

ESG Management Manual

I. General Provisions

Shanshan Technology was established in 1999 and is a high-tech enterprise specializing in the R&D, production, and sales of lithium-ion battery anode materials in China. The company upholds the **vision of "Serving Green Energy, Building a Better Life,"** shoulders the **mission of "Promoter and Leader of Lithium Battery Anode Materials,"** and is guided by the **corporate culture of "Integrity, Responsibility, Innovation, and Commitment"**, striving to become the **"Global Leader in Lithium Battery Anode Materials."** Currently, it has established eleven R&D and production bases across nine locations, including Shanghai, Ningbo, and Ningde, completing the construction of 700,000 tons of artificial graphite capacity in China. Its products are widely used in new energy vehicles, consumer electronics, energy storage, and other fields, entering the supply chains of globally renowned clients. The company has successively won multiple significant honors, including the Second Prize of the National Science and Technology Progress Award, National Manufacturing Single Champion, and National Specialized, Refined, and New "Little Giant" Enterprise.

Amidst the global wave of sustainable development, the concept of ESG (Environmental, Social, and Governance) has become a crucial guidepost for corporate growth. Its core emphasizes that enterprises must actively undertake responsibilities and obligations toward the environment, society, and corporate governance while pursuing financial performance. As a key participant in the industry, Shanshan Technology consistently maintains a high sense of responsibility toward the environment, society, and corporate governance, actively committing itself to sustainable development practices.

This Manual is specially formulated to standardize Shanshan Technology's ESG management, ensure the effective operation of its management system, and comprehensively enhance its performance capabilities. This is based on regulatory requirements such as the *Self-Regulatory Guidance No. 14 for Listed Companies on the Shanghai Stock Exchange—Sustainable Development Report (Trial)*, the United Nations 2030 Sustainable Development Goals (SDGs), the Global Reporting Initiative

Standards (GRI Standards), the International Sustainability Standards Board (ISSB) *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, and ESG rating requirements, in conjunction with the company's actual situation.

This Manual applies to Shanghai Shanshan New Material Co., Ltd. and its wholly-owned subsidiaries, controlled subsidiaries, and branches (hereinafter referred to as the "Company"). It systematically elaborates on the Company's sustainable development vision, philosophy, strategic goals, and management methodologies. It serves as the code of conduct for practicing the sustainable development management system, provides guidance for various sustainable practices, and acts as an important window for us to demonstrate our resolve and actions to stakeholders.

In the future, Shanshan Technology will rely on this Manual to continuously improve its ESG management level, firmly practice sustainable development, and contribute to a better global future.

II. Vision and Philosophy

Shanshan Technology's ESG vision and philosophy originate from the corporate culture, align with the Company's material issues, respond to stakeholder expectations, and conform to industry development trends.

2.1 ESG Vision

The Company adopts the vision of "**Driving the New Energy Revolution through New Materials, New Processes, and New Management**" (We **CHANGE**), forming six core pillars by breaking down the meaning of each letter in "CHANGE":

- "C" stands for **Circular Material Application**
Focusing on material sustainability, reducing resource dependence and environmental load through recycling and regeneration technologies.
- "H" stands for **Healthy, Diverse, and Inclusive Workplace**
Ensuring employee occupational health and safety, promoting diversity and inclusion, and driving innovation through talent vitality.
- "A" stands for **Advanced Techniques Adoption**
Introducing intelligent and low-carbon processes, improving efficiency and

quality, and promoting the transformation of industrial quality and effectiveness.

- "N" stands for **New Energy and Products Revolution**
Developing new types of energy, innovating product technology, function, and form, and accelerating the iteration of the energy structure.
- "G" stands for **Good Corporate Governance**
Utilizing a compliant and transparent system, balancing interests and value, and ensuring the sustainability of the new energy revolution.
- "E" stands for **Economical & Sustainable Growth**
Achieving coordinated growth in environmental, economic, and social benefits through cost reduction via technology and model innovation.

2.2 ESG Philosophy

Shanshan Technology has established the "WISE" ESG philosophy, centered on "Welfare, Innovation, Stewardship, and Eco-friendly." The "WISE" philosophy not only embodies the profound meanings of "wise decision-making" and "long-term vision," symbolizing a steady and sustainable development path for the enterprise, but also represents a firm commitment to ecological permanence, innovation enablement, social value, and governance refinement.

- **Welfare:**
Adhering to the human-centered principle of development, protecting employee rights, contributing to community building, and supporting public welfare initiatives, thereby enhancing social welfare and promoting common development through practical actions.
- **Innovation:**
Breaking down development barriers through continuous innovation, optimizing product performance and solutions, improving R&D capabilities, providing inexhaustible power for sustainable development, and leading industry transformation.
- **Stewardship:**
Using compliance and transparency as the cornerstone, improving the governance system and responsible decision-making mechanisms, adhering to business ethics, and building an institutional foundation for the company's sustainable development.
- **Eco-friendly:**
Practicing environmental responsibility, focusing on carbon and pollution reduction and ecological protection, and contributing to ecological sustainable development through green operations and the application of low-carbon technology.

III. Strategic Goals

Shanshan Technology is committed to integrating sustainable development

management concepts into all aspects of its business operations, building an ESG management system, and enhancing its ESG governance level. To steadily achieve the implementation of the ESG strategy, the Company clarifies the key focus of its ESG work for each phase based on the current state of its ESG development, and will promote the phased implementation of all tasks.

Short-Term Goal (2024–2025): Build an ESG System and Achieve Full Compliance

- Establish the ESG organizational structure, clarifying the responsibilities and roles of each department. Formulate the Company's ESG vision and strategic plan to guide ESG management work.
- Formulate framework institutional documents such as the Environmental Policy, Human Rights Policy, and Sustainable Supply Chain Policy for the Company's key ESG issues, and disclose them externally.
- Fully benchmark against the requirements of regulatory agencies, capital markets, and peer practices in ESG information disclosure to ensure the annual ESG report meets disclosure standards.
- **Carry out ESG cultural promotion and system construction to achieve internal and external ESG knowledge empowerment and awareness enhancement for the Company.**

Mid-Term Goal (2026–2027): Integrate ESG Strategy and Achieve Key Breakthroughs

- Align with the United Nations Sustainable Development Goals (SDGs), integrating short, medium, and long-term management objectives for material issues into the corporate development strategy to form actionable plans and implementation paths.
- **Actively participate in mainstream ESG ratings and join external leading industry associations and professional organizations to enhance ESG professionalism and external recognition.**
- **Establish an ESG risk management system, identify ESG risks and opportunities, and embed risk prevention and control into the entire business process.**

Long-Term Goal (2028–2029): Perfect the ESG Ecosystem and Strive for Industry Excellence

- Incorporate ESG metrics and goals into the Company's performance evaluation framework and improve the ESG performance monitoring and reward/punishment mechanisms.
- Material issues will be managed routinely according to the model of "Governance - Strategy - Management of Impacts, Risks, and Opportunities - Metrics and Targets."

- Introduce a professionalized ESG digitized information management platform to enable real-time collection, analysis, and monitoring of ESG data, thus improving management efficiency.

IV. Governance Structure and Responsibilities

4.1 Governance Structure

Shanshan Technology has established a three-tiered ESG management structure: "Decision-Making Level – Management Level – Execution Level." The Decision-Making Level is served by the Sustainable Development Management Committee under the Board of Directors as the highest decision-making body, reporting regularly on ESG management effectiveness to the Board. The Management Level consists of the ESG Department, jointly with the Board Office, serving as the lead responsible departments, in collaboration with the heads of various business functions at the headquarters and the general managers of various industrial companies, comprehensively promoting the implementation of ESG work both horizontally and vertically. The Execution Level comprises all employees of Shanshan Technology's specialized working groups and base working groups, ensuring the stable operation of sustainable development initiatives.

ESG Governance Structure

4.2 Responsibilities

Level	Personnel Composition	Scope of Responsibilities
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<p>Decision-Making Level</p>	<p>Sustainable Development Management Committee under the Board of Directors. Specific members include: Chairman: Chairman of the Board; Vice Chairman: Executive General Manager; Members: Executive Vice General Manager, Assistant to the President (in charge of Global Marketing), Assistant to the President (in charge of Finance, Internal Control, and Legal Affairs), Deputy Director of Supply Chain, Director of Human Resources and Administration; Executive Member: Head of ESG Department, Director of the Board Office.</p>	<ul style="list-style-type: none"> * Review and supervise the identification, assessment, and management of ESG-related impacts, risks, and opportunities; * Approve the Company's ESG strategy and goals; * Approve the Company's annual ESG reports and other information disclosures; * Supervise and inspect the execution of sustainable development-related work, and provide guidance as appropriate.
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<p>Management Level</p>	<p>ESG Department, Board Office, Heads of various business functions at the headquarters, General Managers of various industrial companies.</p>	<ul style="list-style-type: none"> * Formulate the Company's ESG vision, philosophy, and strategic plan; * Identify, assess, and manage ESG impacts, risks, and opportunities; * Formulate the ESG work plan, clarify short, medium, and long-term goals, and monitor goal achievement; * Formulate the ESG policy system and appraisal system; * Compile and issue the Company's annual ESG report; * Other matters related to sustainable development.
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<p>Execution Level</p>	<p>ESG Execution Team, members include all employees of the specialized working groups and base working groups.</p>	<ul style="list-style-type: none"> * Carry out the identification, assessment, and management of ESG risks across various business segments; * Formulate stakeholder engagement plans and organize routine communication activities; * Assist in completing information disclosure tasks such as the compilation of the annual ESG report; * Periodically collect, organize, and analyze ESG-related information and data; * Organize and conduct specialized ESG capacity building and training; * Execute the annual ESG work plan and track and feedback on goal achievement; * Report work results and improvement directions to the Management Level periodically.
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V. Internal Operating Mechanism

5.1 Implementation and Reporting

The Sustainable Development Management Committee and its specialized working groups adopt a mechanism of "unified coordination, specialized advancement, and full employee participation." Specifically, the Sustainable Development Management Committee discusses and formulates the Company's strategy and work goals, the heads of the specialized groups are responsible for formulating work plans and implementation, and all employees throughout the Company participate in achieving the goals.

- The Sustainable Development Management Committee organizes quarterly thematic progress meetings to discuss the achievement of various work goals, solutions for difficult tasks, and resource allocation.
- The Executive Member is responsible for coordinating and following up on the progress of specialized working groups according to the Committee's work objectives, and reports work progress to the Sustainable Development Management Committee.
- The heads of the specialized functional modules are responsible for organizing thematic meetings at least quarterly, breaking down work tasks and goals, pushing forward execution, and assigning tasks to the various industrial companies according to line management requirements.
- Each industrial company shall appropriately adjust work goals, assign responsibilities, and fully promote and implement work in accordance with ESG management requirements and their actual business operations.

5.2 Supervision Mechanism

The Company establishes an ESG supervision mechanism and discloses the supervision and management status regarding the setting of sustainable development goals, strategy execution, and goal achievement progress. This includes internal control systems, supervision procedures, monitoring measures, and appraisal status.

5.3 Appraisal Mechanism

The Company establishes an ESG performance appraisal mechanism, linking the completion of ESG goals to the performance of departments and employees. It also appraises the implementation of the ESG management plan, proposes reward and

punishment recommendations, and submits them for approval according to the Company's performance appraisal regulations, ensuring the execution and continuous improvement of ESG-related plans. ESG performance assessment content includes, but is not limited to: climate change, energy saving and emission reduction, innovation, employee management, supply chain management, EHS management, compliance, business ethics, and information security.

VI. Risk and Opportunity Management

The Company will establish a sound ESG risk management mechanism, deeply integrating it into the existing risk management system. Each department will proactively carry out the identification and management of ESG risks and opportunities based on the characteristics of their business functions, including but not limited to major physical risks, transition risks, and opportunities that may affect the Company's business operations. The Company conducts ESG due diligence to identify and address negative impacts or risks related to sustainable development, and periodically conducts internal audits of the ESG management system to verify and ensure its effectiveness.

VII. Issue Management

Through a systematic issue management process, the Company comprehensively reviews its own activities, business relationships, external objective environment, and affected stakeholders. By referencing mainstream domestic and international ESG information disclosure guidelines and standards, a dynamically updated list of ESG issues is established.

A materiality assessment is conducted annually, performing a comprehensive analysis from the two dimensions of financial importance and impact importance, to determine the material issues significant to the Company and its stakeholders. The results of the assessment are integrated and disclosed, serving as the core basis for compiling the annual ESG report and providing clear direction for the planning and implementation of the Company's annual ESG work.

VIII. Information Disclosure

The Company regularly publishes an ESG report every year, with the ESG Department taking the lead in coordinating all departments and bases to carry out information collection and report compilation. All relevant departments must strictly fulfill their information provision responsibilities to ensure the accuracy, completeness, and validity of the information provided.

The content of the ESG report must comply with the requirements of mainstream domestic and international ESG information disclosure standards. The scope and period of the report shall remain consistent with the Company's annual report to ensure information continuity and comparability.

Furthermore, the Company will actively strengthen communication and cooperation with mainstream ESG industry associations and authoritative institutions, showcasing the Company's achievements and practices in ESG management, and continuously enhancing the Company's ESG brand image.

IX. Rating Management

The Company actively participates in mainstream domestic and international ESG rating activities, using the rating results as an important reference for measuring the Company's ESG management level. All business departments must attach great importance to ESG rating work, strictly benchmark against rating requirements, identify shortcomings and deficiencies, formulate targeted improvement measures, and continuously optimize the Company's internal ESG management system.

During the rating process, all business departments must cooperate with the ESG Department to complete information collection, data submission, and other tasks, ensuring that the information provided is truthful, accurate, and complete. Through participation in ratings and continuous improvement, the Company will continuously enhance its ESG performance.

X. Cultural Development

The Company promotes ESG cultural development from multiple dimensions, fostering an ESG cultural atmosphere with full employee participation. Specific measures include, but are not limited to: regularly organizing specialized ESG

training; utilizing internal company platforms such as official accounts and bulletin boards to popularize ESG knowledge; issuing internal documents to clarify the Company's ESG strategy and work requirements; and organizing ESG-themed promotional activities. Through this series of cultural development initiatives, the Company aims to comprehensively enhance employees' ESG awareness and management capabilities, promote the integration of the ESG philosophy into the Company's core values, and lay a solid cultural foundation for the in-depth implementation of ESG management work.

XI. Communication and Feedback

The Company establishes and improves a sound ESG information communication mechanism to ensure continuous information flow with all stakeholders, including employees, customers, suppliers, partners, communities, governments, and regulatory agencies. Through means such as publishing ESG reports, holding employee representative meetings, and conducting community engagement activities, the Company timely communicates the progress and achievements of its ESG management work to stakeholders.

Concurrently, the Company will actively solicit feedback and suggestions from stakeholders through multiple channels, such as organizing specialized interviews, holding symposiums, and conducting surveys. The collected opinions and suggestions will be carefully analyzed and used as important references for continuously improving the Company's ESG work, thereby continuously elevating the Company's ESG management level.

This policy shall take effect from the date of issuance.

*The final interpretation right of this policy belongs to the ESG Department.

Shanghai Shanshan New Material Co., Ltd.

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