杉杉股份
Shanshan

2025

Environmental, Social and Governance (ESG) Report

Ningbo Shanshan Co., Ltd.

About This Report

This Report is the 17th ESG report issued by Ningbo Shanshan Co., Ltd. for its stakeholders. The Report provides a detailed disclosure of the practices and performance of Ningbo Shanshan Co., Ltd. in 2025 in the areas of economic, environmental, social, and governance responsibilities. It aims to facilitate effective communication with all stakeholders and systematically respond to their expectations and requirements.

Period

From January 1, 2025, to December 31, 2025, to enhance the comparability and forward-looking nature of the Report, some content has been appropriately extended to previous and subsequent years.

Scope of Disclosure

The Report discloses information and typical cases regarding the fulfillment of economic, environmental, social, and governance responsibilities by Ningbo Shanshan Co., Ltd. and its directly affiliated companies.

References

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

Sources of Information

The information disclosed in this Report is derived from Shanshan's internal official documents, statistical reports and annual reports. The data disclosed in this Report are derived from the original data of Shanshan's actual operation, public data from government departments, annual financial data, relevant internal statistical statements, third-party questionnaires, third party evaluation interviews, etc. The financial data in this Report is in RMB, subject to the financial report of the joint-stock company.

Preparation Basis

Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE—Compilation of Sustainable Development Reports
United Nations 2030 Agenda for Sustainable Development (SDGs)
Global Reporting Initiative (GRI) Standards
Guidance on Social Responsibility Reporting (GB/T 36001-2015)
ISO 26000: Guidance on Social Responsibility (2010) issued by International Organization for Standardization

Report Access

This Report is available in electronic format for your reading. You can visit the Company's official website at http://www.ssgf.net/ or the Shanghai Stock Exchange website at www.sse.com.cn to read the electronic version. If you have any questions about this Report, or suggestions, please email us at ssgf@shanshan.com or call us at 0574-88208337.

Contents

ESG Message

In 2025, the global new energy and advanced display industries are advancing into a new phase of high-quality development amidst profound transformation, with China's pivotal role in the global industrial chain becoming increasingly solidified. Against this backdrop, we have firmly adhered to the strategic direction of "focusing on the main businesses and innovation-driven development." By deeply integrating ESG principles into daily operations, we have sustained our global leadership in two core businesses—anode materials and polarizer films—delivering a pragmatic and substantial sustainability report.

With green industry as our foundation, we are committed to advancing low-carbon development. By focusing on our two core businesses, we harness our industrial strengths to accelerate the global transition to low-carbon solutions, drive the new energy and energy storage revolution, and promote a green digital lifestyle. We adhere to the principles of green development and uphold the EHS policy of "compliance with laws and regulations, pollution prevention, people-oriented, and continuous improvement." We have established a comprehensive environmental management system, actively manage carbon emissions, increase our use of green electricity, and continuously improve energy and water efficiency. At the same time, we strengthen end-to-end control over wastewater, exhaust gas, and solid waste. In 2025, we added three new provincial-level or higher green factories, bringing our total to two national-level and four provincial-level green factories. Our core production processes now operate sustainably, and our green manufacturing capabilities continue to grow, providing a strong foundation for achieving our 2050 carbon neutrality goal.

Guided by innovation and collaboration, we deliver responsibility and social value. We keep raising R&D investment while tightening IP protection to ensure our products and services remain at the forefront of the industry. Simultaneously, we deepen collaboration with key global partners to jointly build a secure, resilient, and sustainable industrial chain ecosystem.

In the anode materials business, our mainstream synthetic graphite products are continuously being iterated and upgraded to address customer demands for fast charging, high capacity, and long cycle life. We effectively meet the technological advancement needs of downstream battery manufacturers while consistently expanding the application scope of our products. For next-generation battery technologies, we have achieved breakthroughs in core silicon-based anode processes, enabling stable mass production and becoming the first to supply leading battery manufacturers. This provides essential material support for advanced applications such as solid-state and high-energy-density batteries, driving the large-scale adoption of clean energy storage and low-carbon transportation.

In the polarizer film business, we continue to solidify our global leadership in LCD polarizers and have achieved full coverage across large, medium, and small-sized OLED polarizers. Our market share in OLED TV polarizers has rapidly grown to a world-leading position, and our automotive polarizers are being shipped stably, earning broad industry recognition. We actively participate in the formulation of national and industry standards, promoting the standardization of key materials and testing methodologies, and lead the industry toward high-quality, sustainable development through technological innovation.

Looking ahead, we will continue to drive responsible practices through innovation and work hand-in-hand with all partners to make greater contributions toward building a green, inclusive, and prosperous industry and society.

Building a solid foundation for sustainable development through standardized and robust governance. We adhere to the principles of standardized, transparent, and efficient governance. We continuously optimize our modern corporate governance structure and internal control systems, strengthen compliance management, promote integrity in professional conduct, and enhance risk prevention and control, strictly upholding the bottom line of business ethics. Centered on the theme of "focusing on core businesses and strengthening management," we consistently reinforce our business fundamentals, improve operational efficiency, and enhance market confidence and developmental resilience, providing a solid institutional guarantee for sustainable development.

Looking to the future, we will continue to focus on the two major tracks of lithium-ion battery anode materials and polarizers. We will empower a green future with our industrial advantages, enhance long-term value through ESG management, and work hand in hand with shareholders, customers, employees, partners, and all sectors of society to make greater contributions to the high-quality development of the global new energy and new display industries.

Chairman of Ningbo Shanshan Co., Ltd.

Shanshan in 2025

About Shanshan

Ningbo Shanshan Co., Ltd. (A-share code: 600884) is listed on the Main Board as A-shares of Shanghai Stock Exchange. Shanshan was founded in Ningbo, Zhejiang in 1989. The Company started with apparel business. In 1999, the Company transformed into the field of lithium battery materials, and became the first industrialized anode material company in China. After more than 20 years of development, the Company has become the global leader in anode materials. In 2021, the Company acquired LG Chem's polarizer business, becoming the global leader in polarizer business, the extremely valuable "golden track", and forming a new development pattern of "dual primary business, dual drives". In recent years, the Company has continued to implement its focus strategy and has made every effort to develop its two core dominant business, lithium battery anode materials and polarizers, forming a business pattern of "lithium battery anode materials + polarizers" dual technology engines and dual development powers.

The Company has thoroughly implemented the national science and technology innovation strategy, focusing on its dual core businesses of lithium battery anode materials and polarizer films, while continuously empowering the development of strategic emerging industries such as new energy and new displays. The Company has consistently adhered to the customer-centric principle, deepened the dual-wheel drive strategy of technological innovation and cost leadership, strengthened R&D investment, improved intelligent manufacturing level, and optimized operational efficiency, to consolidate the global industry leadership and continuously enhance mid- and long-term profitability.

Business Layout

The Company has established a strategic framework of dual-core business and dual-engine growth, driven by its two core businesses: anode materials and polarizer films.

In the anode materials sector, as a pioneer and technology trailblazer in China's lithium-ion battery synthetic graphite anode materials, the Company has dedicated over two decades to this field, focusing on technological breakthroughs and industrial application. It has built a globally leading R&D technology platform and a highly mature, large-scale production and manufacturing system. Through continuous technological iteration, process optimization, and product innovation, the Company maintains a leading position in product performance, supply capacity, and customer coverage, with its market share and comprehensive core competitiveness consistently ranking among the industry's top tier.

In the polarizer film materials sector, the Company has been recognized as a National Manufacturing Single Champion Enterprise for its outstanding technical strength and market position, firmly holding a global leadership role. Its products cover a full range of large, medium, and small-sized LCD and OLED polarizer films, widely used in various applications such as TVs, IT displays, automotive displays, and consumer electronics. The Company has established significant advantages in key technologies, production capacity, and customer resources, building a solid industrial competitive edge with its leading global market share and high-barrier core technologies.

In the future, the Company will closely follow the global development trends of electrification and intelligence, deepen technological innovation and industrial upgrading, and promote high-quality, sustainable, and steady development of its two core businesses.

- With over 20 years of deep engagement in the lithium-ion battery anode materials sector, the Company is a pioneer and technology leader in the industry. Adhering to the value of "deeply empowering customer needs," the Company is committed to providing customers with world-class products and services. As a leading global enterprise in lithium-ion battery anode materials, the Company has established a domestic production capacity of 700,000 tonnes of synthetic graphite and has planned an integrated overseas capacity of 100,000 tonnes.
- The main products of the Company's anode materials business include synthetic graphite, natural graphite, silicon-based anodes, and new materials such as soft/hard carbon. These products are widely used in industries such as new energy vehicles and energy storage.

- The Company's polarizer film business adheres to the development philosophy of "quality-first, innovation-driven." Through continuous high-intensity R&D investment, it drives product technology iteration and high-end upgrades. Strategic mergers and acquisitions accelerate the layout of its high-end product portfolio, comprehensively enhancing its industrial competitiveness. Leveraging its industry-leading technological innovation capabilities, production capacity layout, and cost control abilities, the Company continues to consolidate its global leadership position.
- The Company's polarizer film business includes the R&D, production, and sales of both LCD and OLED polarizer films. The end products are widely used in televisions, monitors, laptops, tablets, mobile phones, commercial displays, and automotive displays.

Culture and Values

- Return to society and contribute to the cause of environmental protection
- Value creation and common development with shareholders
- Care for employees and help them grow
- Expand innovation and strengthen technological R&D

Corporate culture

Core values

- Integrity
- Responsibility
- Innovation
- Commitment

Major Events in 2025

January

Shanshan completes the acquisition and closing of LG Chem's SP business

February

Shanjin Nanjing was recognized as a provincial-level Specialized, Refined, Differential, and Innovative (SRDI) enterprise; Shanjin Guangzhou was awarded the title of Provincial-Level Enterprise Technology Center

April

Shanshan Technology and Falcon reached a strategic cooperation on overseas natural graphite anode materials

May

Shanjin Optoelectronics received the "Diamond Award", the highest honor for global suppliers from BOE in 2025

June

Sichuan Shanshan was selected as an advanced-level smart factory

July

Shanjin Optoelectronics' PFAS-free adhesive won the "Green and Low-Carbon Award" in the new display industry chain

August

CORNEX and Shanshan Technology signed a long-term strategic cooperation agreement for anode materials

September

Ningbo Shanshan New Material Tech Co., Ltd. was recognized as a green and low-carbon factory in Zhejiang Province

November

Shanjin Nanjing was recognized as a national-level single-item champion enterprise in the manufacturing industry; The national standard series *Test Methods for Polarizers of Flat Panel Displays*, led by Shanjin Optoelectronics, is released; Sichuan Shanshan was recognized as a provincial-level enterprise technology center

December

Sichuan Shanshan was included in the list of enterprises that meet the *Standard Conditions for the Lithium-ion Battery Industry* by the Ministry of Industry and Information Technology

Honors in 2025

Shanshan

Honor	Awarding agency
ESG	
2025 CLS Zhiyuan Award - ESG Pioneer Enterprise	CLS

Shanshan Anode

Honor	Awarding agency
ESG	
Zhejiang Provincial Green and Low-Carbon Factory	Economy and Information Technology Department of Zhejiang
R&D and innovation	
High-Tech Enterprise	Science and Technology Bureau
High-tech Enterprise (Reassessment)	National High-tech Enterprise Recognition Management Leading Group
Recognized as a Key Enterprise Research Institute in Zhejiang Province	Economy and Information Technology Department of Zhejiang
Zhejiang Provincial Advanced-Level Smart Factory	Economy and Information Technology Department of Zhejiang
Enterprise contribution	
Certificate of Honor for Intelligent Manufacturing Benchmark Enterprise	DingTalk (China) Information Technology Co., Ltd.
2024 Shanghai Single-Item Champion Enterprise in Manufacturing Industry	Shanghai Municipal Commission of Economy and Informatization
2024 High-Quality Development Pioneer Enterprise Plaque	The People's Government of Caolu Town, Pudong New Area, Shanghai
2024 Certificate of Honor for High-Quality Development Pioneer Enterprise	The People's Government of Caolu Town, Pudong New Area, Shanghai
2024 Lithium Battery Industry Annual Award for Excellent Brand in Power Battery Materials Plaqu	OFweek · Lithium Battery
Enterprise with the Most Growth Potential	China Automotive Power Battery Industry Innovation Alliance
2025 National Anode Material Industry Era-Leading Enterprise	BAIINFO
2025 Excellent Supplier of Silicon-based Anode for Solid-state Battery Materials	ICCSINO
Fifteen Years of Global Leadership	Gaogong Lithium Battery

Shanjin Optoelectronics

Honor	Awarding agency
ESG	
Green and Low-Carbon Award	China Optics and Optoelectronics Manufacturers Association LCD Branch China Electronic Materials Industry Association Electronic Chemical New Materials Industry
R&D and innovation	
Provincial Enterprise Technology Center	Department of Industry and Information Technology of Guangdong Province
Provincial-level Specialized, Refined, Differential, and Innovative (SRDI) Enterprise	Department of Industry and Information Technology of Jiangsu Province
2025 BOE Global Supplier Highest Award "Diamond Award"	BOE
DIC Display Material Innovation Gold Award	Organizing Committee of China (Shanghai) International Display Technology and Application Innovation Exhibition Organizing Committee of China (Shanghai) International Display Industry Summit Forum
DIC Display Material Innovation Silver Award	Organizing Committee of China (Shanghai) International Display Technology and Application Innovation Exhibition Organizing Committee of China (Shanghai) International Display Industry Summit Forum
National-level Single-item Champion in Manufacturing	Ministry of Industry and Information Technology of the PRC
Release of the National Standard Series *Test Methods for Polarizers of Flat Panel Displays*	Standardization Administration of China
2025 World Display Industry Conference Innovation Achievement - Top 10 Innovative Products	Chengdu Municipal People's Government, Sichuan Provincial Department of Economy and Information Technology, Sichuan Provincial Bureau of Economic Cooperation
Enterprise contribution	
TCL CSOT Global Supply Chain Conference "Special Contribution Award"	TCL CSOT
2025 Advanced Work Unit	SEMI (Semiconductor Equipment and Materials International)
Sample Enterprise for China Customs Trade Prosperity Statistical Survey (Export)	General Administration of Customs
Proactive Service Award	GOVSA Technology

2025 performance highlights

Operational dimension

Operating revenue: RMB
21,587.0152 million

Year-on-year increase
15.56%

R&D investment: RMB
1,201.5738 million

Year-on-year increase
15.87%

As a percentage of operating revenue
5.57%

Granted patents (cumulative): Over
2,500

Newly granted patents
980

Governance and social dimension

Board of Directors members
11

Independent directors
4

Proportion of independent directors: Over
1/3

Female directors
2

Total employee training sessions
3,231

Signing rate for the *Integrity Commitment Letter*

Employees
100%

Suppliers
90%

Work safety investment: RMB
44.9486 million

Employee health check-up coverage rate
100%

Environmental dimension

Total environmental investment: RMB
123.3929 million

Year-on-year increase
20.35%

As a percentage of operating revenue
0.57%

New provincial-level or higher Green Factories
3

Clean energy consumption
2,818,770.12 MWh

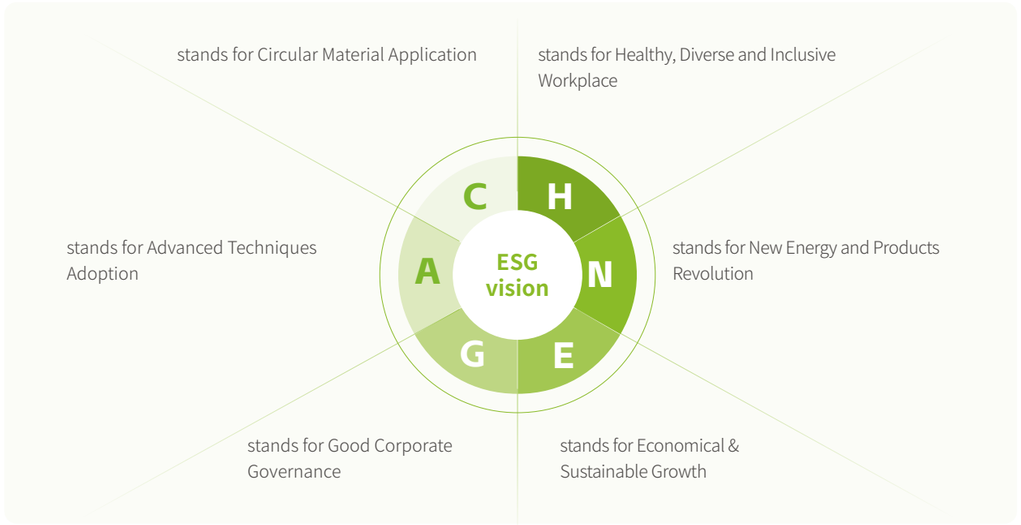
Wastewater and exhaust gas emissions compliance rate
100%

Our Sustainable Development Approach

Sustainable Development Management System

Shanshan Anode

In line with its development strategy, Shanshan Anode has proposed the vision of "We CHANGE: Driving the new energy revolution with new materials, new processes, and new management." This vision is further detailed and implemented through the "CHANGE" action framework. Meanwhile, the Company supports sustainable development with its digital and information-based management systems, continuously advancing its digital transformation to enhance overall corporate management and provide a solid foundation for the efficient promotion of its sustainable development initiatives.

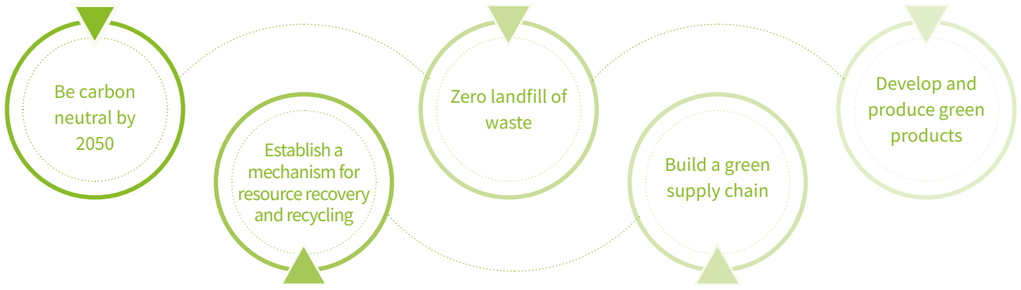


In terms of organizational structure, Shanshan Anode has established a three-tiered ESG management system consisting of a decision-making level, a management level, and an execution level. The ESG Committee, as the Company's highest decision-making body for ESG management, is responsible for coordinating ESG-related work and regularly reporting management progress and results to the Board of Directors. At the management and execution levels, led by the ESG Department and the Board of Directors Office, special working groups are established for key issues. They work in concert with heads of various business functions and management teams at each production site to promote the orderly implementation of ESG work at all levels of the Company.

Shanshan Anode ESG management structure

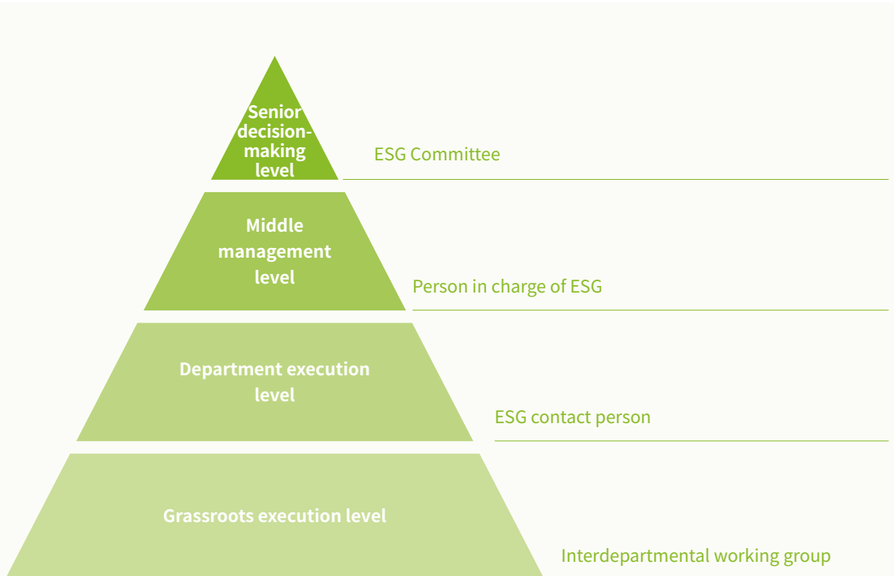
Shanjin Optoelectronics

Shanjin Optoelectronics integrates ESG concepts into its long-term development strategy. By considering industry characteristics, business models, and development plans, it has formulated a systematic ESG action plan and set clear, quantifiable ESG management goals, such as reducing carbon emissions, improving energy efficiency, and enhancing employee benefits. At the same time, the Company incorporates these goals into its performance management system and establishes an incentive mechanism linked to ESG performance. Departments and individuals with outstanding performance in ESG work are given corresponding incentives and recognition to promote the continuous implementation of ESG management.



Shanjin Optoelectronics' sustainable development strategy directions

At the same time, Shanjin Optoelectronics has also established a systematic ESG management structure to promote synergy among various departments, clarify the division of responsibilities and collaboration processes, and create a multi-level linkage mechanism from management decisions to grassroots execution.

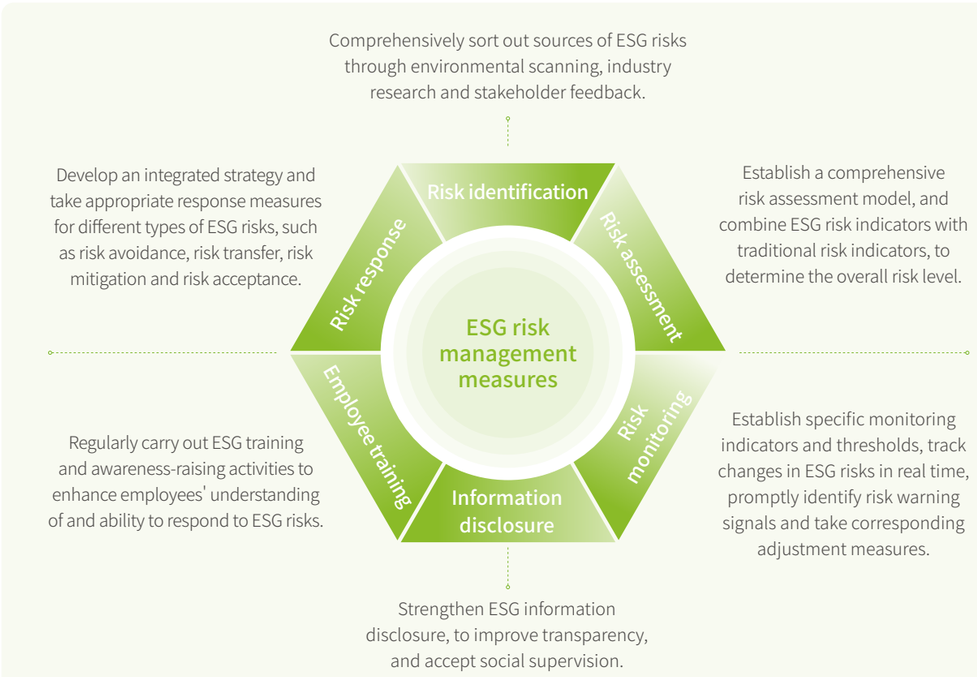


Shanjin Optoelectronics ESG management structure

ESG due diligence

In terms of its ESG risk management system, the Company identifies potential risks that could affect sustainable development through due diligence. The Company has formulated an ESG risk management policy, regularly conducts risk identification and assessment, monitors risk dynamics, and has established a cross-departmental collaboration mechanism to ensure that all risk response measures are effective.

Risk category	Risk description	Impact period
Environmental risk	Climate change	Extreme weather events may have an impact on the Company's production facilities, such as production disruptions caused by natural disasters.
	Resource depletion	As resource consumption increases, the shortage of raw material supplies may occur, leading to higher costs or production disruptions.
	Environmental pollution	Emissions from the production process may have an impact on the environment and surrounding communities, triggering the attention and penalties of regulatory authorities.
Social risk	Risks related to employee rights and interests	Labor disputes and employee health and safety issues may affect the Company's operation and reputation.
	Product quality and safety risk	Product defects or safety issues may result in customer losses, leading to legal proceedings and compensation.
Governance risk	Compliance risks	Violation of ESG-related laws and policies may result in legal proceedings and regulatory penalties.



Communications with Stakeholders

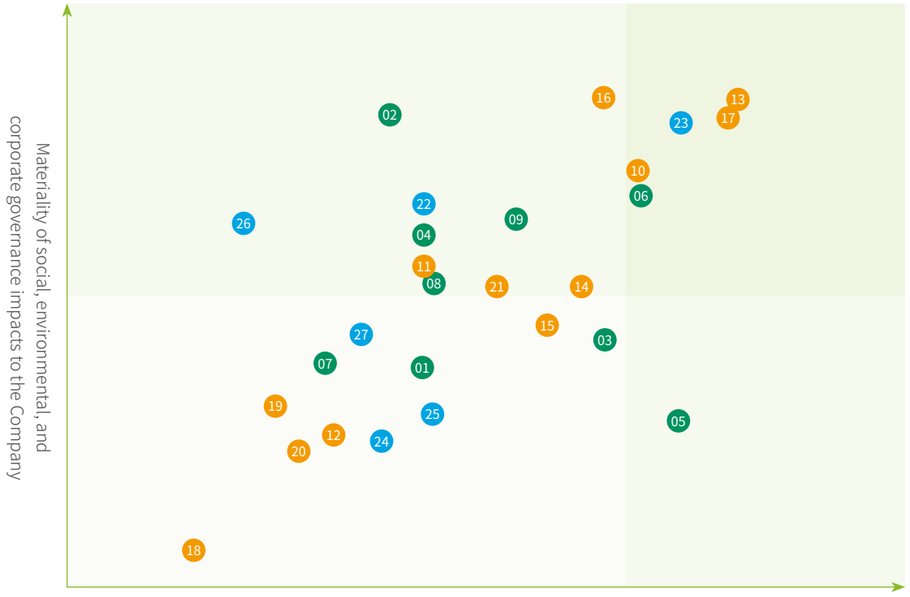
Based on its industry attributes and operational characteristics, the Company has identified its primary stakeholders, including shareholders and investors, customers, partners, employees, the government, and the community and public. It has established long-term, stable communication mechanisms to interact with stakeholders and promptly respond to their concerns and expectations through various channels, such as the official website, media releases, conferences and exchanges, report disclosures, and various activities.

Stakeholder	Concern and expectation	Communication mechanism and form
Shareholders and investors	• Open and transparent information disclosure • Standardize corporate governance • Asset preservation and appreciation and investment returns	• Convene the general meeting • Regular reports, interim reports • Institutional research, investor hotline, email, performance briefing, SSE Infonet
Clients	• Safe and high-quality products • Improving service quality • Exceeding customer expectations	• Customer satisfaction survey • After-sales service commitment • Establishing customer communication channels • Carrying out quality service activities
Partners	• Mutual benefit and win-win results • Standardization of market operations • Complying with business ethics and laws and regulations together	• Contract negotiation • Field visit • Training guidance • Regular evaluation
Employees	• Reasonable compensation system • Harmonious working atmosphere • Good career development space • Personal value affirmation and enhancement	• Company website and publications • Employee mailbox • Seminars, employees' congress • Employee training and employee activities
Government	• Implementing industry development policies • Honest and law-abiding operation • Paying taxes in accordance with the law • Driving employment • Preventing operational risks	• Participating in policy and planning research and formulation • Special reports • Accepting supervision and assessment • Law-abiding operation and fair competition
Community and the public	• Promoting regional economic and cultural development • Helping the disadvantaged groups in society	• Participating in regional economic development • Charity activities

Communications with stakeholders

Double materiality matrix

To better guide daily ESG management practices, the Company, with reference to the *Shanghai Stock Exchange Self-Regulatory Guideline No. 4 for Listed Companies — Preparation of Sustainability Reports,* and in combination with national policies, industry development trends, and its own actual situation, has identified 27 core issues that have a significant impact on its business operations and stakeholders. These issues are disclosed and responded to with priority in this Report.



Company's material topics

Environmental responsibility

- 01 Waste disposal
- 02 Pollutant emissions
- 03 Chemical safety
- 04 Environmental compliance management
- 05 Climate change response*
- 06 Energy usage
- 07 Ecosystem and biodiversity conservation
- 08 Usage of water resources
- 09 Circular economy

Social responsibility

- 10 Innovation-driven development*
- 11 Intellectual property protection
- 12 Ethics of science and technology
- 13 Safety and quality of products and services*
- 14 Employee development and training
- 15 Employee care and rights
- 16 Occupational health and work safety
- 17 Sustainable supply chain management*
- 18 Rural revitalization
- 19 Contributions to the society
- 20 Equal treatment to small and medium-sized enterprises
- 21 Digital management

Corporate governance

- 22 ESG management
- 23 Anti-commercial bribery and anti-corruption
- 24 Anti-unfair competition
- 25 Communications with Stakeholders
- 26 Due diligence
- 27 Data security and customer privacy protection

Note: Issues marked with * are financially significant issues.

Sustainable Development Goals (SDGs) Response Matrix

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

Corresponding section：Employment, rights and interests of employees

- The Company signs labor contracts with every employee, prohibits illegal employment practices such as child labor and forced labor, provides market-competitive compensation, and has formulated and implemented a comprehensive benefits system. The labor contract signing rate is **100%**.

Corresponding section：Efficient resource utilization; Climate change response

- The Company emphasizes energy conservation and emission reduction across its entire value chain, has formulated an energy management plan and action program, and set targets for clean energy utilization. Shanshan Anode achieved an annual green electricity trading volume of **2,665,515.01** MWh, and the proportion of green electricity usage has increased to **60%**, actively responding to the national strategy to vigorously promote clean energy adoption.

Corresponding section：Efficient resource utilization

- The Company values water resource management, manages wastewater in compliance with laws and regulations, and reduces the impact of its operations on environmental water bodies. Shanshan Anode's production cooling water operates on a **100%** closed-loop circulation system, and the industrial wastewater reuse rate is **100%**. Total water consumption for the year was **4,921,013.46** tonnes.

Corresponding section：Employment, rights and interests of employees

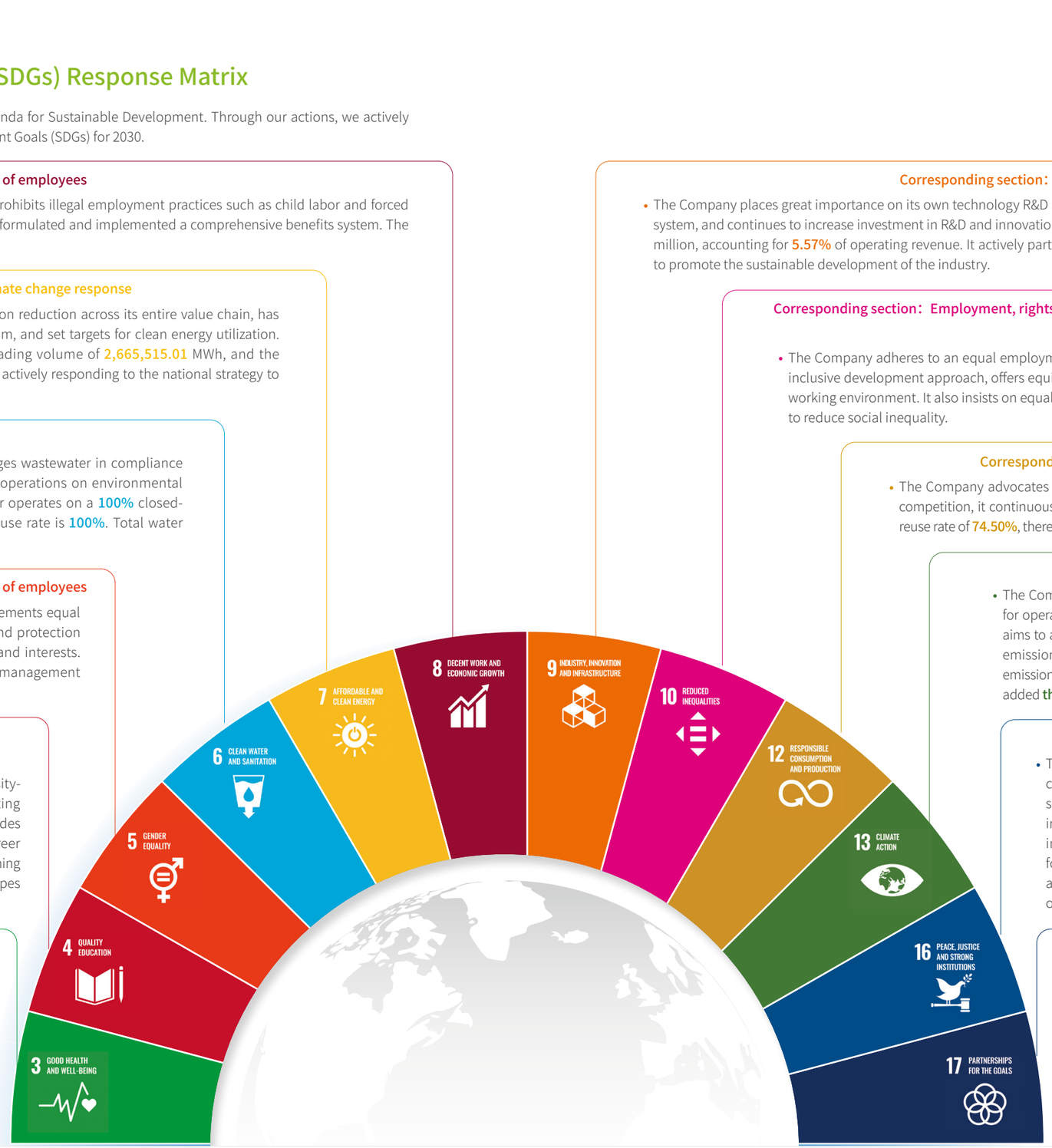
- The Company strictly prohibits gender discrimination, implements equal pay for equal work, and has established special welfare and protection measures for female employees to safeguard their rights and interests. The proportion of female managers in middle and senior management reached **26.84%** and **23.66%**, respectively.

Corresponding section：Employee development and training; Promoting industry development

- The Company has established long-term industry-university-research collaboration with universities, strongly supporting national scientific research and talent development. It provides employees with comprehensive growth pathways and career development channels through a tiered and categorized training system, conducting over **3,000** training sessions of various types throughout the year.

Corresponding section：Occupational health and safety

- The Company always prioritizes employee health, establishing a six-dimensional control system covering engineering controls, personal protective equipment, and health monitoring. The incidence of occupational diseases remains at zero, and the coverage rate of occupational health examinations is **100%**.



Corresponding section：Innovation-Driven R&D; Promoting industry development

- The Company places great importance on its own technology R&D and management, has established a sound R&D management system, and continues to increase investment in R&D and innovation. In 2025, total R&D investment amounted to RMB **1,201.5738** million, accounting for **5.57%** of operating revenue. It actively participates in the formulation of national and industry standards to promote the sustainable development of the industry.

Corresponding section：Employment, rights and interests of employees; Equal treatment to small and medium-sized enterprises

- The Company adheres to an equal employment policy, treats all employees fairly, provides a diverse and inclusive development approach, offers equitable compensation, and fosters a harmonious and equitable working environment. It also insists on equal treatment of small and medium-sized enterprises as partners to reduce social inequality.

Corresponding section：Circular economy; Green operation advocacy

- The Company advocates responsible business conduct. While opposing unfair market competition, it continuously improves energy efficiency, achieving a waste recycling and reuse rate of **74.50%**, thereby promoting the development of a green and circular economy.

Corresponding section：Climate change response

- The Company has set carbon neutrality targets: Shanshan Anode aims for operational carbon neutrality by 2050, and Shanjin Optoelectronics aims to achieve full carbon neutrality by 2050. It has formulated a green emission reduction pathway, continuously monitors greenhouse gas emissions from its operations, increases the use of clean energy, and has added **three** new provincial-level or above Green Factories.

Corresponding section：Compliance with business ethics

- The Company has established a proactive governance system characterized by accountability, compliance, and efficiency, strengthening business integrity management. It has implemented protective measures concerning ethical conduct, information security, and intellectual property, and has put forward stringent management requirements for partners such as suppliers. No incidents of corruption or non-compliance occurred during the reporting period.

Corresponding section：Supply chain ESG management; Promoting industry development

- The Company empowers technological innovation through industry-university-research collaboration and industry exchanges, facilitating synergistic development between professional expertise and industrial advancement. It has established equitable and trust-based cooperative relationships with suppliers, achieving a **100%** coverage rate for the signing of the Supplier Code of Conduct, and is committed to building a sustainable supply chain.

Good Governance Building a Solid Foundation

Philosophy

Shanshan adheres to standardized operations and transparent compliance as its cornerstone, continuously optimizing its internal control system, strengthening risk prevention and control, strictly adhering to business ethics, and building a solid information barrier to lay a firm foundation for high-quality development.

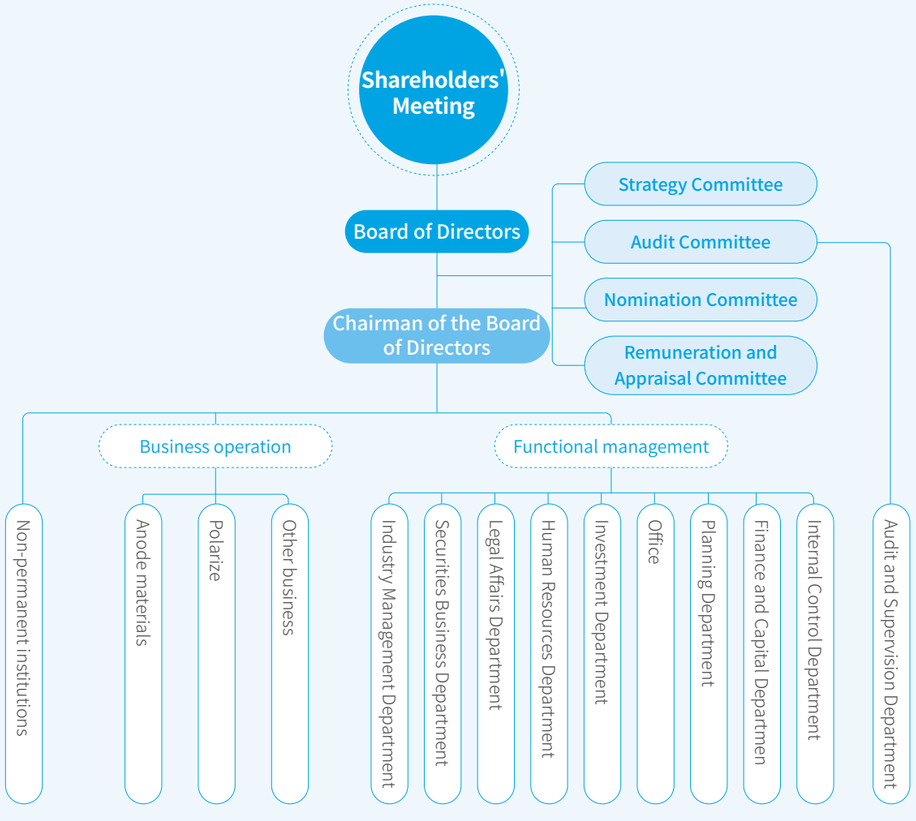
Our actions

Solidifying Corporate Governance

Shanshan has always adhered to sound, transparent, and efficient corporate governance as the cornerstone of its sustainable development. In 2025, seizing the opportunity presented by the implementation of the new *Company Law*, the Company systematically optimized its governance structure and continuously improved its corporate governance standards and risk prevention capabilities, empowering long-term value creation through high-quality governance.

Governance structure and operation

In strict accordance with the *Company Law*, the *Securities Law*, the *Code of Corporate Governance for Listed Companies*, and other laws and regulations, the Company has established a corporate governance structure with clear rights and responsibilities and standardized operations. In 2025, the Company revised its Articles of Association and supporting governance systems to fully implement the requirements of the new Company Law and the series of supporting rules issued by the CSRC and the SSE. A total of 22 governance-related systems, including the Articles of Association and its appendices, and the independent director system, were revised. The market value management system was established for the first time. Meanwhile, the Rules of Procedure for the Board of Supervisors was abolished, and the Audit Committee of the Board of Directors now exercises the powers of the Board of Supervisors as stipulated in the new *Company Law.* This completes the adjustment of the Company's internal supervision structure, further enhancing supervision and decision-making efficiency.



Company organizational chart

Shareholders' Meeting

- The Shareholders' Meeting is the Company's authority body, which makes decisions on the Company's business policies and investment plans, and reviews and approves reports of the Board of Directors, etc., in accordance with the law.
- The Company complies with the Rules for the Shareholders' Meeting of Listed Companies, standardizes the convening, holding, and voting procedures of the Shareholders' Meeting, ensures that all shareholders enjoy equal shareholder status and shareholder rights, and fully protects the legitimate rights and interests of shareholders.
- For the Shareholders' Meeting, the Company hires lawyers to issue legal opinions on the compliance and legality of the meeting and make announcements.

Board of Directors

- The Board of Directors operates in accordance with the relevant requirements of the Company Law, the Articles of Association, and the Rules of Procedure for the Board of Directors, conscientiously fulfilling all duties entrusted by the Shareholders' Meeting, implementing all resolutions of the Shareholders' Meeting, and carrying out all business management work within the scope of its authority, centered on the Company's overall development goals.
- The Board of Directors has established the Strategy Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, and is responsible for formulating the working procedures of special committees to standardize their operations.

During the reporting period

the Company held **2** Shareholders' Meetings

at which a total of **14** proposals were reviewed

it held **4** Board of Directors meetings

at which a total of **26** proposals were reviewed

and its specialized committees held a total of **10** meetings

including **7** meetings of the Audit Committee

2 meetings of the Remuneration and Appraisal Committee

and **1** meeting of the Nomination Committee.

Board diversity and independence

The Company places great importance on the scientific and representative composition of its Board of Directors and is continuously optimizing its professional and diversified structure to provide multi-dimensional perspectives for its strategic decision-making. The Company's Board of Directors currently consists of 11 members, forming a versatile team with both industry depth and professional breadth. In terms of professional background, the members cover diverse fields such as corporate management, financial auditing, legal compliance, and industrial technology. In terms of structural characteristics, there are 4 independent directors, accounting for over one-third of the board; and 2 female directors, reflecting the governance philosophy of gender diversity.

As of the end of the reporting period

the Company's Board of Directors comprised

11 members, including

7 non-independent directors

and

4 independent directors

Directors with professional industry backgrounds or experience

4

Directors with experience in risk management or the legal profession

3

Directors with financial expertise or industry financial management experience

2

Director remuneration management

The Company has established a sound, scientific, standardized, and transparent director remuneration management system. The Company's director remuneration plan is formulated by the Remuneration and Appraisal Committee of the Board of Directors and is decided upon after review and approval at a Shareholders' Meeting. Meanwhile, the remuneration for the Company's non-independent directors adopts a model that combines fixed and performance-based compensation. Performance evaluations are coordinated and implemented by the Remuneration and Appraisal Committee of the Board of Directors, with a portion of the performance-based remuneration paid after the disclosure of the annual report. This ensures that remuneration incentives are aligned with responsibilities and contributions, encouraging directors to focus on the Company's long-term strategic development and enhance their own performance and management capabilities, thereby promoting the continuous improvement of the Company's governance effectiveness and sustainable development.

Director nomination and election

The Company has established standardized, transparent, and fair procedures for the nomination and election of directors to ensure that the selection and appointment process for board members is compliant and orderly.

The Company's director nomination procedure

Search for or solicit suitable director candidates from the Company's shareholders, the Board of Directors, and the management team as needed by the Company	Urge relevant departments to collect basic information on preliminary candidates, such as personal resumes, concurrent positions, and qualification certificates, while also obtaining written consent from the nominees	Convene a meeting of the Nomination Committee to review the qualifications of the preliminary candidates based on the eligibility requirements for directors	Submit recommendations for director candidates and related materials to the Board of Directors before the election of new directors	Carry out other follow-up work based on the decisions and feedback of the Board of Directors

Investor Relations Management

Shanshan has always prioritized the protection of investor rights as a cornerstone of its governance work and is committed to building an efficient and transparent communication mechanism. In 2025, the Company strictly complied with relevant laws and regulations, continuously improved its information disclosure and investor relations management systems, and protected investors' rights to know and participate through diversified communication channels, thereby consolidating the positive interaction between the Company and the capital market.

Information disclosure system

The Company strictly adheres to the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange,* the *Measures for the Administration of Information Disclosure of Listed Companies,* and other relevant regulations. In August 2025, it revised and issued the *Management System for Information Disclosure Affairs*. This system clarifies the basic principles of information disclosure: ensuring timeliness, fairness, truthfulness, accuracy, and completeness, and ensuring that all investors have equal access to information. The Company has established a comprehensive information disclosure control system, supported by a series of regulatory documents, including the *Management System for Registration of Inside Information Knowers*, the *Accountability System for Major Errors in Annual Report Information Disclosure,* the *Management System for External Information Users*, and internal control-based regulations such as *Public Relations and Information Release Management and Financial Information Management.* These documents provide full-process control over the collection, transmission, compilation, review, and disclosure of the Company's internal information, strictly preventing the leakage of important information and insider trading.

The Company has designated *China Securities Journal, Shanghai Securities News, Securities Daily,* and *Securities Times*, as well as the Shanghai Stock Exchange website (www.sse.com.cn), as its information disclosure media. All information required to be disclosed is uniformly published on these platforms to ensure that shareholders can obtain company information in a fair and timely manner.

As of the end of the reporting period

the Company had disclosed a total of **141** information disclosure documents

including **6** periodic reports (including summaries)

85 ad-hoc announcements

and **50** other disclosure documents

Investor relations management system

To strengthen effective communication between the Company and its investors, the Company simultaneously revised and implemented the I*nvestor Relations Management Measures* in August 2025. This document clarifies the four major principles of "compliance, equality, proactivity, and honesty and trustworthiness," with a special emphasis on treating all investors equally and facilitating the participation of small and medium-sized investors in major decision-making processes to ensure information transparency and fairness.

Investor communication channels

In 2025, the Company continued to deepen its daily communication with investors and actively responded to their requests through diversified and comprehensive communication channels.

Investor communication media

- Special column on the official website
- Investor hotline
- Investor relations interactive platfomm of the exchang
- Fax
- Email

Investor relations management and maintenance channels of the Company

Investor communication channels

- General meetings
- Investor exchange
- Performance briefing
- Reception onsite research
- Analyst meeting

During the reporting period

the Company actively conducted performance briefing and both online and offline investor research activities, including **2** performance briefings.

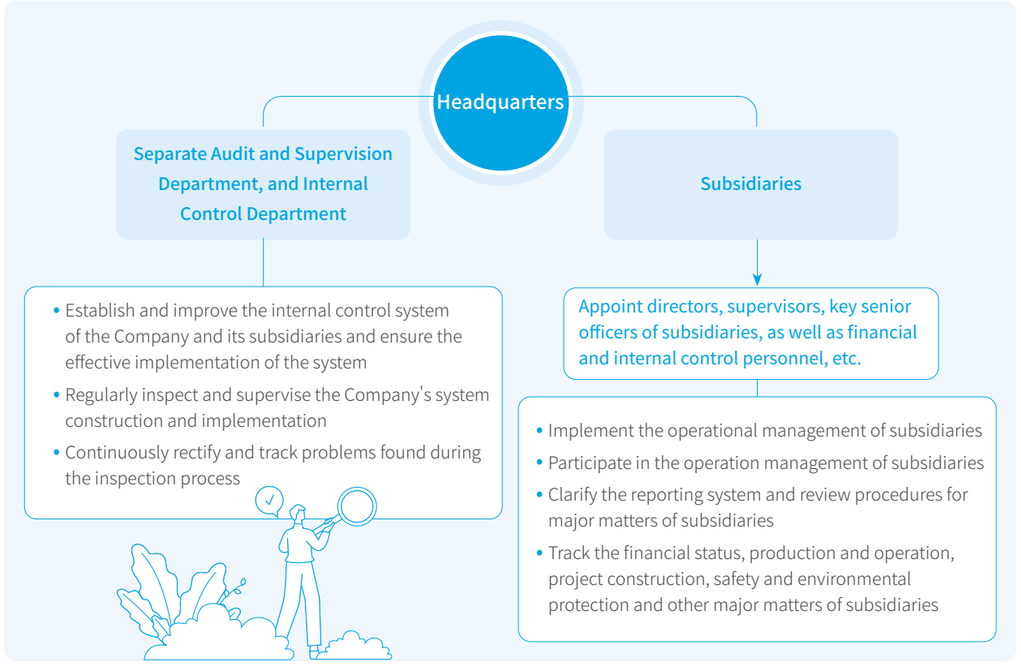
Additionally, it responded to **119** questions and answers through the investor relations interactive platform of the Shanghai Stock Exchange.

Internal Control and Risk Management

Shanshan has always considered internal control and risk management as the cornerstone of its sustainable development. In 2025, the Company continued to optimize its internal control governance structure, improve its system development, and strengthen supervision, inspection, training, and empowerment to ensure the steady operation of all businesses with risks under control.

Internal control

The Company strictly adheres to the *Basic Standard for Enterprise Internal Control,* the Company *Law*, the *Securities Law*, and other laws, regulations, and the requirements of its Articles of Association. It has established an internal control system covering multiple dimensions such as internal control management, internal control inspection, personnel management, information management, and security management, which is revised and improved annually. The Company's internal control organizational structure is centered on the headquarters as the core management platform, with each industrial company serving as the executive body. A dedicated internal control department has been established, with its head appointed by the Company to ensure the independence and authority of internal control work. The internal control system covers the entire decision-making and operational process, defining responsibilities, work procedures, and inspection standards. It also includes mechanisms such as risk asset management meetings, conflict of interest investigations, and regular internal control reports to ensure the effective implementation of the system.



The Company's internal control management framework

To enhance the effectiveness of internal control, the Company promotes the dynamic optimization of its internal control system at three levels: framework systems, headquarters systems, and industrial company systems. An annual work plan is formulated each year, covering system improvement, internal control inspections, problem rectification, project supervision, and team capability enhancement. The Company conducts semi-annual internal control evaluations for its core industrial companies, inspecting key business cycles such as finance, production, procurement, and sales based on the five elements of internal control. Feedback reports are issued, and rectification is supervised to ensure that the industrial companies operate legally, compliantly, and efficiently.

During the reporting period

the Company's Internal Control Department organized various departments at the headquarters to revise the internal control framework systems, totaling **92** systems across **14** cycles. It also organized the revision of the headquarters' systems, involving **81** systems across **15** cycles. Concurrently, it reviewed and organized the internal control systems of industrial companies, completing a total of **849** systems across **109** cycles

In addition, the Company values the development of internal control talent, enhancing the professional knowledge and practical skills of its internal control personnel through regular training. In 2025, the Internal Control Department has identified team building as a key focus and has arranged periodic internal training sessions to continuously strengthen internal control execution and professionalism.

Case | Training at the internal control work conference

In April 2025, the Company held an internal control line work conference and training, attended by all internal control personnel. The conference focused on the overall work objectives for the internal control line in 2025, key areas of focus for industrial companies, and work deployment. It also featured in-depth discussions on significant changes to the 2025 framework systems and reviews of typical cases. Through case reviews and cross-company experience sharing, the understanding of risk identification, problem rectification, and closed-loop management among internal control personnel was enhanced.

Training at the internal control work conference

Case | Specialized training on the polarizer film business to strengthen professional internal control capabilities

In September 2025, the Company's Internal Control Department organized a specialized training session on the polarizer film business. The training was targeted at all personnel from the Internal Control Department and the Audit and Supervision Department, providing a systematic explanation of the basic process technology of polarizer films and the key risk points and compliance requirements in their business processes. This initiative effectively enhanced the systematic understanding, risk identification capabilities, and compliance awareness of internal control and audit supervision personnel regarding the polarizer film business, continuously strengthening their professional competence.

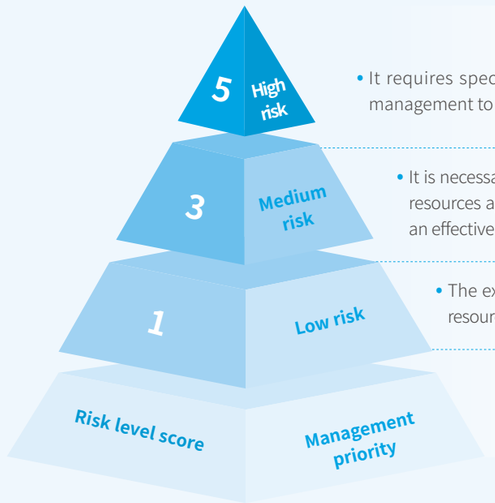
Specialized training on the polarizer film business

Risk management

The Company has established and continuously optimizes a comprehensive risk management system, integrating risk awareness into strategic decision-making and daily operations. Through systematic risk identification, assessment, and response mechanisms, it effectively prevents various operational risks and ensures the Company's steady development. To this end, the Company has formulated and implemented the special system of *Risk Asset Management,* which defines risk assets, clarifies responsibilities, and specifies requirements for meeting management and information reporting. In terms of management, the Company's risk management is vertically managed by the internal control department. It has also established a Risk Asset Management Committee and a risk management team responsible for formulating risk management policies, reviewing key risk assets, hearing work reports, and conducting special investigations and proposing solutions for major risk assets.

Meanwhile, the Company has established a unified risk level assessment standard, which classifies risks into three levels—high, medium, and low—based on the two dimensions of likelihood and impact.

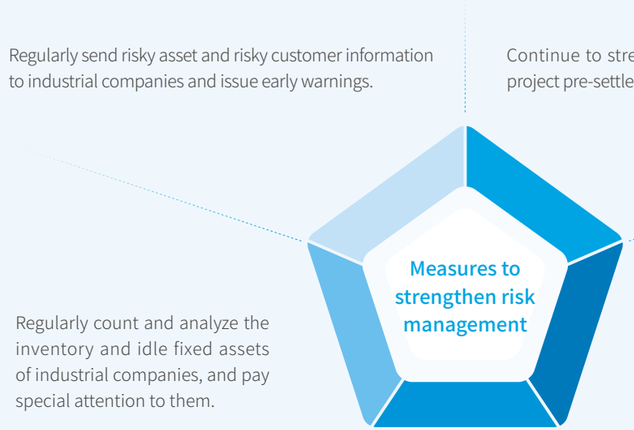
Risk level assessment standard



- It requires special attention and priority in resource allocation for management to reduce risk rankings.
- It is necessary to pay attention to changes in risk trends, and adjust resources appropriately for management, to reduce risk rankings at an effective cost.
- The existing management level needs to be maintained and resources can be appropriately allocated to manage other risks.

Risk Level Assessment Criteria

After assessment, the Company has classified risks closely related to its development into five categories: strategic risk, financial risk, market risk, operational risk, and legal risk. It has also formulated systematic management measures for each category to effectively prevent, control, and mitigate potential risks, providing a solid guarantee for the Company's stable operations and sustainable development.



Case | Unified risk warning and tracking to enhance accounts receivable management and control

Shanshan regularly sends risk asset and risk customer information to its industrial companies and issues warnings. To strictly implement internal control management requirements, improve the risk prevention and control system for accounts receivable in the lithium battery sector, prevent fund recovery risks, and ensure the Company's financial security, it further strengthens the full-process risk management and control of accounts receivable through the lithium battery accounts receivable customer analysis and early warning system. At the same time, it analyzes customers in the lithium battery sector, provides key alerts and tracks customers with risk information to ensure early detection, identification, and disposal of risks.

During the reporting period

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

Compliance with Business Ethics

Shanshan has always adhered to the philosophies of "creating value for customers" and "management with respect for personality." It follows a free and fair market economic order and continuously promotes business ethics based on mutual trust and cooperation. The Company constantly strengthens its discipline for integrity in business practices, advocates for fair competition, optimizes its management system, and is committed to promoting healthy development.

Integrity in business practices

The Company places great importance on integrity management, considering it a crucial measure for enhancing corporate governance and preventing operational risks. By improving its governance mechanisms, identifying risks and opportunities, and strengthening management measures, the Company continuously promotes a culture of integrity, ensuring that its business activities are conducted in a standardized and transparent manner.

Governance

The Company has established an integrity management system that covers its headquarters and all industrial companies, clarifying systems, responsibilities, and work processes to ensure that integrity management is integrated into the Company's daily operations. Each subsidiary has formulated corresponding systems based on its actual situation. For example, Shanshan Anode has formulated the *Integrity Specification System* and the *Management of Integrity Specifications and Feedback Channels, requiring employees to sign a Letter of Commitment to Integrity and Discipline*, which defines the bottom line for employees' conduct in their interactions with suppliers, customers, and other business partners. Shanjin Optoelectronics has formulated a Code of Ethics applicable to all employees, requiring them to sign a letter of guarantee and promoting the concept of integrity to suppliers via email before major holidays. During the reporting period, each subsidiary continued to optimize its management measures based on existing systems, improving its anti-commercial bribery, anti-corruption, whistleblower protection, and handling procedures.

In terms of management structure, the Company's Board of Directors has an Audit Committee, under which the Audit and Supervision Department is established. The Audit and Supervision Department is specifically responsible for receiving reports, investigating issues, verifying leads, and supervising the implementation of rectification by subsidiary industrial companies. Through a multi-level management mechanism and daily supervision, the Company ensures the comprehensive implementation of integrity management measures and the timely identification and effective control of risks.

Strategy

The Company incorporates integrity in business practices as a crucial part of its long-term sustainable development strategy, integrating it into its business operations and governance system. With system development as its foundation, the Company combines measures such as internal control management, risk prevention and control, and employee training to form a comprehensive integrity management strategy. This strategy aims to prevent commercial bribery, conflicts of interest, and supply chain compliance risks, thereby ensuring the transparency, fairness, and stability of the Company's operations.

Risk type	Risk description	Impact period	Probability of occurrenc	Financial impact content	Response measures
Procurement risk	Behaviors such as accepting kickbacks, bid rigging, and improper benefit transfers exist in the procurement process.	Medium and long term	Medium	May lead to increased procurement costs, asset losses, and potential legal liabilities, adversely affecting the Company's operational performance.	Strengthen standardized control and closed-loop oversight of the procurement process, and enhance mechanisms for integrity risk prevention, control, and accountability.
Marketing risk	The sales process may involve soliciting or accepting bribes from customers, disclosing trade secrets, or making unauthorized benefit commitments.	Short-to-medium term	Medium	May trigger contract disputes, customer attrition, and litigation costs, undermining revenue stability and brand value.	Standardize contract reviews, strengthen supervision and verification of the sales process, and reinforce employee integrity education and compliance obligations.

Integrity risk identification

Opportunity type	Opportunity description	Impact period	Probability of occurrence	Financial impact content	Response measures
Brand value opportunities	Upholding fair competition and ethical business practices, and standardizing commercial conduct help build market trust.	Long-term	High	Helps enhance brand premium capability and market competitiveness, and strengthens confidence among investors and partners	Conduct integrity training and promote a culture of honesty, while improving internal management mechanisms
Opportunities for increased investor trust	Strong business ethics and a solid compliance track record help convey a stable and compliant corporate image to capital markets, attracting long-term investment.	Medium and long term	High	Enhance financing capacity and attract long-term institutional capital.	Strengthen information disclosure and improve integrity governance and internal control systems.

Integrity opportunity identification

Impact, risk, and opportunity management

The Company places great importance on corruption risk prevention and control, integrating relevant management requirements into daily operations and business processes. By strengthening oversight of critical links, standardizing employee conduct, and enhancing supply chain management, the Company continuously improves its integrity risk prevention capabilities. It focuses on high-risk areas such as procurement and business partnerships, conducts conflict-of-interest investigations for personnel in key positions, and combines supervision, risk assessment, and training initiatives to establish a multi-layered risk prevention mechanism, fostering an open, transparent, fair, and compliant operating environment.

Case **Shanshan Anode conducts specialized integrity management training to strengthen compliance awareness in key positions**

In August 2025, Shanshan Anode held a dedicated one-hour integrity management training session for mid-to-senior management at its Qingshan and Jiuyuan plants, focusing on integrity requirements, key risk prevention measures, and illustrative case studies. Additionally, the Company organized eight internal specialized integrity training sessions across departments—including Production, Equipment, PMC, Safety and Environmental Protection, and Testing—at both plants, further expanding coverage. Through tiered and targeted training, the Company reinforced integrity awareness and compliance management capabilities among key personnel, enhancing its overall risk prevention posture.

Integrity training for mid-to-senior management

Specialized internal departmental integrity management training

Case | **Shanshan Anode's Sichuan plant conducts integrity culture activities to establish a bottom-line mindset**

In August 2025, Shanshan Anode's Sichuan plant launched a series of integrity culture activities for all employees. Through training on integrity rules, the "Eight Prohibitions," and case studies, along with an integrity knowledge quiz, the plant promoted understanding of policies through diverse formats. All employees also signed integrity pledges, clarifying behavioral boundaries, reinforcing a bottom-line mindset, and embedding integrity as a core cultural value.

Integrity culture training at the Sichuan plant

Reporting channels and protection

The Company places high priority on monitoring and deterring internal and external fraud and unethical conduct. It has established a standardized whistleblowing mechanism and diversified feedback channels to encourage employees and stakeholders to report violations in good faith. The Company has formulated and continuously refined its Supervision System for Special Reporting Matters, clearly defining reporting procedures and incentive measures to enhance the effectiveness and transparency of the whistleblowing system.

The Company has also established a robust whistleblower protection and anti-retaliation mechanism, providing strict safeguards for good-faith reporters and related witnesses to ensure they are not subjected to unfair treatment. Any form of retaliation is dealt with seriously; severe cases result in termination of employment, and suspected criminal acts are referred to judicial authorities, thereby safeguarding a compliant operating environment.

Reporting channels

Reporting hotline

13777992677

Reporting email

jubao-ssgf@shanshan.com

Reporting address

28/F, Shanshan Building, No. 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province (to the person in charge of the Audit and Supervision Department)

Indicators and targets

The Company is committed to fostering an honest, trustworthy, fair, just, and self-disciplined business environment. It continuously refines its routine integrity risk screening mechanism and enhances the quality and effectiveness of business ethics training for employees. During the reporting period, the Company had **no** incidents of commercial bribery, corruption, or other illegal activities confirmed by judicial or regulatory authorities, **nor** did it incur any major administrative penalties or legal disputes arising from breaches of business ethics.

During the reporting period

the Company conducted a total of **58** integrity management training sessions

with an average of **1** hour of training per employee.

Note: Comparable performance metrics related to integrity in business practices are detailed in the "Key Performance Table."

Fair competition

The Company attaches great importance to anti-monopoly and anti-unfair competition management. In accordance with the Anti-Monopoly Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China, it has formulated and implemented the Anti-Monopoly and Anti-Unfair Competition Management policy to standardize business conduct and uphold a fair and orderly market environment. The Company focuses on identifying and assessing risks in core business areas and critical processes to prevent unfair practices such as false advertising and commercial bribery.

In practice, the Company integrates anti-monopoly and anti-unfair competition requirements into contract approval and transaction review processes. Through self-audits, whistleblowing channels, and coordination with external regulators, it continuously strengthens compliance enforcement to foster a standardized and transparent competitive environment.

During the reporting period

the Company experienced **no** litigation or administrative penalties related to violations of fair competition laws.

Safeguarding Information Security

The Company places high importance on information security management, strictly complying with the *Cybersecurity Law, the Data Security Law,* and other applicable laws, regulations, and international standards. It has established a robust information security governance system that integrates policy frameworks, technical safeguards, personnel training, and emergency drills to protect the data of customers, partners, and the Company itself.

Key certifications（partial display）

ISO/IEC 27001 Information Security Management System certifications for Shanshan Anode

Shanjin Optoelectronics (right)

Data security management system

The Company has developed and implemented a suite of management systems—including the Information Security Policy, Information System Access Management, Information Security Incident Management Regulations, and Information Security Management Manual—which define clear behavioral standards for privacy and information security. Organizationally, it has established an information security management structure led by the General Manager, forming a three-tiered system of "decision-making, management & supervision, and execution" to holistically advance information security initiatives.

The Company has also implemented a PDCA (Plan-Do-Check-Act) closed-loop management mechanism, regularly conducting information security risk assessments and internal audits to continuously monitor and improve the system's performance, ensuring its stable and effective operation.

Information security organizational framework

During the reporting period

the Company recorded

0 major information security incidents

and

0 customer privacy breaches.

Information security management measures

To enhance information security risk prevention and management capabilities, the Company has assembled an information security team with diverse professional expertise to systematically manage data security. It has built a comprehensive, end-to-end information security assurance system by implementing data security policies, strengthening incident response and handling, delivering employee training and awareness programs, conducting data risk assessments and monitoring, and standardizing data backup, update, destruction, and recovery processes.

The Company has also established a robust emergency response mechanism for information security incidents, developing tailored contingency plans for specific scenarios, with clearly defined incident classification criteria, response protocols, and role assignments.

Formulation and implementation of data security strategies

- Formulate detailed data security strategies and operating procedures in accordance with national laws and regulations, industry standards and internal regulations of the Company, and ensure their effective implementation in all departments of the Company.
- Regularly evaluate and update policies and regulations to adapt to the changing security environment.

Data risk assessment and monitoring

- Utilize professional tools and methods to conduct a comprehensive risk assessment of the Company's data assets, identifying potential data security risks.
- Establish a real-time monitoring mechanism to continuously monitor data access, transmission, storage, etc. to detect and warn of abnormal situations in a timely manner.

Response and handling of data security incidents

- Formulate a complete emergency plan for data security incidents, so as to respond quickly and take effective measures to deal with it, thereby minimizing the losses and impacts caused by the incident.
- Conduct in-depth investigation and analysis of the incident, summarize lessons learned, and improve preventive measures.

Employee data security training and education

- Organize and carry out data security training and education activities to enhance the data security awareness and operational skills of all employees. Make employees aware of the importance of data security and master basic data security precautions through training, so as to avoid data security incidents caused by human factors.

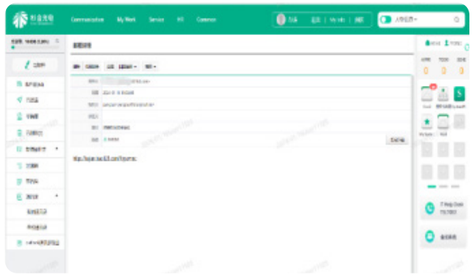
Information security management measures

During the reporting period

During the reporting period, the Company conducted **18** information security emergency drills and **21** information security and privacy protection training sessions

Case | Shanjin Optoelectronics (Nanjing) conducts a phishing email emergency drill to enhance the cybersecurity response capabilities of all employees

In November 2025, Shanjin Optoelectronics (Nanjing) organized a cybersecurity emergency drill for relevant IT staff, including OA operations personnel and network engineers, simulating a phishing attack. The scenario involved an employee inadvertently clicking a malicious link, leading to a simulated data breach that triggered the incident response protocol. The drill effectively tested and enhanced the Company's rapid response, cross-functional coordination, and system recovery capabilities, while raising employee awareness and strengthening the overall information security posture.



Simulating the receipt of a phishing email

Case | Shanshan Anode conducts an information security emergency drill to enhance its cyber risk handling capabilities

In October 2025, the IT Department of Shanshan Anode conducted an information security emergency drill simulating a virus intrusion to test the Company's incident response and handling capabilities. The exercise focused on key stages: anomaly detection and reporting, activation of emergency response, and virus containment and system restoration. Relevant departments collaborated according to predefined roles in the contingency plan. Measures such as network isolation, virus detection, and removal effectively contained the risk and restored system operations, further enhancing employee awareness and cross-departmental coordination, and reinforcing the Company's overall information security resilience.

Emergency response to a virus incident

Customer privacy protection measures

The Company consistently treats customer privacy protection as a fundamental requirement of ethical business conduct, rigorously implementing customer data safeguards across product development, sales and service, and supply chain management. During the reporting period, it further strengthened its customer privacy protection framework and enhanced employee awareness and practical skills through specialized training.

Case | Conducting cybersecurity training to strengthen awareness of customer information protection

In April 2025, Shanshan Anode organized a cybersecurity awareness training session focused on employees' daily work scenarios, systematically covering data protection, password management, computer and email security, mobile device security, and social engineering defense, illustrated with real-world cases and telecom fraud analyses. The training enhanced employees' ability to identify and mitigate information security risks, standardized daily data handling practices, strengthened the Company's commitment to protecting customer information, and reduced the risk of human-error-related data leaks.

Shanshan Anode cybersecurity awareness training

Low-Carbon Development Ecological Symbiosis

Philosophy

The Company adheres to green development principles, integrating environmental protection throughout its operations and management. By continuously improving its environmental management system, proactively addressing climate change, enhancing resource efficiency, and strengthening pollution prevention, and steadily increasing environmental investments, the Company drives its operations toward a green, low-carbon future. While pursuing economic growth, it emphasizes the synergistic realization of environmental and social value, striving for harmonious coexistence between enterprise development and ecological sustainable development.

Our actions

Climate Change Response

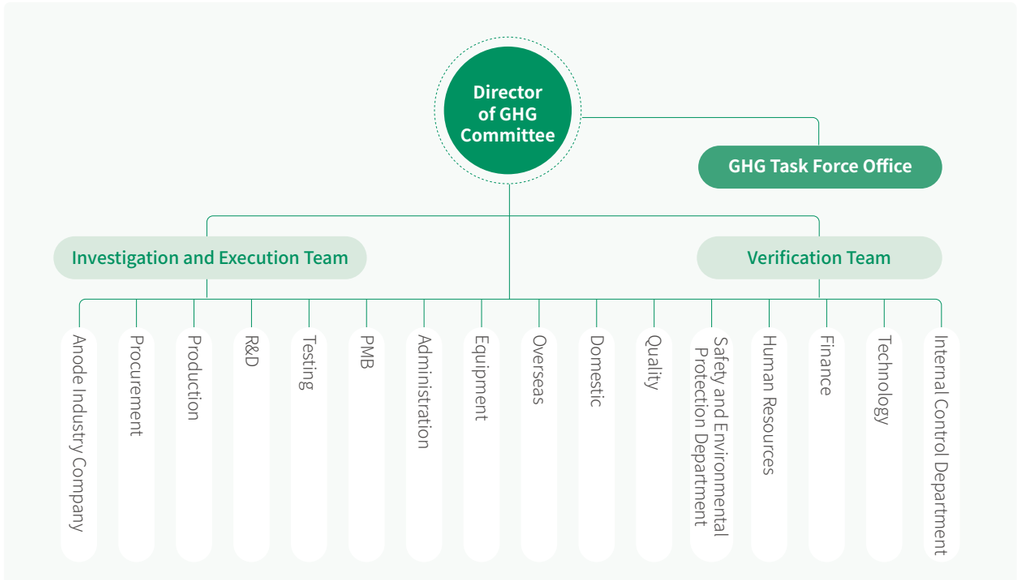
Against the backdrop of intensifying global climate challenges, Shanshan actively responds to China's national "dual carbon" strategy by integrating climate action into its corporate sustainable development management system and continuously advancing greenhouse gas (GHG) emissions management and low-carbon transition initiatives. Given the wide geographic distribution of its subsidiaries and production bases—with variations in business models, energy mixes, and emission sources—the Company has established a unified climate governance framework under which each unit sets differentiated carbon reduction targets and implementation pathways tailored to local conditions, enhancing goal relevance and feasibility. The Company systematically advances climate-related management across governance, strategy, impacts, risk and opportunity assessment, and metrics and targets to drive green, low-carbon development.

Governance

The Company places high importance on climate governance, incorporating GHG management into its corporate sustainable development strategy. Under the guidance of the ESG Committee, it has established a systematic climate governance structure to ensure carbon management and emission reduction efforts are tightly aligned with strategic decision-making.

Under this framework, Shanshan Anode has established a Greenhouse Gas (GHG) Inventory Promotion Committee at each plant to coordinate carbon management and reduction initiatives, ensuring the "dual carbon" goals are embedded across all operational processes. Each committee includes an Investigation and Execution Team and a Verification Team responsible for GHG accounting, data verification, and compliance oversight, and leads cross-functional collaboration to ensure orderly and effective implementation of carbon reduction measures.

Each plant has formulated Energy Conservation and Emission Reduction Regulations based on its specific production processes, energy consumption patterns, and emission profiles, clearly defining management responsibilities, operational standards, and performance evaluation mechanisms to establish a comprehensive carbon reduction management system spanning the entire production lifecycle.



GHG Inventory Promotion Committee of Shanshan Anode

Strategy

To proactively address the potential impacts of climate change, the Company systematically identifies and assesses climate-related risks and opportunities based on its business characteristics and industry trends. It analyzes potential impacts from policy and regulatory shifts, technological innovation, and extreme weather events on its operations and formulates corresponding management measures to enhance resilience and capture opportunities presented by the low-carbon transition.

Risk type	Risk description	Impact period	Probability of occurrence	Financial impact content	Response measures
Acute risks	Extreme climate events (e.g., heavy rain, floods, typhoons, heatwaves) may disrupt production bases, warehousing facilities, and logistics, causing production halts, equipment damage, or supply chain delays.	Short-term	Medium	Facility damage or production stoppages due to extreme weather may incur equipment repair costs, production delays, and increased supply chain expenses.	Strengthen climate risk monitoring and assessment; enhance infrastructure resilience (e.g., flood and heat protection); establish emergency response plans; and reduce disruption risks through supply chain diversification and inventory management.
Chronic risks	Chronic environmental changes—such as rising temperatures and shifting water availability—may affect energy and water demand in operations and impact equipment efficiency.	Medium and long term	Medium	Long-term climate shifts may increase energy and water costs, raising overall operational expenses.	Continuously advance energy and water conservation measures, optimize production processes and equipment efficiency, increase renewable energy adoption, and reduce resource intensity through clean production and technological upgrades.
Policy and regulatory risks	As China's "dual carbon" policy advances and carbon regulation tightens, mechanisms such as carbon trading, carbon taxes, or stricter emission standards may increase the Company's carbon compliance costs.	Medium and long term	Medium	Rising carbon costs or stricter emission controls may increase operational expenses and environmental investments.	Establish a GHG management system and conduct emissions inventories; set carbon reduction targets; and implement energy-saving retrofits and clean energy substitution to lower emission intensity.
Technology risk	Rapid advancements in new energy and green manufacturing technologies mean that insufficient innovation in low-carbon technologies and green products could undermine market competitiveness.	Medium and long term	Medium	This may lead to market share erosion or increased R&D expenditures, affecting profitability.	Continuously increase R&D investment in green technologies, advance green product design and low-carbon manufacturing, and implement product carbon footprint management.
Market risk	Downstream customers' growing demands for product carbon footprints and green manufacturing require timely responses; failure to do so may impair competitiveness.	Medium and long term	Medium	This could affect order acquisition and customer relationships, impacting revenue growth.	Advance product carbon footprint accounting and life cycle assessment, obtain relevant certifications (e.g., ISO 14067), and enhance the competitiveness of green products.

Climate Change Response Risk Identification

Opportunity type	Opportunity description	Impact period	Probability of occurrence	Financial impact content	Response measures
Opportunities for Technological Innovation and Efficiency Improvement	Advancing energy-saving, emission-reduction technologies, and process innovation can improve energy efficiency and reduce emissions.	Medium and long term	High	Technological upgrades can lower production costs, boost efficiency, and strengthen long-term competitiveness.	Continuously increase R&D investment in environmental and low-carbon technologies, and promote the application of energy-saving retrofits and green manufacturing techniques.
New Energy Industry Development Opportunities	The global shift toward a low-carbon energy mix and rapid growth in electric vehicles and energy storage are driving sustained demand for lithium battery materials, creating significant market opportunities for the Company's anode materials business.	Long-term	High	This supports increased sales volume and market share for anode materials, driving revenue growth.	Continuously enhance R&D capabilities and capacity deployment for anode materials, strengthen technological innovation, and solidify competitive advantages in the new energy materials sector.

Climate Change Response Opportunity Identification

Impact, risk, and opportunity management

To effectively respond to climate-related impacts, the Company continuously identifies, assesses, and addresses climate risks and opportunities, enhancing its adaptive capacity and resilience in the context of low-carbon transition.

Risk and opportunity identification

- The Company identifies and analyzes climate-related factors—including policy/regulatory changes, energy transition, technological developments, and extreme weather—based on the production processes, energy structures, and emission profiles of its subsidiaries and plants.

Risk assessment

- The Company conducts a comprehensive assessment of identified risks and opportunities based on time horizon, likelihood of occurrence, and potential operational and financial impacts.

Risk response

- Based on assessment results, the Company formulates targeted measures—such as energy mix optimization, energy conservation, carbon management, and green supply chain development—to mitigate climate risks and seize low-carbon opportunities.

Monitoring and improvement

- The Company continuously tracks implementation through GHG inventories, energy conservation programs, and internal audits to drive ongoing improvement in climate-related management.

Impact, risk, and opportunity identification process

Climate Change Response Measures

Guided by its climate risk and opportunity management framework, Shanshan advances low-carbon practices tailored to each subsidiary's business profile. Through multi-pronged initiatives—including technological innovation, energy structure optimization, green supply chain development, and product lifecycle carbon management—the Company actively controls and reduces GHG emissions, continuously enhances its climate resilience, and accelerates the transition of its operations toward a green, low-carbon model.

Shanshan Anode Carbon reduction policy

- Adhere to the philosophy of green, circular, and low-carbon development. Enhance resource utilization efficiency by applying new processes, technologies, equipment, and materials, and promote the construction of resource-efficient and environmentally friendly production bases.
- Gradually increase the share of clean energy by actively utilizing renewable sources such as hydropower, wind power, solar energy, and biomass, and proactively participating in green electricity trading to continuously expand green power procurement and reduce carbon emission intensity in production.
- Collaborate with upstream and downstream partners on carbon footprint management, drive optimization of raw material quality and reduction in raw material consumption, and integrate carbon emission metrics into the supplier management system to advance low-carbon supply chain development.
- Actively explore energy-saving and carbon-reduction initiatives with industry peers. While continuously reducing emissions, neutralize unavoidable residual emissions through mechanisms such as carbon offsetting.

Shanjin Optoelectronics

- Continuously increase R&D investment in environmental protection, advance the application of energy-saving, emission-reduction, and low-carbon technologies in operations, and accelerate the transition toward green, low-carbon production through renewable energy adoption, including photovoltaics.
- Implement concrete "carbon reduction" actions, promote a green and responsible supply chain, and encourage partners to jointly engage in energy-saving and carbon-reduction practices to elevate the entire value chain's low-carbon performance.
- In accordance with international standards such as ISO 14044 and ISO 14067, conduct life cycle assessments (LCA) and carbon footprint management across the full "cradle-to-gate" product lifecycle to continuously identify and reduce associated carbon emissions.

Case | Shanshan Anode's green factory initiatives drive low-carbon transformation in manufacturing

In 2025, Shanshan Anode added three new provincial-level or higher Green Factories. Among them, Shanshan Anode's Ningbo plant was recognized as a Zhejiang Green and Low-Carbon Factory, while its Qingshan and Jiuyuan plants were designated as Inner Mongolia Autonomous Region Green Manufacturing Demonstration Units. The Company now operates a total of two national-level and four provincial-level Green Factories. These facilities continuously advance energy conservation, carbon reduction, and efficient resource utilization across design, construction, production, and management, enhancing the green maturity of their operations and strengthening the green manufacturing system to support the Company's low-carbon manufacturing and sustainable development.

Case | Shanshan Anode's green electricity adoption enhances low-carbon energy use in production

In 2025, Shanshan Anode continued to increase its clean energy share, with all plants actively participating in green electricity trading and advancing renewable energy deployment. The annual green electricity procurement volume reached 2,665,515.01 MWh, setting a benchmark for optimizing production energy mix.

Key performance

s of December 31, 2025, the Company had **1** product certified with an ISO 14044 life cycle assessment verification statement.

As of December 31, 2025, the Company held ISO 14067 product carbon footprint certificates for **6** products, an increase of **1** from the prior year.

Indicators and targets

The Company actively responds to China's national "dual carbon" strategy, adhering to a development approach that leverages energy management to drive greenhouse gas (GHG) emission reductions. It continuously refines its carbon management system and has set and publicly committed to forward-looking carbon reduction targets. Tailored to the operational realities of its business segments and production sites, the Company establishes tiered and differentiated decarbonization goals. Shanshan Anode, aligned with its strategic roadmap, has set 2023 as the baseline year for its carbon reduction targets, which are further cascaded to individual plants to form a medium- to long-term decarbonization and sustainable development plan covering all aspects of production and operations. Shanjin Optoelectronics has similarly established and disclosed its carbon targets, formulated actionable roadmaps for emission reduction and sustainable development, and is steadily progressing toward carbon neutrality.

	Dual carbon goals
Shanshan Anode	• Based on 2023 as the baseline, the product carbon footprint of key products decreases by 3% annually (**Targets for 2025 have been achieved**); • Achieve operational (Scope 1 and Scope 2) carbon neutrality by 2050; • Achieve value chain (Scope 1, Scope 2, and Scope 3) carbon neutrality by 2060.
Shanjin Optoelectronics	• Be carbon neutral by 2050.

To ensure data accuracy and effective target implementation, the Company conducts ongoing GHG verification activities. Annually, it completes the ISO 14064 GHG inventory and reporting process and obtains third-party verification, continuously enhancing the standardization and transparency of its carbon management and providing robust data support for sustained progress toward its decarbonization goals.

	2025	
	Shanshan Anode	Shanjin Optoelectronics
GHG emissions Scope 1 (tCO_2e)	16,893.65	9,341.11
GHG emissions Scope 2 (tCO_2e)	2,059,860.59	94,673.91
GHG emissions Scope 3 (tCO_2e)	3,295,791.95	4,095.83
Total GHG emissions (Scope 1 + Scope 2) (tCO_2e)	2,076,754.24	104,015.02
GHG emission intensity (Scope 1 + Scope 2) (tCO_2e/RMB 10,000 in revenue)	2.05	0.091

Note: The Company's GHG accounting follows the Greenhouse Gas Protocol and relevant national standards, prioritizing nationally published grid emission factors and industry-standard coefficients.

Environmental Compliance Management

Shanshan strictly complies with environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, and the Water Pollution Prevention and Control Law of the People's Republic of China, and continuously improves its environmental management system in alignment with ISO 14001 requirements. Guided by the EHS management policy of "compliance with laws and regulations, pollution prevention, people-oriented, and continuous improvement," the Company has established an environmental management framework encompassing the Environmental and Safety Management Manual, Environmental and Safety Operational Control Procedures, and Environmental Aspect Identification and Update Control Procedures. Through institutionalized and standardized management, it consistently elevates its environmental governance capabilities. During the reporting period, a total of 10 of the Company's sites achieved ISO 14001 environmental management system certification.

Organizationally, the Company has established a hierarchical and collaborative environmental management system. General managers of each subsidiary and plant serve as primary environmental accountability holders, overseeing environmental management within their units. The Safety and Environmental Protection Department is responsible for supervising compliance with environmental policies, formulating environmental plans, and implementing related measures, and has established an environmental management network spanning corporate leadership, functional departments, and frontline production teams. By cascading responsibilities and conducting regular supervision and performance reviews, the Company ensures the sustained effectiveness of its environmental management system.

Key performance

ISO 14001 environmental management system certification

During the reporting period,the Company's total environmental protection investment amounted to RMB

123.3929 million.

Environmental risk management

The Company continuously strengthens its environmental risk identification and control mechanisms, establishing management systems such as the Hidden Environmental Risk Identification and Rectification System and the Environmental Monitoring Management System to systematically identify, assess, and manage environmental risks. For new, renovated, and expanded projects, it strictly implements environmental impact assessment (EIA) procedures to ensure compliance with environmental regulations from the outset.

In daily operations, the Company identifies and assesses potential environmental risk sources based on production processes, equipment, raw and auxiliary material usage, and pollutant generation and discharge, determining its environmental risk level and implementing corresponding preventive measures. It also conducts ongoing environmental hazard inspections and enhances inspection, maintenance, and servicing of environmental protection facilities to ensure stable operation and enable timely, closed-loop rectification of identified risks.

Environmental emergency management

To enhance preparedness for environmental emergencies, the Company has developed and continuously refined its Emergency Response Plan for Environmental Emergencies, clearly defining response protocols, role assignments, and mitigation measures to ensure rapid, coordinated action during emergencies, minimizing environmental impact and safeguarding employee safety and assets.

The Company has established an environmental emergency response organization led by its principal executive, with the General Manager serving as Chief Emergency Commander, responsible for unified command and coordination of emergency response efforts. The system includes specialized task forces for rescue operations, evacuation and isolation, security, logistics and transportation, medical aid, and post-incident recovery, forming a clear, coordinated, and efficient emergency management mechanism. The Company conducts at least one environmental emergency drill annually and continuously optimizes its response processes based on drill outcomes.

Case **Shanshan Anode's Chenzhou plant conducts hazardous waste leakage emergency drill to strengthen environmental risk prevention capabilities**

In June 2025, Shanshan Anode's Chenzhou plant conducted an emergency drill simulating a liquid hydrocarbon hazardous waste leak caused by aging valves at the base of a storage tank. Participants executed on-site cordoning, personnel evacuation, valve isolation, equipment repair, and perimeter environmental monitoring per the emergency plan. The drill validated the feasibility of the hazardous waste spill response protocol, enhanced staff emergency response and coordination capabilities, and reinforced environmental risk awareness.

Confirming the emergency collection pool

Repair team installing

Monitoring team sampling and testing

Environmental protection training and awareness campaigns

The Company emphasizes enhancing employees' environmental awareness and professional competencies through systematic, regular training and outreach programs. Training content primarily covers environmental laws and regulations, theoretical and operational knowledge of waste gas and wastewater treatment systems, solid waste management, and environmental communication, reaching management, functional departments, and frontline production staff. Through these initiatives, the Company continuously strengthens employee capabilities in environmental management, energy conservation, emission reduction, and resource recycling, driving ongoing improvement in overall environmental performance.

Case **Shanshan Anode's Ningbo plant conducts "waste-free factory" training to enhance green production management**

In June 2025, Shanshan Anode's Ningbo plant held a dedicated "waste-free factory" training session, lasting two hours with 25 employees in attendance. The session covered the "waste-free city" concept, relevant legal requirements, and corporate environmental management fundamentals, guiding staff to prioritize resource conservation and waste minimization in production. This deepened understanding of "waste-free factory" principles, reinforced environmental stewardship, and supported the Company's green production and continuous improvement goals.

Waste-free factory training

Case **Shanshan Anode's Sichuan plant conducts Environment Day training to promote on-site green initiatives**

In June 2025, under the theme "Beautiful China Starts with Me," Shanshan Anode's Sichuan plant, led by its Safety and Environmental Protection Department, organized a World Environment Day training session lasting two hours with 20 participants. The session promoted environmental stewardship concepts and corporate requirements, guiding employees to focus on resource conservation and pollution prevention in production, thereby enhancing their environmental awareness and management capabilities.

Special environmental protection training on "Beautiful China Starts with Me"

Clean production

The Company integrates clean production principles into daily operations, continuously increasing environmental investment and implementing clean production initiatives to enhance resource efficiency and pollution control, advancing the goal of "energy saving, consumption reduction, pollution minimization, and efficiency improvement." In compliance with clean production requirements, relevant Shanshan Anode plants have completed clean production audits and issued *Clean Production Audit Reports,* systematically identifying key areas of resource use and pollutant generation to unlock ongoing energy and emission savings and drive continuous improvement in clean production practices.

Efficient Resource Utilization

Shanshan actively implements green development principles, continuously advancing resource conservation and efficiency in energy use, water management, and circular economy practices. By refining management systems, optimizing production processes, and enhancing resource recycling, the Company steadily improves energy and water efficiency, reduces resource consumption and waste generation in production, and steers operations toward a resource-efficient and environmentally sound model.

Energy usage

The Company upholds the energy policy of "Standardized Management, Energy Efficiency Enhancement; Regulatory Compliance, and Continuous Improvement," and continuously strengthens its energy management system. Committed to elevating energy performance, it steadily increases the number of plants certified to ISO 50001, while integrating technological innovation, management optimization, and clean energy adoption to drive consistent progress in energy conservation, efficiency gains, and sustainable development across all subsidiaries and production sites.

Key Honors

As of December 31, 2025, a total of 6 of the Company's sites had obtained ISO 50001 energy management system certification.

ISO 50001 energy management system certifications for Shanshan Anode (left) and Shanjin Optoelectronics (right) (partial display)

Governance

The Company places high importance on energy management, integrating energy efficiency improvement and conservation into its operational management system. It has established policy documents including the *Energy Management Manual* and *Energy Conservation and Emission Reduction Regulations,* clearly defining management principles, responsibilities, and implementation pathways to provide institutional support for standardized energy management practices.

In terms of organizational structure, the Company's General Manager serves as the top energy management executive, responsible for approving and driving the implementation of energy management plans to ensure integration of system requirements into daily operations and business processes. Relevant functional departments—including Quality, Safety and Environmental Protection, HR, Administration, Procurement, Finance, Equipment, Production, PMC, and Technology—collaboratively participate in energy management, setting energy performance indicators and conducting regular evaluations to sustain effective system operation.

Strategy

Based on its energy usage profile, the Company systematically identifies and assesses risks and opportunities in energy management and utilization to establish, implement, maintain, and continually improve its energy management system and fulfill its energy policy.

Risk type	Risk description	Impact period	Probability of occurrence	Financial impact content	Response measures
Energy price fluctuation risk	Prices of electricity, natural gas, and other energy sources may fluctuate due to macroeconomic conditions, supply-demand dynamics, and policy adjustments, potentially increasing the Company's operational costs.	Short and medium term	Medium	Rising energy costs may increase production expenses, exerting moderate pressure on profitability.	Reduce specific energy consumption through refined energy management and energy-saving retrofits; actively participate in green electricity trading and explore diversified energy procurement channels.
Technological upgrade risk	To enhance energy efficiency, the Company must continuously invest in energy-saving equipment upgrades and technological advancements, which may impose capital expenditure.	Medium term	Medium	Energy-saving retrofits and equipment upgrades require significant capital investment, impacting CAPEX.	Develop phased energy retrofit plans, gradually lowering energy intensity through technological innovation and equipment modernization to enhance long-term operational efficiency.
Energy facility operation risk	Abnormal operation or inadequate maintenance of energy-related equipment (e.g., power systems, motive equipment) may impair energy efficiency.	Short and medium term	Low	Declining equipment efficiency may raise energy consumption and incur additional maintenance costs.	Strengthen equipment inspection and maintenance, and deploy real-time online monitoring systems to promptly detect and address anomalies in energy use.

Energy utilization risk identification

Opportunity type	Opportunity description	Impact period	Probability of occurrence	Financial impact content	Response measures
Energy efficiency improvement opportunity	By continuously advancing energy-saving retrofits, equipment upgrades, and process optimization, the Company can further reduce specific energy consumption and enhance energy efficiency.	Medium and long term	High	Lower energy intensity helps reduce production costs and enhances overall operational efficiency and profitability.	Continuously implement energy-saving retrofit projects, optimize production processes, and strengthen energy management system operation and performance evaluation.
Energy management capability improvement opportunity	By refining energy management systems and conducting training and awareness campaigns, the Company can continuously enhance employee energy-saving awareness and overall energy management capabilities.	Medium term	High	This supports sustained energy consumption reduction and improved corporate resource efficiency.	Reinforce energy management concepts through training, knowledge contests, and communications to foster enterprise-wide participation in energy conservation.

Energy utilization opportunity identification

Impact, risk, and opportunity management

The Company has developed a Risk and Opportunity Control Procedure, treating risk mitigation and opportunity capture in energy management as critical levers for ensuring production stability, improving energy efficiency, and reducing operating costs. Through a systematic approach, it identifies, assesses, and manages potential risks and improvement opportunities across energy use processes to ensure effective system operation.

Risk and opportunity identification

- Comprehensively identify risks and improvement opportunities in energy use, with emphasis on energy price volatility, supply security, energy efficiency, and equipment operational status.

Risk assessment

- Analyze identified risks by assessing likelihood, time horizon, and potential operational and financial impacts to inform decision-making.

Risk response

- Formulate targeted responses for different risks, including energy mix optimization, energy-saving retrofits, real-time energy monitoring, and optimized production scheduling.

Monitoring and improvement

- Achieve closed-loop energy management through periodic energy reviews, performance indicator tracking, and continuous management optimization to ensure effective implementation and ongoing improvement.

Energy utilization impact, risk, and opportunity identification process

Energy utilization measures

The Company adheres to systematic and refined management, driving continuous improvement in energy efficiency, energy mix optimization, and cost reduction. It actively promotes clean energy adoption—including photovoltaic and other renewable installations—and integrates technological innovation, management enhancement, and employee engagement to advance energy management system implementation, constantly exploring novel approaches to energy conservation and operational sustainable development.

System establishment

Promote energy management reviews and build the system (some plants certified to ISO 50001)

Managerial energy saving

PDCA cycle, equipment retrofitting/upgrading, and deployment of energy monitoring platforms

Others

Government industrial support

Energy-saving awareness campaigns

Enhance enterprise-wide consciousness through performance evaluation, knowledge contests, bulletin boards, newsletters, and training

Structural energy saving

New facilities primarily use clean energy; fully integrated continuous processes enhance efficiency and reduce emissions; large-scale automated equipment lowers specific energy consumption

Technological energy saving

Process optimization and development of new energy-efficient equipment

Case | Shanshan Anode's Yunnan plant achieves energy savings through real-time power monitoring

In 2025, Shanshan Anode's Yunnan plant deployed a plant-wide real-time power monitoring system to track backend operational modes and electricity consumption, effectively identifying high-consumption areas and abnormal usage patterns and enabling timely operational adjustments. Since implementation, the system has saved approximately 3,300 kWh annually, delivering measurable energy savings while enhancing energy management and accelerating the plant's transition to green, efficient operations.

Case | Shanshan Anode's Sichuan plant upgrades graphitization loading process to boost energy efficiency

In 2025, Shanshan Anode's Sichuan plant upgraded its graphitization furnace loading process. By optimizing loading procedures and increasing batch capacity, single-furnace loading volume rose by 50% to 70%, while specific energy consumption per tonne decreased by 25% to 35%. Post-upgrade, energy use per tonne of product dropped significantly, markedly improving overall production efficiency.

Indicators and targets

Shanshan sets tailored energy management targets for each subsidiary and production site based on local conditions, and defines customized energy conservation roadmaps. Through sustained implementation of energy-saving measures and management practices, it continuously improves energy efficiency. Concurrently, the Company actively promotes renewable energy adoption and deployment to progressively optimize its energy mix, supporting its green, low-carbon development objectives.

Key performance indicators related to energy utilization and clean energy adoption during the reporting period are detailed in the "Key Performance Table".

	Energy management objectives for 2025	Achievement status
Shanshan Anode	• Green electricity adoption is being implemented in phases: 30% achieved in 2023 (completed), 60% targeted for 2025, and 100% by 2030.	• Achieved. (Reached 60% in 2025)
Shanjin Optoelectronics	• Shanjin Optoelectronics (Zhangjiagang): Achieve a 10% year-on-year reduction in total electricity consumption within the next year. • Shanjin Optoelectronics (Nanjing): Achieve a 1% year-on-year reduction in total electricity consumption within the next year.	• Shanjin Optoelectronics (Zhangjiagang): Not achieved. In 2025, the Company's total electricity consumption increased by 14% year-on-year, primarily because the facility was still in the trial production phase from January to March 2024, resulting in a low base for electricity consumption. With normalized production operations in 2025, electricity consumption correspondingly increased. • Shanjin Optoelectronics (Nanjing): Achieved. In 2025, the Company's total electricity consumption decreased by 7% year-on-year.

Usage of water resources

The Company places high priority on water conservation and management, strictly complying with the Water Law, the Water Pollution Prevention and Control Law, and other relevant regulations. Tailored to each subsidiary and plant, it has formulated and refined management documents including the Water Pollution Control Management Regulations, Water Quality Management Regulations, Rainwater Management Regulations, and Water Quality Monitoring Operating Standards, establishing a corporate water conservation strategy and driving implementation from the top down.

Water resource management at each Shanshan Anode site is handled by the Equipment Department's Public Utilities Team, covering operation and maintenance of circulating water systems, makeup water supply, and water quality treatment.

During the reporting period

the Company's total water consumption was

4,921,013.46 tonnes

Water circulation and reuse at Shanjin Optoelectronics accounts for

16.97%

of its total water consumption, while Shanshan Anode's production cooling water operates in a

100% closed-loop circulation

Data collection and analysis

Collect the water resource data required for operation, including water consumption, water sources, wastewater discharge, etc. Analyzing these data can help understand one's own water resource utilization.

Continuous monitoring and reporting

Establish a water resources monitoring system, and regularly analyze water resources utilization and performance. Through monitoring and reporting, problems can be discovered in a timely manner and corrective measures can be taken.

Technological innovation and improvement

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

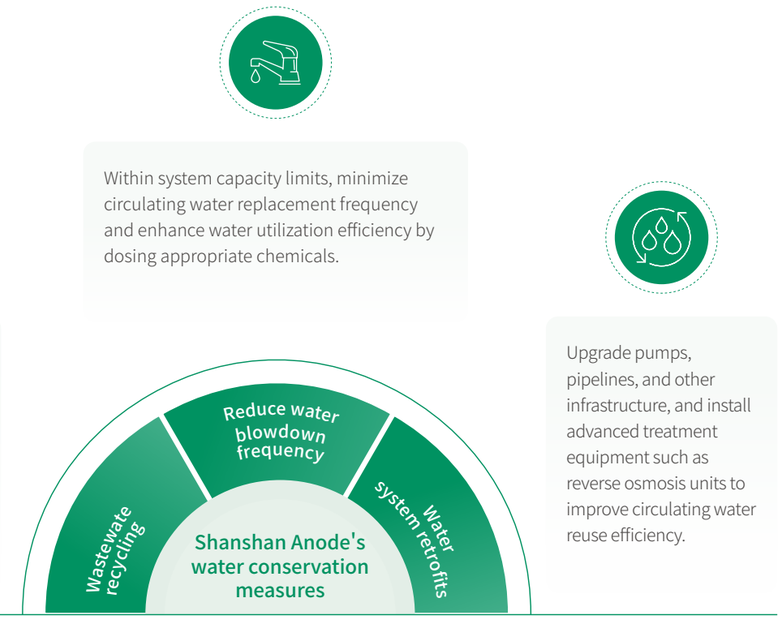
Full life cycle assessment

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

Employee education and participation

Raise employees' awareness of the importance of water resources, and encourage them to save water at work and in life. Employees' participation can promote the internal water resource management culture.

Shanjin Optoelectronics' water conservation measures



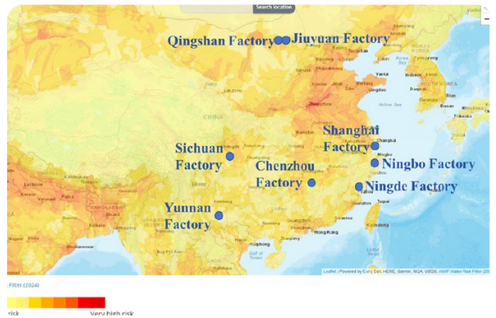
Case | **Shanshan Anode's Sichuan plant reuses circulating water to improve water resource utilization efficiency**

In 2025, Shanshan Anode's Sichuan plant completed a circulating water system retrofit, redirecting circulating water from the graphitization process to the desulfurization system for secondary use. This initiative saved approximately 156,000 cubic meters of circulating water annually, reduced fresh makeup water by about 33%, and lowered wastewater treatment costs by roughly 30% year-on-year. It significantly enhanced water utilization efficiency, reduced production water demand and treatment burden, and supported the plant's water conservation and consumption reduction goals.

Before modification

After modification

The Company utilizes the Aqueduct ™ Water Risk Atlas developed by the World Resources Institute (WRI) to assess annual water risk changes across all plant sites, analyzing physical risks (e.g., baseline water stress, meteorological hazards) and water quality risks. Combined with local regulatory and reputational considerations, it generates a comprehensive water risk map to inform decision-making on water stewardship and environmental optimization. As of the reporting period end, **none** of Shanshan's facilities are located within or adjacent to water resource protection zones, and **no** incidents involving negative impacts on local water sources from water withdrawal or discharge have occurred.



Shanshan Anode's water risk map

Circular economy

The Company actively implements circular economy principles, integrating resource conservation and recycling into all aspects of production and operations. It recovers and valorizes production scraps and by-products. Concurrently, it strengthens collaboration with upstream and downstream supply chain partners to promote the recycling of general industrial solid waste and certain valuable residues, minimizing solid waste generation wherever possible. Each production site formulates tailored management measures—such as the Plan for Recycling and Reuse of Waste Ton Bags—to continuously enhance resource circularity.

Circular economy measures

- Shanshan Anode encourages the reuse of ton bags and pallets, and sell the scrapped ton bags and scrapped pallets that cannot be reused as recyclable materials.
- Shanshan Anode strengthens the classification management of solid waste, collect and store waste metal, wood and cardboard separately, and sell them as recyclable materials.
- Shanshan Anode promotes lightweight packaging, and communicate with customers to implement naked packaging delivery.
- Shanshan Anode encourages customers to return packaging materials, and clean the recycled packaging materials and put them into use.
- Shanjin Optoelectronics (Zhangjiagang) recycled raw materials are used to fix roll cardboard for roll shipment, saving RMB 30,000 in packaging material costs.

Case | **Shanshan Anode promotes pallet and packaging material recycling to enhance resource utilization efficiency**

Plants in Sichuan, Yunnan, Ningbo, and Baotou implemented pallet refurbishment programs, recovering 348,630 pallets with a 72% reuse rate. Meanwhile, the Fujian plant recycled finished product tonne bag covers—reusing soiled but intact covers removed during warehousing and shipping for packaging incoming materials, semi-finished goods, and oversize fractions—recovering 114,441 covers.

(Soiled covers from finished products) (Recycled and reused covers)

Case | Shanshan Anode's resource utilization of by-products to improve comprehensive product yield

In 2025, Shanshan Anode's plants enhanced equipment design and retrofits to recover and reintegrate previously underutilized by-products into production flows, achieving full resource valorization. Post-implementation, the Company's overall product yield increased by approximately 2%–3%, reducing raw material consumption while advancing its production system toward circularity and green manufacturing.

Deepening the Control of Three Wastes

Shanshan places high priority on environmental management and pollution prevention throughout production and operations, strictly complying with national and local regulations. It continuously refines its integrated management systems for wastewater, waste gas, solid waste, and chemicals. Through standardized controls and continuous improvement, it strengthens oversight across the entire pollutant lifecycle—from generation and treatment to discharge—minimizing environmental impact and advancing green, compliant, and sustainable operations.

Wastewater treatment

The Company strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China* and related regulations. Aligned with business characteristics and site-specific conditions, it has established and refined a wastewater management system, issuing documents including the *Wastewater Management Regulations, Water Pollutant Control Regulations, and Rainwater and Sewage Management System*. These define requirements for wastewater generation, collection, treatment, and discharge, and set targets for water conservation and emission reduction. Each subsidiary has established a tailored wastewater management structure: the Safety and Environmental Protection Department oversees inspection, monitoring, and external compliance; Equipment, Engineering, and Production Departments manage operation, maintenance, and troubleshooting of treatment facilities; and all business units implement daily wastewater management and compliant discharge per their responsibilities, ensuring effective system execution.

Pollution discharge permits for Chenzhou Plant, Fujian Plant and Yunnan Plant of Shanshan Anode (Partial Display)

	Wastewater treatment objectives for 2025	Achievement status
Shanshan Anode	• Zero discharge of industrial wastewater • 100% reuse rate of industrial wastewater	• Achieved

During the reporting period

the Company's total wastewater discharge was **3.1748** million tonnes

with ammonia nitrogen emissions of **7.95** tonnes

and chemical oxygen demand (COD) of **664.96** tonnes

achieving **100%** compliance with discharge standards

Specifically, the Company enforces internal wastewater discharge controls stricter than national standards, employs real-time online monitoring for continuous tracking, and maintains monthly management records. It also regularly commissions accredited third parties for wastewater monitoring to ensure sustained compliance. Building on this, the Company continuously explores wastewater recycling and emission reduction initiatives—optimizing treatment processes and enhancing reuse rates—to advance its water conservation and pollution reduction goals.

Name	Wastewater source	Category	Disposal method
Office and laundry water	All departments	Domestic wastewater	Enters sewer network (after septic tank treatment)
Oily canteen wastewater	Canteen	Catering wastewater	Enters municipal sewer after grease trap treatment
Initial rainwater runoff	Company premises	Rainwater	Flows via stormwater network into initial rainwater pond; discharged after 15 minutes of sedimentation
Domestic sewage	All departments	Domestic wastewater	Enters municipal sewer (after septic tank treatment)
Circulating cooling wastewater	Production Department	Clean drainage	Recirculated internally; no external discharge
Desulfurization wastewater	Production Department	Industrial wastewater	After sedimentation, supernatant is reused as makeup water for desulfurization system

Wastewater treatment methods

Case | **Shanshan Anode's Ningbo plant builds an integrated wastewater treatment system to enhance pollution prevention and control capabilities**

Shanshan Anode's Ningbo plant constructed an integrated "pretreatment + biochemical + MBR membrane" wastewater treatment system. It implements segregated collection and differentiated treatment for RTO and laboratory wastewater, supported by safety controls and real-time monitoring. This ensures stable, compliant discharge with partial reuse, significantly improving treatment efficiency, management, and reducing water pollutant emission risks.

Waste gas treatment

The Company strictly adheres to the *Air Pollution Prevention and Control Law of the People's Republic of China* and related regulations, following the principle of "source reduction, process control, and compliant discharge." It has established a comprehensive waste gas management system, issuing documents such as the *Atmospheric Emissions Management Regulations and Waste Gas Treatment Management System,* which specify governance and discharge requirements and set reduction and compliance targets. A cross-functional structure—led by Safety and Environmental Protection, Production, and other departments—coordinates waste gas management. The Company continuously advances treatment projects through technological upgrades and equipment modernization, with ongoing monitoring of facility performance and emissions to ensure stable compliance and effective implementation of reduction initiatives.

Waste gas treatment objectives for 2025		Achievement status
Shanshan Anode	• 100% compliant waste gas discharge	Achieved.
Shanjin Optoelectronics	• Reduce VOCs emissions per unit area in polarizer coating processes by 5%	Achieved. Emissions reduced by 8%.

During the reporting period

the Company's total waste gas emissions were **597.84** tonnes

comprising **142.86** tonnes of nitrogen oxides

194.83 tonnes of sulfur oxides

162.08 tonnes of suspended particulates and PM

and **97.34** tonnes of Volatile Organic Compounds (VOCs)

with **100%** compliance on all discharge standards.

Process waste gas control

Strictly follow operating procedures and control process parameters to ensure synchronized operation of abatement systems, eliminating fugitive and abnormal emissions.

Fugitive emission control

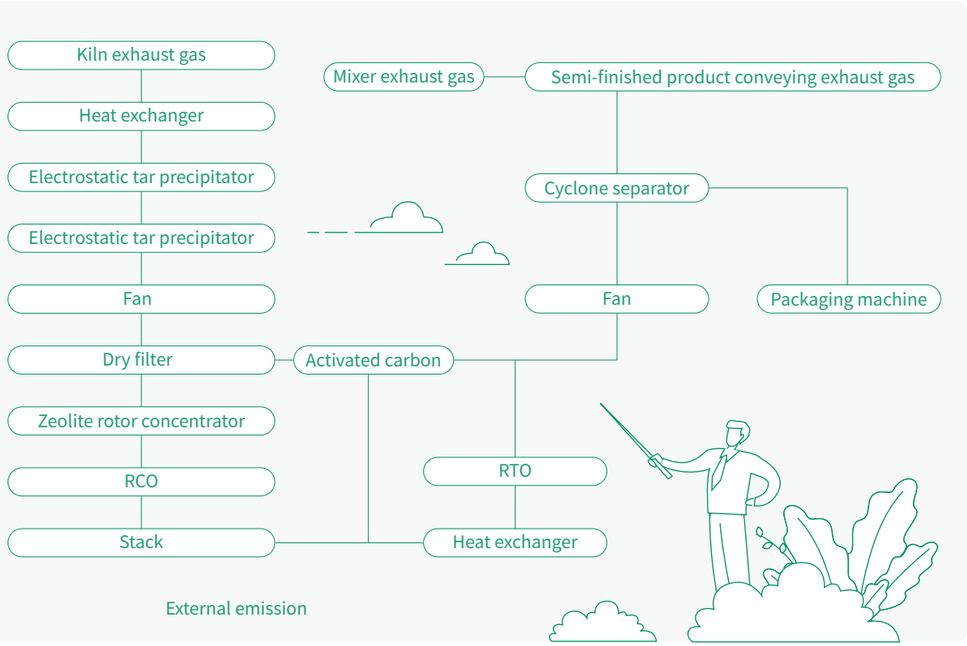
Implement dust collection, absorption, and containment to control fugitive emissions; use low-sulfur, lead-free fuels; enhance equipment maintenance; and standardize chemical handling to prevent atmospheric pollution from volatilization, leaks, or incidents.

Domestic waste gas control

Deploy fume purification systems, industrial vacuums, and sweepers for dust control; conduct regular maintenance and emissions testing on vehicles and forklifts to ensure compliant exhaust emissions.

Case | **Shanshan Anode's Fujian plant implements fugitive waste gas collection retrofit to enhance treatment efficacy**

In 2025, Shanshan Anode's Fujian plant retrofitted its semi-finished goods workshop with an optimized ductwork and capture system for unified collection and centralized treatment of fugitive emissions. Post-retrofit, indoor dispersion was significantly reduced, workshop air quality markedly improved, and operating zone temperatures decreased—positively impacting site and surrounding environmental quality and elevating the Company's emission control and environmental management standards.



Fugitive emission treatment process flow

Waste disposal

The Company strictly complies with the *Environmental Protection Law of the People's Republic of China* and the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*, establishing a robust waste management system with documents including the *Waste Management Regulations, Waste Warehouse Management Standards, and Hazardous Waste Handling Procedures.* These mandate standardized controls across the waste lifecycle—from generation and classification to collection, transfer, storage, and off-site disposal. Tailored to actual waste streams, the Company implements source-separated management via a cross-departmental governance structure. All waste is entrusted to licensed vendors for compliant treatment in full adherence to legal requirements.

	Waste treatment targets for 2025	Achievement status
Shanshan Anode	• Compliant discharge of pollutant concentrations and total loads • 100% legal disposal rate for solid (hazardous) waste	Achieved
Shanjin Optoelectronics	• 100% compliant disposal rate for solid waste	Achieved

During the reporting period

the Company's total waste output was

110,744.72 tonnes

comprising

96,093.69

tonnes of general solid waste

and

14,651.03

tonnes of hazardous waste.

The total volume recycled and reused was

82,504.74 tonnes

with a

100% compliance rate on all discharges.

Category	Waste name	Storage location	Handling unit
Recyclable	Collected dust	Workshop	Centrally processed by the Company and returned to production lines
Non-recyclable	Demagnetized solid waste, waste general raw material packaging, scrap electrode sheets, button cells, spent filter bags/cartridges, waste carbon felt, insulation waste, silicon oxide product samples, spent filter membranes, domestic waste	Workshop, waste warehouse	Sold for integrated utilization, provided to downstream customers for trial, or collected by municipal sanitation services
Hazardous waste	Dust/ash, hazardous chemical containers, waste oil drums, used oil, oily rags/gloves, sludge, sediment, spent anolyte, ethanol-containing waste, spent acids, waste slurries, waste ethanol, spent activated carbon, spent batteries, ink/toner cartridges, light bulbs, fluorescent tubes	Workshop, waste warehouse	Entrusted to licensed vendors for safe disposal

Waste classification and treatment

Chemical safety management

The Company complies with national and local regulations including the *Regulations on Hazardous Chemicals Safety Management, Precursor Chemicals Administration,* and *Controlled Chemicals Management,* referencing authoritative lists such as the *Catalogue of Hazardous Chemicals, Precursor Chemicals Classification, Precursor Explosives List,* and *Highly Toxic Substances Directory.* It has established an integrated chemical management system encompassing the *Environmental Substance Control Specification, Chemical Management System, Hazardous Chemicals Management System, Major Hazard Source Management System, and Precursor Chemicals Management System.* Maintaining a dynamic chemical inventory with ongoing SVHC tracking, the Company embeds chemical safety into core business management to standardize controls over hazardous substances and major hazard sources.

Commitment

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

Commitment to chemical safety

When procuring controlled chemicals (e.g., precursors for narcotics or explosives), the procurement department files required types and quantities with local regulators prior to purchase per regulations. User departments collaborate to prepare usage instructions, procurement volumes, and other documentation, and conduct hazard identification per standards—covering R&D, production, supply, storage, and packaging.

Hazardous chemicals stored and used by the Company

Nitrogen, natural gas, helium, argon, liquid argon, helium-nitrogen mix, argon-methane mix, hydrogen-argon mix, acetylene, oxygen, diesel, hydrochloric acid, nitric acid, hydrofluoric acid, perchloric acid, toluene, ethanol, acetone, and quinoline.

The Company conducts hazardous chemical testing on products

Identification covers all products, focusing on key substances: Sb, PFOS, PCBs, PFOA, four halogens, and RoHS-restricted substances—Pb, Cd, Hg, Cr(VI), PBBs, PBDEs, DBP, BBP, DEHP, DIBP—all tested substances **met the standards and passed the test.**

To ensure chemical safety and compliance across storage, use, and disposal, the Company systematically enhances its chemical safety program—integrating risk control, emergency preparedness, safety training, audits, and product compliance—to continuously elevate management standards and safeguard employee well-being and operational stability.

Strengthen critical process controls

Embed chemical safety into core business management; conduct risk assessments and controls for hazardous chemicals and major hazard sources; intensify end-to-end monitoring across storage, transport, use, and disposal.

Enhance safety training and awareness

Conduct regular education to improve employee understanding of chemical risks and emergency response; use policies and incentives to foster voluntary compliance and continuously strengthen safety culture.

Optimize emergency response

Develop comprehensive plans for chemical incident scenarios and conduct regular drills to continuously enhance crisis response capabilities, ensuring personnel safety and production continuity.

Reinforce safety oversight and risk control

Strengthen accountability and inspection mechanisms; enhance risk identification and mitigation to elevate overall safety performance and ensure personnel and facility integrity.

Ensure product compliance

Monitor evolving requirements for substances of very high concern (e.g., RoHS, halogens, REACH); perform screening and testing per customer and regulatory needs; provide test reports to guarantee chemical and product compliance.

Chemical safety management measures

During the reporting period

the Company experienced **no** adverse incidents such as chemical leaks.

Green Operation Advocacy

Shanshan continuously advances its green operations philosophy, integrating resource conservation, environmental stewardship, and ecological protection into daily management and practices. While promoting green offices and resource efficiency, the Company prioritizes ecosystem conservation and biodiversity. Through standardized management and continuous improvement, it minimizes environmental impacts from operations and fosters harmonious coexistence between enterprise activities and the natural environment.

Green office management

The Company actively promotes green office practices, embedding energy and resource conservation into daily operations and employee behaviors. Through ongoing environmental training and awareness campaigns, it enhances staff understanding of green operations and resource efficiency. Energy-saving, low-carbon initiatives are implemented across office activities, cultivating an enterprise-wide green culture that improves operational efficiency while reducing environmental footprint and advancing sustainable development.

Green activities and initiatives

- Issue a Conservation Proposal to all departments, calling on all employees to start from the little things around them, establish a conservation awareness, reduce waste in terms of saving electricity, water, supplies and oil, and practice sustainable office.
- Awaken employees' environmental awareness through measures such as electricity and water conservation publicity and customized environmental protection posters. Reduce the use of office supplies by printing documents on both sides and canceling offline sign-in sheets.
- Advocate green office for all employees, use conference systems for remote meetings, encourage employees to bring their own cups to conference rooms, reduce paper cups and bottled water, limit the temperature of air conditioners, and actively carry out garbage sorting and recycling.
- Standardize water and electricity consumption and official vehicles, install more photovoltaic street lights, use electric forklifts instead of diesel forklifts for cargo transportation within the factory, set up a security patrol system, and arrange security patrols to avoid idling of lighting equipment, save energy, reduce consumption and save costs.
- Adopt various forms to publicize the concepts of green operation and clean production, including holding training courses for the entire institute, organizing centralized learning and self-study, carrying out rationalization proposal activities, organizing exchanges and interactions between technical experts and employees, etc., so as to instill green concepts throughout the factory.
- Actively promote green office, create a good atmosphere of "everyone talks about saving, everything talks about saving, and all the time talks about saving", and carry out the "Four Ones" activity: save one kilowatt-hour of electricity, one drop of water, one drop of oil, and one piece of paper, with extensive participation of all employees.

Biodiversity conservation

The Company values ecological protection and biodiversity conservation. While its operations have limited direct biodiversity impact, it rigorously conducts environmental impact assessments during site selection and construction, proactively avoiding ecological redlines, nature reserves, and sensitive areas to minimize ecosystem disruption at source. Additionally, it enhances site ecology through landscaping with native, environmentally beneficial tree species. Going forward, the Company will progressively integrate biodiversity conservation into its environmental management and operational practices, aligned with its business profile and ecological stewardship commitments.

Case | Conducting a voluntary trash cleanup activity to promote the concept of green civilization

In July 2025, responding to a call from the Equipment Industrial Park Management Committee, the Party branches of Shanshan Anode's Baotou integrated base (Qingshan and Jiuyuan plants) organized employees for a voluntary community cleanup in Changzheng neighborhood. Through hands-on environmental action, they contributed to neighborhood beautification and promoted green civic values.

Voluntary cleanup activity

Innovation Empowerment Leading Intelligent Manufacturing

Philosophy

Shanshan adheres to innovation-driven development, integrating technological innovation, quality management, and customer value. By continuously advancing green technology R&D and product upgrades, the Company consistently enhances product quality and service levels to proactively address diverse customer needs. While strengthening its core competitiveness, it also drives green transformation across the industry, demonstrating innovative vitality and responsible leadership in the new era.

Our actions

Innovation-Driven R&D

Shanshan has always regarded scientific and technological innovation as the core driver of enterprise development. Through continuous advancement of technology R&D, refinement of its intellectual property management system, and strengthened governance of science and technology ethics, the Company constantly enhances its innovation capacity and technological competitiveness. While pursuing its own high-quality growth, it actively contributes to industrial advancement and sustainable development, creating long-term societal value.

Key Honors

CNAS Laboratory Accreditation Certificate

Governance

The Company places high importance on the role of technological innovation in supporting long-term enterprise development, embedding R&D and innovation into its overall strategic framework. Through institutional development and organizational governance, it continuously refines its R&D governance system. It has formulated the *R&D Management Measures* to standardize key processes—including project initiation, review, development, verification, and commercialization—ensuring orderly and compliant R&D activities.

In organizational management, the Company has established a robust R&D governance structure, strengthened its core technology R&D teams, and continuously enhanced independent innovation capabilities through industry-academia-research collaboration and strategic technology acquisition. R&D activities at Shanshan Anode are centrally managed by the Research Institute, whose R&D Director defines product development directions and assembles project teams. Each project team is accountable for the entire lifecycle from product development to mass production. Concurrently, the Company reinforces its R&D talent pipeline through high-caliber teams and postdoctoral research platforms to accelerate breakthroughs in core technologies and commercialization of innovations.

Strategy

Aligning with new materials industry trends and its business profile, the Company systematically identifies risks and opportunities in innovation and R&D. By continuously optimizing its R&D management system and enhancing capabilities in technological innovation and commercialization, it strengthens long-term competitiveness and sustainable development.

Risk type	Risk description	Impact period	Probability of occurrence	Financial impact content	Response measures
Technology iteration and industry competition risk	The new materials and display materials sectors feature rapid technological evolution. Insufficient pace in the Company's innovation or product iteration could undermine product competitiveness and market position.	Medium and long term	Medium	Declining product competitiveness may adversely affect market share and revenue.	Continuously increase R&D investment, deepen industry-academia-research collaboration, and enhance core technology reserves.
Intellectual property and core technology risk	The new materials sector is highly technology-intensive; inadequate IP protection or patent disputes could compromise the Company's technological edge.	Medium and long term	Medium	This may result in legal costs or technology loss, negatively impacting operations.	Strengthen patent portfolio strategy and IP management, and reinforce core technology protection mechanisms.

Innovation and R&D risk identification

Opportunity type	Opportunity description	Impact period	Probability of occurrence	Financial impact content	Response measures
Industrial chain collaboration and technology cooperation opportunities	Deepening collaboration with upstream/ downstream partners, universities, and research institutes can further enhance innovation capacity and accelerate commercialization.	Medium term	Medium	This helps reduce R&D costs, improve efficiency, and facilitate industrialization of technological outcomes.	Promote industry-academia-research collaboration and strengthen cross-chain co-innovation.
Growth opportunities from rising demand in new energy and new materials	Rapid growth in new energy vehicles, energy storage, and next-generation displays continues to drive demand for lithium battery and display materials.	Medium and long term	High	Expanding market demand supports higher sales volume and market share, driving corporate performance.	Intensify technology R&D and product upgrades to enhance performance and large-scale manufacturing capability.

Innovation and R&D opportunity identification

Impact, risk, and opportunity management

To enhance R&D management efficiency and mitigate innovation risks, the Company has established a systematic R&D project management process, enabling scientific decision-making and effective execution through standardized governance.

R&D project identification and initiation

The Company proposes R&D projects based on market demand, technology trends, and strategic planning, conducts feasibility studies, and formalizes project initiation upon approval by the R&D Technology Management Committee.

Technical review and feasibility analysis

Project teams perform feasibility analyses on technical solutions, material supply, production capacity, and economic returns to evaluate technical viability and commercial value.

Product development and validation

Upon launch, project teams execute product design, prototype fabrication, and performance testing, ensuring compliance with technical standards and customer requirements through stage-gate reviews and technical validation.

Commercialization and continuous improvement

Validated R&D outcomes proceed to industrialization or scale production. Concurrently, the Company continuously refines its R&D processes through stage reviews and project retrospectives to enhance innovation efficiency.

R&D achievements

The Company continues to advance key technology R&D and commercialization across battery materials, optoelectronic materials, and other frontier domains, achieving multiple milestones. In battery materials, leveraging proprietary capabilities such as customized coke development and graphite microcrystal control technologies, it has successfully developed multiple long-life synthetic graphite products now deployed in 314Ah, 500+Ah, and other energy storage batteries as well as commercial vehicle batteries. These products demonstrate significant advantages in high-temperature storage stability and cycle life, with notable progress in both technological breakthroughs and product diversification.

Meanwhile, Shanjin Optoelectronics has made significant advances in optoelectronic materials R&D, including PFAS-free green adhesive technology, STW wide-view polarizer film, and OLED polarizer film—further enriching its product portfolio and driving innovation alongside sustainable development. Through multi-domain breakthroughs and product diversification, the Company continuously strengthens its R&D capabilities and market competitiveness.

Case | Mass production of hard carbon and silicon-based anode materials to accelerate industrialization of next-generation battery technologies

To meet the evolving demands of solid-state batteries and advanced energy storage, the Company has intensified R&D in anode materials. Hard carbon anode materials have entered mass production, offering high specific capacity and high initial Coulombic efficiency—effectively addressing industry challenges of low yield and limited capacity—and are now widely applied in sodium-ion, lithium-ion, and supercapacitor systems. For silicon-based anodes, the Company has independently developed CVD silicon-carbon composites, enhancing stability and cycle life through nanoscale engineering and carbon coating. These innovations are protected by multiple patents, and an integrated silicon-based anode production base is under construction in Ningbo to enable large-scale commercialization.

Case | Breakthrough in key silicon-based anode technologies to advance next-generation battery materials

Amid surging demand for solid-state and high-energy-density batteries, the Company has continued to increase investment in the silicon-based anode materials sector. Leveraging vapor-phase nanonization and carbon-coating technologies, it has enhanced material stability and cycling performance, while also developing porous architectures for fast charging and high-density compaction to further optimize performance. Currently, part of the first-phase capacity at the Ningbo silicon-based anode base has been commissioned and is delivering commercial volumes, providing critical support for the development of next-generation traction battery technologies.

Case | Advancing domestic polarizer self-reliance to build innovation leadership in high-end display materials

Shanjin Optoelectronics focuses on independent R&D of polarizer films, breaking the long-standing technological monopoly held by Japanese and Korean firms and enabling widespread adoption of domestically produced high-end polarizer films in large-size LCD and TV products. Through precision process control, deep industry-academia integration, and thousands of experimental iterations, the team successfully replaced PFAS with a fluorine-free, eco-friendly adhesive—achieving both environmental safety and performance. Innovations such as wide-view and eye-care polarizer films not only enabled mass production of 115-inch ultra-large TVs but also elevated the domestic self-sufficiency rate of display materials from below 10% to over 45%, showcasing the Company's R&D prowess and core competitiveness.

Case | Breakthrough in low-reflection display technology, leading innovation in premium OLED materials

Shanjin Optoelectronics continues to intensify R&D investment in next-generation display materials, achieving critical breakthroughs in OLED technologies. Addressing the industry-wide challenge of glare and contrast loss in bright ambient light for premium TVs, the Company developed its proprietary SAR0.3 technology and precision optical design, reducing screen reflectivity to below 1.0% and significantly enhancing visual performance. This technology is now commercially deployed with multi-size polarizer solutions in high-end OLED products. Concurrently, the Company is expanding its OLED capacity footprint, achieving stable mass production of large-area polarizers while accelerating R&D and scale-up of small-to-medium formats. Through sustained innovation and scalable deployment, Shanjin Optoelectronics is steadily elevating its global competitiveness in premium display materials.

Green design

The Company integrates green design principles into product development, holistically considering resource efficiency, environmental impact, and full product lifecycle management. By continuously optimizing material selection and process design, it advances products toward high performance, low energy consumption, and environmental sustainable development.

Case | Optimizing raw materials and equipment design to advance low-carbon, green manufacturing

Shanshan Anode embeds green principles into product and process design. By regenerating fine powder feedstock, it achieves high coke yield and 100% resource utilization—significantly reducing raw material waste and process-related carbon emissions. Simultaneously, the Company has scaled up continuous graphitization equipment, which markedly lowers electricity consumption compared to conventional batch processes, further cutting carbon footprint. Through synergistic optimization of material utilization and manufacturing equipment, the Company steadily advances green design and low-carbon manufacturing.

Case | Shanjin Optoelectronics develops PFAS-free adhesive to advance green material design

In 2025, Shanjin Optoelectronics further advanced its green design philosophy by developing an environmentally friendly pressure-sensitive adhesive (PSA PFAS Free) free of per- and polyfluoroalkyl substances (PFAS). This innovation reduces the use of potentially hazardous chemicals at source and minimizes environmental impacts across production and application. While meeting stringent performance requirements, this material successfully replaces traditional fluorinated compounds, steering display materials toward greater environmental safety. It was awarded the "Green and Low-Carbon Award" under the "2024 New Display Industry Chain Contribution and Collaborative Innovation Program."

Intellectual property protection

The Company places high priority on IP management and protection, continuously refining its IP management system. It has established a dedicated patent management team and implemented comprehensive policies—including the *Intellectual Property Management Measures, Patent Application Management Procedure*, Trade Secret Protection Policy, and Patent Management System—to build a systematic IP governance framework, certified under relevant standards. Additionally, through inventor incentive programs and patent literacy training, it fosters employee innovation and strengthens IP compliance awareness, enabling synergistic advancement of technological and managerial innovation. During the reporting period, 15 employees received R&D incentives.

Key certifications

GB/T 29490 Intellectual Property Compliance Management System Certification

Case | Conducting IP training to strengthen compliance management capabilities

In June 2025, the Quality Department organized a specialized training session on the IP compliance management system, attended by relevant functional departments. The session provided systematic instruction on IP management documentation, role-based responsibilities, and departmental goal alignment, deepening understanding of compliance requirements, clarifying accountability boundaries, and enhancing standardized, collaborative IP governance.

Intellectual Property Training

Ethics of science and technology

The Company upholds science and technology ethics as a foundational principle for innovation and business growth. Across R&D, production, and operations, it strictly adheres to relevant ethical guidelines, ensuring technological advancement aligns with social responsibility. Through standardized governance, it enhances transparency and traceability of technology applications to prevent misuse. Guided by the mission of advancing social progress and sustainable development, it prioritizes environmentally benign technologies to minimize resource consumption and ecological impact.

Indicators and targets

The Company remains committed to driving industrial advancement through technological innovation, continuously increasing R&D investment to enhance its innovation capacity and technical competitiveness. By strengthening core R&D teams, intensifying new materials R&D, and deepening industry-academia-research collaboration, it consistently achieves breakthroughs in core technologies and accelerates product iteration.

R&D strategic goals

Enhancing R&D efficiency

Improve R&D efficiency and innovation capability through optimized processes and resource allocation.

Cultivating a high-quality team

Enhance talent development and recruitment to build a high-caliber, professional R&D

Strengthening intellectual property protection

Strengthen IP management and protection to safeguard the Company's legitimate rights in technological innovation.

2025 innovation and R&D goals	Achievement status
Continuously increasing R&D investment	Achieved. In 2025, total R&D expenditure amounted to RMB 1,201.5738 million, representing a year-on-year increase of 15.87%, or 5.57% of operating revenue
Increasing the number of granted patents	Achieved. In 2025, 980 new patents were granted, including 68 for Shanshan Anode and 912 for Shanjin Optoelectronics.

Key performance

As of December 31, 2025, the Company's polarizer film business has secured over **2,000** patents related to LCD and OLED polarizers in major countries worldwide, including South Korea, China, Japan, and the United States. A total of **2,155** patents have been granted (including **1,765** overseas patents), comprising **2,061** invention patents and **94** utility model patents, establishing a solid patent barrier covering the LCD and OLED fields;

The Company's anode materials business holds **402** granted patents, including **18** international patents, **256** domestic invention patents, and **128** utility model patents.

Strict Quality Management

Shanshan has always regarded quality and reputation as the cornerstone of its development, committed to delivering high-quality products and superior service experiences. Strictly complying with domestic and international regulations and fully implementing global quality management standards, it continuously elevates product and service excellence through standardized, refined processes. Under unified quality mandates, each business unit tailors its quality management system to its operational characteristics, ensuring consistent and reliable product and service quality.

In 2025, Shanshan Anode, Shanjin Optoelectronics, and their subsidiaries continued to enhance their quality management systems. Shanjin Optoelectronics' system obtained ISO 9001 certification, while Shanshan Anode holds both ISO 9001 and IATF 16949 quality management system certifications. These efforts comprehensively strengthen quality control and lay a solid foundation for the Company's products to enter the global high-end supply chain.

Shanshan Anode's IATF 16949 quality management system certification (left), Shanjin Optoelectronics' ISO 9001 quality management system certification (right) (partial display)

Governance

Shanshan Anode

Shanshan Anode has established a systematic quality management framework aligned with IATF 16949 and ISO 9001 standards, including the Quality, *Environment, and Occupational Health & Safety Management Manual, Project Management Control Procedure, Product Manufacturing Control Procedure, Corrective and Preventive Action Control Procedure, Nonconforming Product Management Control Procedure,* and *Continuous Improvement Control Procedure,* ensuring all quality activities are governed by clear protocols.

Building on this, Shanshan Anode has established a quality management structure jointly led by the Executive General Manager, System Owner, senior management, and the Quality Department, to holistically coordinate quality initiatives. Customer-centric and committed to "zero defects," the Company conducts at least one group-wide internal audit and management review annually to assess the suitability, adequacy, and effectiveness of its quality system and verify achievement of quality objectives.

Shanjin Optoelectronics

Shanjin Optoelectronics integrates ISO 9001 and IATF 16949 requirements into its proprietary Quality Operations System, codified in the Quality Operations Manual. This clarifies roles and authorities across all stages, reduces potential quality risks through standardized process controls, and continuously enhances product quality competitiveness.

Shanjin Optoelectronics' quality policy

Strategy

The Company places strong emphasis on systematic identification and management of risks and opportunities in quality management. Using scientific methodologies to assess potential risks and growth opportunities, it ensures product quality consistency, fulfills customer expectations, and drives continuous improvement and business growth.

Risk type	Risk description	Impact period	Probability of occurrence	Financial impact content	Response measures
Supply chain quality risk	Unstable or nonconforming raw material/component supply may cause production delays or quality issues.	Long-term	Medium	May lead to returns, claims, production halts, and reputational damage, adversely affecting revenue and profit.	Enforce rigorous supplier qualification, conduct regular performance assessments, and establish alternative sourcing channels.
Production process risk	Process instability, equipment failure, or operator error may result in nonconforming products.	Medium term	Medium	Leads to scrap, rework, and additional inspection costs, impairing production efficiency and financial performance.	Implement standardized work instructions, enhance process controls and equipment maintenance, and deploy real-time anomaly monitoring with rapid response protocols.
Customer complaint and reputation risk	Product quality issues may trigger customer complaints or brand reputation damage.	Short and medium term	Medium	Potential sales decline, contract termination, and brand equity erosion.	Establish customer feedback loops, respond swiftly to quality issues with corrective actions, and enhance after-sales support and quality training.

Quality management risk identification

Opportunity type	Opportunity description	Impact period	Probability of occurrence	Financial impact content	Response measures
Opportunity to expand customer demand	Meet premium customer or emerging market demand for high-quality products.	Medium and long term	High	Expand sales volume, increase market share, and enhance customer loyalty.	Establish customer needs assessment mechanisms to refine product design and customization capabilities.
Digitalization and intelligent manufacturing opportunity	Leverage digital tools and smart production monitoring to enhance quality management efficiency.	Medium and long term	High	Reduce defect rates and inspection costs, improving operational efficiency.	Advance intelligent equipment upgrades and implement real-time data monitoring and analytics systems.

Quality management opportunity identification

Impact, risk, and opportunity management

The Company follows a closed-loop risk management process: "Identify–Analyze–Correct–Verify–Prevent." Upon nonconformities or customer complaints, the Quality Department initiates an 8D report or CAPA form per the *Corrective and Preventive Action Control Procedure,* convenes cross-functional teams to identify root causes, implements corrective actions, validates effectiveness, incorporates lessons into standardized documents, and horizontally deploys improvements to similar processes. Monthly statistical analysis of nonconformities enables targeted reduction plans for high-frequency defects, ensuring risks remain controlled.

Full lifecycle quality management

The Company has built a full lifecycle quality management system across its two core businesses—anode materials and optoelectronic materials—to continuously enhance product quality control and customer satisfaction.

In anode materials, Shanshan Anode focuses on manufacturing quality stability and process control, establishing end-to-end quality management—from incoming inspection and in-process control to outbound and post-sale oversight.

- Deploy dedicated PQE teams for full-process quality monitoring and leverage digital systems for quality trend early warning
- Implement headquarters-led periodic process audits with corrective action tracking for anomalies
- Enhance issue resolution and closure through cross-functional coordination among production, R&D, and supply chain

Full lifecycle product quality initiatives

- Enforce line-stop analysis for consecutive nonconforming batches to ensure thorough root cause resolution
- Establish CSR identification and implementation workflows to ensure products meet customized requirements

In optoelectronic materials, Shanjin Optoelectronics emphasizes front-end prevention and end-to-end digital quality control. It has established a full lifecycle quality management system spanning product design, raw material sourcing, manufacturing, inspection/release, warehousing/logistics, customer use, and end-of-life, supported by a digital platform that collects real-time quality data and enables dynamic monitoring at critical control points.

Product development stage	Mass production stage	Product delivery stage
Quality team participates concurrently in design reviews and FMEA to identify and mitigate risks upfront	Ensure process stability through SPC-based periodic process audits	Implement closed-loop customer feedback mechanism to rapidly trace field issues back to R&D and production for continuous improvement

Quality management training

The Company highly values quality talent development, continuously refining its training system to enhance employee expertise and quality awareness, providing essential human capital for effective quality system operation.

In anode materials, Shanshan Anode delivers multi-tiered quality training aligned with role requirements—covering quality tools, project management, product knowledge, QMS standards, and CSR—through blended learning (internal trainers + external experts, online + offline) to ensure workforce competency matches job demands.

Case | Promoting foreign object management regulations to strictly control production quality

In 2025, Shanshan Anode conducted a foreign object management training session with 58 participants. The program systematically covered definitions, sources, hazards, and end-to-end control requirements for foreign materials. This initiative reinforced employee awareness of contamination risks, clarified preventive responsibilities across all stages, and laid a solid foundation for product cleanliness and quality risk mitigation.

Foreign object management regulation awareness training

In optoelectronic materials, Shanjin Optoelectronics treats quality capability building as a strategic priority, establishing a "tiered, specialized, and comprehensive" quality training system: quality leadership programs for management, specialized technical training for key roles, and enterprise-wide quality awareness campaigns complemented by external certifications and industry exchanges to systematically elevate quality management proficiency.

Shanjin Optoelectronics conducts quality training

Quality leadership training for management

Offer mid-to-senior executives courses on quality strategy, risk early warning, and quality culture to strengthen decision-making capabilities.

Company-wide quality awareness promotion

Promote "zero defects" philosophy and standardized work requirements through case-sharing sessions, Quality Month events, and other initiatives.

Specialized skills training

Deliver hands-on courses—such as reliability engineering, MSA, and problem-solving tools (e.g., 8D, fishbone diagrams)—for quality engineers, inspectors, and other specialists.

External certification and exchange

Encourage staff to pursue external certifications (e.g., Six Sigma, ISO internal auditor) and invite industry experts for forward-looking quality technology forums. Over 20 training sessions were delivered annually, reaching more than 2,000 participants, supported by evaluation and credentialing mechanisms.

The "tiered, specialized, and comprehensive" quality training system

Product recall management

Shanshan Anode has established a product recall management mechanism per the *Customer Complaint Handling Regulations and Customer-Returned Product Disposition Procedure.* Upon identifying major quality risks (e.g., foreign objects, metallic contaminants, regulatory noncompliance) in shipped products, the OQC initiates a "Product Recall Request," which—upon approval by Technical, Sales, and Quality Directors—is executed by the Sales Manager notifying customers and arranging retrieval. Recalled items are quarantined with unique labeling, then dispositioned (rework/scrap) following review, with CAPAs launched to prevent recurrence. Shanjin Optoelectronics operates a closed-loop recall system guided by "rapid response, precise traceability, and complete closure." **No** major product recalls occurred in 2025.

Recall trigger mechanism

When quality anomalies potentially affecting safety, compliance, or critical performance arise, Quality collaborates with R&D and Sales to initiate a recall assessment.

Tiered action plan

Recall plans are risk-tiered, encompassing customer notification, return/replacement, root cause analysis, and regulatory reporting as required.

Traceability and localization

Using unique product identifiers and the SCM system, affected batches, distribution paths, and inventory status can be pinpointed within 2 hours.

Closed-loop improvement

Post-recall, Quality leads a root cause review, updates FMEA/control plans, and horizontally deploys fixes to similar lines to prevent recurrence.

Shanjin Optoelectronics product recall management system

Indicators and targets

The Company sets clear annual quality objectives, which are reviewed by management, approved by senior leadership, and tracked through internal audits, management reviews, and daily monitoring.

	2025 quality objectives	Achievement status
Shanshan Anode	First-pass yield of finished products ⩾ 99%	Achieved. The first-pass yield of finished products was 99.59%
	Customer satisfaction ⩾ 95%	Achieved. Domestic customer satisfaction was 97.02%, and overseas customer satisfaction was 95.50%
	Customer audit pass rate: 100%	Achieved. The customer audit pass rate was 100%
	Customer complaint rate ⩽ 0.025%	Achieved. The customer complaint rate was 0.015%

Digital management

The Company is steadfastly advancing its digital transformation strategy, treating information management and intelligent manufacturing as key enablers of core competitiveness. During the reporting period, it continued building a comprehensive and deep digital management system—through core system implementation, data interoperability, and smart factory development—to drive intelligent production models, achieving cost reduction, efficiency gains, and high-quality growth.

Information security system

Establish and improve an independent and controllable information security system to ensure enterprise information security and business continuity, ensure the controllability of standards during informatization construction, and provide strong guarantee and support for the construction and application of a unified informatization platform.

Informatization management and control mechanism

Establish and improve a standardized and efficient informatization management and control mechanism to ensure the unity, standardization, and orderliness of informatization construction; enhance the quality, efficiency, and level of informatization services; improve the effectiveness and benefits of informatization; and promote the healthy and orderly development of the entire informatization initiative.

Digital ecosystem

Establish a system including master data, account number, internal organization, external partnership, business travel, cost control, projects, information security, etc. to improve the Company's digital ecosystem.

Digital strategic goals

Case | Sichuan Shanshan selected as a provincial advanced-grade smart factory

In July 2025, the Sichuan Provincial Department of Economy and Information Technology released the "2025 List of Advanced-Grade Smart Factories in Sichuan Province," and Sichuan Shanshan New Materials Co., Ltd. was successfully included for its "Shanshan Synthetic Graphite Anode Material Smart Factory." As a smart manufacturing facility for synthetic graphite anode materials, Sichuan Shanshan has deployed a suite of advanced intelligent hardware and software platforms to achieve end-to-end automated and intelligent production control.

2025 Meishan City Advanced-Grade Smart Factory Recommendation Summary Table

No.	Company Name	Factory Name
1	Sichuan Dawn Precision Technology Co., Ltd.	Sichuan Dawn Precision cloud-based intelligent manufacturing smart factory
2	Sichuan Golden-Elephant Sincerity Chemical Co., Ltd.	Sichuan Golden-Elephant Sincerity green chemical smart factory
3	Sichuan Shanshan New Materials Co., Ltd.	Shanshan synthetic graphite anode material smart factory
4	Sichuan Tinci Materials Technology Co., Ltd.	Advanced-grade smart factory for full electrolyte production process
5	Gree Electrician (Meishan) Co., Ltd.	Gree high-end electromagnetic wire digital smart factory
6	Truly (Renshou) High-end Display Technology Co., Ltd.	Truly (Renshou) high-end display technology smart factory
7	Sichuan Tianfu Jiangdong Technology Co., Ltd.	Tianfu Jiangdong green smart factory
8	China Construction Steel Structure Sichuan Co., Ltd.	China Construction Steel Structure smart factory
9	Sichuan Steel Structure Smart Manufacturing Co., Ltd.	Sichuan Steel Structure Smart Manufacturing Co., Ltd. smart manufacturing factory
10	Meishan CRRC Fastener System Co., Ltd.	High-speed rail equipment fastener smart factory

Case | Digital upgrade empowers intelligent manufacturing of polarizer film for high-end displays

In 2025, Shanjin Optoelectronics (Nanjing) was successfully recognized as a "Jiangsu Advanced-Grade Smart Factory," receiving authoritative acknowledgment in the field of smart manufacturing. The facility has implemented end-to-end digital management across its operations, from raw material warehousing and distribution to production and inspection. Production data is connected in real time, enabling full traceability of each product's information, with anomalies automatically logged and analyzed, significantly reducing defect rates and enhancing production capacity. Through its integrated model of "digital intelligence + green and low-carbon + flexible manufacturing," the factory has achieved automated production, optimized energy use, and personalized flexible manufacturing, driving the intelligent and green transformation of high-end display materials manufacturing.


关于2025年江苏省先进级智能工厂名单的公示

江苏省工信厅 gxt.jiangsu.gov.cn 日期：2025-06-15

字体：【大 中 小】 打印

根据《关于组织开展2025年江苏省先进级智能工厂"申报工作的通知》（苏工信信发〔2025〕28号）要求，经规定程序通过企业名单予以公示（见附件）。公示期为2025年6月15日至5月21日。

议，请在公示期内实名反馈省工业和信息化厅，并提供佐证材料和联系方式，以便核实查证。联系电话：025-69652756（业务

附件：2025年江苏省先进级智能工厂名单

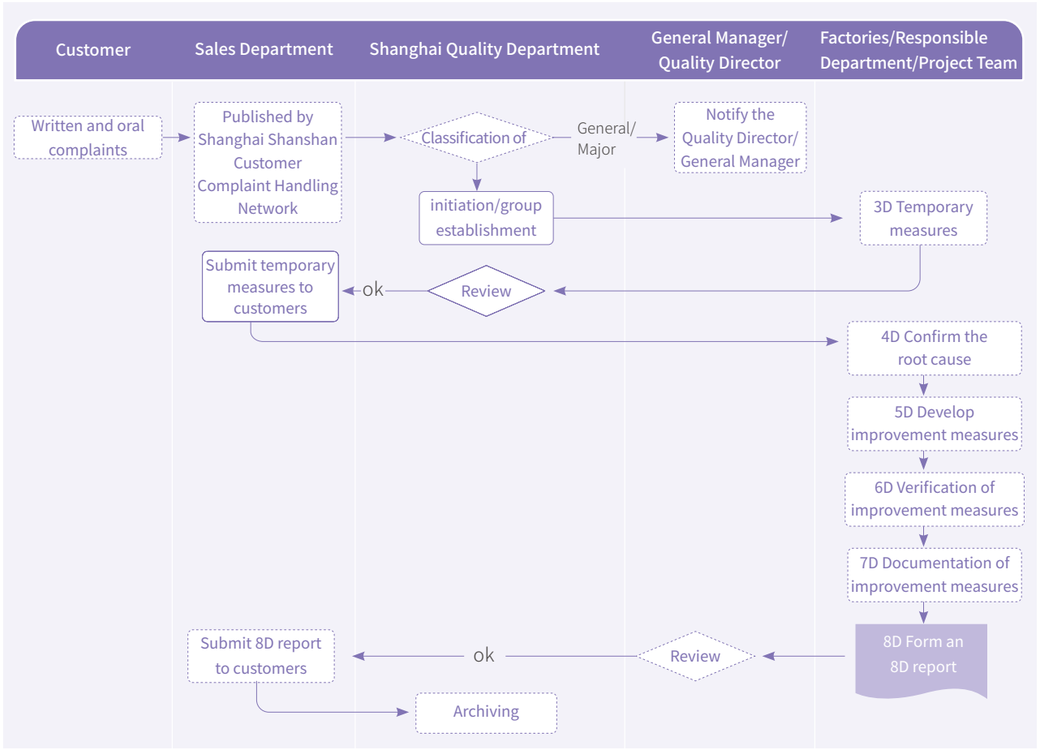
Shanjin Optoelectronics recognized as a "Jiangsu Advanced-Grade Smart Factory"

Response to Customer Needs

Shanshan consistently places customer experience at the core of its operations, adhering to a holistic customer service philosophy. It continuously refines its product and service management systems to enhance customer satisfaction and service quality. Through institutional development, process optimization, and capability enhancement, the Company is committed to delivering stable, reliable products and efficient, professional service experiences.

Customer rights and interests protection

The Company places high importance on protecting customer rights and has established a systematic customer service and complaint management mechanism. Shanjin Optoelectronics has formulated the Customer Complaint Handling Procedure, while Shanshan Anode has developed the Customer Satisfaction Control Procedure and Customer Complaint Handling Regulations to continuously optimize complaint resolution processes and improve response speed and handling quality. Additionally, dedicated task forces are formed for key customers, integrating R&D, production, and supply chain functions to fulfill customized requirements and elevate service levels. Furthermore, regular training on product knowledge, service skills, and communication capabilities enhances employee professionalism, streamlines service workflows, effectively reduces complaints, and drives sustained improvement in customer satisfaction.



Shanshan Anode customer complaint handling process

Customer satisfaction surveys

To enhance customer satisfaction, Shanshan Anode conducts annual surveys at year-end among its top core customers by order volume, covering dimensions such as product quality, delivery, service, complaint resolution, packaging, and environmental performance. Led by sales managers and compiled by the Quality Department into an annual customer satisfaction analysis report, the findings trigger cross-functional reviews and corrective action plans for low-scoring areas and customer feedback, ensuring closed-loop resolution.

both Shanshan Anode and Shanjin Optoelectronics conducted customer satisfaction surveys,

Shanshan Anode's domestic customer satisfaction was

97.02%

and overseas customer satisfaction was

95.5%

Shanjin Optoelectronics's customer satisfaction was

94.41%

Case | Shanshan Anode receives CATL "Agile Supplier Award"

In 2025, Shanshan Anode established a cross-functional professional service team for key client CATL, spanning senior leadership, sales, R&D, quality, supply chain, ESG, warehousing/logistics, and overseas operations. With clearly designated account leads and responsibilities, the matrix-based structure enables rapid identification, precise communication, and efficient closed-loop handling of customer needs. This proactive, professional approach conveyed strong commitment to the client, significantly improving response timeliness and resolution accuracy, contributing to the award of the "Agile Supplier" recognition.

Caption: Won the "Agile Supplier" Award

Case | Shanshan Anode receives "Technology Innovation Award" from LGES

In 2025, Shanshan Anode collaborated closely with LGES to rapidly validate design requirements and deliver samples, while efficiently addressing audits and technical issues to support smooth mass production of the battery program. Its products earned high recognition from LGES for reliability, making Shanshan one of the first suppliers qualified for mass production of deposited silicon-carbon anode materials.

Technology Innovation Award

Case | Shanjin Optoelectronics receives "Special Contribution Award" from TCL CSOT

In 2025, Shanjin Optoelectronics provided efficient and reliable support to TCL CSOT through stable supply of core materials, proactive technical collaboration, and rigorous quality management. For its outstanding performance in supply assurance, technological innovation, and quality delivery, the Company was awarded the "Special Contribution Award" by TCL CSOT.

TCL CSOT "Special Contribution Award"

Collaborative Progress Creating Shared Value

Philosophy

Adhering to a symbiotic and win-win philosophy, Shanshan has established an ESG management system spanning the entire supply chain lifecycle. It strictly enforces conflict minerals controls, innovates supplier responsibility management, and leverages digitalization to enhance procurement transparency. Simultaneously, the Company actively builds a comprehensive strategic cooperation ecosystem, deepens industry-academia-research co-innovation, leads joint development of industry standards, expands global technical collaboration, and spearheads value co-creation for sustainable industrial chain development.

Our actions

Supply Chain ESG Management

Shanshan continues to deepen responsible supply chain development by fully integrating ESG principles into supplier management, organically aligning transparent ("sunshine") and green procurement standards to enhance end-to-end supply chain transparency and standardization. Through specialized sustainable procurement training, it strengthens suppliers' environmental and social accountability, jointly enhancing the supply chain's capacity for social value creation. Leveraging its industry leadership, the Company proactively guides suppliers toward green and low-carbon transformation, rigorously implements supplier admission and evaluation protocols, and fortifies risk defenses in procurement. Meanwhile, it ensures equal treatment of small and medium-sized enterprises (SMEs), fostering upstream-downstream synergy and shared value creation, underpinned by a resilient, sustainable supply chain that supports high-quality corporate growth and industrial ecosystem optimization.

Governance

The Company places high importance on supply chain ESG management, having formulated and continuously refined policies including the *Procurement Policy*, *Supplier Management*, and *Supplier Evaluation, Selection, and Development* to optimize procurement processes, regulate supplier conduct, and ensure supply chain stability and sustainable development. It has established the Procurement Department as the central unit for supplier management, with clearly defined responsibilities for procurement oversight, full-lifecycle supplier control, and rapid order response, forming a closed-loop governance structure. This framework is horizontally integrated with Quality, Finance, Production, and other functions to support effective execution of supplier management procedures, ensuring efficient and stable supply chain operations.

The Company systematically advances sustainable procurement through internal-external collaboration

internally

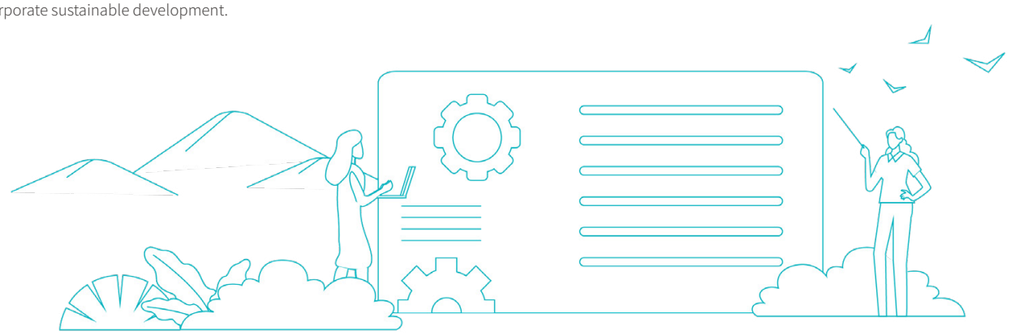
it provides specialized training to enhance the procurement team's expertise and practical capabilities

externally

it focuses on supplier capacity building, guiding partners via sustainable development-themed training to implement the Supplier Code of Conduct, thereby elevating the entire supply chain in green, safe, and sustainable practices.

Strategy

From a holistic supply chain perspective, the Company systematically identifies key risks in quality, safety, compliance, and environment, while proactively seizing strategic opportunities in efficiency gains, green transition, and collaborative development to formulate forward-looking, targeted supply chain strategies. While ensuring production continuity and product quality stability, it continuously refines supply chain responsiveness and collaboration effectiveness. By balancing short-term operational resilience with long-term value creation and aligning with stakeholder expectations, it enables the supply chain to capture opportunities and enhance resilience under controlled risks, laying a solid foundation and injecting momentum for corporate sustainable development.



Risk type	Risk description	Impact period	Probability of occurrence	Financial impact content	Response measures
Risk of instability in key raw material supply	The Company's production requires continuous supply of certain base raw materials and energy. Regional emergencies, supplier capacity constraints, or external environmental changes could cause temporary supply disruptions, impacting production planning.	Medium term	Medium	Unstable raw material supply may necessitate production rescheduling, increase emergency procurement or inventory costs, and adversely affect operating expenses and delivery commitments.	Establish a qualified supplier management mechanism, implement tiered supplier classification, maintain appropriate safety stock, and strengthen collaboration with core suppliers.
Risk of raw material price and procurement cost volatility	Raw material prices fluctuate due to market supply-demand dynamics, energy costs, and macroeconomic conditions, introducing uncertainty into procurement costs.	Short-term	High	Volatility in raw material costs may temporarily impact product gross margins and intensify cost control pressures.	The Company continues to deepen its global supply chain layout, improve its supply chain management system, and closely monitor fluctuations in upstream raw material prices to ensure supply security and mitigate cost volatility risks. By signing long-term agreements with upstream suppliers, it establishes stable supply channels and actively promotes the diversification and globalization of its raw material sourcing, further enhancing its supply assurance capabilities and cost advantages.
Supplier compliance and social responsibility risks	Individual suppliers may vary in their management of environmental practices, labor standards, or business ethics; exposure of such risks could affect the Company's supply chain compliance and reputation.	Medium term	Medium	Compliance failures may incur remediation costs, partnership adjustment expenses, or customer audit pressures, indirectly undermining operational stability.	Conduct ESG assessments of suppliers; based on results, continuously strengthen monitoring and dialogue, and guide stakeholders toward improvement.

Supply Chain Management Risk Identification

Opportunity type	Opportunity description	Impact period	Probability of occurrence	Financial impact content	Response measures
Opportunity to enhance supply chain stability	Continuously refining supplier management mechanisms and deepening long-term collaboration with core suppliers enhances the stability of raw material and service supply, improving production continuity and predictability.	Medium term	High	Enhanced supply chain stability reduces costs from production interruptions and emergency sourcing, improves operational efficiency, and positively supports cost control and revenue stability.	Continuously advance supplier admission, evaluation, and tiered management; strengthen communication and coordination with core suppliers to sustain long-term, stable partnerships.
Green supply chain transformation opportunity	Leveraging its industry leadership, the Company actively guides suppliers toward green and low-carbon transformation, enabling it to pioneer a green, low-carbon, circular supply chain system in alignment with downstream demand for low-carbon products.	Long-term	Medium	A green supply chain enhances product green premium potential and brand reputation, while mitigating future carbon tariff and environmental compliance costs, creating new momentum for long-term value growth.	Integrate ESG principles into supplier management; deliver green training and capacity-building programs to drive implementation of green procurement standards.

Supply Chain Management Opportunity Identification

Impact, risk, and opportunity management

The Company has established a scientific, full-lifecycle supplier evaluation system. The Procurement Committee, in collaboration with relevant departments, conducts delivery reviews and dynamic monthly/quarterly assessments across quality, price, delivery, technology, and professional ethics to drive continuous improvement and mutual growth. Qualified suppliers are added to the Approved Supplier List and prioritized for strategic partnerships; those with quality defects, delivery risks, or behaviors harming company interests trigger a strict exit mechanism for timely termination and risk mitigation. Concurrently, the Company continuously refines its closed-loop supply chain risk management system—covering identification, assessment, monitoring, and control—to systematically manage risks at every stage. Through dynamic monitoring, annual on-site audits, and emergency response protocols, it comprehensively enhances supply chain resilience and business continuity. This rigorous, science-based governance continuously reinforces a stable, secure, and sustainable supply chain foundation, enabling industrial chain synergy and value co-creation.

Supplier management process

Supply chain ESG management

The Company fully integrates ESG principles into supply chain management, formulating policy documents such as the *Supply Chain Due Diligence Management Policy* and *Supplier Management Control Procedure*. During supplier engagement, it strictly enforces the *Supplier Code of Conduct, Corporate Social Responsibility Performance Agreement*, and *Commitment Letter on Non-Use of Environmentally Hazardous Substances*, explicitly requiring raw materials and components to comply with environmental standards including Green Product Certification, RoHS, and REACH. Under equal conditions, priority is given to suppliers certified under environmental management systems. Additionally, the Company strengthens contractor accountability by signing specialized agreements covering construction qualifications, work safety, and environmental protection, ensuring partners uphold ESG commitments throughout contract execution and jointly building a green, transparent, and responsible supply chain ecosystem.

The admission process sets clear environmental compliance thresholds

Class A and B suppliers must hold ISO 14001 certification or demonstrate environmental capability via second-party audit. Raw material suppliers must provide annual updates of RoHS, REACH, and other hazardous substance test reports; those handling hazardous chemicals must also submit Material Safety Data Sheets (MSDS).

The audit process incorporates social responsibility and safety assessments

covering labor practices, business ethics, and trade security. Suppliers must sign the *Supplier Due Diligence Code of Conduct Commitment Letter*. Those with environmental or safety risks are subject to enhanced monitoring; any environmental incident triggers immediate re-audit.

Performance evaluation and exit mechanisms embed ESG constraints

quarterly assessments include a dedicated environmental compliance score; consecutive failures trigger warning (yellow/ red card) or disqualification. Changes in production location or safety/environmental incidents require additional second-party audits to ensure full-lifecycle ESG compliance.

Supplier ESG-related requirements

Transparent procurement

The Company places high emphasis on supplier business ethics and integrity compliance, universally signing *Sunshine Agreements, Confidentiality Agreements*, and *Sunshine Commitment Letters* for major holidays with all suppliers—clearly defining whistleblowing channels and anti-corruption requirements to firmly prevent bribery and data leakage. All procurement personnel are required to sign Procurement Personnel Guarantee Letters, strictly regulating professional conduct, eliminating conflicts of interest, and upholding a fair, just, and transparent trading environment. Through mutual accountability and transparent governance, the Company continuously enhances supply chain business integrity and ensures equitable treatment for all partners.

Conflict minerals management

Shanshan Anode adheres to its responsible minerals sourcing commitment, strictly complying with the OECD Due Diligence Guidance and Section 1502 of the Dodd-Frank Act, and fully implementing responsible sourcing principles for minerals from conflict-affected and high-risk areas. The Company requires suppliers to deeply understand potential human rights, environmental, and social risks in mineral extraction and trade, and to explicitly acknowledge their responsibility and obligation within the supply chain to avoid contributing to conflict, respect human rights, and protect the environment. By strengthening supply chain due diligence and risk prevention, Shanshan Anode continuously advances transparency and compliance in the minerals supply chain, collaborating with partners to uphold a sustainable and responsible resource development ecosystem.

Indicators and targets

Target	Achievement status
100% coverage rate of suppliers signing the *Supplier Code of Conduct*	Achieved
100% coverage rate of suppliers signing agreements containing environmental and labor clauses	Achieved

During the reporting period, the Company's sustainable procurement and supplier ESG management indicators are detailed in the "Key Performance Table."

Equal treatment to small and medium-sized enterprises

The Company is committed to the equal treatment of small and medium-sized enterprises and continuously maintains positive collaborative relationships with partners such as suppliers and contractors. It strictly adheres to contractual agreements and settlement management systems, standardizes payment approval and processing, and reasonably allocates funds to ensure the orderly settlement of payments, actively fostering a fair, transparent, and mutually beneficial supply chain ecosystem.

Promoting Industry Development

As an industry leader, Shanshan centers its development on technological innovation and industrialization of R&D outcomes, courageously assuming its role in guiding sectoral advancement. The Company extensively organizes and deeply engages in industry summits and exchange forums, sharing replicable development insights and support based on its practical experience to inject sustained momentum into the industry's journey toward high-quality, sustainable futures. Meanwhile, it deepens strategic collaboration with core global industrial chain players and partners with universities on industry-academia-research integration, continuously refining multi-stakeholder communication mechanisms and focusing on cultivating high-caliber professionals to advance industrial standards and sector-wide upgrading, striving to establish global leadership in lithium battery anode materials and polarizer film.

Industry forum exchanges

Throughout its steady growth, the Company has consistently progressed alongside the industry, fully leveraging resources and platforms afforded by its association memberships to actively participate in alliance meetings, industry forums, and international summits. By collaborating with leading domestic and global enterprises, it continuously strengthens engagement with industry associations to jointly accelerate technological iteration and innovation. Simultaneously, the Company actively responds to global sustainable development calls, contributing tangible efforts to steer the industry toward a green, low-carbon future.

Associations participated by Shanjin Optoelectronics and its roles

- **Jiangsu Enterprise Informatization Association** — Member Unit
- **China Optics and Optoelectronics Manufacturers Association** — Governing Units
- **Jiangsu Optoelectronic Display Industry Alliance, Nanjing Flat Panel Display Industry Association** — Vice Chair Unit
- **Society for Information Display** — Member Unit

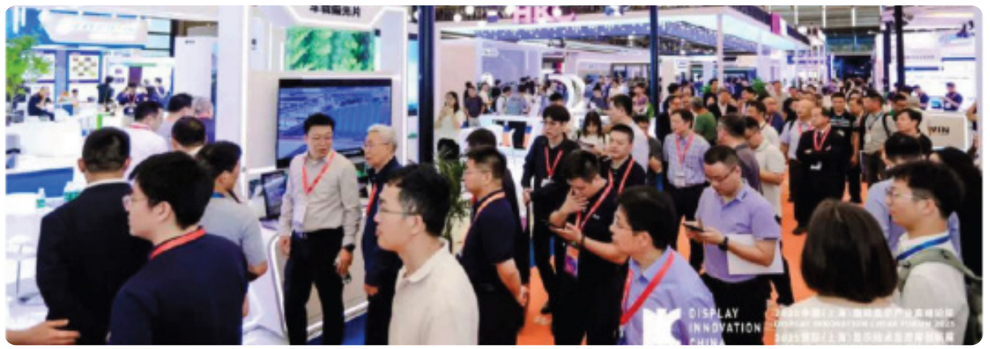
Case | Shanshan Anode participates in the 17th China International Battery Fair

In May 2025, Shanshan Anode participated in the China International Battery Fair (CIBF2025) in Shenzhen as a global leader in synthetic graphite anode materials, showcasing its latest advancements in high-performance battery materials and green energy applications. During the event, the Company engaged in in-depth discussions with global customers and industry partners, sharing insights on technological innovation and industrial application, further solidifying its leadership in the global battery materials market and contributing to the advancement of green energy industries.

Shanshan Anode participating in the 17th China International Battery Fair in Shenzhen

Case | Shanjin Optoelectronics leads high-quality development of the display industry through materials innovation

In August 2025, at DIC EXPO 2025, Shanjin Optoelectronics won both the "Display Material Innovation Gold Award" and "Silver Award" for its cutting-edge innovations. As a leader in the polarizer film sector, the Company has not only reinforced its dominance in large-size, premium LCDs but also achieved scale supply of OLED polarizer films, with its global market share for TV OLED polarizer films rapidly increasing to a world-leading position. In the automotive display sector, its wide-view polarizer films have passed extreme-environment reliability tests, meeting the diverse needs of smart cockpits. Moreover, the Company pioneered the launch of its self-developed PSA PFAS-free eco-friendly product, marking a breakthrough in the green transformation of core materials and demonstrating industry responsibility. During the exhibition, Shanjin Optoelectronics deepened engagement with global industrial chain partners, continuously expanding its open collaboration network to drive high-quality development of the display industry through materials innovation.



Shanjin Optoelectronics participating in DIC EXPO 2025

Participation in industry standard development

Leveraging its leading technical capabilities and deep industry expertise, the Company actively participates in the formulation of national, industry, and group standards, as well as related research initiatives. Drawing on its integrated strengths in R&D, production, and market application, it has organized specialized teams to deeply engage in drafting and revising multiple standards, continuously contributing practical experience and professional insights to refine the industry standard system. As of the end of the reporting period, the Company has led or participated in the completion of a total of **11** standards.

	Standard name	Standard category
Shanjin Optoelectronics	*Test Methods for Polarizing Films for Flat Panel Displays – Part 1: Physical and Chemical Properties*	Country
	Polarizer Film of Low Moisture Permeability for TFT-LCD	Industry
	Polarizer Film for the Mid-Small Size Organic Light-Emitting Diode Display	Industry
	Polarizer Film for the Organic Light-Emitting Diode TV Display	Industry
Shanshan Anode	National standard for sampling methods of carbon materials	Country
	Soft carbon	Country
	Petroleum-based needle coke	Country
	Mesophase microspheres	Country
	Coal-based needle coke mesophase coke	Industry
	Hard carbon materials — Electrochemical performance testing	Industry
	Guidelines for the entire process of intellectual property management in enterprise R&D institutions	Group

Industry-academia-research cooperation

The Company places great importance on university-industry collaboration as a key driver of industrial innovation and social progress. It actively explores diverse models of industry-education integration and deepens collaborative innovation with universities and research institutes. By integrating academic resources with industrial practice, the Company accelerates the commercialization of scientific and technological achievements and facilitates the real-world application of innovations. Through joint R&D projects and talent development mechanisms, it actively cultivates high-caliber professionals, empowering high-quality industry advancement and fulfilling its social responsibility through concrete actions to build an open, win-win industrial ecosystem.

Upstream and downstream manufacturers	Participating in regional industrial ecosystem development	Upstream and downstream manufacturers
Upstream and downstream manufacturers	Actively integrating into the industry-university-research ecosystem of Nanjing Economic and Technological Development Zone, and as a core enterprise in the new display industrial chain, driving the establishment of R&D centers and public technical service platforms.	Collaborating on projects with Nanjing University, University of Science and Technology of China, Xiamen University, China Electronics Standardization Institute, and China Center for Information Industry Development

Shanjin Optoelectronics' industry-university-research initiatives

Talent Pooling Working Together with One Heart

Philosophy

The Company has always regarded talent as the core driver of high-quality development, adhering to a people-oriented, fair, and equitable talent philosophy, and continuously building a diverse and multidisciplinary talent pool. It has established a tiered, categorized, and precisely tailored training system that provides customized development support for employees at different career stages to enhance professional expertise and enable continuous career progression. Meanwhile, it offers multi-dimensional career pathways, improves democratic communication mechanisms, and fosters an open, inclusive, and collaborative work environment. Through diversified incentives, it fully unleashes employee creativity, strengthens team cohesion, and lays a solid talent foundation for the Company's sustainable growth.

Our actions

Employment, Rights and Interests of Employees

Shanshan strictly complies with the Labor Law and other applicable regulations, establishing comprehensive policies covering anti-discrimination, child labor protection, and labor rights. It sets labor management objectives aligned with national standards and industry requirements and implements a dynamic management mechanism featuring semi-annual reviews and annual updates to systematically enhance talent management effectiveness and employee satisfaction, fostering symbiotic value creation between talent and the enterprise.

Equal employment

The Company strictly complies with domestic laws and regulations such as the Labor Law and the Labor Contract Law, as well as applicable legal requirements in overseas jurisdictions. It also aligns with international standards including International Labour Organization (ILO) conventions to systematically regulate all employment practices—including recruitment, termination, promotion, transfer, compensation, performance management, and working hours—to effectively safeguard employees' legitimate rights and interests. Upholding principles of fairness, equity, and transparency in employment, the Company continuously expands talent sourcing channels, enters into labor contracts with employees on a voluntary and lawful basis, respects and protects their rights, and contributes to a healthy and orderly labor market.

During the reporting period

the Company employed **6,413** people, including

332
from ethnic minorities

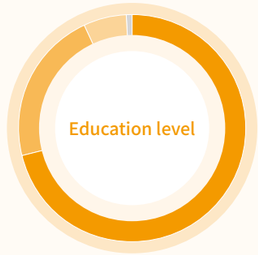
44
persons with disabilities

62
foreign nationals

532 new hires

The labor contract signing rate was
100%

Employee composition



The Company has established a multi-channel talent recruitment and scientifically optimized allocation system to continuously improve talent supply quality and organizational fit. It encourages internal referrals and internal competitions, and conducts precise external hiring while fully leveraging existing human resources, promoting holistic coordination and efficient, optimized deployment of human capital.

Recruitment channels

Internal competitions | online recruitment | headhunting
internal referrals | job fairs | campus recruitment, etc.

Protection of rights and interests

The Company respects and protects the rights of every employee, having systematically established a rights protection framework covering the entire employment lifecycle. During onboarding, it strictly prohibits child labor; during employment, it strictly avoids forced labor and maintains zero tolerance for any form of discrimination. Throughout the employment process, it continuously refines compensation and benefits mechanisms to ensure fair and reasonable returns, committed to fostering a workplace ecosystem rooted in respect, equality, and mutual success.

Anti-child labor, anti-discrimination, and anti-forced labor

The Company implements anti-child labor, anti-discrimination, and anti-forced labor measures in its labor rights compliance and social responsibility practices. It prohibits employment discrimination at all stages to ensure fairness, clearly affirms employees' freedom of labor, and eliminates non-compliant conduct. All subsidiaries strictly follow corporate requirements and formulate differentiated implementation rules based on local regulations and operational realities, ensuring the management system is both uniformly standardized and precisely executed.

Child protection

The Company strictly complies with laws and regulations such as the Provisions on the Prohibition of Using Child Labor and has formulated the Management Procedures for Prohibiting the Employment of Child Labor and Remedying the Misuse of Child Labor, which strictly forbids hiring minors under the age of 16. It has established a robust child labor identification and remediation mechanism. During recruitment, age information is verified through multi-dimensional checks including identity validation and file management. In daily operations, internal audits and dynamic monitoring are conducted. If child labor is inadvertently employed, a remediation protocol is immediately activated: work is halted, a health check is performed, full wages and benefits are paid, and the minor is safely returned to their guardian—all costs borne by the Company. Additionally, the Company extends these child labor requirements to suppliers, contractors, and other business partners to ensure full-chain compliance.

Anti-discrimination

The Company strictly complies with the Employment Promotion Law, the Law on the Protection of Women's Rights and Interests, and other relevant laws and regulations. It strictly prohibits any differential treatment or discriminatory conduct throughout the employment lifecycle based on race, color, age, sex, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, membership in a social group, protected veteran status, protected genetic information, or marital status. The Company guarantees that no medical tests or physical examinations with discriminatory intent will be conducted.

Anti-forced labor

The Company strictly prohibits any form of forced or coerced labor and explicitly affirms employees' rights to voluntary employment and free resignation. Labor contracts clearly specify job duties, compensation, and termination conditions, and prohibit illegal practices such as withholding identity documents or collecting security deposits.

The Company resolutely opposes child labor, discrimination, and forced labor

Compensation and benefits

The Company strictly complies with national and local regulations on wage payment and welfare provision and implements internal policies including Compensation and Benefits Management and Social Insurance and Housing Provident Fund Management. Beyond legally mandated "five insurances and one housing fund" contributions, it has established a multi-tiered benefits program encompassing statutory entitlements, specialized allowances, and corporate care initiatives.

Employee compensation

- Standard salary: Composed of base salary and performance-based pay
- Overtime pay
- Allowances: Duty allowance, qualification allowance, night shift allowance, special allowance, university allowance, technician allowance, position allowance, communication subsidy, transportation subsidy, meal subsidy, etc.
- Bonuses: Spot bonus, production bonus, year-end bonus, outstanding performance award, Spring Festival subsidy, achievement bonus, etc.

Employee compensation structure

Employee benefits system

Statutory benefits

Statutory social insurance, housing provident fund, public holidays, and statutory paid leave (including annual leave, sick leave, marriage leave, maternity leave, and breastfeeding leave)

Company benefits

Communication subsidy, meal subsidy, transportation subsidy, birthday gifts, holiday benefits, annual health check-ups, team-building activities, etc.


Employee birthday celebration


Distribution of New Year care packages


Health station


Recreation area


Library

Fitness area

Democratic management

Shanshan places high importance on democratic employee participation. To effectively safeguard employee rights, the Company has established a trade union system and set up Party and Youth League branches, respecting all employees' rights to join the union and engage in collective bargaining. It informs all employees of complaint channels via company-wide email and has established policies clarifying avenues for labor rights appeals, promptly addressing employee concerns and ensuring unfettered freedom of expression. This steadily advances democratic management and strengthens employee cohesion. The Company also explicitly protects whistleblowers: whether reports are submitted anonymously or under real names, complainant information will never be disclosed, and retaliation in any form against reporters or complainants is strictly prohibited.

Complaint channels

Shanjin Optoelectronics

- Suggestion boxes are placed within factory premises
- Zhengdao Business Station Reporting System & Complaint Platform
- Hotline: 020-2220-0225

Shanshan Anode

- Reporting email: sskjnk@shanshan.com
- Chairman/General Manager feedback boxes are installed at each factory site, enabling anonymous issue reporting via QR code scanning

On employee engagement, the Company has built a diversified communication and participation system centered on the Employee Representative Congress, ensuring employees can fully exercise rights to democratic decision-making, management, and oversight. It emphasizes diversity in representative composition and reasonably ensures adequate female representation, guaranteeing that voices from all roles and groups are fully heard and effectively conveyed.

Case | Democratic procedures lay the foundation for protecting employee rights

In June 2025, Shanshan Anode's Qingshan plant initiated the revision of the *Employee Handbook (2025 Revised Edition)*, following statutory procedures including trade union consultation and democratic review by the Employee Representative Congress. On June 20, the Company convened the congress, attended by all 53 representatives, who unanimously approved the revision by show of hands after thorough discussion. The revised handbook was then publicly posted and acknowledged by all employees, with its legal status as a supplementary annex to employment contracts formally confirmed. The entire process was supervised by the trade union to ensure procedural compliance, employee awareness, and open dialogue, effectively embedding democratic management into institutional development and providing a robust foundation for employee rights protection.

Employee Representative Congress at Shanshan Anode's Qingshan plant

The Company actively conducts employee satisfaction surveys, gathering comprehensive feedback through multiple channels including anonymous questionnaires and in-depth interviews across dimensions such as work environment, working hours, leadership attention, recognition, colleague relationships, leader communication, job responsibilities, work challenge, and compensation and benefits. Survey results have been incorporated into management decision-making. Guided by employee voice, the Company will continue refining its talent management system to ensure alignment between employee rights and corporate development.

During the reporting period

Shanshan Anode conducted an employee satisfaction survey with

100%

and an overall satisfaction rate of

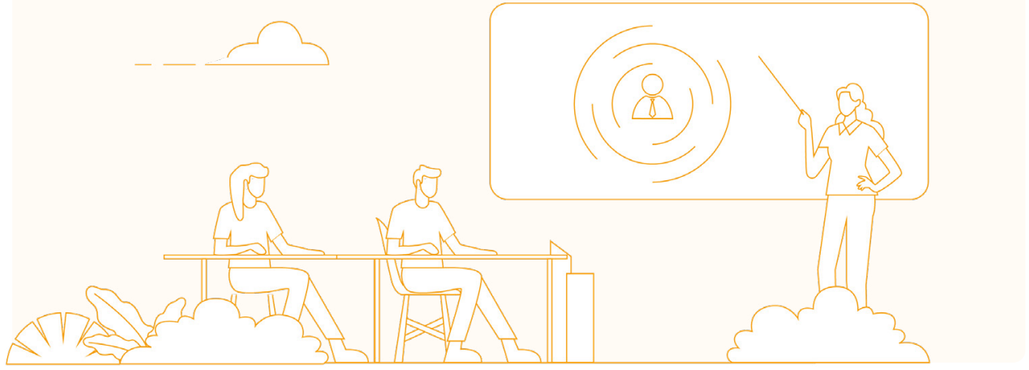
91.07%

Shanjin Optoelectronics conducted an employee satisfaction survey, achieving a score of

4 out of 5

an increase of

0.02 points from the prior year



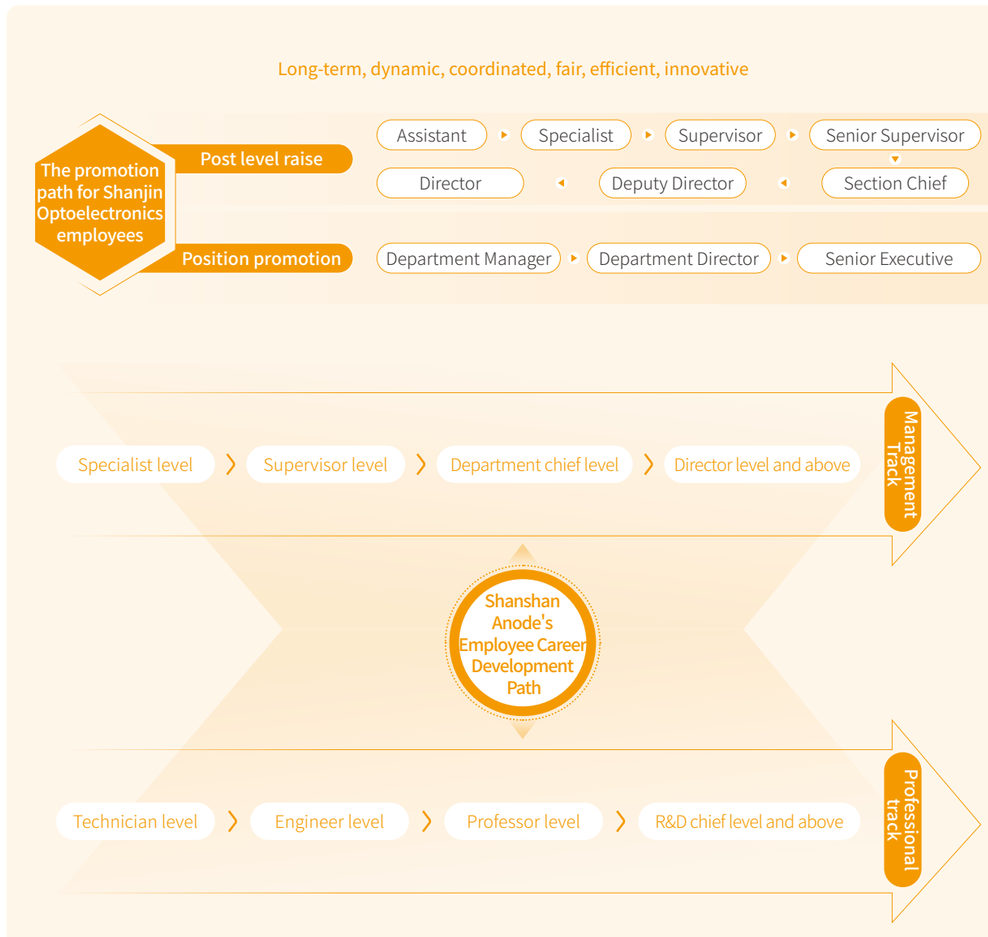
Employee Development and Training

Shanshan embraces sustainable development as a core principle, integrating talent development into its strategic framework and driving organizational growth with the core values of "Integrity, Responsibility, Innovation, and Accountability." Viewing capability building as essential to enhancing organizational resilience and competitiveness, the Company has established a long-term talent development mechanism, refined compensation incentives and career progression pathways, and created a multi-dimensional career platform featuring parallel professional and management tracks. It is also committed to building a learning organization by delivering tiered, customized training programs aligned with role requirements and career stages, systematically elevating professional competence, dynamically aligning individual aspirations with corporate strategy, and enabling synergistic growth and shared value creation between talent and business.

Career development

To continuously optimize talent development, the Company has formulated policies including the *Performance Appraisal Management Measures, Responsibility Appointment, Removal,* and *Promotion Management System*, and *Employee Evaluation Management System.* It has issued the *Annual Performance Appraisal Implementation Plan* and compiled *Job Descriptions* for all departments, clearly defining responsibilities, qualifications, evaluation criteria, and promotion benchmarks to establish a robust career development system. Concurrently, recognizing capability building as vital to organizational resilience and competitiveness, the Company provides tiered learning resources and development programs aligned with role needs and career stages, enabling dual-track growth in professional and management paths to drive talent-business synergy and long-term sustainable commercial and social value creation.

Implementation Rules for the Employee Development Plana



Addressing capability gaps and developmental needs across management levels, the Company has established a differentiated dual-track program: the DLP (Development Program for Leadership) for senior executives and the HPI (High-Potential Individual Program) for emerging leaders, implementing a systematic five-year development plan. Structured around the theme "Macro Vision – Strategic Thinking – Organizational Empowerment – Value Creation – Practical Application," the DLP focuses on strategic leadership and organizational transformation for senior executives, while the HPI enhances core management competencies and holistic capabilities of high-potential talent. The program integrates diverse formats—university EDP/MBA courses, benchmark enterprise visits, cross-departmental/regional rotations—and includes shared modules on trending topics and language training, ensuring talent development remains dynamically aligned with corporate strategy and delivers a solid pipeline for sustainable growth.

In cadre selection and appointment, the Company adheres to principles of fairness, equity, and transparency, selecting and promoting qualified candidates through prescribed procedures. It guarantees equal rights for female employees in leadership appointments, supports their lawful and compliant participation in corporate governance, and continuously fosters an inclusive talent environment grounded in equal opportunity and diversity.

Guided by its Performance Management policy, the Company has built a strategy-aligned performance management system. Through a structured appraisal mechanism, it ensures employee actions are synchronized with organizational objectives. Annual evaluations are conducted for all staff, with performance goals and expectations defined based on role responsibilities and formalized in a Position Performance Appraisal Form signed after mutual discussion. Assessments combine qualitative and quantitative metrics, with results directly linked to year-end bonuses, salary adjustments, promotions, and recognition—ensuring precise alignment between contribution and reward. An appeal channel safeguards employee rights. Additionally, during performance reviews, department heads co-develop improvement plans and provide targeted training and development support to drive mutual enhancement of organizational and individual performance. This mechanism spans the full cycle—planning, tracking, evaluation, and feedback—and is deeply aligned with the Company's culture and core values.

Employee training

Through standardized policies including the Training Management system, the Company has established a comprehensive talent development framework covering all employees across their entire career lifecycle. Training is delivered flexibly via internal instructors, mentorship, external expert sessions, and off-site study, using a blended model of online platforms and in-person classrooms. To ensure effectiveness, learning outcomes are assessed through exams, on-site Q&A, practical simulations, and reflection reports, guaranteeing mastery of role-specific knowledge and skills, comprehensively enhancing professional capabilities, and supporting continuous employee growth and career advancement.

The Company updates its annual training plan each year based on a needs assessment. Departments submit training requests aligned with corporate strategy, annual priorities, and workforce planning. The HR Department reviews these inputs and compiles the Annual Training Plan, specifying programs, target participants, delivery methods, schedules, and budgets, which is implemented upon approval.

During the reporting period

Shanjin Optoelectronics delivered **622** training sessions, totaling **6,842** hours, averaging **3.67** hours per employee

Shanshan Anode delivered **2,607** training sessions, totaling **7,374.5** hours, averaging **1.68** hours per employee

New employee training

The Company provides customized onboarding training for new employees, covering fundamental policies, corporate culture, business operations, professional conduct, business etiquette, and the employee code of conduct to help them integrate into the Company family as quickly as possible. For university graduates recruited annually through centralized hiring, the Company delivers intensive orientation and requires all departments to provide ongoing attention and development support during their first year, enabling them to rapidly assimilate into the corporate culture, adapt to workplace rhythms, and smoothly transition from campus to career.

General skills training

The Company has built an "E-learning" online platform to establish a regularized learning mechanism and introduce high-quality external course resources, comprehensively enhancing general competencies across the workforce. It conducts in-depth awareness and training programs focused on key topics such as quality, health and safety, and business ethics, while systematically delivering specialized training on corporate social responsibility and ESG awareness. This embeds compliance principles and a sense of responsibility into daily work practices, achieving dual enhancement of general capabilities and professional conduct.

Professional skills training

The Company collaborates closely with specialized external consulting firms, integrating internal and external educational resources to deliver timely insights on industry trends, professional theoretical knowledge, and practical methodologies, continuously strengthening the foundation of employees' technical expertise. In line with its annual training plan, the Company organizes various professional development sessions and encourages employees to share knowledge through peer-sharing forums, open lectures, and the E-learning platform, fostering an open, collaborative, and supportive learning environment that enhances overall competence.

Leadership training

The Company has established a tiered and categorized leadership development system for its management cadre. Through dedicated leadership enhancement camps, it sets targeted objectives: elevating strategic business acumen among senior leaders, reinforcing team management capabilities for mid-level managers, and strengthening comprehensive execution skills for frontline supervisors—creating a clear, layered talent development framework with precise empowerment. In 2025, the Company delivered a total of 6 specialized leadership training sessions, comprehensively enhancing managerial proficiency and core business competencies, thereby providing robust talent support for high-quality enterprise growth.

Training system

Case | Leadership training – Empowering talent through performance

In September 2025, Shanshan Anode launched the "9.19 Leadership Training Camp," structured around four modules: "Essence of Management – Goal Setting – Communication & Coaching – Performance Review," to comprehensively enhance managers' ability to empower their teams. The camp engaged personnel in critical management roles, effectively boosting team cohesion and execution, and contributing to a workplace ecosystem grounded in respect, empowerment, and shared progress—providing solid talent assurance for the Company's long-term value creation.

Case | Frontline manager capability enhancement at Shanshan Anode's Yunnan plant

In 2025, Shanshan Anode conducted a specialized capability enhancement camp for frontline managers at its Yunnan plant, focusing on professional competence, communication and collaboration, and employee engagement. The Company introduced the copyrighted TWI (Training Within Industry) program from Japanese manufacturing, delivering systematic training across three modules: "Job Relations," "Job Instruction," and "Structured Thinking."

Emphasizing practical application, the training combined extensive in-class exercises with real business cases to help managers master scientific problem-solving and employee coaching methodologies. This initiative embodies the Company's talent philosophy of "enhancing management through training," where tiered and targeted investment in development directly improves frontline management effectiveness and supports continuous improvement in production and operational quality.

On-site at the TRIZ training camp

Employee Care and Activities

Shanshan continuously refines its employee care and cultural development system, establishing a routine care mechanism centered on "holiday outreach – health management – family-friendliness – group support." Through diverse activities and human-centric management, it meaningfully enhances employees' sense of fulfillment and organizational cohesion. To enrich spiritual and cultural life, the Company regularly organizes hiking clubs, running and badminton groups, holiday celebrations, and birthday gatherings, promoting work-life balance. Additionally, it implements comprehensive care initiatives—including Spring Festival and Mid-Autumn Festival benefits, summer "cooling relief" and winter "warmth delivery" campaigns, and health services—extends support to employees facing hardship, and hosts family visit days and other family-friendly events, conveying organizational warmth across multiple dimensions to strengthen employee belonging and team unity.

Care for female employees

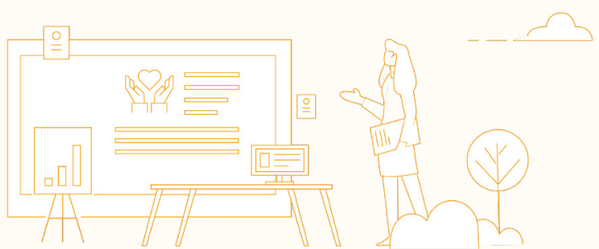
The Company places high priority on safeguarding the rights of female employees, having formulated specialized policies such as the *Management Regulations on Labor Protection for Female Employees*. It fully implements equal pay for equal work and ensures equal opportunities in employment and promotion, fostering a female-friendly workplace ecosystem. Beyond institutional safeguards, the Company emphasizes humanistic care for women. The trade union has established a dedicated Women's Committee and incorporated gender equity protections into collective agreements, actively defending and advancing the specific interests and legal rights of female staff, thereby cultivating a supportive environment that respects, cares for, and empowers women's professional growth.

Exclusive facility for female employees – Mommy's Room

Outdoor team-building activity for International Women's Day

During the reporting period

Female managers account for **26.84%** of middle management and **23.66%** of senior management within the Company



Employee activities

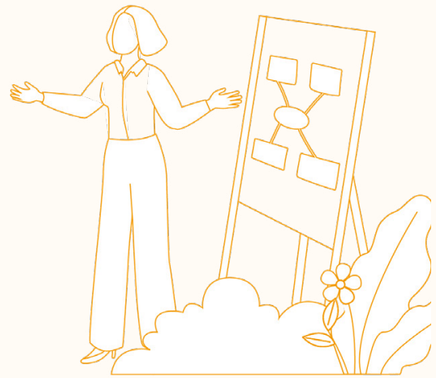
In 2025, the Company further deepened its employee care system by organizing diverse cultural, recreational, and interest-based club activities, as well as team-building events, significantly enriching employees' leisure lives, fostering a positive organizational climate, promoting physical and mental well-being and work-life balance, and achieving synergy between rest and productivity to enhance overall effectiveness.

Highlights of recreational and sports activities

Tug-of-war competition

Employee Baduanjin exercise session

"Guess lantern riddles and make tangyuan" activity for the Lantern Festival at the Fujian plant



Assistance for employees in hardship

The Company prioritizes employee well-being and has established a hardship assistance mechanism, providing targeted financial support to employees experiencing severe financial difficulty due to major illnesses or other causes. The trade union also conducts care and outreach programs for employees with serious illnesses, conveying organizational support and effectively alleviating practical hardships for employees and their families.

Occupational Health and Safety

Shanshan always prioritizes employees' occupational health and safety, strictly complying with laws such as the *Work Safety Law* and the ISO 45001 Occupational Health and Safety Management System. It adheres to the safety principle of "safety first, prevention as the core, comprehensive management," and follows the approach of "decentralized implementation, categorized implementation, gradual advancement, overall improvement" to systematically build its OHS management framework. Through policies including the *Quality, Environment, and Occupational Health and Safety Management Manual, Work Safety Responsibility Management System*, and *Work Safety Objectives Management System*, and by signing the *Annual Safety, Environmental Protection, and Health Target Responsibility Agreement,* the Company continuously refines accountability and incentive mechanisms to effectively safeguard employee health and ensure safe operations.

ISO 45001 Occupational Health and Safety Management System (partial display). As of December 31, 2025, a total of **10** entities, including Shanshan Anode, Shanjin Optoelectronics, and their subsidiaries, have obtained ISO 45001 certification

During the reporting period

the Company invested RMB **44.9486** million in safety and health

and conducted **287** emergency drills

Occupational health management

Regarding employee occupational health care and protection, the Company actively implements various health assurance measures, regularly organizes occupational health check-ups for employees, and establishes and maintains comprehensive employee health management records. Simultaneously, it continuously conducts occupational health awareness campaigns and safety protection training to disseminate knowledge on occupational hazard prevention and emergency response skills, guiding employees to enhance their self-protection awareness. This helps prevent and mitigate occupational health risks at the source, effectively safeguarding employees' occupational health and safety.

During the reporting period

he Company recorded **0** cases of occupational diseases

delivered **18,906.50** hours of occupational health and safety training

and achieved **100%** coverage in occupational health examinations

For continuous improvement, the Company adheres to the principle of "prevention-first, full participation, and ongoing enhancement," setting clear OHS management targets around key indicators such as occupational disease incidence and rigorously advancing dynamic optimization and iterative upgrades of its management system in accordance with ISO 45001. By accelerating occupational health protection initiatives and strengthening policy implementation and effectiveness, the Company is committed to creating a safer, healthier workplace, supporting sustainable enterprise development through systematic and scientific occupational health management.

Control level	Control dimension	Core content and requirements
Governance at the source	Engineering controls	Reduce or eliminate occupational disease hazards at the source by improving production equipment, process flows, and the work environment.
In-process control	Administrative controls	Establish and implement rigorous occupational health management protocols, including reasonable work scheduling, regular equipment inspection and maintenance, and timely repair or replacement of hazardous facilities. Ensure continuous control through identification, monitoring, and reporting of occupational hazard factors.
End-of-pipe barrier	Personal protective equipment	Provide employees with compliant personal protective equipment (PPE) and reinforce training and supervision to ensure proper use, maintenance, and replacement, achieving the "three abilities": ability to inspect, use, and maintain.
Dynamic monitoring	Health monitoring	Conduct regular environmental monitoring of workplaces, including measuring concentrations or intensities of occupational hazards such as harmful gases, dust, and noise. Promptly implement corrective or control measures based on results and maintain occupational health records.
Health protection	Health surveillance	Annually conduct pre-employment, in-service, and post-employment health examinations for employees exposed to occupational hazards. Promptly arrange re-examinations, medical observation, or job reassignment for those with abnormal results or occupational contraindications, and maintain "one file per person" occupational health surveillance records.
Awareness enhancement	Education and training	Deliver tiered occupational health training on workplace hazard awareness, PPE usage standards, and occupational disease prevention to enhance employee protection awareness and emergency response capabilities, fostering a culture of full participation in occupational health.

Work safety

The Company has established a Work Safety Committee as the highest leadership body for safety management, responsible for coordinating and overseeing the implementation of occupational health and safety initiatives. It has also formulated the *Standard for Hazard Identification and Risk Assessment* and formed a Safety Risk Tiered Control Team. In accordance with the *Work Plan for Safety and Environmental Hazard Inspection*, the Company regularly conducts safety patrols, hazard inspections, hazard source identification, and risk assessments, producing the *Report on Hazard Inspection, Risk Identification, and Tiered Control*. By strengthening source control and process oversight, it formulates and implements corresponding measures to achieve dynamic hazard management. Additionally, based on plant-wide risk assessments, the Company has developed a four-color risk distribution map to clearly indicate risk levels across zones, ensuring precise monitoring and effective prevention at critical locations.

During the reporting period

the Company conducted **25** safety hazard inspections

achieving a **100%** rectification rate for identified issues

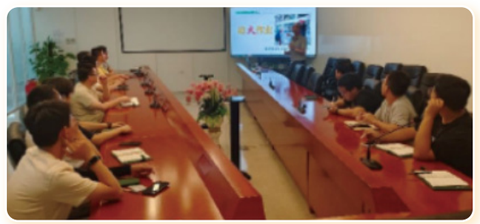
The company recorded **23** work-related injuries

0 work-related fatalities

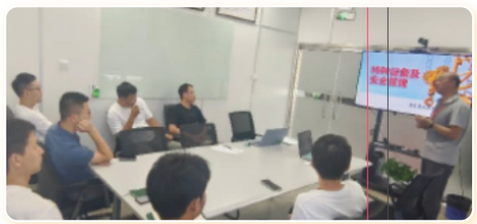
a lost-time injury frequency rate of **1.79%**

and **1,562** workdays lost due to occupational injuries

In system building, the Company continues to develop an efficient and stable work safety system, ensuring full implementation of all policies and measures. Through regular audits and risk assessments, it promptly identifies and rectifies safety hazards in production processes. Additionally, the Company emphasizes personnel capability development, widely conducting safety training and awareness campaigns to continuously enhance employee safety consciousness and self-protection skills, thereby fortifying its safety defenses comprehensively.



Special operations safety training



Special equipment management training

Emergency first aid training

Work Safety Month training

New employee safety training

Equipment safety experience training

AED training at Shanshan Anode's Qingshan plant

Emergency management

The Company continues to deepen its safety culture by systematically building an institutional framework covering occupational health and emergency management. It has formulated and implemented normative documents including the *Emergency Response Plan for Occupational Health and Safety Incidents, Management System for Safety and Environmental Emergency Drills, and Safety Education Management System*. Through strong institutional guidance, it concurrently promotes emergency plan dissemination, safety management training, and regular emergency drills, comprehensively enhancing employees' safety accountability and response capabilities. This effectively strengthens prevention, control, and elimination of occupational disease risks, ensures effective realization of OHS management goals, and guarantees full implementation of all safety system measures.

Case | Fire emergency drill at Shanshan Anode's Sichuan plant

In 2025, Shanshan Anode's Sichuan plant conducted phased fire and explosion emergency drills across workshops, simulating a sudden fire spreading into production areas. A Level II emergency response was activated, with functional teams for rescue, evacuation, medical aid, and security swiftly mobilizing to execute a full sequence of actions—including initial firefighting, personnel evacuation, casualty treatment, asset salvage, and site cordoning. The practical exercise enhanced employees' proficiency in using firefighting equipment and executing emergency evacuations, raising overall fire emergency awareness and interdepartmental coordination capabilities.

On-site at the fire emergency drill in Graphite Workshop No. 4

Case | Food poisoning emergency drill at Shanjin Optoelectronics

In March 2025, Shanjin Optoelectronics conducted a food poisoning emergency drill, simulating post-meal symptoms such as vomiting and abdominal pain among employees. The exercise covered the full response chain—from on-site first aid and medical diagnosis to sample testing and hospital transfer. Emergency teams responded promptly and coordinated seamlessly, effectively validating the feasibility and operability of the Company's *Emergency Response Plan.* This practical drill enhanced the Company's capacity to manage sudden food safety incidents, strengthened cross-departmental coordination, reinforced employee health safeguards, and demonstrated its "people-first" health management philosophy.

Original Aspiration Giving Back to Society

Philosophy

Originating from society and giving back to it is the original aspiration and ultimate purpose of corporate development. Shanshan remains mindful of its responsibilities amid growth and contributes to public welfare through Party-led initiatives, social philanthropy, and rural revitalization—embedding social responsibility into its DNA, advancing with the times, and thriving together with society.

Our actions

Party Building Leadership

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and deeply implementing the spirit of the 20th National Congress of the Communist Party of China, Shanshan continuously strengthens grassroots Party organization building and promotes deep integration of Party work with enterprise development. The Company's Party committee fully exercises its political core role, leading all Party members and employees to uphold firm ideals and convictions, enhance responsibility, and drive high-quality enterprise growth through high-quality Party building.

Case | Integrating standardized Party building with volunteerism to strengthen organizational cohesion

In March 2025, Shanjin Optoelectronics (Nanjing) organized Party members to carry out a practical activity embodying the spirit of Lei Feng, conducting environmental cleanups at nearby bus stops and surrounding areas. These standardized, routine organizational and volunteer activities effectively reinforced Party members' discipline and sense of duty, enhanced internal cohesion, and actively fulfilled the Company's environmental responsibilities in the community.

Shanjin Optoelectronics Party branch organizes Lei Feng learning activity

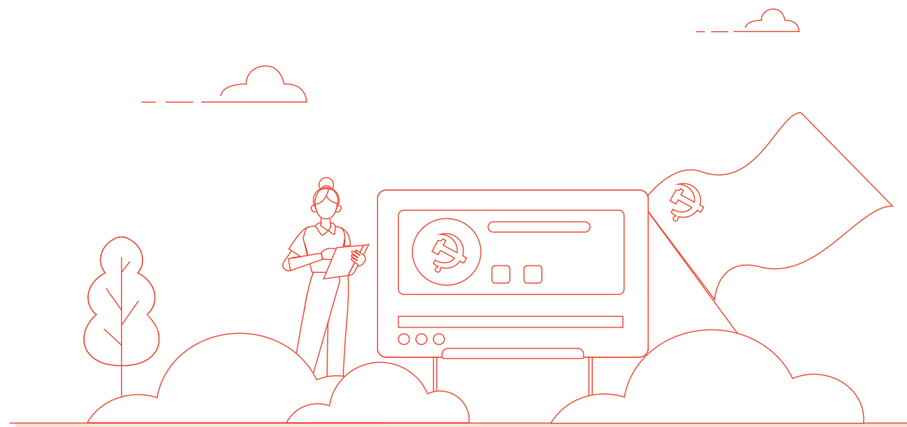
Case | Specialized study sessions to deepen integrity awareness

In March 2025, following a mobilization meeting on studying and implementing the CPC Central Committee's Eight-point Regulation held by the Nanjing Economic and Technological Development Zone, the Party committee of Shanjin Optoelectronics (Nanjing), led by its secretary, immediately convened a special study session and internal mobilization for Party members and cadres. The event aimed to promptly convey and thoroughly implement the meeting's directives and strengthen discipline awareness among all Party members and cadres. Through systematic learning and internal deployment, it effectively advanced the deep-rooted practice of integrity in the workplace, laying an ideological foundation for a clean and upright operating environment.

Shanjin Optoelectronics Party branch organizes Party committee study session

Case | Party members' vanguard role integrated into operations to enrich employee life and drive development

In 2025, the Party branch of Shanjin Optoelectronics (Nanjing) actively organized and co-planned diverse employee activities—including cultural events, sports, and skills competitions—effectively enriching leisure life and reducing work stress. Meanwhile, Party members played exemplary roles in key positions across R&D, production, and marketing, engaging in frontline product development as well as representing the Company at industry forums and major exhibitions. These efforts significantly enhanced employee belonging and team cohesion, transforming Party-building vitality into tangible momentum for innovation and growth.



Rural Revitalization

Shanshan actively responds to China's rural revitalization strategy, treating rural support as a core component of its CSR. Focused on consolidating poverty alleviation gains and advancing comprehensive rural renewal, the Company implements diverse assistance initiatives to promote coordinated economic, social, and ecological development in rural areas, contributing corporate strength to common prosperity and sustainable development.

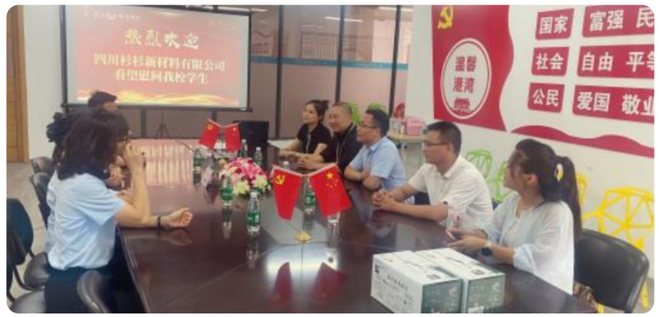
During the reporting period

the Company invested RMB **21,000** in rural revitalization

assisting a cumulative total of **32** individuals

Case | Joint Party building to advance rural revitalization and support student development

In June 2025, the Party branch of Shanshan Anode's Sichuan plant partnered with the Party branch of Gonghe Village, Huangfeng Town, in a joint Party-building activity, visiting a school to meet students sponsored by the Company and holding a dialogue session. Company representatives gained insight into students' academic and living conditions and encouraged diligent study and skill development. Through this collaborative model, the Company established a government-enterprise platform for nurturing talent, integrating social responsibility with human capital development to actively support regional advancement and social progress.



Social Welfare

Shanshan actively fulfills its corporate social responsibility, continuously integrating public welfare into its corporate strategy and contributing to societal progress through diverse initiatives. The Company encourages employees to engage with social issues and participate in philanthropy, enhancing their CSR awareness and involvement through public welfare campaigns, volunteer services, and related training—consistently delivering warmth and positive impact to society.

During the reporting period, Shanjin Optoelectronics formulated the *Social Public Welfare Management System* in compliance with laws including the *Law on Donations for Public Welfare and the Charity Law*, standardizing the organization, material management, and execution of public welfare activities. The Business Strategy Department oversees overall coordination, while the General Office handles day-to-day management and logistical support, ensuring orderly implementation. Shanshan Anode focuses on emergency response and community co-construction, delivering social warmth through practical actions and sustained investment.

Case | Shanshan Anode visits disadvantaged individuals to convey corporate care

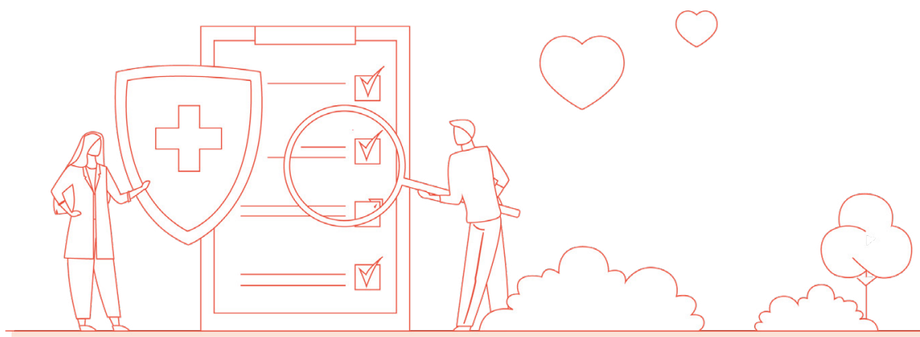
In 2025, Shanshan Anode's Fujian plant actively engaged in public welfare, organizing visits to 5 disadvantaged individuals and Party members, each receiving a RMB 500 consolation grant (totaling RMB 2,500) to alleviate living difficulties. Through these visits, the Company conveyed genuine care, fulfilled its social responsibility, and fostered a community spirit of mutual support.

Visiting disadvantaged individuals

Case | Employee blood donation drive to spread compassion and positive energy

In September 2025, 40 employees at Shanshan Anode's Qingshan plant in Baotou Integrated Base responded enthusiastically to a blood donation appeal, partnering with the Baotou Blood Center to host a donation drive. Through this act, employees demonstrated care and responsibility, contributed to medical relief efforts, and further promoted the Company's culture of compassion and public service.

Blood donation activity



Key performance

Topic	Quantitative indicator name	Unit	2025 data	2024 data	2023 data
Economic benefits	Operating revenue	RMB 10,000	2,158,701.52	1,867,972.90	1,907,022.52
	Total assets	RMB 10,000	4,513,597.92	4,620,798.23	4,847,496.60
	Tax paid during the reporting period	RMB 10,000	56,245.25	44,933.31	104,614.29
Corporate governance	Total number of board members	Persons	11	11	11
	Including: Number of female members	Persons	2	2	2
	Including: Number of independent directors	Persons	4	4	4
Business ethics	Total number of confirmed incidents of corruption	Cases	0	0	0
	Number of anti-commercial bribery and anti-corruption training sessions conducted	Times	58	72	3
	Average training hours per person on anti-commercial bribery and anti-corruption	Hours/ person	1.00	1.83	1.50
	Percentage of employees who have signed the integrity commitment letter	%	100	100	100
	Percentage of suppliers who have signed the anti-bribery commitment letter	%	90	100	100
	Total number of lawsuits/administrative penalties for violation of fair competition	Cases	0	0	0
Employee employment	Total number of employees	Persons	6,413	7,184	8,095
	Number of employees with disabilities	Persons	44	43	3
	Number of ethnic minority employees	Persons	332	335	276
	Number of foreign employees	Persons	62	32	28
Female development	Number of female employees	Persons	1,387	1,427	1,476
	Percentage in middle management	%	26.84	28.15	27.70
	Percentage in senior management	%	23.66	23.60	20.00
Employee rights and interests	Confirmed incidents of discrimination	Cases	0	0	0
	Confirmed incidents of forced labor	Cases	0	0	0
	Confirmed incidents of child labor	Cases	0	0	0
Occupational health and safety	Total hours of occupational health and work safety training	Hours	18,906.50	70,199.50	37,793.50
	Various types of emergency drills	Times	287.00	488	260
	Total investment in work safety:	RMB 10,000	4,494.86	4,166.35	5,186.88
	Employee health check-up coverage rate	%	100%	100%	100%
	Number of work-related fatalities	Persons	0	0	0
	Occupational disease incidence rate	%	0	0	0
Employee training	Total training time	Hours	14,216.50	54,839.40	6,129.50
	Total number of training sessions for the year	sessions	3,231	2,779	703
R&D and innovation	R&D expenditure	RMB 10,000	120,157.38	103,699.62	86,829.73
	Ratio of total R&D expenditure to operating revenue	%	5.57	5.55	4.55
	Total number of R&D personnel	Persons	441	428	402
	Percentage of R&D personnel	%	6.88	5.96	4.97
Supply chain security	Number of suppliers	Counts	536	/	/
	Percentage of suppliers who have signed the *Supplier Code of Conduct*	%	100	/	/
	Percentage of suppliers with contracts including environmental and labor requirement clauses	%	100	/	/
	Number of suppliers identified with significant actual and potential negative social impacts	Counts	0	/	/
	Number of suppliers identified with significant actual and potential negative environmental impacts	Counts	0	/	/
	Percentage of buyers within the Company who have completed sustainable procurement training	%	100	/	/
Data security and customer privac	Number of confirmed data security incidents	Cases	0	0	0
	Number of training sessions on data security and customer privacy protection	Times	21	6	6
	Number of relevant emergency drills	Times	18	5	5
	Number of confirmed customer privacy breaches	Cases	0	0	0
Social welfare	Contributions to society per share	RMB	1.34	0.87	1.65
Rural revitalization	Total investment in rural revitalization	RMB 10,000	2.10	10.40	/

Topic	Quantitative indicator name	Unit	2025 data	2024 data	2023 data
Environmental management	Total investment in environmental management	RMB 10,000	12,339.29	10,252.84	4,071.48
	Ratio of total investment in environmental management to operating revenue	%	0.57	0.55	0.21
Energy utilization	Comprehensive Energy Consumption	Tonnes of standard coal equivalent	543,474.56	496,457.76	307,931.52
	Total energy consumption per unit of revenue	Tonnes of standard coal equivalent/ RMB million	25.18	26.58	16.15
	Including: Gasoline	Litres	37,139.80	65,793.31	60,218.96
	Including: Diesel	Litres	454,753.45	627,347.40	696,111.86
	Including: Natural gas	Cubic meter	13,515,004.00	15,144,235.08	10,820,675.82
	Including: Liquefied petroleum gas	kg	174.00	159.50	81.00
	Including: Purchased electricity	MWh	4,057,202.98	3,802,836.30	2,328,698.37
	Including: Steam	Tonnes of standard coal equivalent	27,823.00	29,712.81	26,161.92
	Clean energy consumption	MWh	2,818,770.12	1,836,438.95	1,311,161.02
	Including: Wind energy	MWh	758,923.68	304,214.01	201,027.74
	Including: Solar energy	MWh	317,778.02	167,216.20	78,948.79
Waste gas treatment	Total exhaust gas emissions	Tonnes	597.84	375.02	309.72
Wastewater management	Total wastewater discharge	10,000 tonnes	317.48	334.95	171.78
	Wastewater discharge per unit of revenue	Tonnes/RMB million in revenue	147.07	179.31	90.08
Water resource management	Total water consumption	Tonnes	4,921,013.46	4,928,736.30	4,001,617.45
	Water use intensity	Tonnes/RMB 10,000 in revenue	2.28	2.64	2.10
Waste disposal	Total waste generated	Tonnes	110,744.72	100,415.70	58,480.89
	Including: Total hazardous waste	Tonnes	14,651.04	11,091.97	8,179.78
	Including: Total general solid waste	Tonnes	96,093.69	89,323.72	50,301.11
	Total waste recycled/reused	Tonnes	82,504.74	84,340.39	16,369.16
	Including: Total hazardous waste	Tonnes	8,162.74	5,356.17	2,586.93
	Including: Total general solid waste	Tonnes	74,341.99	78,984.22	13,782.23
	Waste recycling rate	%	74.50	83.99	27.99

Index of Indicators

Global Reporting Initiative (GRI) Standards Index

nstructions for use	Shanshan has reported the information referenced in this GRI content index for the period from January 1, 2025, to December 31, 2025, in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Section
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Report
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-5 External assurance	/
	2-6 Activities, value chain and other business relationships	Shanshan 's 2025 Supply Chain ESG Management
	2-7 Employees	Employment, rights and interests of employees
	2-9 Governance structure and composition	Solidifying corporate governance
	2-10 Nomination and selection of the highest governance body	Solidifying corporate governance
	2-11 Chair of the highest governance body	Solidifying corporate governance (see annual report for details)
	2-12 Role of the highest governance body in overseeing the management of impacts	Solidifying corporate governance (see annual report for details)
	2-13 Delegation of responsibility for managing impacts	Our sustainable development approach
	2-14 Role of the highest governance body in sustainability reporting	Our sustainable development approach
	2-15 Conflicts of interest	Compliance with business ethics
	2-16 Communication of critical concerns	Our sustainable development approach
	2-17 Collective knowledge of the highest governance body	Our sustainable development approach
	2-19 Remuneration policies	Solidifying corporate governance (see annual report for details)
	2-20 Process to determine remuneration	Solidifying corporate governance (see annual report for details)
	2-21 Annual total compensation ratio	See annual report for details
	2-22 Statement on sustainable development strategy	Our sustainable development approach

GRI Standard	Disclosure	Section
GRI 2: General Disclosures 2021	2-23 Policy commitments	Compliance with business ethics; Supply chain ESG management; Employment, rights and interests of employees
	2-24 Embedding policy commitments	Compliance with business ethics; Supply chain ESG management; Employment, rights and interests of employees
	2-25 Processes to remediate negative impacts	Compliance with business ethics
	2-26 Mechanisms for seeking advice and raising concerns	Compliance with business ethics; Employment, rights and interests of employees
	2-27 Compliance with laws and regulations	Environmental compliance management; Compliance with business ethics
	2-28 Membership of associations	Promoting industry development
	2-29 Approach to stakeholder engagement	Our sustainable development approach
	2-30 Collective bargaining agreements	Employment, rights and interests of employees
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our sustainable development approach
	3-2 List of material topics	Our sustainable development approach
	3-3 Management of material topics	Our sustainable development approach
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	See annual report for details
	201-2 Financial implications and other risks and opportunities due to climate change	Climate change response
	201-3 Defined benefit plan obligations and other retirement plans	Employment, rights and interests of employees
	201-4 Financial assistance received from government	See annual report for details
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Rural revitalization
	203-2 Significant indirect economic impacts	Social welfare
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Compliance with business ethics
	205-2 Communication and training about anti-corruption policies and procedures	Compliance with business ethics
	205-3 Confirmed incidents of corruption and actions taken	Compliance with business ethics; No such negative incidents occurred during the year

GRI Standard	Disclosure	Section
Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance with business ethics; No such negative incidents occurred during the year
GRI 207: Tax 2019	207-1 Approach to tax	See annual report for details
	207-2 Tax governance, control, and risk management	See annual report for details
	207-3 Stakeholder engagement and management of concerns related to tax	See annual report for details
	207-4 Country-by-country reporting	See annual report for details
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Key performance
	302-3 Energy intensity	Key performance
	302-4 Reduction of energy consumption	Efficient resource utilization
	302-5 Reduction of energy requirements of products and services	Efficient resource utilization; Green operation advocacy
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Efficient resource utilization
	303-2 Management of water discharge-related impacts	Efficient resource utilization
	303-5 Water consumption	Efficient resource utilization
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate change response
	305-2 Energy indirect (Scope 2) GHG emissions	Climate change response
	305-3 Other indirect (Scope 3) GHG emissions	Climate change response
	305-4 GHG emission intensity	Climate change response
	305-7 Nitrogen oxides (NO_X), sulfur oxides (SOX), and other significant air emissions	Deepening the control of three wastes

GRI Standard	Disclosure	Section
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Deepening the control of three wastes
	306-2 Management of significant waste-related impacts	Deepening the control of three wastes
	306-3 Waste generated	Deepening the control of three wastes
	306-4 Waste diverted from disposal	Deepening the control of three wastes
	306-5 Waste directed to disposal	Deepening the control of three wastes
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply chain ESG management
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply chain ESG management
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employment, rights and interests of employees
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment, rights and interests of employees; employee care and benefits
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational health and safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational health and safety
	403-3 Occupational health services	Occupational health and safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety
	403-5 Worker training on occupational health and safety	Occupational health and safety
	403-6 Promotion of worker health	Occupational health and safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety
	403-8 Workers covered by an occupational health and safety management system	Occupational health and safety
	403-9 Work-related injuries	Occupational health and safety
	403-10 Work-related ill health	Occupational health and safety

GRI Standard	Disclosure	Section
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee development and training, key performance
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee development and training
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee development and training
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Solidifying corporate governance; Employment, rights and interests of employees
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employment, rights and interests of employees; No such negative incidents occurred during the year
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employment, rights and interests of employees; No such negative incidents occurred during the year
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employment, rights and interests of employees; No such negative incidents occurred during the year
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social welfare, rural revitalization
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply chain ESG management
	414-2 Negative social impacts in the supply chain and actions taken	Supply chain ESG management
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Strict quality management
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Strict quality management
Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Deepening the control of three wastes (Chemical safety management)
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Safeguarding information security; No such negative incidents occurred during the year

Benchmarking against the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) (April 2024)

Indicator	Corresponding sections of this Report
Climate change tackling	Climate change response
Pollutant discharge	Deepening the control of three wastes
Waste disposal	Deepening the control of three wastes
Ecosystem and biodiversity protection	Green operation advocacy
Environmental compliance management	Environmental compliance management
Energy usage	Efficient resource utilization
Usage of water resources	Efficient resource utilization
Circular economy	Efficient resource utilization
Rural revitalization	Rural revitalization
Contributions to the society	Social welfare
Innovation-driven	Innovation-driven R&D
Ethics of science and technology	Innovation-driven R&D
Supply chain security	Supply chain ESG management
Equal treatment to small and medium-sized enterprises	Supply chain ESG management
Safety and quality of products and services	Strict quality control management; Responding to customer needs
Data security and customer privacy protection	Safeguarding information security
Employees	Employment, rights and interests of employees; Employee development and training; Employee care and activities; Occupational health and safety
Due diligence	Internal control and risk management
Communications with Stakeholders	Our path to sustainable development; Solidifying corporate governance
Anti-commercial bribery and anti-corruption	Compliance with business ethics
Anti-unfair competition	Compliance with business ethics

Reader feedback form

Dear Readers,

Thank you for reading the *2025 Environmental, Social and Governance (ESG) Report of Ningbo Shanshan Co., Ltd.* Your feedback and suggestions are greatly appreciated as the Company strives to provide more valuable information to you and other stakeholders and to continuously improve its ability to fulfill its corporate social responsibility.

Check the box that applies:

1. How would you rate this Report in general?

◯ Excellent ◯ Good ◯ Average ◯ Poor ◯ Very Poor

2. How responsive do you think the report is to stakeholder concerns and the level of disclosure?

◯ Excellent ◯ Good ◯ Average ◯ Poor ◯ Very Poor

3. How would you rate Shanshan's performance in fulfilling its financial responsibility?

◯ Excellent ◯ Good ◯ Average ◯ Poor ◯ Very Poor

4. How would you rate Shanshan's performance in fulfilling its environmental responsibility?

◯ Excellent ◯ Good ◯ Average ◯ Poor ◯ Very Poor

5. How would you rate Shanshan's security management performance?

◯ Excellent ◯ Good ◯ Average ◯ Poor ◯ Very Poor

6. How would you rate Shanshan's performance in fulfilling its employee responsibility?

◯ Excellent ◯ Good ◯ Average ◯ Poor ◯ Very Poor

7. How would you rate Shanshan's performance in fulfilling its community responsibility?

◯ Excellent ◯ Good ◯ Average ◯ Poor ◯ Very Poor

8. Are the information, indicators, and data disclosed in the report clear, accurate, and complete?

◯ Excellent ◯ Good ◯ Average ◯ Poor ◯ Very Poor

Open-ended questions:

Do you have any opinions or suggestions regarding Shanshan's fulfillment of social responsibility and this Report?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Shanshan