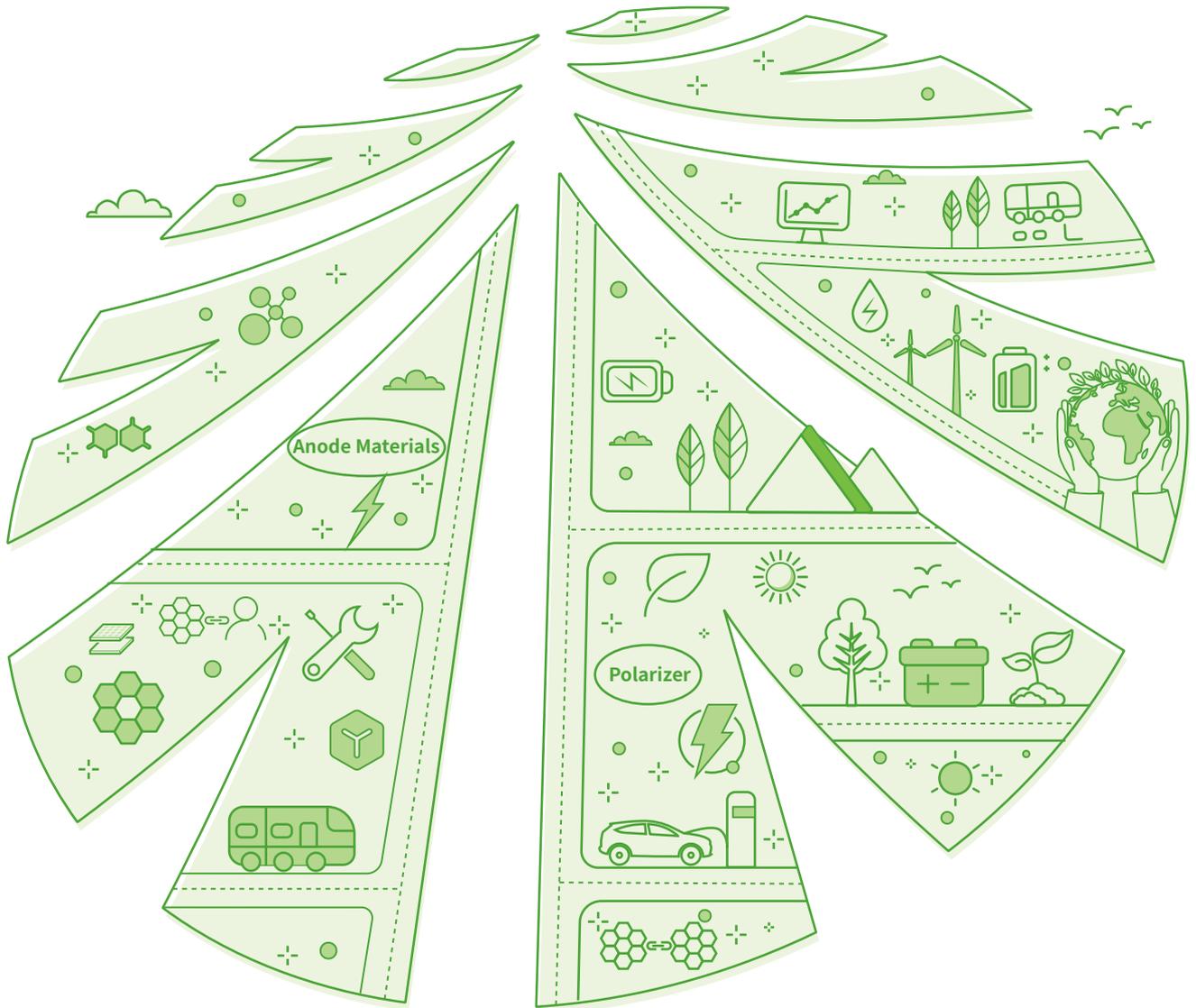




杉杉股份  
Shanshan



# Environmental, Social, and Governance (ESG) Report 2022

Ningbo Shanshan Co., Ltd.

# About the Report

This report is the 14th ESG Report issued by Ningbo Shanshan Co., Ltd. to stakeholders. It expounds on the practice and performance of Ningbo Shanshan Co., Ltd. in the areas of economic, environmental, social, and corporate governance responsibilities in 2022, to ensure effective communication with all stakeholders and respond systematically to their expectations and requirements.

## Time frame

This report involves a period from January 1, 2022, to December 31, 2022. Part of its content is beyond this duration to enhance its comparability and foresight.

## Reporting boundaries

The report reveals certain information and typical cases of Ningbo Shanshan Co., Ltd. and its affiliates fulfilling our economic, environmental, social, and corporate governance responsibilities.

## References

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

## Data source

Information cited in this report is mainly from the Company's official documents, statistical reports, and financial statements.

The data included herein are derived from the original data about our actual operation, public data of government authorities, annual financial data, internal statistical statements, third-party questionnaires, and third-party evaluation and interviews. The financial data in this report are expressed in China Yuan (CNY). In case of any inconsistency with the financial statements, the latter shall prevail.

## Basis of preparation

- The United Nations Sustainable Development Goals (SDGs) 2030
- Global Sustainability Standards Board GRI Sustainability Reporting Standards (GRI Standards)
- Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS - ESG 5.0) issued by the Chinese Academy of Social Sciences
- China National Standards - Guidance on Social Responsibility Reporting (GB/T36001-2015)
- ISO 26000: Guidance on Social Responsibility (2010) issued by the International
- Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 - Standardized Operations from Shanghai Stock Exchange

## Access

This report is available in electronic format for readers. Please visit the Company's official website (<http://www.ssgf.net/>) or the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)) for the electronic version of this report. In case of any questions or suggestions about this report, please email us at [ssgf@shanshan.com](mailto:ssgf@shanshan.com) or dial 0574-88208337

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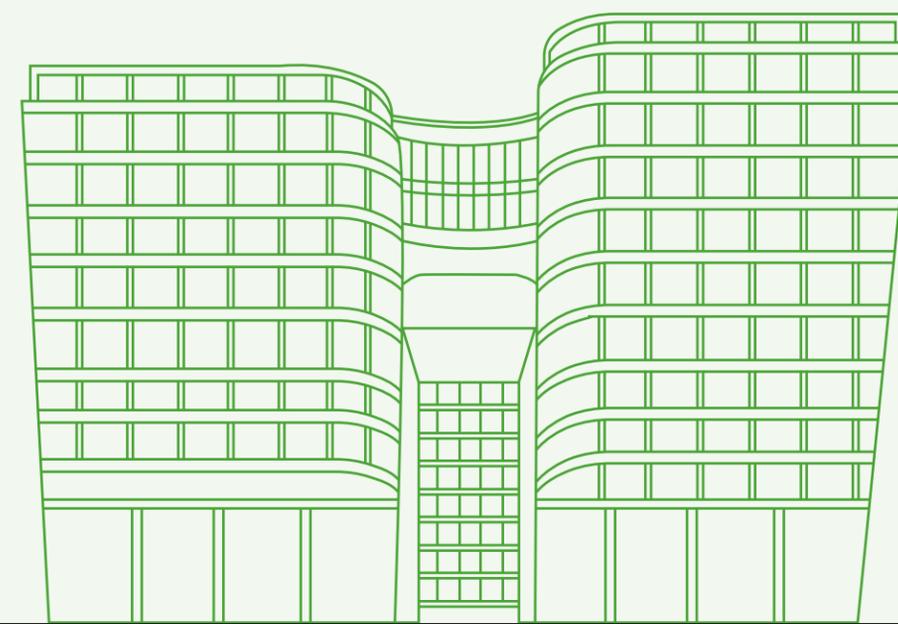
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# Chapter I Shanshan 2022



# Section I About Shanshan

## Company profile

Ningbo Shanshan Co., Ltd. has been listed on the main board (A-share market) of the Shanghai Stock Exchange (stock A-share code: 600884). Shanshan was established in 1992 in Ningbo, Zhejiang Province. Starting with the garment business, Shanshan launched a strategic transformation towards the lithium battery materials industry in 1999, being the first industrial enterprise engaged in anode materials in China. With more than 20 years of development, Shanshan has become a forerunner and leader in the anode material industry. In 2021, Shanshan acquired LG Chem's polarizer business to tap into the LCD polarizer market. In recent years, Shanshan has been focusing on various development strategies and seeking to expand the lithium battery anode material and polarizer businesses, and formed a "lithium battery anode materials + polarizer" dual technological engines and dual motive forces business development pattern.

With the vision of "building a globally respected high-tech enterprise to achieve sustainable and high-quality development", Shanshan focuses on the development of the two core businesses of lithium battery anode materials and polarizers. Driven by continuous technological innovation, Shanshan constantly improves its manufacturing and operation capacity, and deepens the cost reduction and efficiency increase path, to strengthen its leading position in the industry and increase the global market share.



## Business presence

The Company will continue to focus on the main businesses of lithium battery anode materials and polarizers, promote the spin-off of non-core businesses, fully grasp the historic opportunities brought by the great development of the global new-energy automobile industry and the domestic replacement of the display panel industry, and constantly improve the global competitiveness of the core business to achieve high-quality development.

### Lithium battery anode materials business:

The Company has developed the anode materials as an industry since 1999, and has accumulated practices in research and development, as well as production for more than 20 years, being the forerunner and technology leader in the lithium battery anode materials sector. The anode materials include synthetic graphite, natural graphite, silicon-based anode, and soft/hard carbon new materials, all of which can be widely applied to new energy automobiles, energy storage and consumer electronics industries.

The Company perseveres in taking Empowering Customers' Requirements in Depth as the value orientation in the anode materials business, and is committed to providing world-class products and services for customers. The ICC statistics show that the Company ranked first globally in the synthetic graphite output in 2022 consecutively.

### Polarizer business:

The Company's polarizer business mainly includes the research and development, production, and sales of polarizers. As the main raw materials of display panel, polarizers are mainly used in TVs, displays, laptops, tablet computers, mobile phones, and other consumer electronics, and new application markets such as car monitors, medical displays, wearable products, and smart homes.

The Company has always adhered to the core value of "quality and innovation" in the polarizer business, and aims to be the leader in the world polarizer business. According to the statistics released by Yano Research Institute, the market share of the Company grew from 25% in 2021 to 29% in 2022, maintaining the No. 1 place in the world.



## Corporate culture and core values

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



- Integrity
- Responsibility
- Innovation
- and Responsibility

# Section II NBSS Milestones

## The Company's development history

**May 1992**

Mr. Zheng Yonggang, the then Chairman of the Company, founded Shanshan in Ningbo, Zhejiang Province, as a pioneer in the branding operation in the garment industry.



**January 1996**

Shanshan Co., Ltd. was listed on the A-share market, becoming the first listed apparel company in China.



**September 1999**

Shanshan launched a transformation towards new energy, and established Shanghai Shanshan Technology Co., Ltd., the first enterprise producing lithium-ion battery anode materials in China.



**November 2003**

Shanshan advanced into the R&D and production of lithium-ion battery cathode materials, and established Hunan Shanshan Energy Technology Co., Ltd.



**March 2005**

Shanshan entered the lithium battery electrolyte industry and completed the layout of the three core lithium battery materials.



**November 2018**

Shanshan Energy was certified as a National Technology Innovation Demonstration Enterprise and a demonstration enterprise of National Manufacturing Championship by the National Enterprise Technology Center.



**November 2019**

Ningbo Shanshan Technology Co., Ltd. was selected in the list of the National Enterprise Technology Center and the list of demonstration enterprises of the National Manufacturing Championship.



**June 2020**

Shanshan signed a contract with Zhangjiagang Economic and Technological Development Zone and LG Chem, and announced the acquisition of LG Chem's LCD polarizer business.



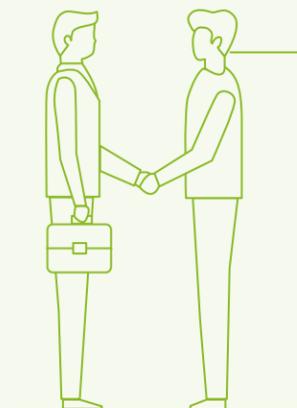
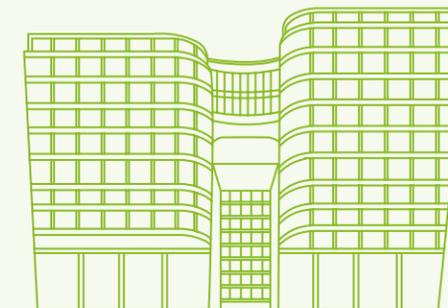
**February 2021**

Shanshan completed the delivery of assets in the Chinese mainland for the acquisition of LG polarizer business, making Shanjin Optoelectronics become the world's largest polarizer supplier.



**May 2021**

Shanshan's controlling shareholder signed a joint venture agreement with BASF to accelerate the cathode business to go abroad.



## 2022 Milestones

<p><b>January 2022</b></p> <p>Shanshan Technology held a ground-breaking ceremony for the integrated manufacturing base with an annual production capacity of 200,000-tonne lithium battery anode materials in Meishan.</p>	<p><b>January 2022</b></p> <p>The world's leading index service provider MSCI China Index newly included 10 underlying shares, among which Shanshan was selected.</p>	<p><b>February 2022</b></p> <p>The two new 2,250 mm ultra-wide production lines of Shanjin Optoelectronics (Guangzhou) succeeded in trial production.</p>
<p><b>April 2022</b></p> <p>CATL, BYD, ATL, and PetroChina Kunlun Capital invested in Shanghai Shanshan Lithium Battery, a subsidiary of Shanshan, with a total capital increase of CNY 3.05 billion.</p>	<p><b>April 2022</b></p> <p>Shanghai Shanshan Lithium Battery, a subsidiary of Shanshan, launched an integrated manufacturing base with an annual production capacity of 300,000-tonne lithium-ion battery anode materials in Anning, Yunnan Province. The planned fixed investment is CNY 9.7 billion.</p>	<p><b>May 2022</b></p> <p>Shanjin Optoelectronics polarizer global research and development center and production line expansion project was officially signed.</p>
<p><b>June 2022</b></p> <p>The integrated manufacturing base of Shanghai Shanshan Lithium Battery with an annual production capacity of 40,000-tonne silicon-based anode materials was implemented in Ningbo, with an investment of CNY 5 billion.</p>	<p><b>July 2022</b></p> <p>Shanshan GDR got listed on the Swiss Stock Exchange.</p>	<p><b>August 2022</b></p> <p>Shanshan Technology's integrated manufacturing base with an annual production capacity of 200,000-tonne anode materials in Meishan was initiated and put into production.</p>
<p><b>September 2022</b></p> <p>Shanghai Shanshan Lithium Battery took the lead in realizing the self-ownership and industrialization of hard carbon materials independently developed, became a market leader for high compaction density and high capacity, filled the domestic technology gap, and supplied goods in batches to industry-leading battery company.</p>	<p><b>November 2022</b></p> <p>The <i>Polarizer for Thin Film Transistor Liquid Crystal Display (TFT-LCD) with Low Permeability, Polarizer for Small and Medium-Sized Organic Light-Emitting Diodes (OLED) and Polarizer for TV Organic Light Emitting Diodes (OLED)</i> prepared by Shanjin Optoelectronics were reviewed and approved for the official release and would take effect on November 18.</p>	<p><b>December 2022</b></p> <p>The manufacturing facilities for Production Line 1 of the Shanjin Optoelectronics (Zhangjiagang) Project were formally installed, opening a new journey for Shanjin Optoelectronics (Zhangjiagang).</p>

## Section III Highlights 2022

### NBSS

 **Global Top-500 New Energy Enterprises**  
China Institute of Energy Economics Research

### Shanghai Shanshan Lithium Battery

 **GG-Ib Golden Globe Award: 2022 Technical Excellence**  
www.GG-Ib.com

 **GG-Ib Golden Globe Award: 2022 China's Top 50 Lithium-ion Battery Materials**  
www.GG-Ib.com

 **Re-selected as a Demonstration Enterprise of the National Manufacturing Championship**  
Ministry of Industry and Information Technology of the PRC

 **Postdoctoral Workstation**  
National Post-Doctor Regulatory Commission

 **Enterprise Technology Center of Fujian Province**  
Fujian Provincial Department of Industry and Information Technology

 **Fujian Pioneer Worker**  
Fujian Federation of Trade Unions

### Shanjin Optoelectronics

 **2022 World Conference on Display Industry Gold Award for Innovation**  
Ministry of Industry and Information Technology, the People's Government of Sichuan Province

 **Private Technology Enterprise in Jiangsu Province**  
Jiangsu Private Science & Technology Enterprise Association

 **Intelligent Manufacturing Demonstration Factory of Jiangsu Province**  
Jiangsu Provincial Department of Industry and Information Technology

 **Intelligent Manufacturing Demonstration Workshop of Jiangsu Province**  
Jiangsu Provincial Department of Industry and Information Technology

 **Nanjing Economic and Technological Development Zone Management Committee**  
Enterprise with Outstanding Contributions to High-quality Development

 **Guangzhou Huangpu District and Guangzhou Development District High-quality Development Conference**  
2022 Award for Enterprise with Outstanding Contributions to High-quality Development in Manufacturing Industry



## Chapter II Business Compliance and Sound Governance

### Philosophy

Shanshan continues to improve corporate governance, strictly complies with laws and regulations and relevant industry requirements, has formulated a modern enterprise management mechanism, discloses major information to stakeholders in a timely and effective manner, and maintains and facilitates smooth communication with investors. The Company attaches great importance to intellectual property rights and business ethics, constantly strengthens the construction of integrity and the protection of intellectual property rights, earnestly studies and abides by the guiding principles of the CPC, and promotes sustainable development with practical actions.

### Our Initiatives

- Consolidating Corporate Governance
- Internal Control and Risk Management
- Compliance and Business Ethics
- Intellectual Property Management
- Development Driven by Party building

### Implementation of SDGs

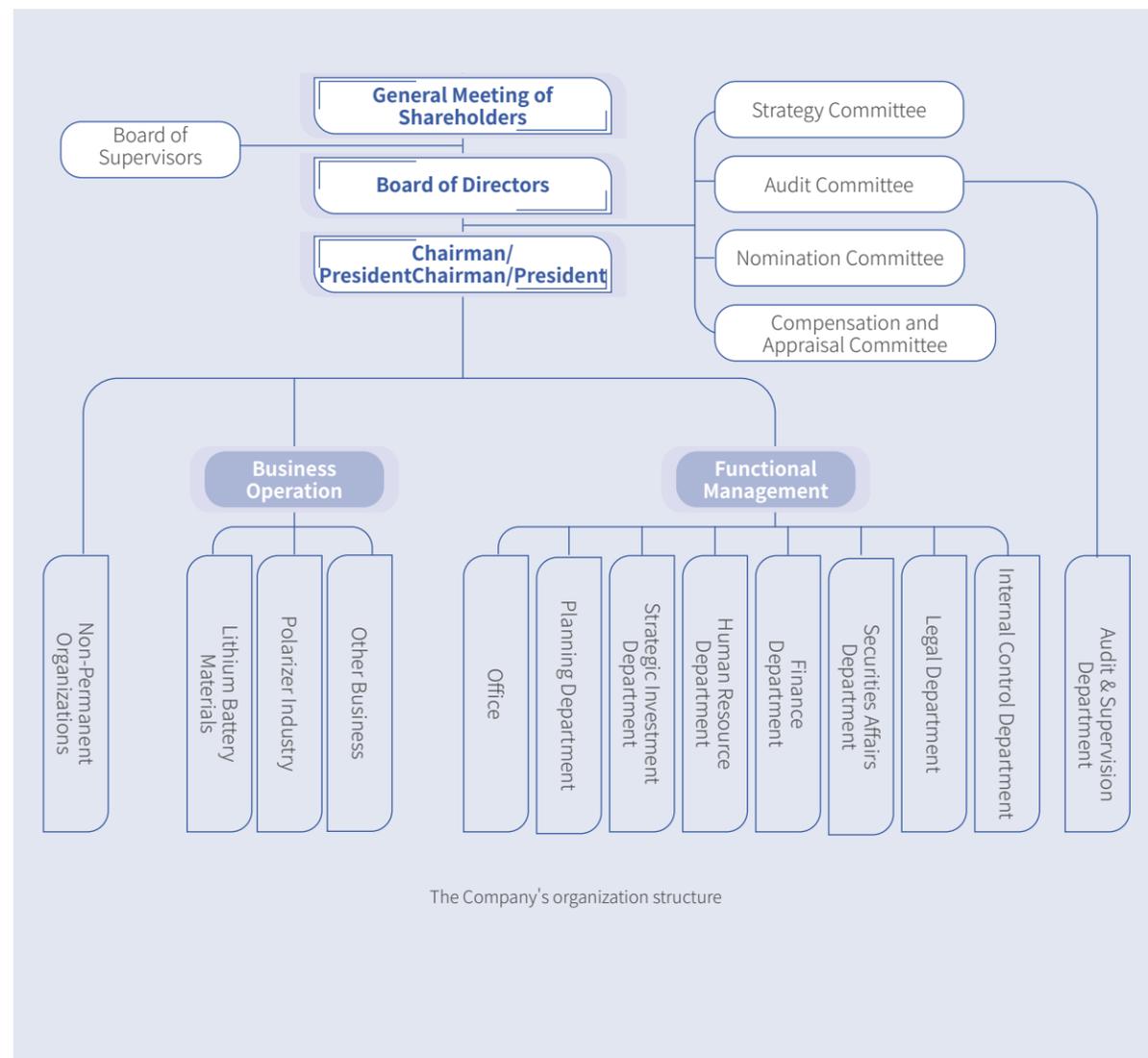


# Section I Improving Corporate Governance

In strict accordance with the *Company Law*, the *Securities Law*, the *Code of Corporate Governance of Listed Companies*, the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, and other laws and regulations and the relevant rules and requirements of China Securities Regulatory Commission, and in combination with its actual situation, the Company constantly improves the corporate governance structure, establishes sound internal management and risk control system, continuously optimizes the information disclosure system, carries out in-depth corporate governance activities, and effectively guarantees the standardized operation and sustainable and sound development.

## Operation of the Three Boards

The Company has established a modern corporate governance mechanism in accordance with current laws and regulations and relevant rules, and has set up the General Meeting of Shareholders, the Board of Directors and its subordinate special committees, and the Board of Supervisors to clearly define the division of responsibilities, ensure the standard operation of the corporate governance mechanism and effectively guarantee the fairness and compliance of the corporate decision.



The Company's organization structure

### General Meeting of Shareholders

- The Company strictly follows the *Rules for the Shareholders' Meeting of Listed Companies* to standardize the convening, holding, and voting procedures of the General Meeting of Shareholders and ensure that all shareholders enjoy equal status and rights, and all legitimate rights and interests of the shareholders are effectively safeguarded.
- The General Meeting of Shareholders, as the authority of the Company, shall decide the Company's business policy and investment plan, and examine and approve the report of the Board of Directors.
- The Company has engaged professional lawyers to issue legal opinions and announcements on the compliance and legality of the General Meeting of Shareholders.

### Board of Directors

- The Board of Directors operates in accordance with the relevant provisions of the *Company Law*, the *Articles of Association of the Company*, and the *Rules of Procedure of the Board of Directors*. All directors perform their duties conscientiously, participate in relevant business training actively, and improve the Company's independent director system vigorously.
- The Board of Directors has set up the Strategy Committee, the Audit Committee, the Nomination Committee, and the Compensation and Appraisal Committee, each of which is responsible for formulating its own working procedures to standardize its operation.

### Board of Supervisors

- The Company's Board of Supervisors strictly complies with the *Company Law*, the *Securities Law*, the *Articles of Association of the Company*, and other relevant laws, regulations, and rules to independently exercise its functions and powers according to the law, conscientiously perform its supervisory duties, effectively supervise the Company's operation and financial condition as well as the performance of the directors and senior managers, so that the Company's operation is standardized and the legitimate rights and interests of the Company and all shareholders are effectively safeguarded.

Caption: Responsibilities of the Three Boards

#### During the reporting period,

The Company's Board of Directors consisted of **11** members, including **1** female director and **4** independent directors

The Company held **1** annual general meeting of shareholders and **5** extraordinary general meetings, **16** meetings of the Board of Directors, and **11** meetings of the Board of Supervisors.



## Information disclosure

### During the reporting period,

During the reporting period, we have issued a total of

**252** disclosure documents, including

**136** ad hoc announcements and

**6** periodic reports (including summaries)

The Company shall disclose relevant information in a true, accurate, timely, fair, and complete manner in accordance with the *Measures for the Administration of Information Disclosure by Listed Companies* and the *Guidelines of Shanghai Stock Exchange on Self-Discipline Supervision of Listed Companies No.2: Information Disclosure Management Policy*.

We pay much attention to the establishment of our information disclosure management system and have shaped a system group by centering on the *Information Disclosure Management Policy of Ningbo Shanshan Co., Ltd.* and supplemented by the *Rules for Registration and Management of Ones Who Know Inside Information of Ningbo Shanshan Co., Ltd.*, the *Accountability System for Any Material Misstatement in the Annual Report of Ningbo Shanshan Co., Ltd.* and the *Rules for Management of External Information Users of Ningbo Shanshan Co., Ltd.*, to further strengthen the management of external information users and insider information, and improve the quality and transparency of information disclosure in the annual report.

The Securities Affairs Department of the Company shall take the lead in organizing and preparing the draft periodic report and submit it to be reviewed by the secretary of the Board of Directors, who shall coordinate the work of all parties to ensure that all information disclosure is made in accordance with applicable laws and procedures. We complete self-registration through the information disclosure system of the Shanghai Stock Exchange and directly submit the disclosure documents to the SSE website. We have selected China Securities Journal, Shanghai Securities Journal, Securities Daily, and Securities Times as the designated newspapers for information disclosure, to ensure that all of our shareholders have equal access to the relevant information.

## Investor relations management

### During the reporting period,

the Company held

**3** performance presentations

To communicate effectively with investors, improve corporate governance and promote quality, we have revised the *Measures for Investor Relations Management*, and always adhere to the four principles of compliance, equality, initiative, and integrity to carry out multi-channel, multi-platform, and multi-mode management on topics of common concern, establish convenient, effective and two-way communication channels and finally build a long-term, stable, harmonious and benign interactive relationship with investors.

We often communicate the Company's situation, answer questions, and gather relevant opinions and suggestions through a special column on our website, telephone number, fax, and email address available to investors and other channels, on the IR interactive platform of the Shanghai Stock Exchange and other public welfare network infrastructure, and at the General Meeting of Shareholders, presentations to investors, road shows, analysts' meetings, and seminars.

## Communication with stakeholders

	Investors	Customers	Partners	Staff	Environment	Government(s)	Community
Stakeholders							
Focuses and Expectations	<ul style="list-style-type: none"> <li>Open and transparent information disclosure</li> <li>Standardization of corporate governance</li> <li>Maintenance and appreciation of assets value and return on investment</li> </ul>	<ul style="list-style-type: none"> <li>Safe &amp; high-quality products</li> <li>Continuous improvement of service quality, and satisfaction of customer expectations</li> </ul>	<ul style="list-style-type: none"> <li>Mutual benefits and win-win cooperation</li> <li>Standardization of market operation</li> <li>Joint compliance with business ethics and national laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Reasonable compensation system</li> <li>Harmonious working environment</li> <li>Good career development space</li> <li>Affirmation and promotion of personal value</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the impact of production and operation on the environment</li> <li>Guide upstream and downstream enterprises in the industrial chain to pay attention to the environment</li> <li>Advocate green consumption</li> </ul>	<ul style="list-style-type: none"> <li>Implement development policies of the industry</li> <li>Operate the business in good faith and according to the law</li> <li>Pay taxes according to the law</li> <li>Promote employment</li> <li>Prevent business risks</li> </ul>	<ul style="list-style-type: none"> <li>Promote regional economic and cultural development</li> <li>Help the disadvantaged in the community</li> </ul>
Mechanism and Forms of Communication	<ul style="list-style-type: none"> <li>Holding general meetings of shareholders</li> <li>Periodic report, interim report</li> <li>Institutional research, hotline, and email address available to investors, performance presentation, SSE E-interactive platform</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>After-sales service commitment</li> <li>Establishment of customer communication channels</li> <li>Provision of high-quality service</li> </ul>	<ul style="list-style-type: none"> <li>Contract negotiation</li> <li>Field visit</li> <li>Training and guidance</li> <li>Regular assessment</li> </ul>	<ul style="list-style-type: none"> <li>Company website and publications</li> <li>Staff mailbox, forums, employees' representative assembly, and so on</li> <li>Diversity staff training</li> <li>Extensive staff activities</li> </ul>	<ul style="list-style-type: none"> <li>Advocate green office</li> <li>Promote green production</li> <li>Strengthen energy conservation and emission reduction</li> <li>Promote publicity of low-carbon and environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Participate in research and formulation of policies and plans</li> <li>Special report</li> <li>Accept supervision and assessment</li> <li>Legal operation and fair competition</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to regional economic construction</li> <li>Public welfare activities, recreational and sports activities, charity activities</li> </ul>

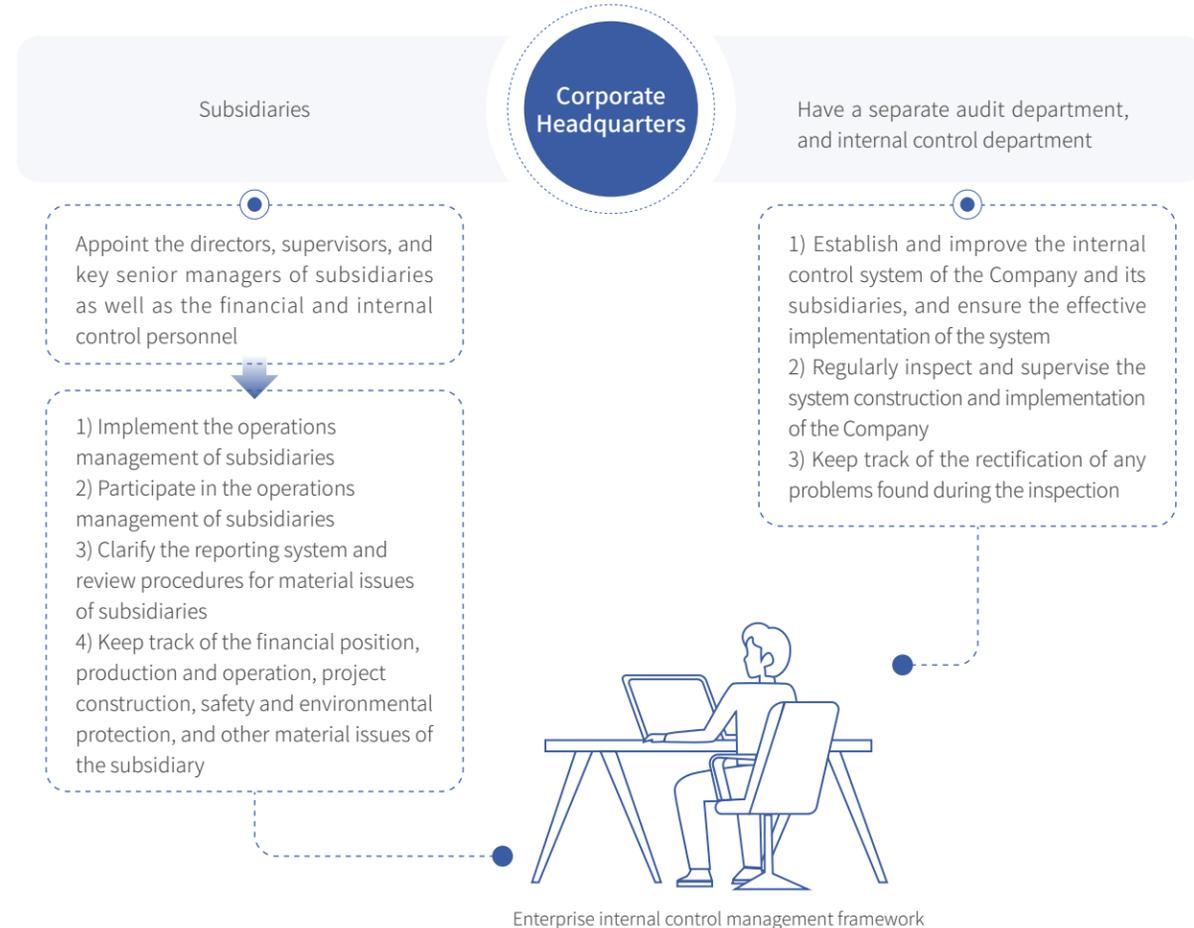
# Section II Internal Control and Risk Management

## Internal control

The Company revises its internal control system annually in accordance with the Basic Internal Control Norms for Enterprises issued by the five ministries and commissions and the relevant provisions of the Company Law, the Securities Law, the Articles of Association of the Company, and other relevant laws, regulations, and rules, and in combination with its actual situation. The Company has built an internal control construction system on the basis of Shanshan's internal control framework system, which shall be followed and strictly implemented by subordinated companies.

Internal control & risk control system

The management systems involved include comprehensive management, internal control management, personnel management, information management, public affairs, security management, financial management, purchasing management, sales management, credit management, investment management, engineering and project management, research and development management, risk asset management.



## Risk management

During the reporting period,

the Company's risk management system has been running effectively, and **no** major operational risks occurred yet

The Company continues to optimize and improve the comprehensive risk management system and operation regulations. A risk management team has been formed, which is composed of the senior management, the internal control officer, and the head of each department, to supervise the risk management measures and their implementation, continuously strengthen the prevention of potential risks in the course of operations, and perfect the long-term development of the Company.

Based on the external situation and the Company's actual circumstances, the risk management team has identified 5 categories of risks related to the Company, including strategic risk, financial risk, market risk, operational risk, and legal risk, and will evaluate the risk level and take effective measures to respond to and manage risk issues according to the Company's risk rating standards.

Risk level assessment criteria

The Company has drawn an evaluation matrix of three risk levels including high risks, moderate risks, and low risks from two dimensions of consequence severity and risk occurrence frequency, and demanded risk management team members score the risks according to the risk rating standards.

Management Priority	Risk Rating	Measures
High	5	The risk needs to be highlighted by prioritizing resource allocation for management to lower the risk rating.
Medium	3	The risk trend change needs to be highlighted. Resources need to be adjusted appropriately to reduce the risk rating at appropriate cost.
Low	1	The current management needs to be maintained and resources should be allocated appropriately to manage other risks.

Risk level and countermeasures

The Company has developed the Risk Assets Management system, which is subject to an annual revision, aiming to reduce and avoid risk losses from the perspective of risk assets management. At the same time, the Company also has a risk assets management committee, which is responsible for carrying out special work on risk assets management of the Company and its subsidiaries, investigating and analyzing the actual situation of risk assets, and providing cause analysis report, risk assessment, and corresponding solutions or countermeasures.



# Section III Compliance and Business Ethics

## Business compliance

The Company pursues the business philosophy of "creating value for customers" and "operating with respect to personality", respects the free and fair economic order of the free market, and strives to build a super first-class enterprise in the world based on mutual trust and cooperation. To achieve this goal, the Company has set up a complete compliance management system and formulated a code of ethics that all employees should abide by, to ensure the smooth operation of reasonable business compliance. Based on the business philosophy of high ethical standards and ambitious business objectives, the Company has expressed six standardization requirements, mainly including:

### Responsibilities and Obligations to Customers

- Believe that customers are the real foundation of our business, always show respect to customers' opinions
- Constantly create values that are conducive to customers, to gain the absolute trust of customers

### Fair Competition

- Abide by local laws and regulations in the course of business activities around the world and maintain competitive advantages through proper means

### Arm's Length Transaction

- Conduct all transactions on an equal playing field and in accordance with the principle of free competition
- Build a cooperative relationship of mutual trust through transparent and fair transactions, to seek common development in the long run



### Basic Ethics for Employees

- Employees shall take the belief in integrity and justice as the right values for a human being
- Fulfill the given mission through continuous self-development and impartial performance of duties

### Responsibilities to Employees

- Respect every employee, treat them according to their ability and performance, and strive to bring their creativity into full play

### Responsibilities to the Country and Society

- Grow into a sound company that protects the interests of shareholders by conducting business properly
- At the same time, make a contribution to improving people's living standards and social development

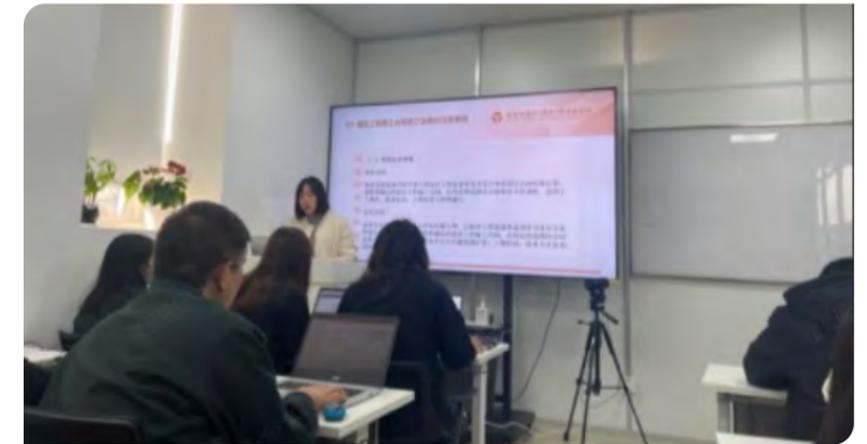
To make all employees understand the laws and regulations in their field of business and improve their judgment and decision-making ability, the Company has provided compliance training for relevant positions and personnel, ensuring that compliance work becomes a conscious code of conduct for employees, and helping to reduce the risk of costly mistakes caused by ignorance.

### Case Contract risk & compliance training

In March 2022, Shanjin Optoelectronics provided contract risk and compliance training for personnel in equipment procurement, raw material procurement, legal affairs, and proper management departments. This training is of great significance to help participants understand the importance of compliance, improve their ability to recognize and deal with contract risks, and consolidate employees' thinking, habits, and behavior patterns of compliance.

#### During the reporting period,

the Company provided a total of **12,740** employees with compliance training which lasted up to **1,377** hours



Contract risk & compliance training

## Anti-corruption

The Company has established an integrity system in strict accordance with laws and regulations and is continuously improving it to ensure sound development. To create a more positive atmosphere of development, we actively take internal anti-corruption action, strengthen professional integrity management, actively promote a culture of integrity, and strengthen employees' awareness of integrity and prevention and control of integrity risks.



### Integrity and anti-corruption management measures

- It is stipulated in the Signing and Issuing Purchase Contracts and Orders procurement system: In principle, if the purchase amount exceeds CNY 30,000, the Sunshine Agreement/probity clause must be entered into in the signing of the contract. If the supply continues for several years, the Sunshine Agreement shall be renewed once a year;
- The Procurement Department will send an integrity notification letter to suppliers prior to major festivals to prevent all acts of corruption and bribery;
- It is stipulated in the internal control system of Supervision of Special Whistle-blowing Issues that special whistle-blowing issues include unethical behaviors, fraud, and other acts, and special whistle-blowing channels are provided.



#### During the reporting period,

prior to the Dragon Boat Festival, Mid-Autumn Festival, and Spring Festival, the Company sent an

Integrity Notification Letter to a total of **634** stakeholder

We expect all employees to perform all duties with integrity and impartiality. In the course of performing duties, no one is allowed to accept bribes from interested parties that may damage the fairness of judgment. Gifts, banquets, and other types of benefits are expressly prohibited, and we have provided a set of procedures about how to handle such cases.

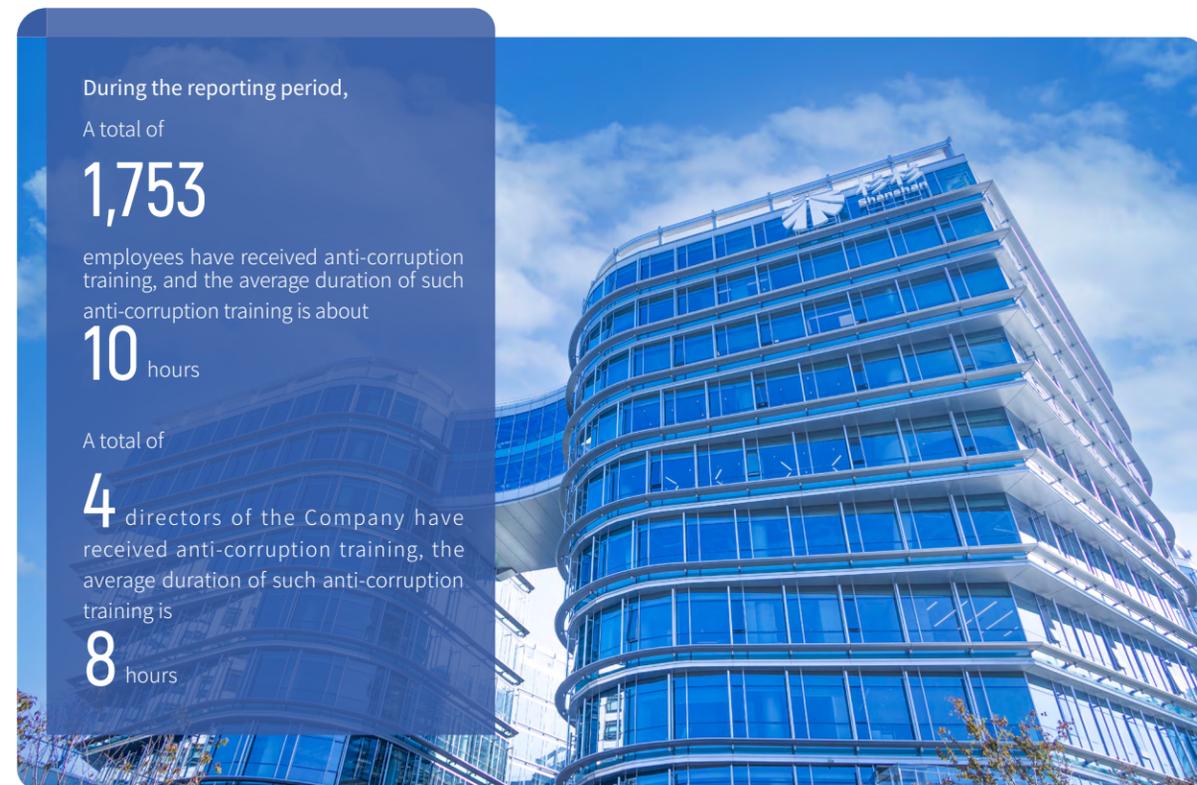
### Types of money and gifts prohibited:

- Money, including cash, checks, and other marketable securities
- Lecture fee
- Vouchers for goods, facilities, or services, coupons, tourist vouchers, or special promotions or offers to specific people
- Celebration or condolence money or gifts (garlands, birthday cash gifts, rings, and so on.)
- Borrowing/purchasing/selling movable/immovable property of interested parties or assets owned by employees
- Repayment of debts, loan guarantees, monetary loans

### Types of banquets, receptions, and services prohibited:

- Food and beverage expenses, especially bribes for pleasure and entertainment outside the scope of social acceptance
- Entertainment, dinner, and other personal expenses
- Access to unhealthy places (including casinos)
- Unauthorized or non-business-related sports/tourism/hospitality
- Assistance/sponsor
- Future protection (trade or employment protection after retirement)

By carrying out the project of building an integrity education system, we encourage all of our employees to establish correct values, further enhance their awareness of professional integrity and anti-corruption, and their ability to distinguish between right and wrong and withstand various risks.

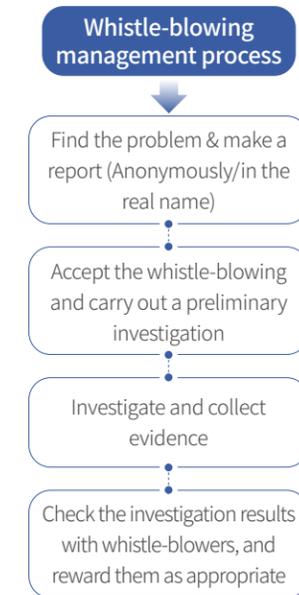


During the reporting period,  
A total of **1,753** employees have received anti-corruption training, and the average duration of such anti-corruption training is about **10** hours

A total of **4** directors of the Company have received anti-corruption training, the average duration of such anti-corruption training is **8** hours

## Whistle-blowing management

The Company has formulated Supervision of Special Whistle-blowing Issues, established a variety of whistle-blowing channels such as the Internet, telephone, email, letters, and visits, to standardize the whistle-blowing management process, severely crack down on violations of rules and regulations that infringe on the Company's interests and disturb the Company's development order, and encourage whistle-blowers to actively report and complain about various fraudulent and unethical behaviors. At the same time, we expect relevant personnel to implement the principle of confidentiality and anti-retaliation management to avoid harm to and any unfair treatment of the informants. Those who have made meritorious reports will be rewarded as appropriate.



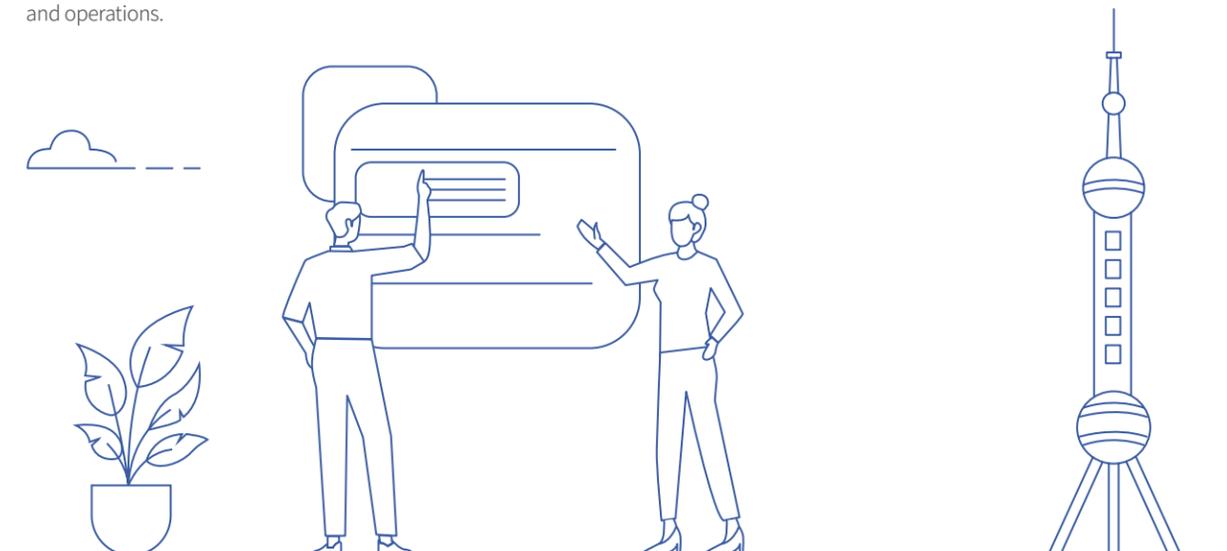
### Whistle-blowing channels

- Whistle-blowing Hotline: 13777992677
- Whistle-blowing Email Address: jubao-ssgf@shanshan.com
- Whistle-blowing page on the official website of the Company and subordinated companies: www.ssgf.net
- Express or mailing address: 28/F, Shanshan Building, No. 777, Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province (Attn: Head of the Audit & Supervision Department)

Whistle-blowers may submit any information and evidence of fraud and unethical behaviors to the Company through the whistle-blowing channels learned from the website, documents, and public areas within the Company.

### Case Placement of a "Complaint Box to General Manager" as an employee feedback channel

In November 2022, the Shanghai headquarters of Shanjin Optoelectronics issued a document to all employees announcing the establishment of a "Complaint Box to General Manager" as a channel for employees to give feedback. By regularly communicating employees' feedback, we take immediate actions to improve the working environment and work efficiency, and aim to better understand the needs and ideas of employees, implement corrective actions, and ensure continuous improvement of our management and operations.



## Section IV Intellectual Property Management

The intellectual property protection system is designed to protect the intellectual achievements made by the right holders in the fields of science, technology, and culture. Only by providing timely and comprehensive protection of the intellectual achievements and legitimate rights of the right holders, can we mobilize their creative initiative and promote the optimal allocation of corporate resources.

As for intellectual property protection and prevention of infringement of any others' intellectual property, we have formulated the *Intellectual Property Retrieval Application Control Procedure*, *Intellectual Property Risk Management Procedure*, *Procurement Control Procedure*, *Sales and After-sales Intellectual Property Management Procedure* and other procedure documents for the protection of independent intellectual property and prevention of intellectual property infringement.

We constantly improve the construction of intellectual property system, and have prepared 16 related documents such as the *Intellectual Property Management Measures*, *the Trade Secret Protection System*, and *the Patent Management System*. Shanghai Shanshan Lithium Battery and its subsidiary Ningbo Shanshan New Material Tech Co., Ltd. have passed the certification of enterprise intellectual property management system (GB/T 29490-2013), and maintained strict supervision and audit every year to ensure the continuous and effective operation of the system.

By the end of the year,

Shanghai Shanshan Lithium Battery held by **211** patents and applied for **59** new patents.

Shanjin Optoelectronics held **992** patents, and applied for **36** new patents



Enterprise Intellectual Property Management System Certificate of Shanghai Shanshan Lithium Battery (Shanghai)

Enterprise Intellectual Property Management System Certificate of Shanghai Shanshan Lithium Battery (Ningbo)

## Section V Development Driven by Party Building

Party building is the cornerstone of all work. Doing a good job in Party building can effectively improve the organizational capacity of Party organizations at the primary level and the executive ability of Party members, and play a strong role in promoting social development. We always adhere to the overall leadership of the Party, thoroughly implement the Spirits of the 20th CPC National Congress, conscientiously put the decision of the Party Central Committee and the Party organization at a higher level into practice, constantly improve Party conduct and deepen the ideological and political education of Party members, to make a powerful ideological guarantee for the Company's stable production and operation.

### Case Advanced Party member | Wang Lei, a delegate to the 19th CPC National Congress

In September 2022, Wang Lei, an excellent worker representative of the Company and a delegate to the 19th CPC National Congress, was interviewed by Nanjing Daily. As the backbone of the Company's technological innovation, Wang Lei grows with the enterprise and makes continuous progress. She pioneered the "superimposed cutting method", which increased the cutting efficiency by three times. As a delegate to the 19th CPC National Congress and a member of the branch committee, Wang Lei actively organized and carried out the learning and education work at that time, insisted on the integration of Party building and business development, and patiently listened to feedback and solved the difficulties at the grassroots level. Her story once again proved the significance of Party building, shed light on the inseparable connection between Party building and business development, and encouraged every employee to work hard.

It is this era of struggle that pushes me to step forward, but I also have been aware that each of us is a force to move the times forward.

- Wang Lei



Wang Lei, a delegate to the 19th CPC National Congress

### Case Party building activity | Interview of the Chairman for party building

In October 2022, Zheng Yonggang, the then Chairman of the Board of Directors and President of the Company, carried out an in-depth study and implemented the Spirits of the 20th CPC National Congress, and was interviewed by Shanghai Securities News. According to the interview, the Company is the firm practitioner and direct beneficiary of the national innovation-driven development strategy, and has made full use of its advantages and embarked on a path of development with distinctive features, winning greater opportunities and broader development space for future development. The interview further clarified that the Company will strive to promote the goal of higher-quality development with the Spirits of the 20th CPC National Congress.

Setting foot to 'pass new tests' on the road ahead, Shanshan will always bear in mind the truth that 'to be turned into iron, the metal itself must be strong', and persist in promoting high-quality development of the enterprise by taking the industry as the foundation and driven by innovation, to contribute more to the global development of new energy and new materials.

- Zheng Yonggang, the then Chairman



Picture of the interview

### Case Party building activity | Monographic study on the spirits of the 20th CPC National Congress

In November 2022, under the leadership of Party branch secretaries and Party branch committees of the Company, all Party members, cadres, and staff studied the Spirits of the 20th CPC National Congress. After carefully listening to the lecture about the Spirits and reading the reports of the 20th CPC National Congress, all Party members and employees exchanged and shared their learning experiences and feelings with each other, which drove an upsurge of learning from the 20th CPC National Congress and carrying forward the revolutionary spirit in the company headquarters and its subsidiaries.





## Chapter III Green Development Boosts Carbon Reduction

### Our Philosophy

In pursuit of a low-carbon and green operation model, Ningbo Shanshan Co., Ltd. aims to strike a balance between economic benefits and environmental protection. The Company has adopted a series of measures such as increasing investment in environmental protection, promoting energy-saving renovation, and introducing clean energy to reduce greenhouse gas emissions and control harmful substances, thereby minimizing the adverse impact of production and operation on the environment.

### Our Initiatives

- Environmental management system
- Address climate change
- Operate in a green manner

### Implementation of SDGs



# Section I Environmental Management System

Adhering to the EHS policy of "compliance with laws and regulations, pollution prevention, people-oriented, and sustainable improvement", the Company periodically evaluates the applicability of the policy and demands updating the EHS policy in accordance with the latest laws, regulations, relevant national strategies, and the reality of Ningbo Shanshan Co., Ltd. In this way, the Company ensures compliance with the regulatory requirements for review and promotes the sustainable development of human society. All plants of the Company have been certified with ISO 14001, based on which systems such as the EHS Objective and Policy Management Procedures and Environmental and Occupational Health and Safety Management Manual have been established. These systems incorporate environmental management factors into the criteria for assessing relevant personnel of their targets at the beginning of the year and the attainment of the targets at the end of the year, so as to manage the Company's EHS issues more effectively.



EHS Objective and Policy Management Procedures



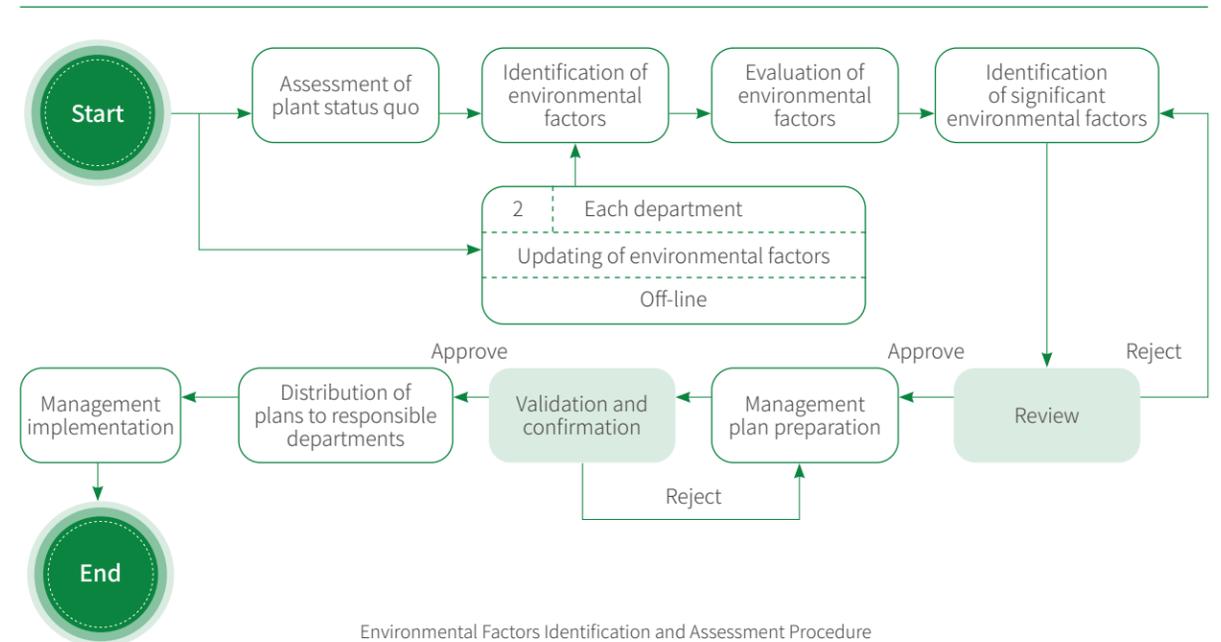
All plants of Shanjin Optoelectronics have been certified with ISO 14001 Environmental Management System



All plants of Shanghai Shanshan Lithium Battery have been certified with ISO 14001 Environmental Management System (partial display)

## Responsibility and authority of the Environmental Safety Department:

- Responsible for the identification, evaluation and updating of the Company's environmental factors; Compiling and maintaining the List of Important Environmental Factors based on the Environmental Impact Assessment Form of each department
- Collecting the Environmental Impact Assessment Form filled by other departments
- Approving the significant environmental factors of the Company and distributing the approved significant environmental factors to relevant departments



Environmental Factors Identification and Assessment Procedure

To optimize energy and environmental management efforts, the Company continues to advance and upgrade its management system. Shanjin Optoelectronics has been certified with ISO 50001 Energy Management System, which fully proves its efforts and achievements in environmental protection and energy saving. This further inspires the Company as a whole to further ramp up the energy management and environmental protection efforts.

ISO 50001 Energy Management System Certificate of Shanjin Optoelectronics

## Treatment of three wastes

The treatment of three wastes is a key part of environmental management of enterprises, and one of the necessary conditions for enterprises to achieve sustainable development. The Company has formulated strict internal management regulations for three wastes treatment according to laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, which improve and regulate the environmental management of the Company in terms of waste water, waste gas and solid wastes.

### Waste water

The Company strictly abides by the laws and regulations such as the Water Pollution Prevention and Control Law of the People's Republic of China, and specifically formulates measures such as Water Quality Management Standards, Rainwater Management Standards and Water Quality Monitoring Operation Standards for unified management of waste water generated in the plant and sampling of treated waste water to ensure that the quality of discharged waste water meets the Comprehensive Waste Water Discharge Standards and local discharge requirements. The Company further explores initiatives to reuse waste water and reduce waste water discharge to achieve the goal of water saving and emission reduction.

#### Case Shanjin Optoelectronics | Treating recycled waste water with the resin ion exchange process

Since 2013, Shanjin Optoelectronics has been equipped with a reclaimed water reuse facility, which adopts the "resin ion exchange" process to treat waste water generated in production, recover it and put it back into production. During the reporting period, the total amount of wastewater treated and recycled by the facility reached **372,935.3** tons, with a recycling rate of **36.3%**.

#### Case Shanghai Shanshan Lithium Battery | Renovating the cooling system to save water, cut costs and increase efficiency

To reduce the generation of cooling waste water, avoid wasting water resources, and cut down the cost of single furnace water consumption, Shanghai Shanshan Lithium Battery decided to renovate the cooling system of rectifier cabinets of 2#, 3#, and 4# production lines, and planned to adopt the closed-circulation cooler instead of the existing cooling by direct tap water. Meanwhile, the rusted pipes at furnace heads (furnace tails) of the cooling system of 2# and 3# production lines would be replaced to reduce water leakage. Calculations show that the comprehensive cost of water and electricity for each ton of product processed after adopting the closed cooler could be reduced by CNY 64.19. Therefore, the annual cost saving would be CNY **647,000** for 10,080 tons of products, without increasing the equipment maintenance cost in the later stage.

This renovation project represents the optimal solution of combining the environmental benefits of energy and water conservation with the economic benefits of cost saving for Shanghai Shanshan Lithium Battery.

#### During the reporting period,

the total amount of waste water discharged by the Company is

**1,555,866** tons,

with a discharge compliance rate of

**100** %



Graphitization furnace circulating water cooling tower

### Waste gas

To achieve the ultimate goal of "VOCs Zero", the Company has developed internal standards such as the Atmospheric Management Standards in accordance with the Atmospheric Pollution Prevention and Control Law of the People's Republic of China and other relevant laws and regulations. By analyzing the sources and composition of waste gas, the Company proposes measures for the management and control of waste gas, and carries out applied research for the reduction of VOCs. Overcoming technical barriers, the Company reduces the emission of VOCs while improving product performance and competitive advantages in terms of environmental friendliness.

#### Case Reducing VOCs emission by the R&D of ultra-high solid-state master agents

With years of research on resin composition design and matching, Shanjin Optoelectronics has managed to reduce VOC solvent content while ensuring good coating property and physical properties and reducing VOCs emissions. In addition, Shanjin Optoelectronics has reduced the emission of VOCs from epoxy resins by developing ultra-high solid state master agents. Compared with the past, VOCs emission of new products is theoretically reduced by **13.6%**.

#### During the reporting period,

the total amount of waste gas emissions is

**689,316,886** tons,

with an emission compliance rate of

**100** %

#### Case Replacing PVA adhesive with UV adhesive to reduce organic waste gas emissions

An investigation by Shanjin Optoelectronics found that UV adhesive is a more environmentally friendly adhesive with less volatile content of polyvinyl alcohol monomer and an easier curing method compared with PVA adhesive. Moreover, products with UV adhesive offer better performance in terms of water permeability, high-temperature resistance, durability, and moisture permeability. Therefore, the Company replaces some PVA adhesives with UV adhesives to reduce organic emissions, which is expected to reduce about **0.05t/a** of organic emissions per year and save approximately **500,000kWh** of electricity per year.

#### Case Upgrading the capacity of waste gas treatment facilities to reduce organic waste gas emissions

The untreated organic waste gas from the RTO unit of Shanjin Optoelectronics is mainly composed of ethyl acetate. By renovating the waste gas treatment facility, Shanjin Optoelectronics precisely controls the temperature in the burner so that the fuel can be consistently burned at a low concentration. Following the implementation of the program, the Company reduced organic waste gas emissions by approximately **4.76t/a** per year.



RTO+CTO ▶

#### Case Constructing environmental protection facilities to reduce environmental pollution

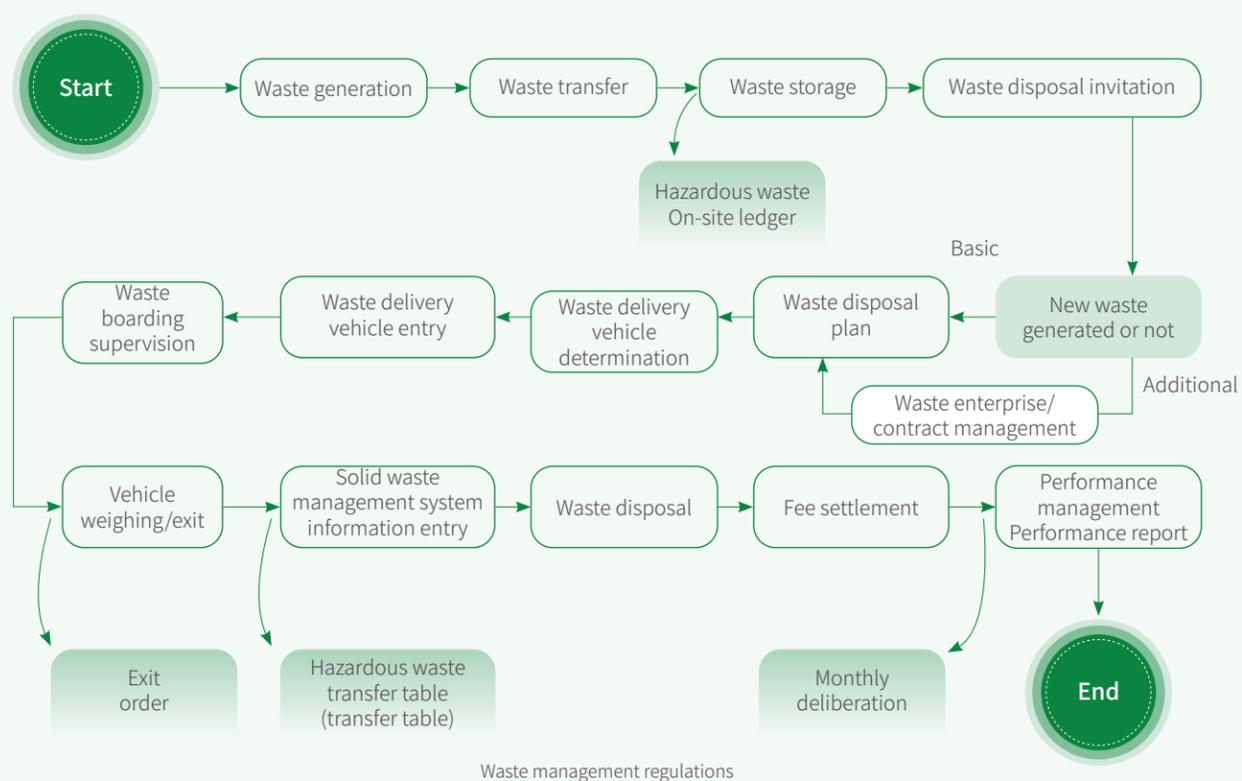
In November 2022, the construction of environmental protection facilities (desulfurization tower (lime-gypsum method) + wet electric dedusting system + standby desulfurization tower (alkali desulfurization (sodium hydroxide)) in Phase II 3# and 4# graphitization workshops of Jiuyuan Plant of Shanghai Shanshan Lithium Battery was completed. The construction of the facilities helped reduce waste gas emissions and environmental pollution. In December 2022, the Jiuyuan Plant of Shanghai Shanshan Lithium Battery added activated carbon adsorption boxes to the environmental protection facilities of graphitization workshops 1#-4# of Phase I and Phase II to further treat organic waste gas to achieve 0 emissions.

**Wastes**

The Company attaches importance to the disposal of general waste and hazardous waste, and has formulated institutional documents such as *Waste Management Standards*, *Waste Warehouse Management Standards*, *Hazardous Waste Management Operation Standards*, and *Environmental Permit Management Standards*, etc. For hazardous waste generated in the production process, the Company builds hazardous waste storage rooms in accordance with the regulations, regulates the collection, storage, transfer and disposal process, and regularly entrusts qualified disposal units for disposal to improve the ledgers and realize the management of the whole life cycle of generation, storage and disposal. For other general solid wastes generated in the production process, the Company builds general solid waste storage rooms and entrusts qualified disposal units for recycling to realize the classification collection, transfer and compliant disposal of general solid wastes. Besides, the Company implements the relevant national and local regulations and standards and seeks to minimize the pollution of wastes and maximize resource utilization.

**During the reporting period,**

During the reporting period, the total amount of general solid wastes discharged by the Company is **38,989.13** tons, of which a total amount of recycled solid wastes is **29,923.68** tons, with a waste compliance rate of **100** %



**Case Conducting environmental protection training to study regulatory requirements**

In March 2022, Fujian Plant of Shanghai Shanshan Lithium Battery conducted a training session for 63 employees on the new solid waste law. The training covered the new provisions added in the new solid waste law and the penalty system for non-compliance. During the training session, the instructor introduced the types of solid waste and hazardous waste generated, treatment measures and processes, and asked the employees to follow the entry and exit procedures in accordance with the regulations.



On-site training session on hazardous waste

**Case Reusing packaging materials to reduce resource waste**

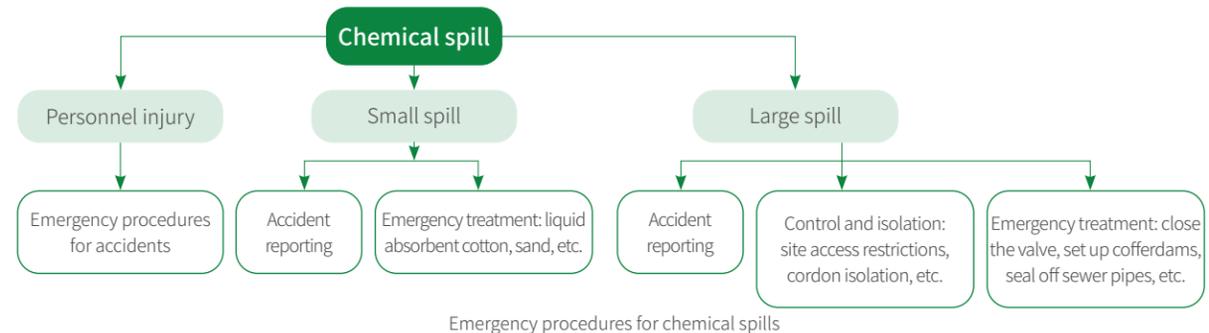
The Huzhou Plant of Shanghai Shanshan Lithium Battery reduces raw material consumption by innovating products and replacing non-recyclable packaging materials with recyclable ones. In July 2022, Shanghai Shanshan Lithium Battery (Huzhou) formulated and implemented the Management Regulations on the Reuse of Used Container Bags to regulate the recycling of ton bags. As of October 2022, except for some production segments that require new ton bags, a total of more than 14,000 used ton bags have been reused in other production segments, reducing the cost of ton bags by approximately CNY 690,000, with an average monthly saving of about CNY 70,000 in ton bag cost.



Recycling of ton bags

**Chemical safety management**

The Company has always attached great importance to chemical safety management. The Company follows relevant laws, regulations, norms and standards, and establishes and improves chemical safety management systems. By formulating systems such as *Chemical Warehouse Management Standards*, *Hazardous Chemical Management Operation Standards*, and *Environmental Safety Management Standards for Dangerous Cargo Warehouse*, the Company reduces the incidence of chemical accidents effectively.



**Case Conducting spill drills to improve response speed**

In March 2022, Shanjin Optoelectronics launched a KI spill drill, aiming to improve employees' ability to respond to chemical spills, enhance cooperation and communication among relevant departments in emergency response, identify and confirm the shortcomings and defects of the current emergency plan, and develop corrective measures for further improvement. A total of 896 employees participated in this drill, with a 100% coverage.



Dangerous chemical spill drill

# Section II Addressing Climate Change

## Greenhouse gas management

The Company fulfills its commitment to energy management with practical actions and is committed to reducing the environmental and climate impacts caused by greenhouse gas emissions. The Company also pursues the concept of sustainable development and assume its environmental and social responsibilities. The Company has obtained ISO 14064 Greenhouse Gas Verification Statement certification and established a Greenhouse Gas (GHG) Inventory Implementation Committee in accordance with the requirements of ISO 14064 to promote GHG emission inventory and formulate GHG emission reduction measures based on the results of the inventory. In addition, the Company promotes low-carbon sustainable development with continuous improvement plans and activities.



All plants of Shanghai Shanshan Lithium Battery have obtained ISO 14064 Greenhouse Gas Verification Statement (partial display)



Greenhouse Gas (GHG) Inventory Implementation Committee



Greenhouse gas inventory training

### Case Building distributed photovoltaic projects to boost clean energy usage

In June 2022, the distributed photovoltaic power generation project jointly constructed by Shanjin Optoelectronics and Huaneng Nanjing Gas Turbine Power Generation Co., Ltd. released a bidding announcement and entered the public bidding process. The project plans to arrange photovoltaic modules on the roofs of the two companies' plants, and implement the "self-generation for self-use, and grid-connection of surplus power" model for construction. With a total installed capacity of **2.4 MWp**, the project is expected to be put into operation in 2023, reducing CO2 emissions by **2,400 tons/year** and saving **800 tons** of standard coal.

### Case Purchasing green power to reduce the environmental footprint

Shanghai Shanshan Lithium Battery purchases green power at its headquarters and industrial bases for production and operation to reduce its carbon footprint. It also signs contracts with green power companies to ensure that the actual monthly traded hydropower, wind power, photoelectricity and other new energy sources account for more than **15%** of the total used power on average throughout the year. During the reporting period, a total of **135,000 tons** of carbon dioxide equivalent emissions were reduced.

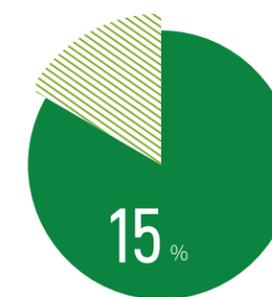
During the reporting period, the carbon emissions per unit product of Shanghai Shanshan Lithium Battery's plants in recent years showed a yearly decreasing ecological pattern:



Decrease in carbon emissions per unit product in 2020 compared to 2019



Decrease in carbon emissions per unit product in 2021 compared to 2020



Decrease in carbon emissions per unit product in 2022 compared to 2021

Carbon emissions of Shanghai Shanshan Lithium Battery in 2022	
Category	CO2 emissions (tons)
Scope 1	8,405.12
Scope 2	335,075.59
Scope 3	913,020.29

Note: This table contains only carbon emissions data of Shanghai Shanshan Lithium Battery in 2021; and the data for 2022 is expected to be calculated in May 2023.

## Energy-saving management

According to the relevant national laws and regulations and taking into account the practical situation, the Company has formulated the Energy Conservation Management System, the Resource and Energy Control Management Regulations and other energy conservation and consumption reduction management systems. The Company takes practical actions to improve energy utilization and economic efficiency and reduce energy consumption and production costs to building a "resource-saving and environment-friendly" enterprise from green architectural design to the optimization of production equipment.

### Case Selected as a green factory, Keep implementing the concept of environmental protection

Shanjin Optoelectronics Nanjing Factory was selected as a green factory in 2022, signaling its industrial leadership in terms of energy saving, environmental protection and green development.

In terms of architectural design, Shanjin Optoelectronics implements the green concept to meet the requirements of relevant national or local laws, regulations, and standards. The workshops and offices make full use of natural light, and the buildings utilize energy-saving materials and are equipped with energy-saving equipment.

In terms of product energy saving, Shanjin Optoelectronics reduces raw material consumption through product innovation and invention, replacing non-recyclable packaging materials with recyclable ones, and independently developing a number of green product technologies, such as the first high penetration rate VA material and innovative green low-solvent PSA project.

In terms of energy optimization, Shanjin Optoelectronics has formulated the 2022-2024 Medium and Long-term Green Development Plan, developing a detailed and feasible energy optimization plan to fulfill improvement targets. Moreover, it improves the energy utilization efficiency of the factory through such measures as procurement, energy-saving incentives and technical improvement.

#### Jiangsu Province Green Factory (Third Batch) Proposed Shortlist

No.	Company
13	Shanjin Optoelectronics (Nanjing) Co., Ltd.

### Case Installing residual heat recovery device to save energy and reduce consumption

In November 2022, the Jiuyuan Plant of Shanghai Shanshan Lithium Battery commissioned a residual heat recovery device in the pre-graphitization workshop to provide heat for staff bathing and winter heating. Before the renovation, gas boilers were mainly used to heat hot water for staff bathing and heating. The device boosted the reuse of residual heat from flue gas and reduced waste of heat source originally kept in the cooling section of the tunnel kiln of the pre-graphitization workshop, thus reducing natural gas consumption. It is estimated that the residual heat recovery device can reduce gas consumption by **400,000** cubic meters per year and CO2eq emissions by about **235** tons.



Residual heat recovery device



## Section III Operate in a Green Manner

The Company formulates the Risk and Opportunity Management Procedures for Internal and External Factors and sets up the post of environmental protection specialist to conduct daily inspections of the environmental protection facilities and sanitary conditions in the plants. The specialists are asked to take photos and record the problems found during the inspections and report to the management, while recording the problems into the environmental protection hazard ledger and requesting the responsible departments to make rectifications within the deadline. Upon expiration of the rectification period, they are required to record the status of rectification and confirm whether the environmental hazards are eliminated.

### Case Carrying out environmental protection training sessions to clarify responsibilities

In May 2022, the Chenzhou Plant of Shanghai Shanshan Lithium Battery conducted a special training session on "environmental protection management system" and "prevention and control of hazardous waste pollution" to clarify the basic contents of environmental protection management, ensure clear responsibilities, as well as orderly, reasonable and effective management, and achieve clean production and up-to-standard emissions. A total of 67 employees participated in this training session, with a **100%** participation rate.



Environmental protection training ▶

### Case Carrying out energy-saving publicity to enhance employee consciousness

Qingshan Plant of Shanghai Shanshan Lithium Battery carried out energy-saving and consumption reduction publicity activities to enhance employees' energy-saving consciousness and create an atmosphere featuring "conservation for everyone, for everything and at all times". The Company calls on all employees to practice conservation by undertaking the "four ones" (saving one degree of electricity, one drop of water and oil, and one piece of paper) action, to enhance energy-saving and consumption reduction efforts.

### Case Conducting product life cycle evaluation to reduce environmental impact

In 2022, the AC221 anode material completed the product life cycle assessment verification and obtained the Life Cycle Assessment Verification Statement. The boundary of this research was from "cradle" to "gate", i.e. from raw material acquisition to production, excluding use and disposal. Analysis shows that the majority of the environmental load in the product life cycle comes from the raw material acquisition stage, which constitutes more than 70%. A major unit process that causes environmental impact is electricity consumption, followed by raw material transportation. Therefore, reducing the consumption of electricity and transportation will significantly reduce the environmental impact.



Life Cycle Assessment Verification Statement ▶



## Chapter IV Win-win Cooperation and Mutual Growth

### Our Philosophy

Ningbo Shanshan Co., Ltd. seeks to establish close mutual trust and win-win partnerships with all partners for a sustainable future. The Company establishes and improves the supply chain management system, formulates strict supplier control procedures and supply chain social responsibility management policies. Staying true to the innovation-driven development concept, the Company implements lean product quality control, responds to and solves customers' needs quickly, strengthens information security protection, and is committed to providing customers with high-quality products and services. In addition, the Company continues to enhance cooperation and exchange with industry partners and universities to improve its research and innovation capabilities and promotes the industrialization of research results, driving the development and progress of the industry.

### Our Initiatives

- Supplier chain compliance management
- Product responsibility and quality
- Rapid response to customer needs
- Information security protection
- Industry development advancement

### Implementation of SDGs



# Section I Supplier Compliance Management

A healthy, stable, and sustainable supply chain is a vital link and foundation for the business operations of enterprises. The Company is committed to closely cooperating with upstream and downstream partners in the industry chain, and working together with them to promote the sustainable development of the industry chain by formulating sustainable supply chain management policies, improving supplier access and evaluation mechanisms, and conducting specialized training.

## Supplier management system

The Company establishes sound supplier and contractor management systems, introduces a digital supplier management platform, and strives to improve procurement efficiency and quality. All the subsidiaries develop sound supplier management systems and control processes to provide reliable supply assurance for production and business operations.

### Shanjin Optoelectronics

Shanjin Optoelectronics formulates internal management procedures such as *Supplier Quality Management Procedures*, *Supplier Control Procedures*, *Optical Equipment and Auxiliary Material Supplier Control Procedures*, and *New Supplier Application Management Procedures* to specify the supplier entry, evaluation, and withdrawal mechanisms to strengthen the control of suppliers. Shanjin Optoelectronics requires its suppliers to maintain their quality management systems in line with ISO 9001 standards and to provide relevant certification, which allows for win-win cooperation between the Company and quality suppliers.

### Shanghai Shanshan Lithium Battery

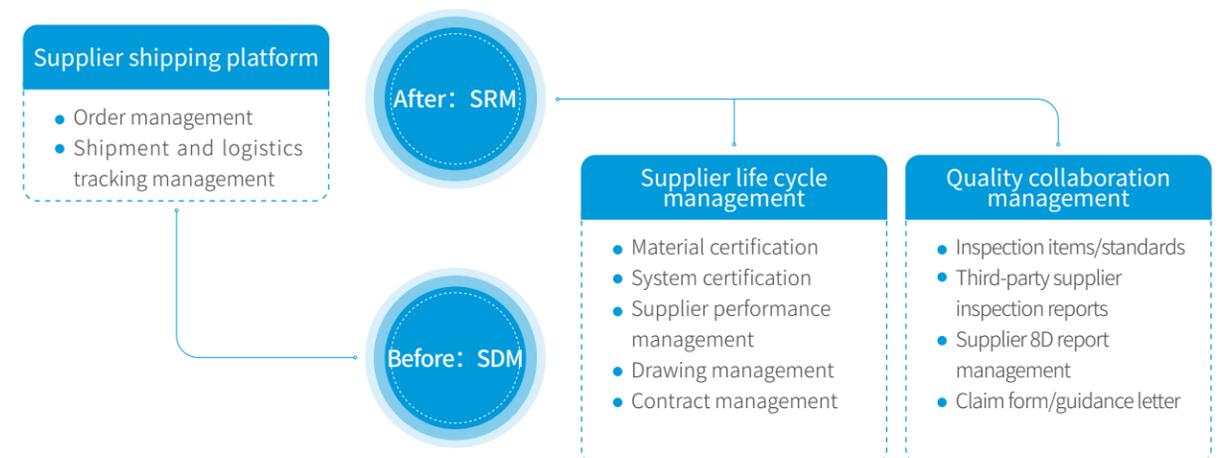
Shanghai Shanshan Lithium Battery formulates and regularly updates the internal system of Supplier Review, Selection and Development to clarify the standardized management process of supplier access and review and to prevent potential risks in supplier review and selection.

-  The Supply Chain Department should maintain a list of qualified suppliers (in principle, no single supplier is allowed for each material)
-  Concentration of suppliers of the same material in one region (such as a city) should be avoided
-  The Procurement Department should ensure that no single supplier is listed for any material in the BOM list of customer products, with the cooperation of the Research Institute
-  If a single supplier is designated by the customer, the Supply Chain Department should send the information to the Sales Center and communicate with the customer for second source certification

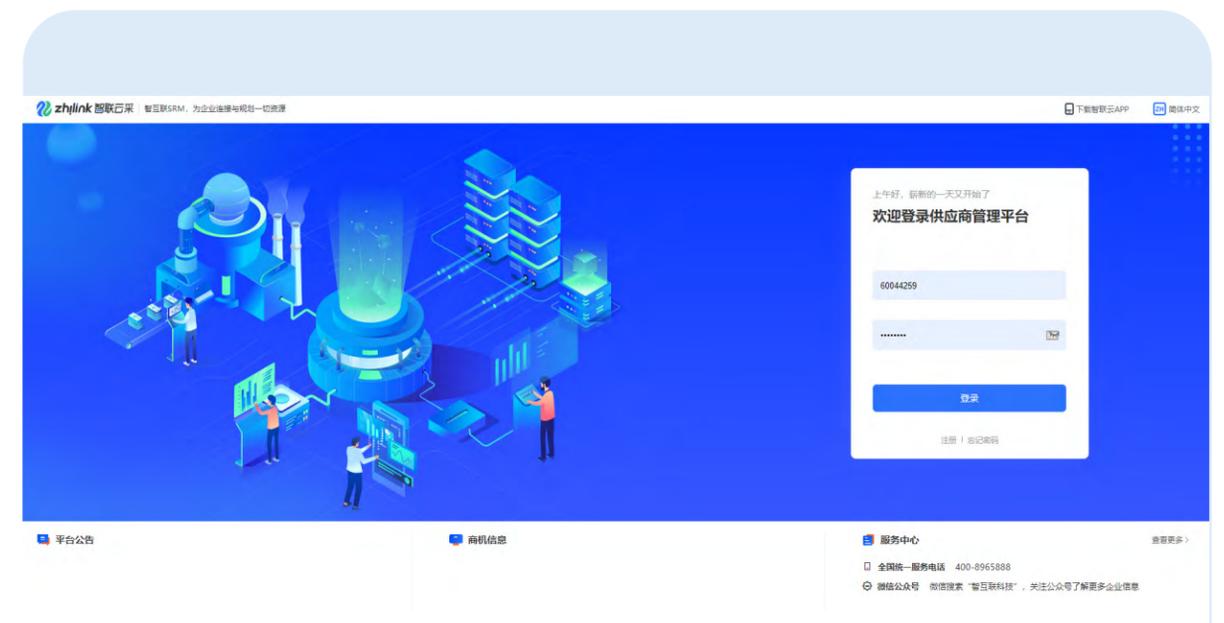
Business continuity guarantee measures for the supply chain of Shanghai Shanshan

## Case Introducing the digital SRM system to upgrade the supplier management system

In 2022, Shanghai Shanshan Lithium Battery upgraded the supplier management platform from SDM to SRM, and decided to adopt Digiwinsoft's Smart Cloud system. The new system added the modules of supplier life cycle management and quality collaboration, covering the main suppliers of Ningbo Shanshan Co., Ltd., and incorporating the veto power for supplier management quality into process design. The SRM system is scheduled to be launched in 2Q2023, which will further improve the efficiency of supplier management.



Comparison of supplier management systems before and after upgrading



Newly introduced SRM supplier management system

## Supplier communication

The Company maintains good communication with suppliers by providing them with specialized training and conducting quality and technical exchanges with them. In this way, the Company ensures up-to-standard supply while promoting win-win cooperation with upstream and downstream partners in the industry chain.



## Supplier social responsibility management

By signing the Corporate Social Responsibility Performance Agreement with suppliers, the Company requires suppliers to establish and effectively operate their corporate social responsibility ("CSR") management system in accordance with the management requirements, with reference to standards such as ISO 14001, ISO 45001, SA8000, EICC and ISO 2600 as well as relevant regulations. In this way, the Company ensures that its suppliers produce products or provide services in a socially responsible manner so as to promote the sustainable development of the industry chain.



In addition, the Company signs the Conflict Minerals Declaration Agreement and RoHS Substance Declaration with suppliers involved in related business to ensure the legitimacy of raw material sources, prevent conflict minerals from being put into use, and strengthen the control of hazardous substances to contribute to human health and environmental protection. For contractor-related management, the Company agrees with contractors in terms of construction qualification, safety, and environmental protection to ensure construction safety and compliance with relevant environmental protection standards.



During the reporting period,

the Company had a total of **3,962** suppliers and **592** new ones;

Supplier code of conduct:

**100** %, and

**75** of suppliers of Shanghai Shanshan Lithium Battery signed terms containing environmental and labor requirements;

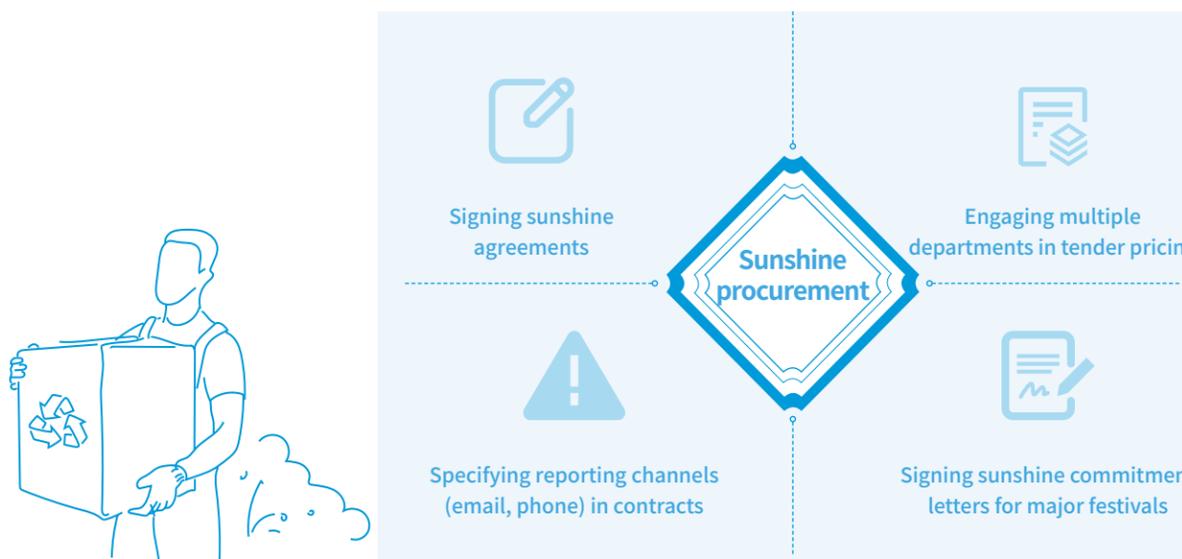
Internal purchasers who have passed sustainable procurement training:

**90** % of those in anode material business, and

**100** of those in polarizer business

## Sunshine procurement

The Company realizes sunshine procurement by securing a fair, just, and open procurement process. The Company signs sunshine agreements with all suppliers and is committed to maintaining the highest ethical behavior in all business operations. The Company provides suppliers with email and telephone reporting options to prevent its employees or suppliers from soliciting kickbacks or other forms of personal benefits during cooperation, so as to promote market order and maintain the market ecosystem.



Sunshine procurement measures

# Section II Product Responsibility and Quality

## Lean quality control

During the reporting period,

the Company's overall quality management system certification covered

**100** % of the business

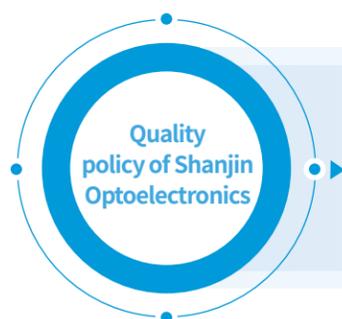
The Company strictly complies with laws and regulations, implements standardized management according to the requirements of the international quality system, and obtains external certifications to promote internal development and improve the quality management capabilities. In 2022, Shanghai Shanshan Lithium Battery and its subsidiaries and Shanjin Optoelectronics all obtained ISO 9001 Quality Management System certification. Their quality management systems operate stably to ensure the supply of high-quality products. In addition, Shanghai Shanshan Lithium Battery and Shanjin Optoelectronics each developed their own targeted quality management processes and specifications to improve their quality control level.



Shanghai Shanshan Lithium Battery and Shanjin Optoelectronics obtain ISO 9001 Quality Management System certification

### Shanjin Optoelectronics

Shanjin Optoelectronics prepares the Quality Operation Manual to combine international standards such as ISO 9001 and IATF 16949 with its quality operation system, clarify the core elements of the system and their relationship with each other, and standardize the procedures of responsibility and authority for each activity of quality operation. In this way, the impact of quality problems occurring in operating activities is minimized, thereby strengthening management for each link of the product life cycle.

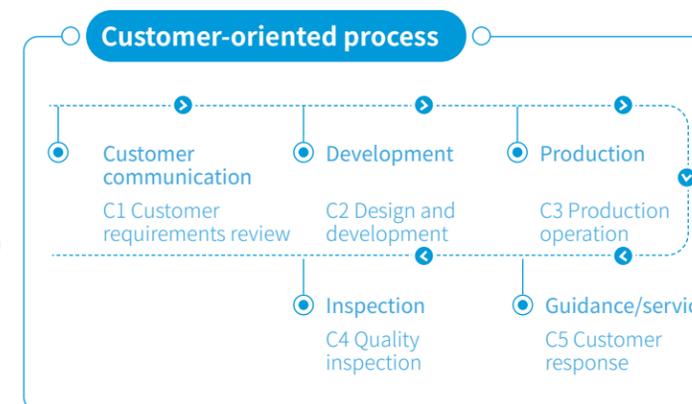


Pursue the highest quality competitiveness approved by customers through a quality system that meets customer requirements, absolute quality standards and compliance standards.

The quality management system of Shanjin Optoelectronics is customer-oriented at its core, supplemented by management processes covering product risk, product management plan, quality operation, and support processes divided by each production element. For each segment of each process, Shanjin Optoelectronics has prepared system documents such as *Production Contingency Plan Management Procedures*, *Target and Promotion Plan Management Procedures*, and *Production Control Procedures* on a point-to-point basis to build a strict and standardized quality operation system and ensure stable quality for customers.

#### Management process

- M1 Risk management
- M2 Business plan development and operation
- M3 Quality operation



Quality management system of Shanjin Optoelectronics

#### Support process

- SP1 Measuring equipment management
- SP2 Material management
- SP3 Job education
- SP4 Partner management
- SP5 Facility management

### Shanghai Shanshan Lithium Battery

During the reporting period,

the batch pass rate of products supplied by Shanghai Shanshan Lithium Battery hit

**99.93** %,

fulfilling the quality management target

With reference to international quality management system standards such as IATF 16949, ISO 9001 and ISO 14001, Shanghai Shanshan Lithium Battery formulates and regularly optimizes the *Quality, Environment, Occupational Health and Safety Management Manual*, and compiles *quality management process and control documents* such as *Project Management Control Procedures*, *Product Manufacturing Control Procedures*, *Product Delivery Control Procedures*, *Non-conforming Product Management Control Procedures*, and *Continuous Improvement Control Procedures*. Meanwhile, it arranges regular quality training sessions for its employees to cultivate quality talents and ensure stable product quality that meets standards.

#### Quality policy of Shanshan Lithium Battery

- Dedicated to the R&D of new energy materials to create the global brand of Shanshan Technology.
- Taking quality and reputation as our life to provide high-quality products and excellent service to customers.
- Fulfilling all of our commitments to seek ongoing innovation and improvement.

**Case Annual quality-themed training series**

Shanghai Shanshan Lithium Battery carries out various forms of quality activities to improve quality control capability, raise quality awareness and cultivate quality talents. In 2022, Shanghai Shanshan Lithium Battery provided 5 internal quality training sessions, 8 quality classes, 3 quality seminars, and 3 expert lectures by inviting external experts, senior management, and department heads. In addition to ensuring the participation rate, a post-training assessment was conducted for participating employees based on the training contents. Those who passed the assessment were considered qualified, while those who failed need to review until they passed.



The scene of quality training of Shanghai Shanshan Lithium Battery



Poster of Quality Month Lectur

**Leading role of technology innovation**

The Company establishes a sound technology innovation system, continues to promote the construction of innovation platforms, and increases investment in R&D to create a favorable atmosphere for innovative activities such as material and product development. In 2022, Shanjin Optoelectronics invested heavily in several key scientific projects in the field of polarization technology, including the development of thin PSA products, the localization of polarizer inspection equipment, and the development of low-reflection polarizers. In addition, Shanghai Shanshan Lithium Battery was devoted to R&D projects covering new energy vehicles, consumer electronics and energy storage, as well as frontier anode development such as silicon-based materials and sodium electrode materials, sustaining the improvement of the Company's core competitiveness and injecting unlimited momentum for the sustainable development of the Company.

By the end of the reporting period,

Shanghai Shanshan Lithium Battery had

**211** patents concerning anode materials, including

**170** domestic invention patents,

**39** utility model patents, and

**2** international patents.

By the end of the reporting period,

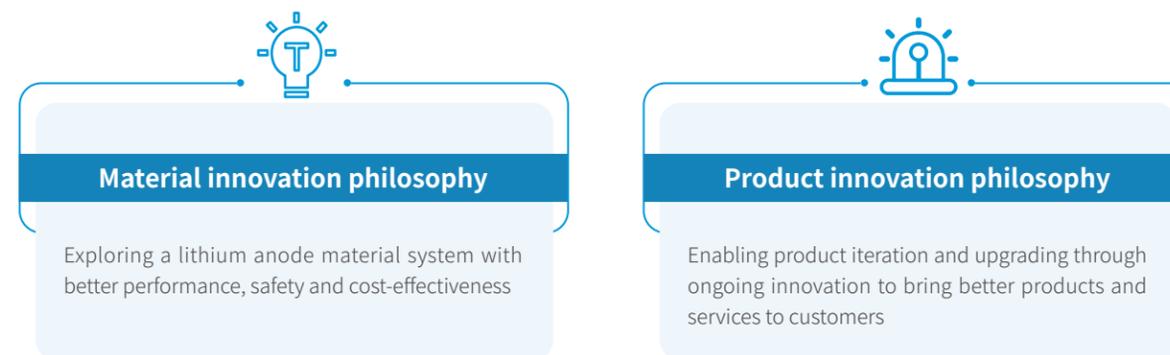
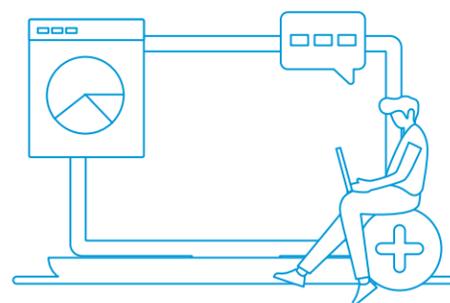
Shanjin Optoelectronics held

**992** granted patents, including

**939** invention patents,

**45** utility model patents and,

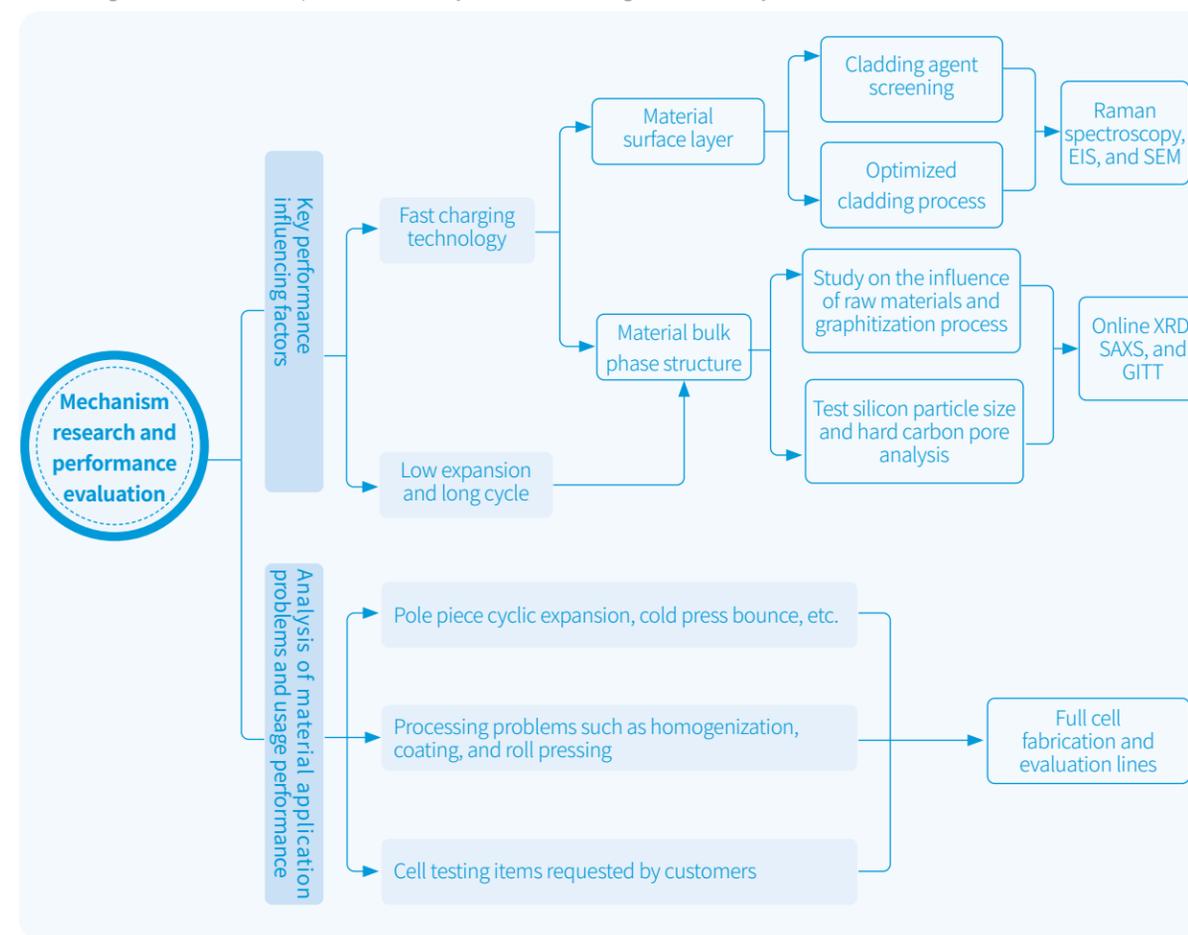
**8** appearance patents.



Innovation philosophies of Shanghai Shanshan Lithium Battery

**Case New mechanism research and performance evaluation system of Shanghai Shanshan Lithium Battery**

To better explain the microstructure of materials and assist the R&D team to tap into new directions, the Research Institute of Shanghai Shanshan Lithium Battery introduced a new mechanism research and performance evaluation system in 2022, covering key performance influencing factors and material performance analysis to further strengthen the R&D system.



Mechanism research and performance evaluation system of Shanghai Shanshan Lithium Battery

**Case Sustaining the R&D and application of green technologies**

In 2022, Shanghai Shanshan Lithium Battery sustained the R&D and application of green technologies, including eco-friendly technology for preparing production materials from hazardous waste. Some hazardous waste generated during production may harm the air, water quality and surrounding organisms if exposed to the environment. Such hazardous waste is difficult to collect and store, and the factory should be well prepared for the risk of leakage at all times. In the early stage, the factory needs to pay for the treatment by qualified enterprises. Taking into account environmental protection and cost reduction, the Research Institute of Shanghai Shanshan Lithium Battery develops process materials needed in the production process by using hazardous waste as raw materials, with a view to achieving the goal of recycling hazardous waste in the factory.

As the main production base of anode materials, Shanghai Shanshan Lithium Battery (Fujian) is under great pressure from a large amount of hazardous waste in terms of environmental protection, hazardous waste treatment, and cost reduction. Since 2020, the raw materials group of the institute has been working on developing a process product for factory use with hazardous waste as raw materials. Through several rounds of verification such as laboratory exploration, small test, and pilot test, a process product that can be used was finally developed. In early 2022, a production line was set up in Ningde factory, which was put into operation in July 2022 overcoming safety and environmental assessment challenges.

The technology offered a new idea for the treatment of hazardous waste in the Ningde factory. Moreover, the development and application of this technology alleviated the environmental pressure for the Ningde factory after the completion of Phase II of Ningde factory, and provided new design solutions for the construction of other new plants. If fully promoted, it can significantly cut costs for the Company.

**Case Low-solvent PSA won the Gold Award of Innovation Achievement**

In November 2022, Shanjin Optoelectronics' project "Development of green and low-solvent PSA for polarizers" won the Gold Award for Innovation Achievement at the 2022 World Conference on Display Industry. The project reduces the use of solvents and VOC emissions in the production of adhesives for polarizers by introducing the new eco-friendly PSA, and develops a solvent-free formulation production process with UV hardening technology to facilitate the development of a low-carbon economy.



solvent-free PSA (top right)

The Gold Award for Innovation Achievement of the 2022 World Conference on Display Industry was recommended by the conference organizing committee office and nine key industry organizations at home and abroad, including the China Optics and Optoelectronics Industry Association Liquid Crystal Branch, the Society for Information Display (SID) China, and the China Electronics Materials Industry Association, and was selected by the expert committee from the perspectives of technological leadership, market competitiveness, application experience, etc. In 2022, the World Conference on Display Industry granted 15 gold awards and 30 merit awards for innovation achievements.



Shanjin Optoelectronics' low-solvent PSA (top left)



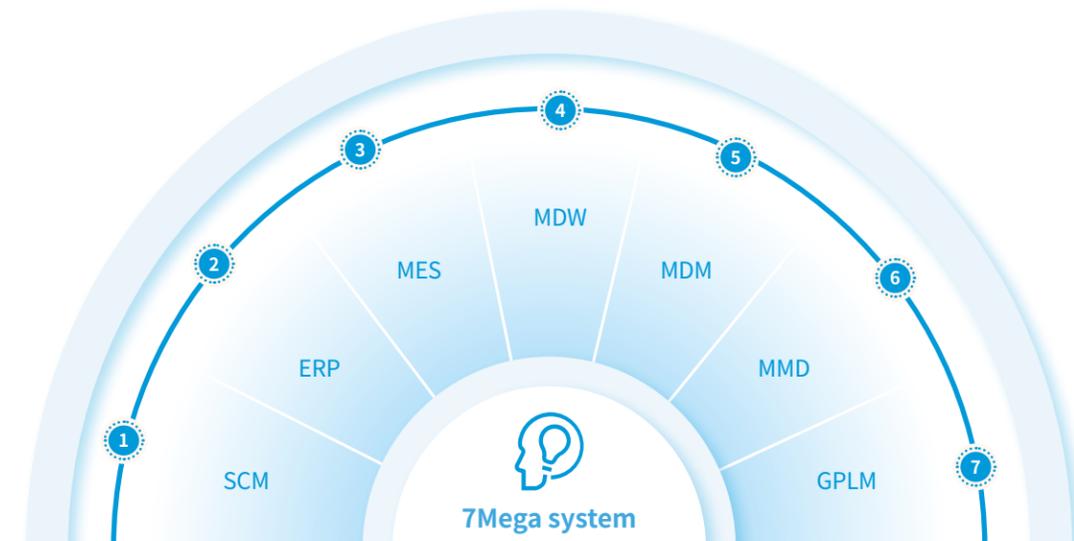
Green Low Carbon Award (bottom)

**Empowering development with digital intelligence**

The Company makes every effort to promote digital intelligence upgrading and realizes information-based management of production process through the application of intelligent systems, making project management more intelligent, convenient and user-friendly, and improving project control and efficiency. Shanjin Optoelectronics carries out overall intelligent planning, process flow design and network architecture implementation for the whole factory, realizing the whole process control and traceability system with quality at the core and empowering the sustainable and long-term development of the Company.

**Case Creating the 7Mega system for integrated digital control**

Shanjin Optoelectronics creates the innovative 7Mega system (MES, MDW, MDM, MMD, GPLM, SCM, and ERP) for interconnection in all aspects. To be specific, enabling data interconnection and integrated control in and out of workshops while ensuring production safety to lower production cost, product defect rate and energy consumption.



The 7Mega system of Shanjin Optoelectronics

As an intelligent, green, and process-oriented manufacturing plant, Shanjin Optoelectronics provides a dust-free production environment that meets the production characteristics of polarizer materials for liquid crystal displays, enabling automated control of the production environment, standardized production, and digital records to ensure product quality.

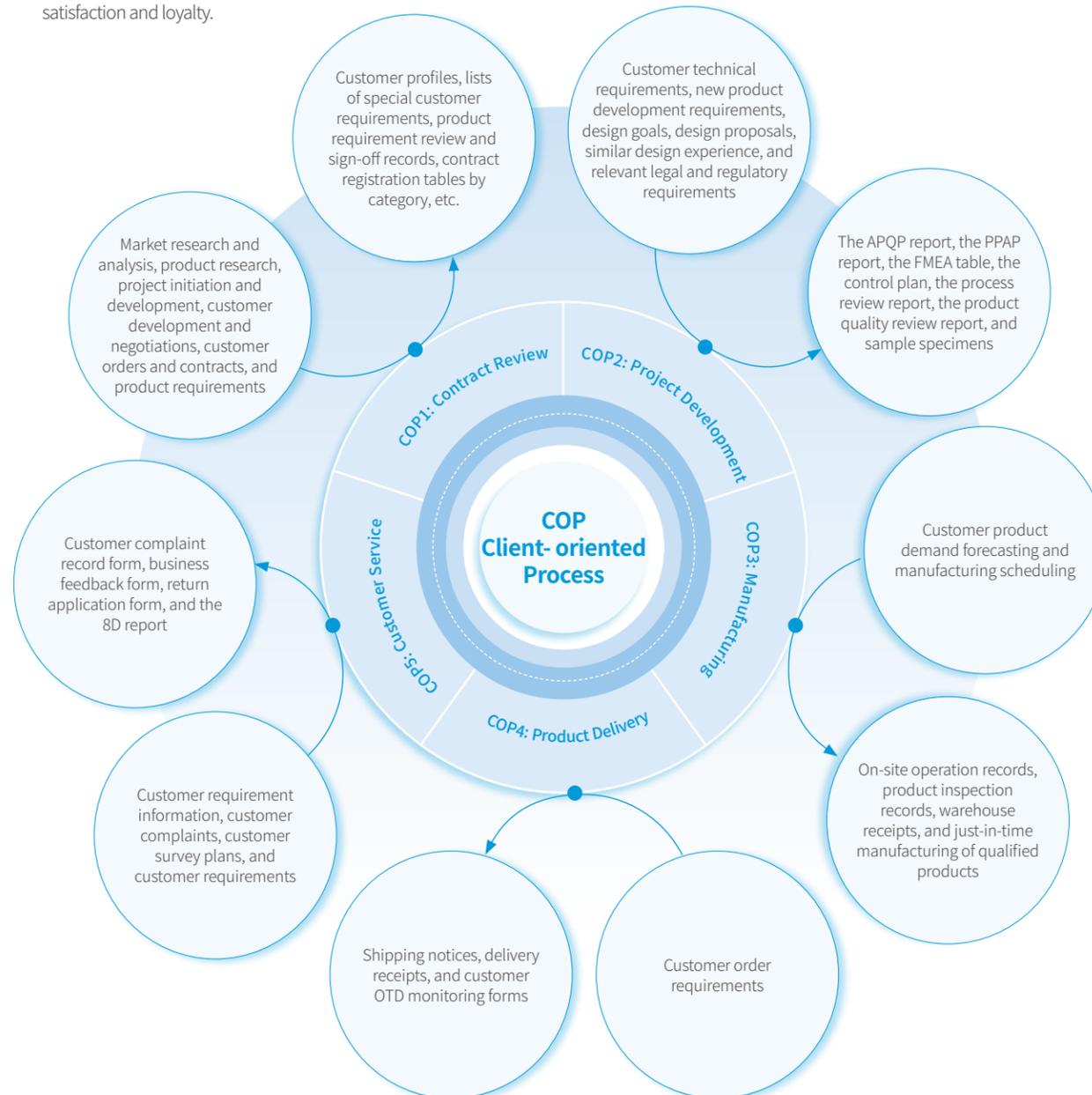


Shanjin Optoelectronics was awarded "Jiangsu Province Smart Manufacturing Demonstration Factory"



# Section III Rapid Response to Customer Requirements

At NBSS, the customer is the top priority. The Company has established a robust customer service management system that includes continuous optimization of its management measures. The Company is committed to enhancing the professional skills of its service team to ensure that its customers receive the best possible service. Shanghai Shanshan Lithium Battery upholds a customer-centric service philosophy. The organization is dedicated to leveraging all available resources to create continuous value for its customers. It implements management policies such as the Customer Satisfaction Control Procedures and the Customer Complaint Handling Regulations. Likewise, Shanjin Optoelectronics has developed the Customer Complaint Handling Procedures and the Customer Satisfaction Management Procedures to ensure prompt and effective resolution of customer needs and complaints. In addition, the Company conducts an annual customer satisfaction survey to gain insights into its customers' preferences and optimize its services based on their feedback, thereby increasing customer satisfaction and loyalty.



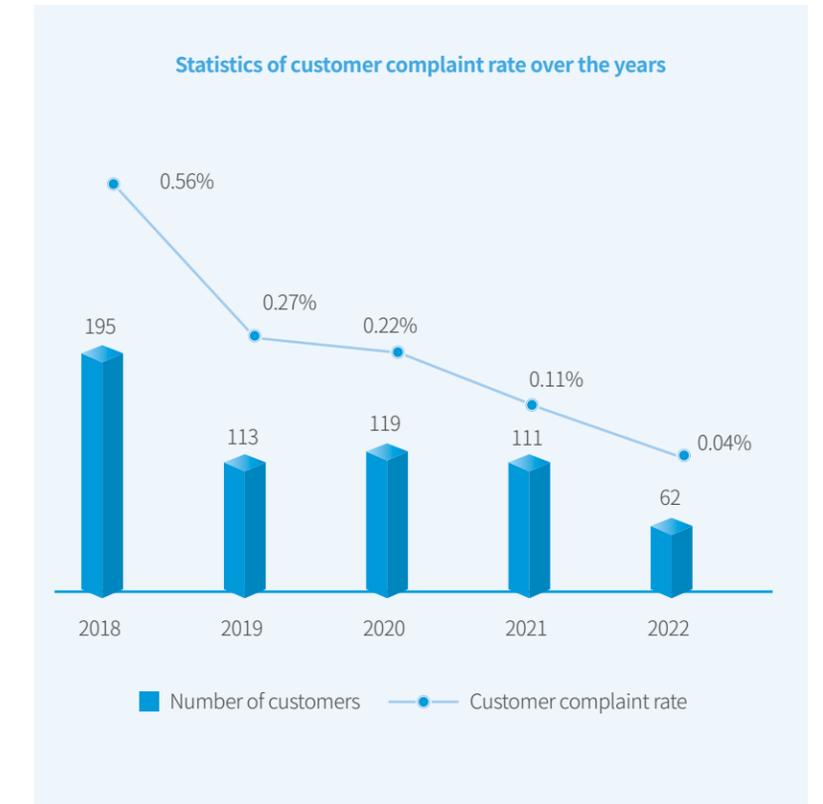
Shanghai Shanshan Lithium Battery's customer-oriented process (COP)

During the reporting period,

the Company had a customer complaint rate of just

**0.038** %.

Additionally, the complaint rate has been steadily declining over the past five years.



## Case Strengthening customer communication and actively cooperating with customers in project development

In 2022, Shanghai Shanshan Lithium Battery supported Lishen Battery in the development of a new project. By offering cutting-edge materials that were more cost-effective, Shanghai Shanshan Lithium Battery helped the customer achieve mass production for the new project. As a result, Shanghai Shanshan Lithium Battery was awarded the Best Technology Innovation Prize at Lishen Battery's 2022 Supplier Conference, acknowledging its efforts and excellence in meeting the customer needs.



Shanghai Shanshan Lithium Battery was awarded the Best Technology Innovation Prize at Lishen Battery's 2022 Supplier Conference.

## Case Shanghai Shanshan Lithium Battery's 2022 customer satisfaction survey

In 2022, Shanghai Shanshan Lithium Battery conducted its annual customer satisfaction survey in accordance with the Company's customer service management policy. Shanghai Shanshan Lithium Battery distributed 30 survey questionnaires to domestic customers in China and received 27 responses, achieving a response rate of 90%. Based on project categories, the product performance scored 93.70 out of 100, the product delivery scored 92.59, the service quality scored 96.67, the complaint handling scored 95.56, the packaging scored 95.95, and the environmental protection scored 95.93. The overall average score was 95.00, meeting the customer service management target of 85 or more. To improve service quality and customer satisfaction, Shanghai Shanshan Lithium Battery analyzed the root causes of lower ratings in product quality and delivery and then developed specific improvement measures to address these issues effectively.

# Section IV Information Security Protection

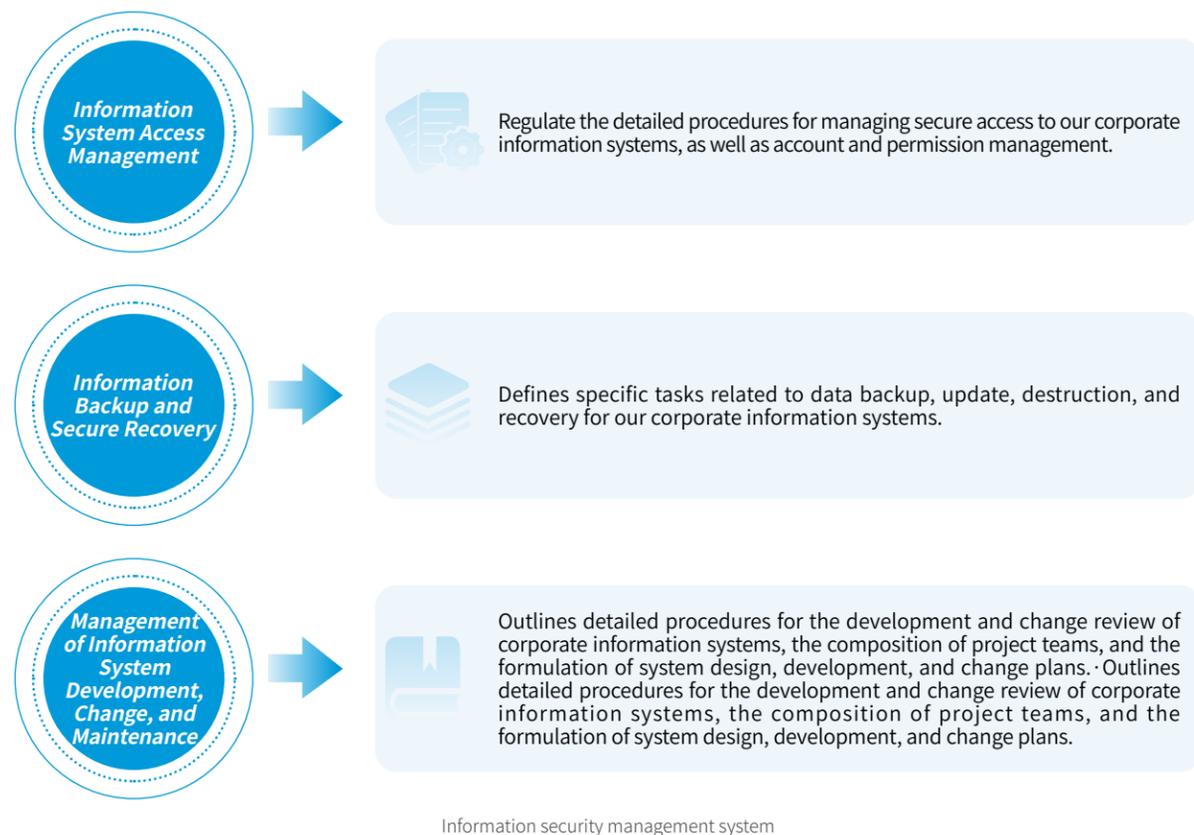
The Company has formulated and regularly optimize internal management systems such as *the Information System Access Management, the Information Backup and Secure Recovery, and the Management of Information System Development, Change, and Maintenance*. These management systems can improve its information security management and prevent and address potential operational risks that its information systems may encounter, thus ensuring the security and stability of its network and information systems. Shanghai Shanshan Lithium Battery has established the *Information Security Incident Management Regulations* and the *Communication Security Management Regulations*. Shanjin Optoelectronics has developed the *Information Security Standards*. By implementing these policies, the Company can ensure that its information systems are well-integrated, compliant, and efficient. The Company can also prevent potential risks that may arise during the management of information system development, change, and maintenance. In 2022, both Shanghai Shanshan Lithium Battery and Shanjin Optoelectronics achieved ISO 27001 certification for their information security management systems. This certification helped to standardize their information security management practices and mitigate information security risks.



Shanghai Shanshan Lithium Battery achieved ISO 27001 certification for its information security management system.

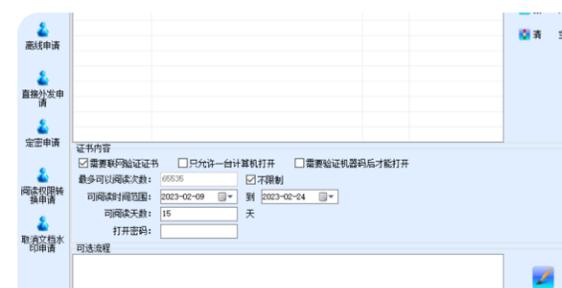


Shanjin Optoelectronics achieved ISO 27001 certification for its information security management system.



## Case Company-wide information security training and education

In 2022, Shanghai Shanshan Lithium Battery adopted and utilized Sangfor's Internet Access Management System and security services designed specifically for DingTalk's software. These applications ensure the legal compliance of Shanghai Shanshan Lithium Battery's internet access and secure use of DingTalk's tools. Shanghai Shanshan Lithium Battery conducts regular scans to identify network vulnerabilities and addresses them promptly. The organization also uses GreenShield encryption software to encrypt all files on its computers, ensuring that files remain encrypted when shared internally. Any requests to transfer files to external environments require approval from department leaders. Shanghai Shanshan Lithium Battery also provides training to its employees on information security and confidentiality, ISO 27001 standards, personal information protection, and data security to continuously enhance their awareness of network and information security.



Shanghai Shanshan Lithium Battery's file encryption



Shanghai Shanshan Lithium Battery's information security training

## Case Company-wide information security training and education

In 2022, Shanjin Optoelectronics conducted an information security training program for all its employees. The training covered the importance, definition, management, and control measures of information security. Additionally, the training included information security practice guidelines and principles for secure use of Shanjin Optoelectronics' networks and computers. This activity raised the employees' awareness of network security and enhanced their ability to prevent information security risks.

Information security training and education conducted by Shanjin OptoelectronicsW



## Section V Promoting Industry Development

The Company maintains excellent communication and collaboration with its industry partners and take an active part in industry seminars and exchanges. Furthermore, our leadership in formulating multiple industry standards has played a key role in driving industry progress. The Company also collaborates with universities, research institutes, and other scientific institutions on industry-university-research projects to enhance its core competitiveness and facilitate high-quality business development.

### Industry collaboration

The Company is committed to advancing the industry through its ongoing participation in the development and discussion of industry standards. The Company has joined multiple industry associations and serve on their boards of governors, while actively participating in exchanges on industry development. Together with its partners, the Company strives to build a sustainable future for the industry. Shanjin Optoelectronics took the lead in developing three industry standards: the *Polarizers with Low Moisture Permeability for TFT-LCDs*, the *Polarizers for Small and Medium OLED Displays*, and the *Polarizers for OLED TV Displays*. In addition, as a member of the China Electronics Materials Industry Association and the Liquid Crystal Branch of the China Optics and Optoelectronics Industry Association (CODA), Shanjin Optoelectronics actively participates in industry exchanges and contributes to industry development.

#### Case Shanjin Optoelectronics' recognition at the 2022 China Display Industry Supply Chain Technology and Market Exchange Conference

The 2022 China Display Industry Supply Chain Technology and Market Exchange Conference and the 2021 China New Display Industry Chain Development Contribution Awards were jointly held by the China Electronic Materials Industry Association and the CODA in Jiujiang City, Jiangxi Province in July 2022. Shanjin Optoelectronics received the Outstanding Contribution Award, the Innovation Breakthrough Award, the Collaborative Development Award, and the Green Low-Carbon Award.



Shanjin Optoelectronics participated in the 2022 China Display Industry Supply Chain Technology and Market Exchange Conference and received four awards



#### Case Shanjin Optoelectronics' speech at the 9th Cross-Strait (Nanjing) New Display Industry Summit Forum in 2022

In July 2022, the Nanjing FPD Industry Association and the Taiwan Display Industry Alliance jointly held the 9<sup>th</sup> Cross-Strait New Display Industry Summit Forum in Nanjing. At the forum, Zhu Zhiyong, General Manager of Shanjin Optoelectronics, gave a speech on "Innovative Supply Chain Optimization to Promote High-Quality Development of the Polarizer Industry".



Shanjin Optoelectronics participated in the 9th Cross-Strait (Nanjing) New Display Industry Summit Forum in 2022

#### Case Shanjin Optoelectronics' multiple innovations at the 2022 World Conference on the Display Industry

In November 2022, the 2022 World Conference on Display Industry was jointly held by the Ministry of Industry and Information Technology of the People's Republic of China and the People's Government of Sichuan Province in Chengdu. With the theme of "Displays Everywhere, Innovation Empowers Digital Economy", the conference featured multiple forums and activities, including an exhibition of new display innovation achievements. Shanjin Optoelectronics showcased multiple innovative products at this global event, which is the largest and most influential gathering in the new display technology field. At the main forum, Zhu Zhiyong, General Manager of Shanjin Optoelectronics, delivered a speech entitled "Innovating Polarizer Technology to Boost the Development of Digital Economy" via video.



Shanjin Optoelectronics participated in the exhibition of new display innovation achievements at the 2022 World Conference on the Display Industry

To foster the industrialization of scientific and technological achievements, the Company prioritizes partnerships with universities, research institutions, and other scientific organizations to conduct R&D projects for breakthroughs. Shanjin Optoelectronics has implemented development projects with Xiamen University, Nanjing University, and Nanjing Tech University. Shanghai Shanshan Lithium Battery and its subsidiary have engaged in R&D projects with Shanghai Jiao Tong University, Zhejiang University, Huazhong University of Science and Technology, Central South University, Inner Mongolia University of Science and Technology, and Shanghai Polytechnic University to drive technological innovation. These efforts have enabled the integration of regional research and human resources to produce and commercialize research results, which have been instrumental in propelling the industry's sustained growth.

### Industry-university-research collaboration

#### Case Shanghai Shanshan Lithium Battery's continuous efforts to advance industry-university-research projects

Shanghai Shanshan Lithium Battery's subsidiary, Ningbo Shanshan New Material Technology Co., Ltd., places a strong emphasis on industry-university-research collaboration. This subsidiary has engaged in several industry-university-research projects with higher education institutions and research institutes, including Zhejiang University, Huazhong University of Science and Technology, and the Ningbo Institute of Materials Technology and Engineering of the Chinese Academy of Sciences.

In 2020, Shanghai Shanshan Lithium Battery led the R&D project of low-cost, high-energy density battery anode materials for 5G base stations. This project was approved as one of Ningbo's 2025 Science and Technology Innovation Megaprojects. This is an industry-university-research project led by Shanghai Shanshan Lithium Battery in collaboration with the Ningbo Institute of Materials of the Chinese Academy of Sciences. The project construction period run from October 2020 to March 2023. It was scheduled to be completed and applied for acceptance in March 2023. The successful acceptance of this project helps Shanghai Shanshan Lithium Battery achieve new breakthroughs in technology research and development, thus enabling it to achieve high-quality development.



## Chapter V Empowering Employees for Vigorous Advancement with the Company

### Our Philosophy

The Company is committed to creating a favorable working environment and development platform for its employees to improve their job satisfaction and efficiency and cultivate a more brilliant corporate culture. The Company prioritizes caring for its employees and promoting their all-around development. The Company places great emphasis on talent cultivation and building a sustainable workplace environment, providing its employees with plenty of opportunities to grow and develop in all areas.

### Our Initiatives

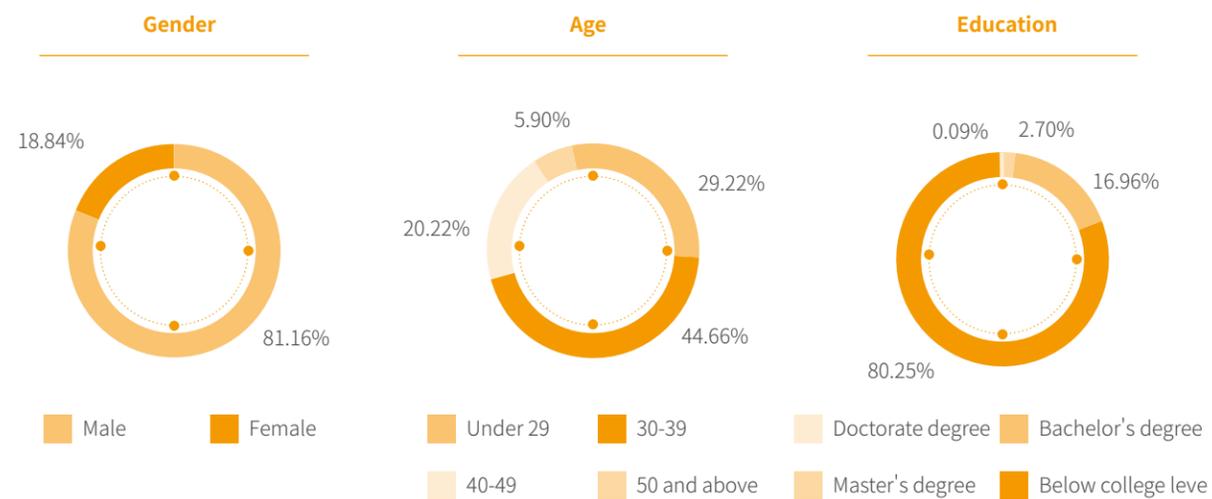
- Safeguarding employee rights and benefits
- Prioritizing employee development
- Enriching the lives of employees
- Giving priority to occupational health and safety

### Implementation of SDGs



# Section I Safeguarding Employee Rights and Benefits

The Company complies with national laws and regulations, such as the Labor Law, and adheres to a fair, just and transparent recruitment and employment policy. The Company has also developed effective employment management systems, such as the *Employee Handbook*, the *Human Resource Planning*, the *Recruitment Management*, the *Labor Relations Management*, and the *Corporate Social Responsibility Management Manual*. Building a strong team is our top priority. Our focus is on recruiting, developing, and motivating outstanding individuals. The Company brings in and nurture exceptional individuals who can collaborate effectively. These talented individuals should also be loyal and brilliant and embrace our corporate culture. Furthermore, the Company motivates its backbone teams in core areas of business operations, management, production, R&D, and technology to make more achievements.



Employee composition by gender, age, and education level

## Democratic management



The Company is committed to people-centric management, which includes open and honest communication with its employees, careful consideration of their ideas, and full respect and understanding of them. The Company has established a union system to promote democratic management and mass oversight. Its employees are encouraged to engage in its economic and management activities through democratic means. This approach facilitates democratic decision-making in the Company. These efforts ensure a fair and equitable relationship of interest in the workplace environment, and unity and harmony among its employees. The Company calls for workers' congresses as needed, without a fixed schedule. Additionally, the Company provides multiple channels of communication for its employees, such as the Chairman's Mailbox and a DingTalk platform. Employee satisfaction surveys are also conducted regularly.



An employee feedback box

### Case Holding Workers' Congresses to safeguard democratic and fair management

In May 2022, Shanghai Shanshan Lithium Battery in Fujian held a Workers' Congress to seek opinions on the revision of the collective contract and the employee handbook. This workers' congress was held to gather employees' opinions on the revision of provisions in the collective contract and the employee handbook regarding working hours, vacations, disciplinary actions, and other matters, to protect employees' rights. Through collective discussions and consultations, the Workers' Congress established a solution for the revision. The solution enhanced the protection of employees' rights and interests and made the relevant policies better adapted to the needs of corporate development.



the Workers' Congress ▶

## Employee benefits

The Company is dedicated to improving its employee welfare and creating superior working and living conditions for its employees. The Company has formulated policies such as the Compensation and Benefits Management and the Employee Attendance and Leave Management to protect physical and mental well-being of its employees. Additionally, the Company organizes regular medical check-ups, health consultations, and recreational activities to support its employees in maintaining a healthy lifestyle.



### Case A caring mothers' room that supports nursing women with comfort and love

Shanghai Shanshan Lithium Battery understands the challenges faced by nursing mothers in the workplace and has taken a compassionate step by creating a nursing room on the third floor of the office building. Equipped with essential facilities, this room offers a safe, quiet, and private space for nursing mothers. In 2022, this mothers' room was recognized as a demonstration site by the district labor union and received a district-level subsidy of CNY 2,300.



The mothers' room ▶

## Section II Prioritizing Employee Development

The Company adheres to the values of integrity, responsibility, innovation, and commitment as its corporate spirit. The Company is dedicated to building a comprehensive and diversified talent development system. To maximize the potential of its employees, the Company has implemented diverse systems, including Employee Training Management, the Job Position and Rank Management, Performance Evaluation Management Measures, Managerial Talent Management, and Job Description and Staffing. These systems help its employees grow and excel in their roles, while also contributing to the overall success of the Company. By aligning personal and corporate goals, the Company can create a harmonious and productive work environment, where both the individual and the organization can thrive.



The corporate training system

**The employee development plan should be implemented with a focus on** long-term success, flexibility, coordination, fairness, efficiency, and innovation.

### Employee promotion pathway at Shanjin Optoelectronics

**Rank progression:** Assistant → Specialist → Supervisor → Senior Supervisor → Section Chief → Deputy Director → Director

**Position progression:** Department Manager → Department Director → Senior Management

### Employee promotion pathway at Shanghai Shanshan Lithium Battery

**Ranking of frontline operation positions:** Operator → Team Leader → Production Supervisor

**Ranking of management positions:** Staff → Supervisor → Senior Supervisor → Assistant Director → Deputy Director → Director

**Ranking of professional positions:** Technician → Assistant Engineer → Engineer → Senior Engineer → Senior Advanced Engineer → Principal Engineer

#### Case Implementing the Shanshan Star Program to improve the development system

Every year, Shanghai Shanshan Lithium Battery carries out the Shanshan Star Program to establish a lifecycle management process for new employees. This program helps improve the corporate talent development system and lays the foundation for cultivating key high-potential talent. The Shanshan Star Program enables new employees to quickly gain a deeper understanding of the corporate culture and assimilate into their job roles quickly. It also allows new employees to accomplish their job tasks rapidly, efficiently, and independently. In addition to fostering a talent development culture in the department, the program also facilitates rapid integration between new and experienced employees, helping them collaborate more efficiently and thus enhance overall productivity.

During the reporting period,

**64** training sessions were completed. Training for new employees on corporate culture, company policies, occupational safety, and job-specific knowledge had a completion rate of **100%**. Training for employees transferring to new positions also had a completion rate of **100%**.

#### Case Management skill training for middle-level managers

In September 2022, Shanghai Shanshan Lithium Battery organized a training program on *Self-Management for the Middle-level and Grassroots-level Backbone Employees* for its middle-level managers. The training empowered department heads to better manage their teams and helped participants improve their management skills. After the training, all participants submitted their Individual Development Plans (IDPs) and put them into practice.



Self-management for middle-level and grassroots-level backbone employees

## Section III Enriching the lives of Employees

As a company that values a work-life balance, the Company seeks to meet the growing spiritual and cultural needs of its employees. The Company organizes diverse employee activities, such as team building, sports competitions, and holiday celebrations, to promote understanding and inclusivity among its colleagues. This creates a supportive work environment where our employees can work together towards common goals. These activities also help to boost employee engagement and creativity, while strengthening their sense of connection to the Company.

#### Case Organizing employee birthday celebrations and addressing their challenges

Each month, Shanghai Shanshan Lithium Battery throws a birthday party for employees who have birthdays during that month, providing each birthday person with a CNY 200 shopping card and CNY 100 worth of snacks and fruit. During the birthday celebration, the Administration Department organizes a gathering where all employees come together to blow out candles and enjoy a cake. This informal event provides an opportunity for employees to connect with one another and share their personal or work-related challenges. Afterwards, the Administration Department collects and organizes the feedback, which is then presented to the General Manager for further consideration. The General Manager will review the feedback gathered from the employees and respond to their concerns accordingly. The Administration Department will publish these responses and oversee the resolution process to ensure that the issues raised are addressed appropriately. By organizing birthday celebrations, the organization has created a family-like environment for its employees. These events not only encourage internal communication but also foster greater loyalty and trust among employees towards the organization.



An employee birthday party

#### Case Celebrating international Women's Day and improving hands-on skills

To celebrate International Women's Day in March 2022, Shanghai Shanshan Lithium Battery arranged for its female employees to make scented candles together. All female employees joyfully gathered together and made the scented items they wanted. This activity allowed our female employees to showcase their great creativity.



Celebrating International Women's Day ▶

#### Case Organizing employee basketball games to enhance company cohesion

Between October and November 2022, the Company organized an employee basketball tournament to encourage engagement in sports and cultural activities while promoting a healthy lifestyle. By participating in this activity that integrated corporate culture and values, both new and experienced employees had the opportunity to get to know each other better. Not only did they enhance their sportsmanship and physical fitness, but they also fostered a sense of unity and teamwork while relieving stress through exercise.



An employee basketball game ▶

# Section IV Giving Priority to Occupational Health and Safety

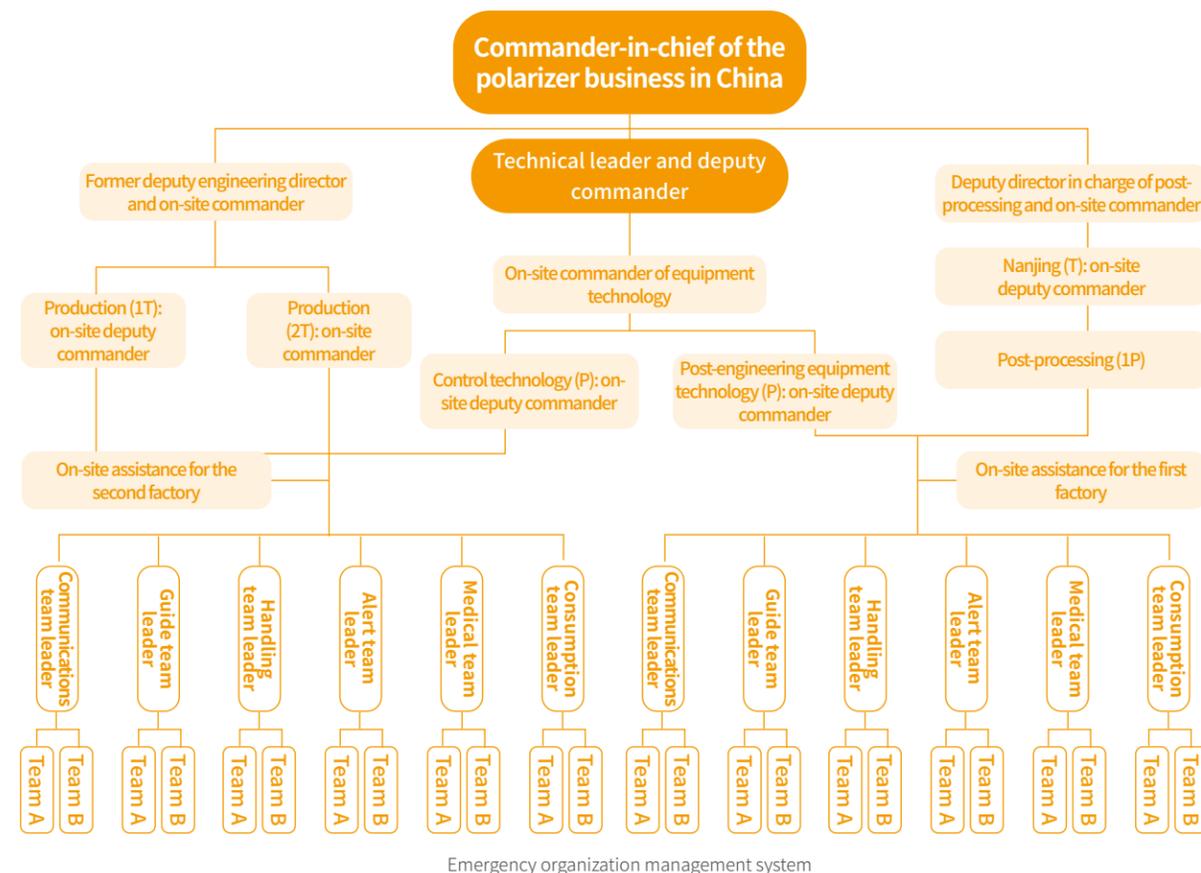
The Company is committed to maintaining a workplace that promotes the health and safety of its employees. Through the implementation of policies such as the Occupational Health Management Procedures and the Emergency Preparedness and Response Control Procedures, the Company strives to provide a secure environment that enables its employees to work securely. The Company places great importance on raising the safety awareness of its employees, which is why the Company provides regular training on occupational health and safety. The Company also takes measures to control on-site operational risks, improve emergency plans, and conducts regular safety checks and evaluations. Additionally, the Company organizes activities such as quizzes, safety-themed video collections, and emergency drills to prevent or minimize work-related injuries.



Shanjin Optoelectronics' ISO 45001 certificate for occupational health and safety management system



Shanghai Shanshan Lithium Battery's ISO 45001 certificate for occupational health and safety management system (partial display)



Emergency organization management system

Note: T refers to a team, and P refers to a functional part.

## Case Conducting fire drills to improve response to emergency incidents

In September 2022, Shanjin Optoelectronics conducted an emergency drill for warehouse fires. The purpose of the drill was to improve the ability of relevant departments to respond to sudden chemical fires and help employees become more familiar with emergency response procedures. The employees participated in this drill learned how to safely rescue the injured and manage the spread of fire while ensuring proper self-protection. The participants gained an understanding of the fire hazard posed by hazardous chemicals. They also became proficient in safely operating the foam and water sprinkler system, while taking precautions to minimize environmental damage.



The fire emergency drill ▶

## Case Empowering employee career development through a safety and health knowledge challenge



Shanghai Shanshan Lithium Battery hosted a challenge on safety and health knowledge, which enticed the involvement of many employees. The challenge aimed to raise participants' safety awareness and increase their health knowledge. It covered topics such as safe production, occupational disease prevention and control, and emergency response. The challenge was conducted to improve employees' risk prevention and emergency management skills. Nine teams took part in this competition, making a total of xx participants. Through this competition, Shanghai Shanshan Lithium Battery enhanced the safety awareness of its employees, and highlighted the importance of safe production in a fun and engaging way. The organization fostered a vibrant learning atmosphere for safety-related topics.

◀ The "Ankang Cup" Knowledge Competition

## Case Producing short videos on safety topics to enhance employees' safety awareness

Shanghai Shanshan Lithium Battery collected short videos on safety topics from all employees to make safety promotion activities more engaging and diverse. This activity also helped raise the employees' awareness of safety and facilitated the "Safe Production Month" campaign. Shanghai Shanshan Lithium Battery joined the popular short video trend by inviting employees to record any safety issues they identified in their daily lives. This interactive approach to safety training increased the employees' awareness of safety in a fun and engaging manner.



The short video campaign enhancing safety awareness ▶



## Chapter VI Undertaking Responsibility and Contributing to Society

### Our Philosophy

The Company always bears in mind its social responsibility, and creates greater social value and provides more resources and convenience to society. Therefore, the Company has launched diverse social welfare activities and medical support programs. The Company believes in sharing its success with society and making meaningful contributions to the greater good. Through its efforts, the Company hopes to contribute to the development of a harmonious and prosperous society that benefits all.

### Our Initiatives

- Social welfare

### Implementation of SDGs



# Section I Social Welfare

In 2022, Shanshan carried out a range of diverse social welfare activities, with its employees enthusiastically volunteering to take part. These activities not only fostered the team spirit of its employees but also enhanced their awareness of social responsibility. In addition, these activities cultivated a habit among its employees to actively consider and contribute to society. The Company strives to make a difference in diverse fields and for various groups. The Company has been enthusiastic about participating in public welfare projects, such as helping the less fortunate, donating blood, contributing to environmental greening, and visiting the elderly. By engaging in socially responsible projects, the Company has earned a reputation as a responsible and trustworthy enterprise, contributing to its success and growth in the community.

## Case Shanjin Optoelectronics' tree planting for a greener environment

Shanjin Optoelectronics participated in the 44th voluntary tree planting activity organized by the Huangpu District Federation of Trade Unions and the Luogang Sub-district Office in May 2022. The Huangpu District Workers' Public Welfare Forest saw a boost in its reforestation efforts, thanks to the participation of Shanjin Optoelectronics' labor union in Guangzhou, led by the Union Chairman, who rallied union members, employees, and their families to take part in this activity. A total of 18 employees from Shanjin Optoelectronics planted trees at the Tiejun Spirit Park in Huangpu District. This activity aimed to encourage the employees to take on the responsibility and obligation of protecting trees and the environment. It also made them more enthusiastic and proactive about environmental protection.



The Guangzhou tree-planting activity

## Case Shanghai Shanshan Lithium Battery's support for farmers

In May 2022, Shanghai Shanshan Lithium Battery's factory in Fujian took an active part in the "Claiming One Mu of Land and Becoming a Land Owner" activity held in Dajia Town, Gutian County, Ningde City, Fujian Province. Shanghai Shanshan Lithium Battery claimed 20 mu (approximately 1.3 hectares) of rice fields worth CNY 50,000 in Zouyang Village to support agriculture and farmers. This move also responded to the national call for rural revitalization. In September of the same year, Shanghai Shanshan Lithium Battery's factory in Ningbo established a partnership with a visually impaired individual from Shenxi Village in Jishigang Town, Ningbo. The organization sent employees to visit this person and provides necessary supplies every quarter. Shanghai Shanshan Lithium Battery will continue helping this person overcome many other difficulties.



Shanghai Shanshan Lithium Battery representatives offered support to the villager

## Case Shanjin Optoelectronics' blood donation for the common good

Shanjin Optoelectronics in Nanjing organized a charity blood donation event in collaboration with the Nanjing Red Cross Blood Center in December 2022. This event, themed "Love and Donation", enhanced the hope for life and showcased Shanjin Optoelectronics' dedication to public welfare. It also highlighted the employees' willingness to give back to society. A total of 50 donors gave blood, contributing up to 9,600 ml of blood.



Blood donation by Shanjin Optoelectronics in Nanjing

## Case Shanjin Optoelectronics' commitment to respecting the elderly and caring for the young

In June 2022, Li Xin, Chairman of the Labor Union of Shanjin Optoelectronics in Guangzhou, led a team of six people, including union members and employee volunteers, to Shenjing Primary School on Changzhou Island in Huangpu District. They provided support and donations to the children as meaningful gifts for Children's Day, which would help these students have a better learning environment, enhanced access to learning resources, and more opportunities for development.



The donation activity

In October 2022, the Guangzhou Labor Union Committee of Shanjin Optoelectronics, along with the Puai Social Work Service Community in Huangpu District and the Meili Home Social Work Service Station in Yunpu Street, visited the resettlement building for the seniors in Bicun Community, Guangzhou. They visited 20 senior party members during the Chongyang Festival and expressed their respect and care for them.



Care for the elderly by Shanjin Optoelectronics in Guangzhou

Shanshan ensures its stable operations in accordance with government guidelines while taking measures to safeguard the health of its employees. Additionally, the Company actively participates in medical support activities in the local community. As a new era enterprise, the Company takes on its social responsibility by providing convenience to its community and engaging in practical actions to make a positive impact. In 2022, the Company supported its community and government by providing medical testing, donating supplies, and calling for volunteers to participate in support activities.

## Case Establish Shanjin Innovation Scholarship at Nanjing University

On July 2022, Shanjin Optoelectronics and Nanjing University held the donation signing ceremony at the Xianlin Campus. Shanjin Optoelectronics donated 1.2 million yuan for the scholarship, aiming to support students of the School of Chemistry and Chemical Engineering, School of Physics, and School of Engineering and Applied Sciences to make innovations in science and technology. Shanjin Optoelectronics will join hands with Nanjing University to strengthen the relationship and deepen the industry-university-research cooperation for promoting the high-quality development of high-tech industries.



## Case Care for left-behind children

On March 2022, Shanjin Optoelectronics worked with the United Front Work Department of Xia District to launch the left-behind children care activity "Xiaxin Public Service at Longtan" to further the care for the physical and mental health of left-behind children in this area and appeal for the public attention on left-behind children. The chairman of the Shanjin Optoelectronics Labor Union Cao Junwei and members of the Shanjin public service team drove to Longtan Street and expressed their care for the left-behind children by donating supplies. In addition, Cao Junwei and the members visited the poverty-stricken households and had conversations with the left-behind children and their families. Cao Junwei and the members donated 500 yuan and supplies for each household and learned about their life and health. To sum up, Shanjin Optoelectronics donated 20,000 yuan to the left-behind children at Longtan Street in this activity.



## Key Achievement Indicators

Aspect	Indicator	Unit	2020	2021	2022	
Economy	Operating income	RMB10,000	821,589.67	2,069,938.26	2,170,161.73	
	Net profits	RMB10,000	13,800.41	333,969.65	269,126.26	
	Total assets	RMB10,000	2,454,065.88	4,028,846.90	4,492,549.12	
	Tax paid during the reporting period	RMB10,000	20,003.21	137,925.41	87,280.19	
Society	Total number of employees	Person	4,760	5,982	7,543	
	Average working hours of employees	Hour	24	24	45	
	Total number of employees	Person	1,980	3,675	5,733	
	Number of R&D personnel	Person	333	140	300	
	Proportion of R&D personnel	%	7.00	2.34	3.98	
	Total amount of R&D investment	RMB10,000	39,296.01	71,563.21	95,257.23	
	Total amount of OHAS	RMB10,000	1,005.73	3,919	4,456.48	
	Number of newly added occupational patients	Person	0	0	0	
	Proportion of suppliers signing clauses containing environmental and labor requirements	%	61	67	75	
	Total amount of social welfare investment	CNY	5,160,000	30,000	1,260,000	
	Social contribution value per share	CNY/share	0.79	2.95	2.38	
	Environment	Total amount of waste gas emissions	Ton	60,580,805.42	186,809,925.98	689,316,886.30
		Total amount of recyclable wastes	Ton	25,254.81	28,185.05	31,990.83
Total amount of solid wastes		Ton	32,141.69	46,313.93	60,132.48	
Total amount of hazardous wastes		Ton	3,611.71	7,303.51	7,662.26	
Total amount of hazardous wastes		Ton	1,518.11	1,405.32	1,706.35	
Total amount of waste water		Ton	1,210,510.00	1,627,074.94	1,555,865.60	
Total amount of circulating water		Ton	1,520	1,590	1,650	
Total water consumption		Ton	1,823,505.00	2,409,716.23	2,501,502.20	
Water price		Ton/RMB10,000	2.22	1.16	1.15	

## Benchmarking

GRI content index			
Statement of used	Ningbo Shanshan Co., Ltd. has reported the information cited in this GRI content index for the period from January 1, 2022 to December 31, 2022 with reference to the GRI Standards.		
GRI 1 Used	GRI 1: Foundation 2021		
GRI Standards	Disclosure	Location	
GRI 2: General Disclosures	G2-1	Organizational details	About the Report、About Shanshan
	G2-2	Entities included in the organization's sustainability reporting	About Shanshan
	G2-3	Reporting period, frequency and contact point	About Shanshan
	G2-4	Restatements of information	About Shanshan
	G2-6	Activities, value chain and other business relationships	About Shanshan、Supplier Compliance Management
	G2-7	Employees	Safeguarding Employee Rights and Benefits
	G2-8	Workers who are not employees	Not Applicable
	G2-9	Governance structure and composition	Improving Corporate Governance
	G2-10	Nomination and selection of the highest governance body	Improving Corporate Governance
	G2-11	Chair of the highest governance body	Improving Corporate Governance、Refer to Annual Report
	G2-12	Role of the highest governance body in overseeing the management of impacts	Improving Corporate Governance、Refer to Annual Report
	G2-13	Delegation of responsibility for managing impacts	Improving Corporate Governance
	G2-15	Conflicts of interest	Refer to Shanshan's Code of Conduct
	G2-16	Communication of critical concerns	Improving Corporate Governance
	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	Addressing Climate Change
	G2-23	Policy commitments	Safeguarding Employee Rights and Benefits、Supplier Compliance Management
	G2-24	Embedding policy commitments	Safeguarding Employee Rights and Benefits、Supplier Compliance Management
	G2-25	Processes to remediate negative impacts	Internal Control and Risk Management、Compliance and Business Ethics
	G2-26	Mechanisms for seeking advice and raising concerns	Internal Control and Risk Management、Compliance and Business Ethics

GRI Standards	Disclosure	Location	
GRI 2: General Disclosures	G2-27	Compliance with laws and regulations	Internal Control and Risk Management, Compliance and Business Ethics
	G2-29	Approach to stakeholder engagement	Improving Corporate Governance
	G2-30	Collective bargaining agreements	Safeguarding Employee Rights and Benefits
GRI 201: Economic Performance	G201-1	Direct economic value generated and distributed	Refer to Annual Report
	G201-2	Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
	G201-3	Defined benefit plan obligations and other retirement plans	Safeguarding Employee Rights and Benefits
	G201-4	Financial assistance received from government	Refer to Annual Report
GRI 205: Anti-corruption	G205-2	Communication and training about anti-corruption policies and procedures	Compliance and Business Ethics
GRI 206: Anti-competitive Behavior	G206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Applicable
GRI 207: Tax	G207-1	Approach to tax	Refer to Annual Report
	G207-2	Tax governance, control, and risk management	Refer to Annual Report
	G207-3	Stakeholder engagement and management of concerns related to tax	Refer to Annual Report
	G207-4	Country-by-country reporting	Refer to Annual Report
GRI 301: Materials	G301-3	Reclaimed products and their packaging materials	Environmental Management System
GRI 302: Energy	G302-1	Energy consumption within the organization	Environmental Management System, Key Achievement Indicators
	G302-3	Energy intensity	Environmental Management System, Key Achievement Indicators
	G302-4	Reduction of energy consumption	Environmental Management System, Key Achievement Indicators
	G302-5	Reductions in energy requirements of products and services	Environmental Management System, Operate in a Green Manner
GRI 303: Water and Effluents	G303-1	Interactions with water as a shared resource	Environmental Management System
	G303-2	Management of water discharge-related impacts	Environmental Management System
	G303-5	Water consumption	Environmental Management System, Key Achievement Indicators
GRI 305: Emissions	G305-1	Direct (Scope 1) GHG emissions	Addressing Climate Change
	G305-2	Energy indirect (Scope 2) GHG emissions	Addressing Climate Change
	G305-3	Other indirect (Scope 3) GHG emissions	Addressing Climate Change
	G305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Management System, Key Achievement Indicators

GRI Standards	Disclosure	Location	
GRI 306: Waste	G306-1	Waste generation and significant waste-related impacts	Environmental Management System
	G306-2	Management of significant waste-related impacts	Environmental Management System
	G306-3	Waste generated	Environmental Management System
	G306-4	Waste diverted from disposal	Environmental Management System
	G306-5	Waste directed to disposal	Environmental Management System
GRI 308: Supplier Environmental Assessment	G308-1	New suppliers that were screened using environmental criteria	Supplier Compliance Management
	G308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Compliance Management
GRI 401: Employment	G401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Safeguarding Employee Rights and Benefits
	G401-3	Parental leave	Safeguarding Employee Rights and Benefits
GRI 403: Occupational Health and Safety	G403-1	Occupational health and safety management system	Giving Priority to Occupational Health and Safety
	G403-2	Hazard identification, risk assessment, and incident investigation	Giving Priority to Occupational Health and Safety
	G403-3	Occupational health services	Giving Priority to Occupational Health and Safety
	G403-4	Worker participation, consultation, and communication on occupational health and safety	Giving Priority to Occupational Health and Safety
	G403-5	Worker training on occupational health and safety	Giving Priority to Occupational Health and Safety
	G403-6	Promotion of worker health	Giving Priority to Occupational Health and Safety
	G403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Giving Priority to Occupational Health and Safety
	G403-9	Work-related injuries	Key Achievement Indicators
	G403-10	Work-related ill health	Key Achievement Indicators
	GRI 404: Training and Education	G404-1	Average hours of training per year per employee
G404-2		Programs for upgrading employee skills and transition assistance programs	Prioritizing Employee Development
GRI 405: Diversity and Equal Opportunity	G405-1	Diversity of governance bodies and employees	Improving Corporate Governance, Safeguarding Employee Rights and Benefits
GRI 406: Non-discrimination	G406-1	Incidents of discrimination and corrective actions taken	Not Applicable
GRI 408: Child Labor	G408-1	Operations and suppliers at significant risk for incidents of child labor	Not Applicable

GRI Standards	Disclosure	Location
GRI 409: Forced or Compulsory Labor	G409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not Applicable
GRI 411: Rights of Indigenous Peoples	G411-1 Incidents of violations involving rights of indigenous peoples	Not Applicable
GRI 413: Local Communities	G413-1 Operations with local community engagement, impact assessments, and development programs	Social Welfare
	G413-2 Operations with significant actual and potential negative impacts on local communities	Not Applicable
GRI 414: Supplier Social Assessment	G414-1 New suppliers that were screened using social criteria	Supplier Compliance Management
	G414-2 Negative social impacts in the supply chain and actions taken	Not Applicable
GRI 415: Public Policy	G415-1 Political contributions	Not Applicable
GRI 416: Customer Health and Safety	G416-1 Assessment of the health and safety impacts of product and service categories	Product Responsibility and Quality
	G416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable
GRI 417: Marketing and Labeling	G417-1 Requirements for product and service information and labeling	Product Responsibility and Quality, Information Security Protection
	G417-2 Incidents of non-compliance concerning product and service information and labeling	Not Applicable
	G417-3 Incidents of non-compliance concerning marketing communications	Not Applicable
GRI 418: Customer Privacy	G418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not Applicable

## Reader Feedback Form

Dear readers,

Thank you for reading the Ningbo Shanshan Co., Ltd. 2022 Environmental, Social, and Governance (ESG) Report. Your feedback and suggestions are greatly appreciated as the Company strives to provide more valuable information to you and other stakeholders and to continuously improve its ability to fulfill its corporate social responsibility.

Check the box that applies:

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

Open-ended question:

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

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