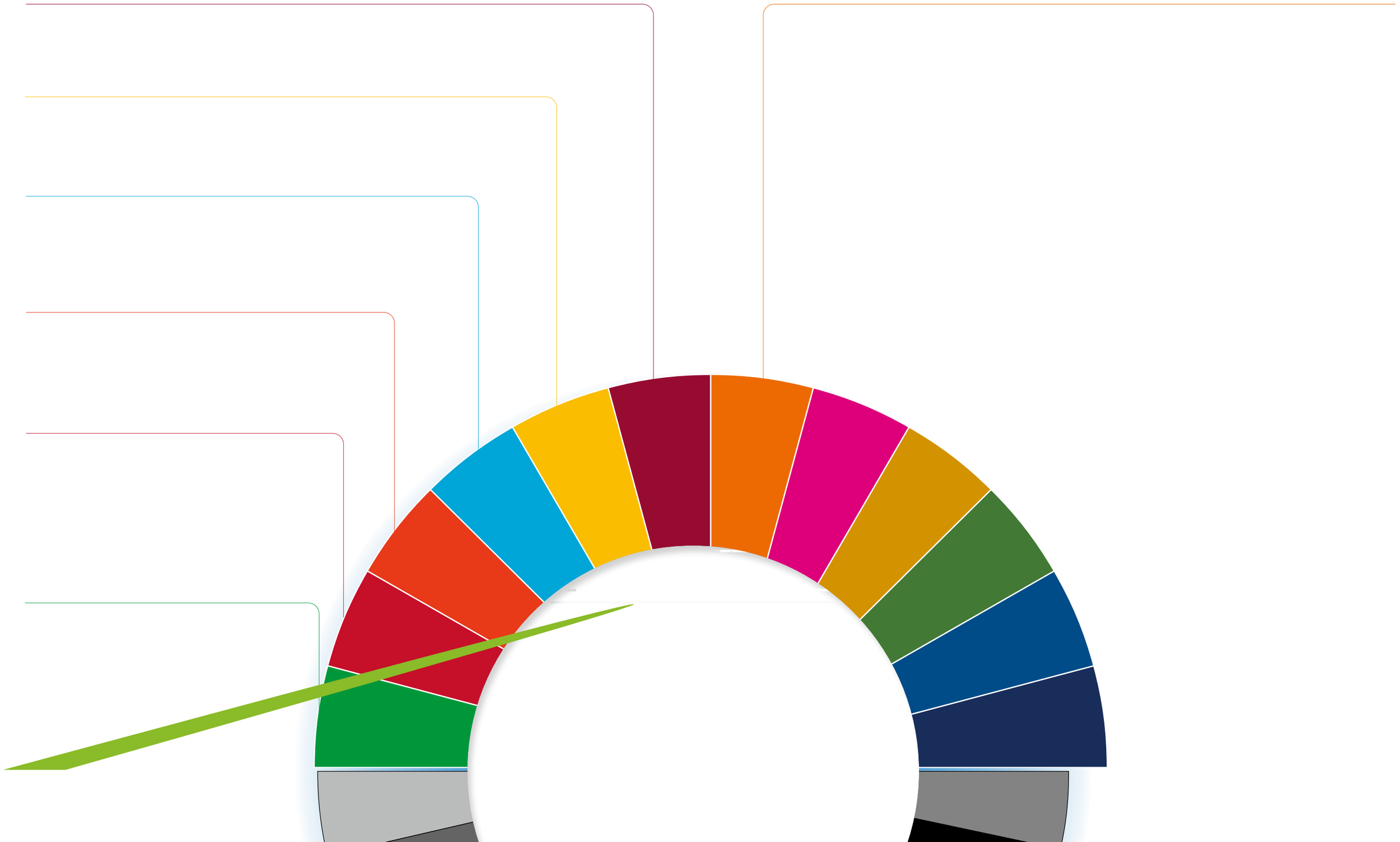
Communication with Stakeholders

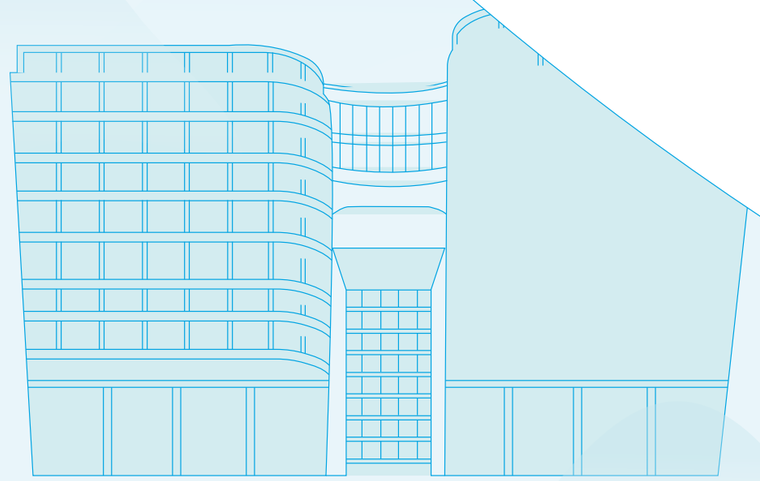
Based on industrial and operational characteristics, the Company has identified its main stakeholders including sha… investors, customer enterprises, partners, employees, environment, government, community, and the public. The … establishes a regular communication mechanism with its stakeholders, and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

Concerns and expectations	Stakeholder	Communication mechanism
• Open and transparent information disclosure • Regulated corporate governance • Asset preservation & appreciation and …stment	Shareholders and investors	• Shareholders' general meeting • Periodic report and interim report • Institutional research, investor hotline, email, performance brie f ng, and SSE E-interactive platform
	…tomers	• Customer satisfaction survey • After-sales service commitment • Customer communication channel • Quality service activities
• Promoting regional economic and cultural development • Helping socially disadvantaged groups	Community and the public	• Holding pub… cultural and sports activities, charity activities, etc.



Sustainable Development Goals (SDGs) Response





Consolidating Corporate Governance

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

Three-institution operation

In light of the provisions of the *Company Law of the People's Republic of China*, *the Securities Law of the People's Republic of China*, the *Corporate Governance Guidelines for Listed Companies* as well as other relevant laws, regulations and normative documents, the Company has set up its Shareholders' General Meeting, the Board of Directors and its subordinate special committees and the Boar] an ɔ] Boe ^ Lht sg O˝ ǯ an ɔ Lbebq Bo˝ ̃ ̀ hens of thec

In 2023

the Company conducted more than

40 performance brief ngs

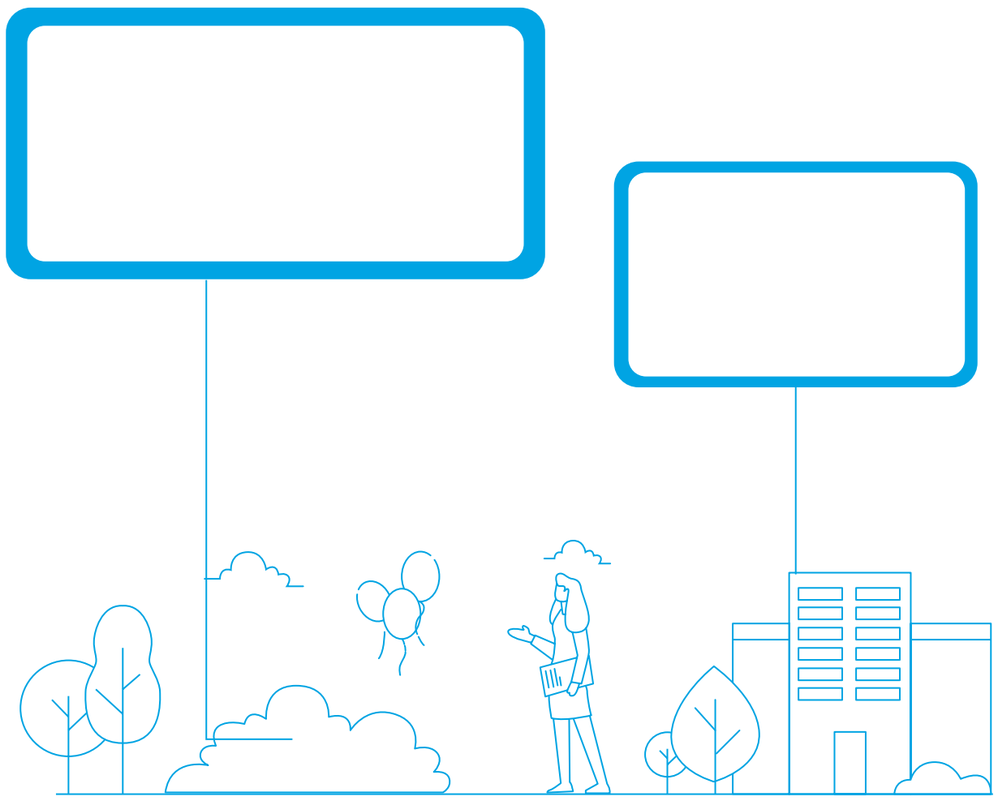
and online and o f ine investor researches, with a total of more than

500 organizations

with a response rate of

100 %

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



Risk management

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

Adherence to Business Ethics

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

Responsibilities and obligations to customers

- Firmly believe that customers are the true foundation of our business and always respect their opinions;
- Continuously create value that benefits customers and gain their absolute trust.

Fair competition

- All business activities should comply with laws and regulations;
- Ensure competitive advantage through legitimate means

Responsibility to the country and society

- Protect the interests of shareholders through being a healthy company by conducting business appropriately, and meanwhile contribute to improving people's living standards and social development.

Fair trade

- All transactions should be carried out in an environment of equal participation and follow the principle of free competition;
- Build a cooperative relationship of mutual trust through transparent and fair transactions, and seek common development from a long-term perspective.

Responsibility to employees

Respect every employee, give them corresponding treatment based on their ability and performance, and make continuous efforts to make them give full play to their individual creativity.

Basic ethics of employees

- Employees should establish integrity and fairness as the proper values for being a human being;
- Fulfill the assigned mission through continuous self-development and impartial duty performance.

Integrity practice

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

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

Anti-Corruption Law Compliance Guarantee Letter

Integrity Discipline Commitment Letter

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

Measures for integrity and anti-corruption audit results

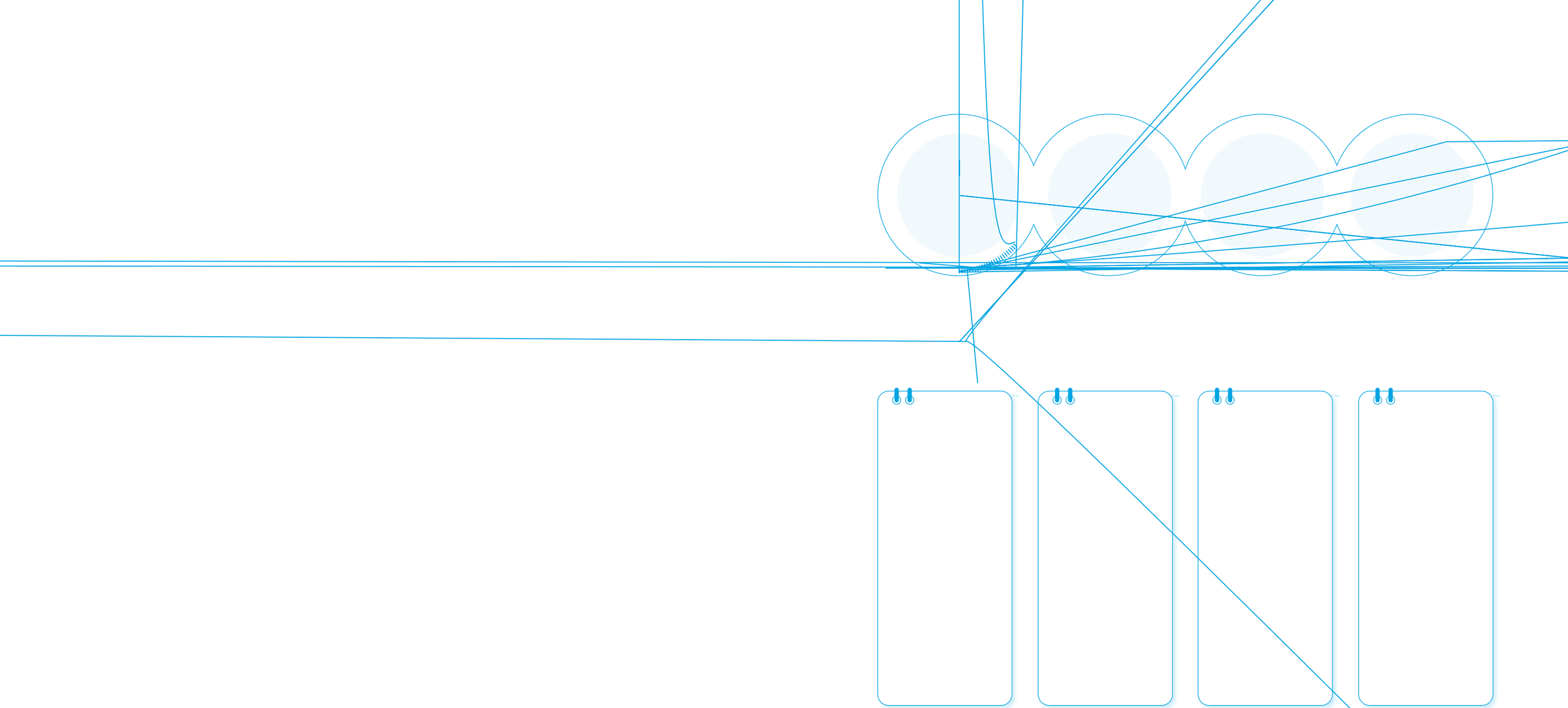
In October 2023,Shanghai Shanshan Lithium Battery sorted out the list of key risk positions, and added a rotation cycle for relevant positions, requiring logistics engineers, weighers and solid waste warehouse managers to rotate once every 1 year and purchasers to rotate once every 2 years to strengthen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

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

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

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

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



Leading Development with Party Building

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

Party Building Activity Room of Ningbo Shanshan

Shanghai Shanshan Lithium Battery Fujian Plant organized Party history-related study and education, deeply promoted the Party's fine traditions and spirit, systematically studied spe ɜ tudied spe ɜ to ᴰ ɾ ad ti { ḍ

Themed education and learning about Party history

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

Party building themed activities



Environmental Management System

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



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

Response to Climate Change

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

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

In 2023

the Company obtained the ISO 14064 carbon verification with a coverage rate of **75** %

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



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



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

Shanjin Optoelectronics

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



Sustainable development strategy direction of Shanjin Optoelectronics

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

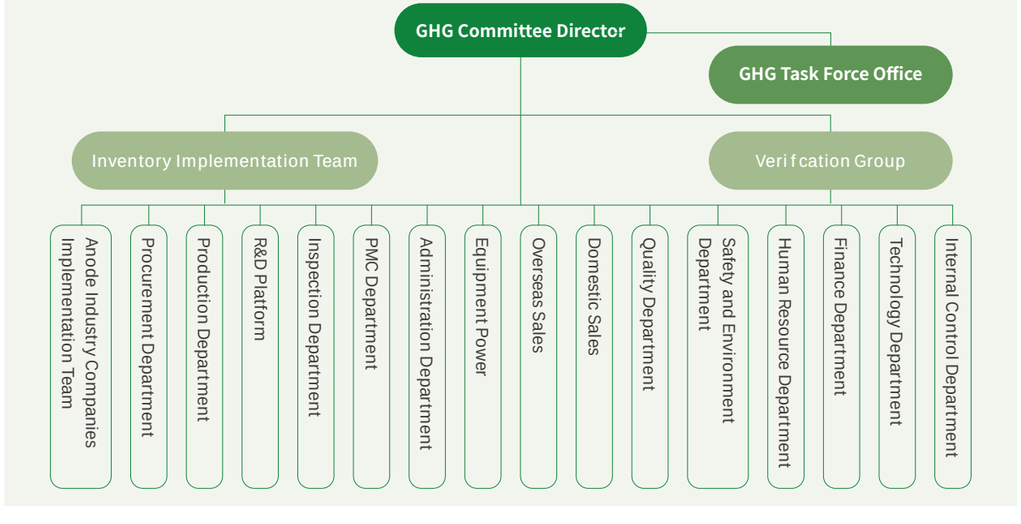
Various energy-saving and carbon reduction practices of Shanjin Optoelectronics

Shanjin Optoelectronics (Guangzhou) significantly saved electricity and steam flow by recycling and reusing the exhaust gas, thereby reducing energy consumption and lowering carbon emissions. In 2023, such a measure helped save a total of 592,900 kWh of electricity and reduce carbon emissions by 569.2 tCO_2e throughout the year.

Shanjin Optoelectronics (Nanjing) laid rooftop photovoltaics to supply power to the plant. In 2023, Shanjin Optoelectronics (Nanjing) achieved a total photovoltaic power generation of 2.168 million kWh and reduced carbon emissions by 2,081.4tCO_2e. Shanjin Optoelectronics (Nanjing) also used exhaust gas to produce hot water, raising the water inlet temperature of the 90 water system to 80 , reducing the use of steam in the 90 water system, and hence saving 22,630 tons of steam throughout the year.

Shanghai Shanshan Lithium Battery

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



GHG Inventory and Implementation Committee of Shanghai Shanshan Lithium Battery

Carbon reduction policy of Shanghai Shanshan Lithium Battery

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

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



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

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

Energy and Carbon Management Plan Action Program

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



- Procuring green electricity: 100% by 2030

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

- Incorporating recycled materials into R&D

- Incorporating carbon emission into upstream supplier metrics

Carbon Reduction Measures in 2023

Ningde

30% of electricity souress% o

Meishan
Kunming
Yinzhou

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

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

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

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

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

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

Enhancing Emission Management

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

In 2023

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

280.8596 million

Wastewater and water resources management

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

In 2023

the total amount of wastewater discharged by the Company was

1.7178 million tons

with a discharge compliance rate of

100 %

The Company attaches great importance to the conservation and management of water resources, strictly abides by relevant laws and regulations such as the Water Law and the Water Pollution Prevention and Control Law, and has formulated

In 2023

the total water consumption of the Company was

4,001,617.45 tons

and the circulating water consumption of the Company was

1,148,292.76 tons

In addition

7,922 tons of rainwater were recycled by

accounting for

0.7 % of its total water consumption

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

Data collection and analysis

- Collect water resource data required for operation, including water consumption, water sources, wastewater discharge, etc. Analyzing such data can help us understand our own water resource utilization situation.

Full lifecycle assessment

- Comprehensively evaluate the impact of our activities on water resources from raw material procurement, production process, product use to final disposal. This helps to identify potential risks and opportunities.

Continuous monitoring and reporting

- Establish a water resource monitoring system and regularly analyze the utilization and performance of water resources. By means of monitoring and reporting, problems can be

Employee education and engagement

- Raise employees' awareness of the importance of water resources and encourage them to save water in their work and life. Employee engagement can drive an internal culture of water management.

Technological innovation and improvement

- Seek innovative technologies and methods to reduce water consumption, improve water efficiency, and reduce wastewater discharge. Technological improvements can help achieve better performance in water resource management.

Water saving strategy of the Company

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

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

C1s5

Excellent practice of rainwater reuse in Fujian Plant

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

Excellent practice of wastewater treatment at Jiuyuan Plant

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

Excellent practice of water treatment at Yunnan Plant

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

Exhaust gas control

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

In 2023

he Company emitted a total of

309.72 tons of waste gas

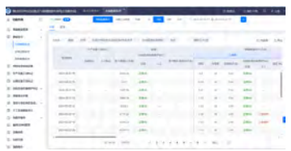
achieving a compliance rate of

100 %

Introducvative waste gas monitoring techniques to facate smart waste gas treatment

Case

In 2023, Shanghai Shanshan Lithium Battt y' s5t
of-the-art Chines5 technolog, conduct continuous pollutant checks roundthe clock, provid ta support for on-site tailas treatment y replacing outdted manu m5thod thes5 systems have us8ered in a ne moded tailas monitoring, signi f cantly enhancing precision in dtection.



Retime tailas monitoring system

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

Case

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

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

	Current requirements	Actual emissions
Particulate matt	≤ 30mg/m³	≤ 30mg/m³ (compliant)
Sulfur dioxids	≤ 200mg/m³	≤ 35mg/m³ (well below stand
Nitrogn oxids	≤ 300mg/m³	≤ 50mg/m³ (well below stand
Volatile organic compound OCs)	≤ 60mg/m³	≤ 60mg/m³ (compliant)

Enhancing the TO and CTO units for reduced VOCs emissions

Case

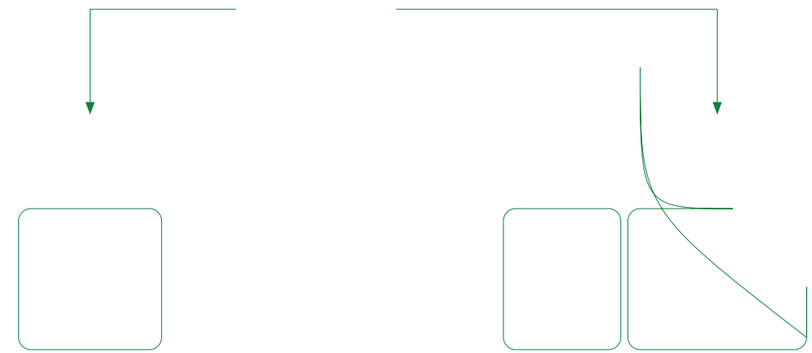
In 2023, Shanjin Optoelectronic
oxidizer (CTO) nits d f ciently utilizing the nternal eat rom comb9nation the CTO to ve the optimal at oxidation empe ture, ting the ove tre tment y of

RTO and CTO

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

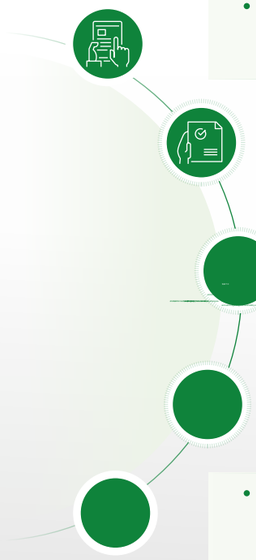
C1se

In 2023, Shanjin Opt r (Nanjing) adju ed the thickness of pr sensitive adh (PSA) for polariz incre the proportion of high-solid-content main agents, and low emissions from PSA and bro s range of ations. This initiative is estimated to reduce VOC emissions by 10.5 tons.



Driving Green Operations

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



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

Green activities and initiatives

Earth care extends beyond today

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

"Caring for the Earth" environmental challenge event



Focusing on Innovative R&D

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

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

The silicon-based anode products have continuously achieved technological breakthroughs. Through independent R&D, Shanghai Shanshan Lithium Battery has innovated proprietary technologies such as uniform ion doping, functional sur] ſ א f tion, and.

In 2023

Shanghai Shanshan Lithium Battery held a total of

279 valid patents

Shanjin Optoelectronics held a total of

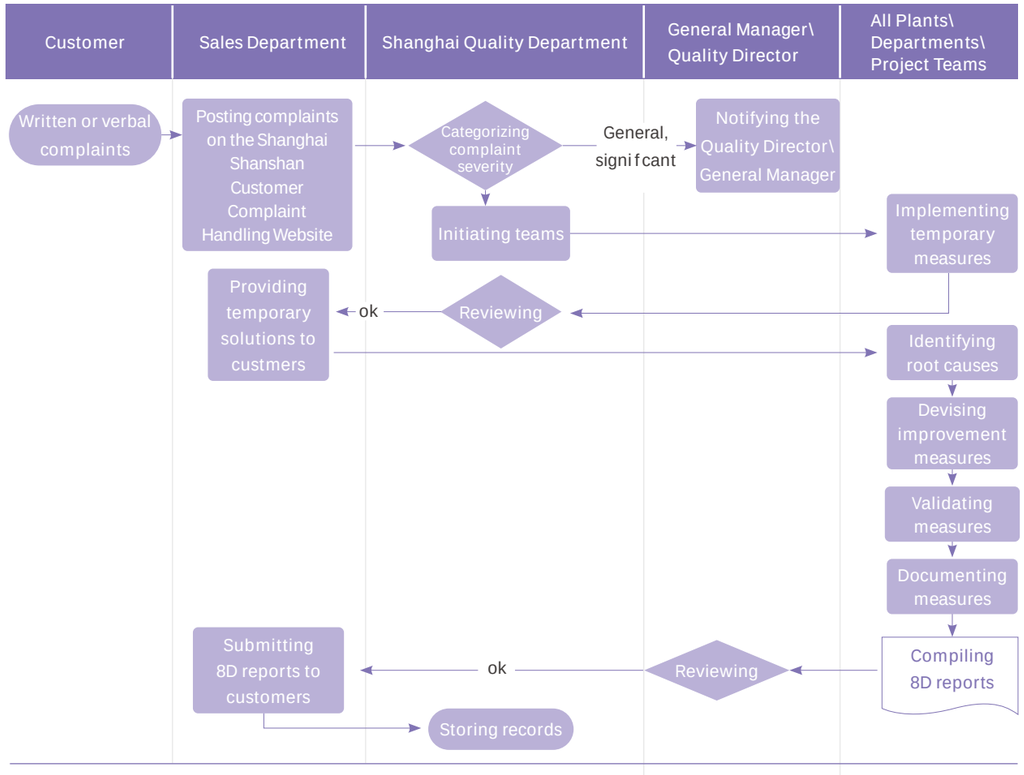
1,149 valid patents

with

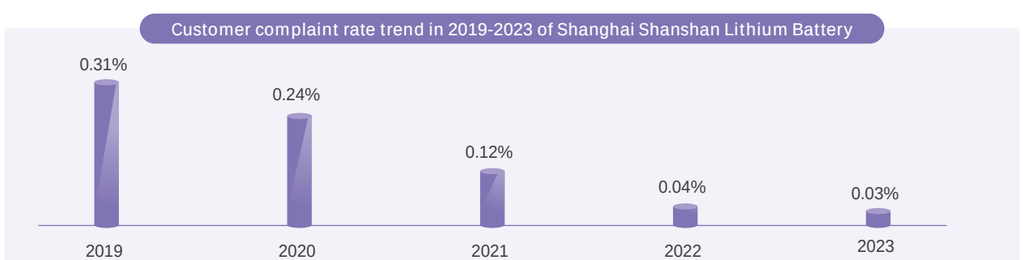
83 new patents granted

Responding to Customer Needs

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



Customer complaint handling process



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

Key performance

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

96 % (based on domestic customers) and

93 % (based on overseas customers) for Shanghai Shanshan Lithium Battery

94.2 % for Shanjin Optoelectronics

Key honors

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

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

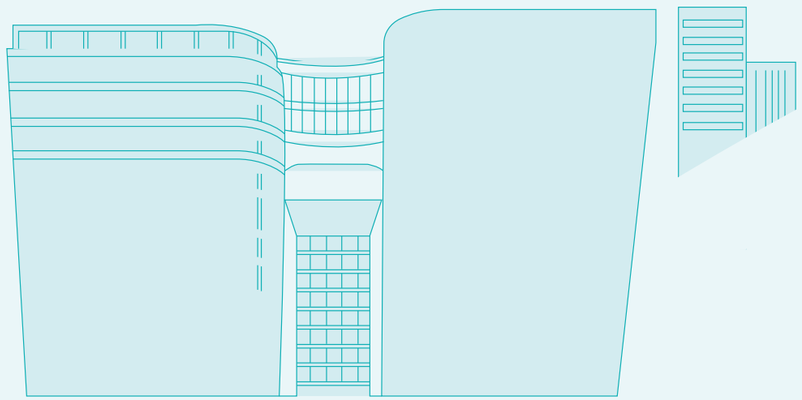


LGD's "Best Partner Award" received by Shanjin Optoelectronics

BOE's "Diamond Award" received by Shanjin Optoelectronics



TCL's Partner Award received by Shanjin Optoelectronics



Responsible Supply Chain Management

We remain committed to a long-term, high-quality and sustainable supply chain management system. Therefore, we have developed the *Procurement Management System* to regulate procurement procedures and supplier management. We maintain transparent procurement practices and integrate ESG considerations into our supplier management system. In collaboration with premier suppliers, we are dedicated to forging a sustainable supply chain, fulfilling our social responsibilities and promoting harmonious grow] ש ai א s £ ŏ o ˝ a " t " ma ! eme t. D ľ ra ģ !

Industry Development Advancement

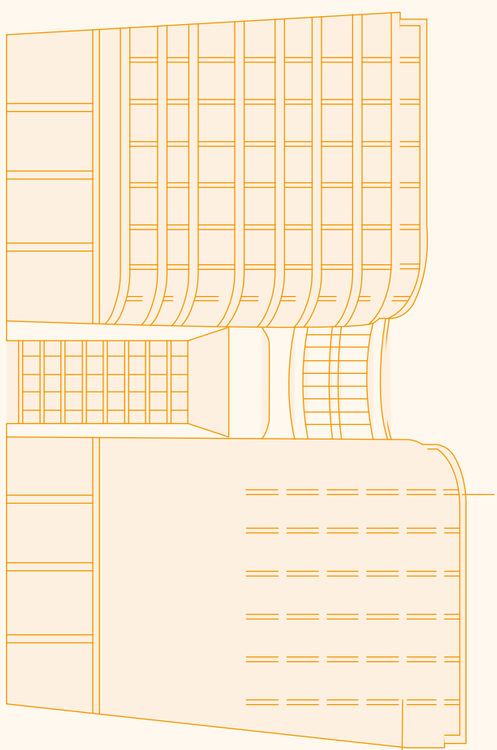
As an industry leader, we place utmost emphasis on bolstering technological innovation and the application of technological

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

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

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Associations in which we participate



Female rights and interests

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

we have

%

female middle managers

and

%

female senior executives

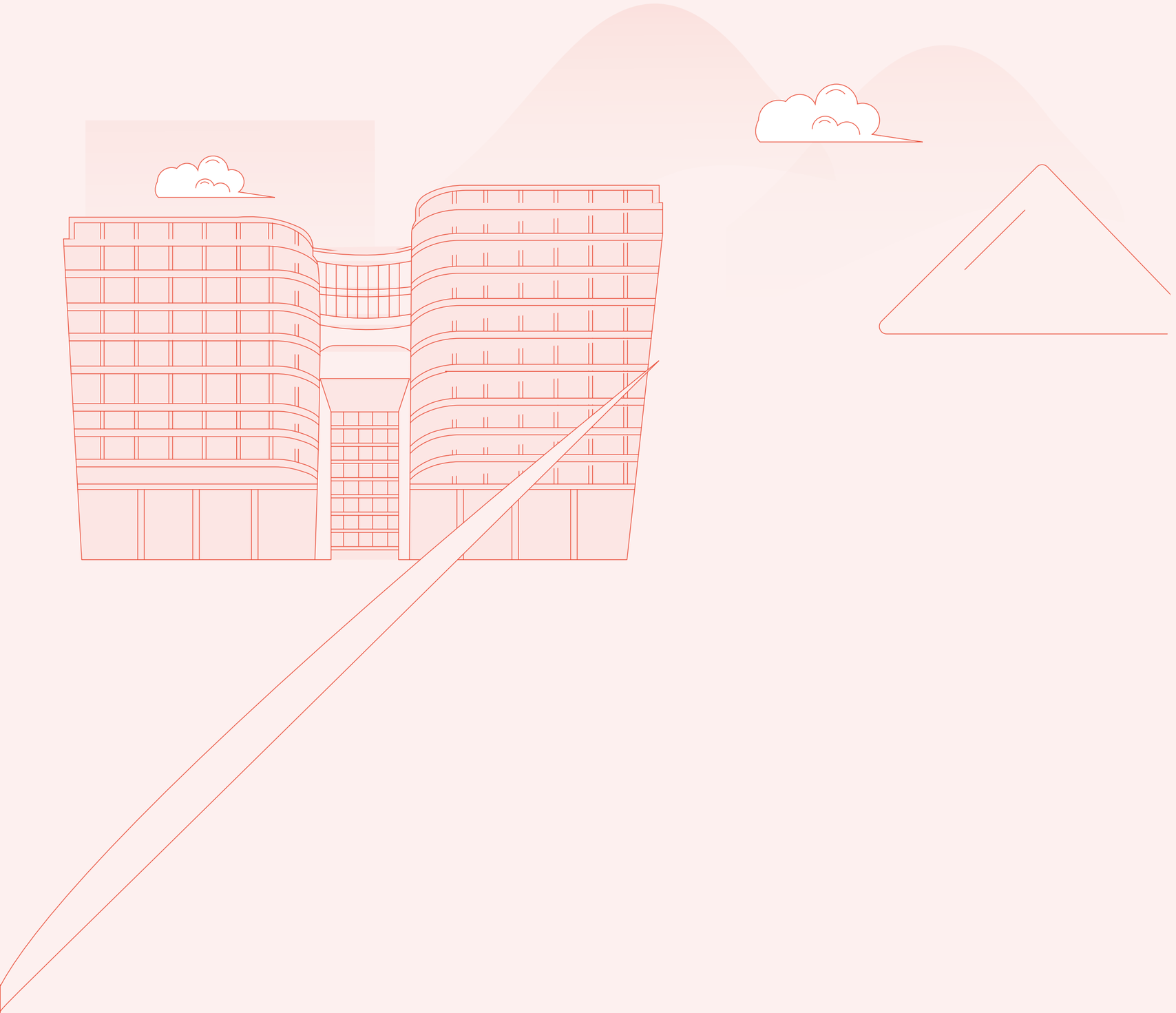
As part of our commitment to managing occupational health and safety risks, we vigorously engage in health and safety training to prevent and reduce workplace accidents, supply labor protection items, medical kits, and AED devices, and organize health screenings annually for employees who have been with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





Carry out pre-assessment of occupational hazei f⊠ fment occ cti

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



Participating in Public Welfare Efforts

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

In 2023

80 of our employees actively engaged in social

totaling

200 hours

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

1.05 million

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

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

Key Performance Indicators

Aspect	Indicator	Unit	Year 2021	Year 2022	Year 2023
Economy	Revenue	RMB 10,000	2,069,938.26	2,170,161.73	1,907,022.52
	Net profits	RMB 10,000	357,032.64	282,540.09	76,482.02
	Total assets	RMB 10,000	4,028,846.90	4,492.549.12	4,847,496.60
	Tax paid during the reporting period	RMB 10,000	137,925.41	87,280.19	104,614.29
Society	Total number of employees	Person	5,982	7,543	8,095
	Number of R&D personnel	Person	140	137	402
	Proportion of R&D personnel	%	2.34	1.82	4.97
	Total amount of R&D investment	RMB 10,000	71,563.21	95,257.23	86,829.73
	Number of safety incidents	Cases	0	0	28
	Total amount of safety and health investment	RMB 10,000	3,919.00	4,456.48	5,186.88
	Safety and health training coverage	%	100	100	100
	Medical examination rate	%	100	100	100
	Number of newly added employees with occupational disease	Person	0	0	0
	Total amount of social welfare investment	RMB	30,000	1,260,000	1,378,000
	Social contribution value per share	RMB/share	2.95	2.38	1.65
Environment	Total amount of waste gas emissions	Tons	70.60	89.52	309.72
	Total amount of recyclable wastes	Tons	28,185.05	31,990.83	13,782.23
	Total amount of solid wastes	Tons	46,313.93	60,132.48	50,301.11
	Total amount of hazardous wastes	Tons	7,303.51	7,662.26	8,179.78
	Total amount of recycled hazardous wastes	Tons	1,405.32	1,706.35	2,586.93
	Total amount of wastewater	Tons	1,627,074.94	1,555,865.60	1,717,750.77
	Total water consumption	Tons	2,409,716.23	2,501,502.20	4,001,617.45
	Water use intensity	Tons/RMB 10,000	1.16	1.15	2.10

Benchmarking

Statement of used	Ningbo Shanshan Co,Ltd.has reported the inform ation cited in this GRI index for the period from January 1,2023 to December 31,2023 with reference to the GRI Standards.
GRI 1 Used	GRI 1:Foundation 2021

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

GRI 403
Occupational
Health and
Safety

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