

Supply chain sustainability management policies

1. Purpose

Since its establishment, Shanshan Technology has been deeply involved in the lithium battery anode materials field for over 20 years, always upholding the vision of "serving green energy and building a better life" and its value orientation of "deep empowering customer needs," committed to providing world-class products and services to customers.

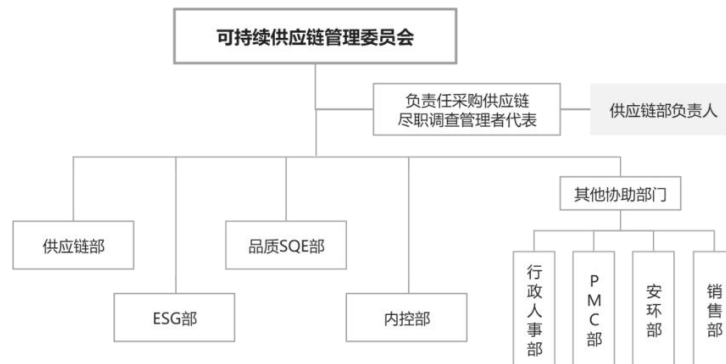
To actively respond to the global sustainable development goals, promote coordinated development across all links of the supply chain in environmental, social, and economic dimensions, and enhance the company's overall competitiveness, this supply chain sustainable development management policy has been specially formulated. Through the implementation of this policy, Shanshan Technology deeply integrates sustainable development concepts into full-process supply chain management, earnestly fulfilling the responsibility of responsible procurement, building a transparent and compliant supply chain system, and taking concrete actions to repay the trust and support of all stakeholders.

2. Scope

This policy applies to all employees of Shanshan Technology and its subsidiaries, as well as suppliers, subcontractors, service providers, and their subordinate suppliers (hereinafter collectively referred to as "Suppliers") who provide products or services to Shanshan Technology.

3. Governance

To ensure the efficient implementation of sustainable supply chain work, the company has established a Sustainable Supply Chain Management Committee, led by the Supply Chain Department in coordination with relevant departments.



Structure diagram of the Sustainable Supply Chain Management Committee

The management method is as follows:

3.1 Strategy and Institutional Development: Formulate a sustainable supply chain strategic plan, clarifying goals and plans. Formulate and regularly review and update relevant systems and procedural documents to ensure compliance with sustainable development laws, regulations, international standards, and guidelines.

3.2 Risk Management: Identify sustainable supply chain risks, establish supplier risk assessment systems, incorporate ESG-related factors into every aspect of core supplier management, adopt various measures to mitigate, reduce, and monitor supply chain risks, and promote responsible procurement.

3.3 Supplier Management and Empowerment: Publicly announce and communicate the company's supply chain sustainability management policies to suppliers, including supply chain sustainability management topics during supplier admission, potential qualification, and annual review stages to urge implementation of sustainability requirements. Empower suppliers through training, daily communication, audits, and other methods to drive continuous improvement.

3.4 Cross-departmental communication and collaboration: Coordinating resources from supply chain, ESG, quality, internal control, and other departments, making joint decisions on major issues, and regularly reporting progress and results to company management. Promote or train relevant employees on supply chain sustainability policies.

3.5 Supervision Improvement and Feedback: Supervise policy implementation, prepare annual management review reports, analyze management loopholes, and propose optimization plans. Establish channels for complaint feedback and properly handle stakeholders' opinions and demands.

3.6 Information Disclosure: Review and publicly provide annual reports on its supply chain sustainability management, which may be published separately or disclosed through the company's ESG report.

IV. Policy Content

4.1 Responsible Procurement

The company actively practices responsible procurement, integrating sustainable development into supply chain management, identifying, assessing, mitigating, and mitigating potential sustainable procurement risks for suppliers, continuously improving supply chain sustainability management capabilities, and promoting supplier sustainability.

Shanshan Technology promotes its sustainable supply chain management policies to suppliers, requiring them to sign the "Supplier Code of Conduct" and "Sunshine Agreement," and to incorporate relevant content into contracts or procurement agreements. The company has developed supplier sustainability assessment tools such as the "Supplier Sustainability Performance Evaluation Form" and the "Supplier Responsible Mineral Procurement Evaluation Form," conducting evaluations and audits during supplier admission, potential qualification, and annual audits to ensure suppliers comply with Shanshan

Technology's "Supplier Code of Conduct." For high-risk suppliers with ESG issues, Shanshan Technology will provide rectification suggestions, requiring them to rectify and synchronize the rectification status. If suppliers still fail to lower their risk level and meet minimum requirements, they will be suspended from cooperation or eliminated. To enhance the professionalism of internal supply chain sustainability management personnel and procurement personnel, the company conducts procurement training to promote the implementation of responsible procurement. At the same time, Shanshan Technology empowers suppliers through training, daily communication, and audits.

Shanshan Technology has always adhered to ethical sourcing, committing not to use mineral resources from conflict zones, and explicitly requiring suppliers not to use mineral resources from conflict zones or that violate company policies. Suppliers should comply with Shanshan Technology's "Responsible Mineral Supply Chain Due Diligence Policy," conduct due diligence on critical minerals such as natural graphite used in their supply chains, ensure compliant mineral sourcing, eliminate risks such as child labor (with strict risk controls), and ensure traceability.

***For specific requirements and practices related to conflict minerals, please refer to the "Responsible Mineral Supply Chain Due Diligence Policy."**

4.2 Labor and Human Rights

The company urges suppliers to comply with labor and human rights laws and regulations, prohibits child labor and any form of forced labor, and ensures employees' personal freedom and autonomy at work. Strictly follow labor laws, reasonably set working hours, strictly limit overtime hours, and protect employees' necessary rest rights. Salary and benefits should not be lower than the local legal minimum standard, and a comprehensive labor protection and welfare system should be provided. We resolutely eliminate discrimination and harassment based on gender, age, race, religious beliefs, disability, and other

factors, and uphold employee dignity and equal status. Fully respect employees' freedom of association and support their lawful formation of labor unions and collective bargaining. Actively promote suppliers to create diverse and inclusive workplace environments, ensuring equal career development opportunities for employees from different backgrounds, and jointly building a fair, transparent, and sustainable supply chain ecosystem.

4.3 Health and Safety

The company urges suppliers to establish and improve occupational safety management systems to ensure production operations comply with safety standards and eliminate safety hazards. Develop and improve emergency response plans, regularly conduct fire drills and natural disaster emergency drills, and enhance the ability to handle unexpected situations. Establish mechanisms for prevention, reporting, and handling of work injuries and occupational diseases to promptly safeguard employees' health rights; Strengthen industrial hygiene management, effectively control sources of dust, toxic and hazardous substances, and provide necessary protective equipment; For physically demanding jobs, reasonably arrange labor intensity and rest time to avoid excessive fatigue. Equipped with comprehensive protective devices for machine operation and safety warning signs to prevent mechanical injury accidents. At the same time, it ensures that workplace public health meets standards, provides safe and healthy meals and accommodation, guarantees employees' daily living environments meet hygiene standards, and comprehensively protects employees' health and safety.

4.4 Environmental Protection

The company urges suppliers to obtain environmental permits and compliance qualifications in accordance with the law. Establish an energy management system to improve energy utilization efficiency and increase the proportion of renewable energy use. Conduct greenhouse gas accounting to minimize the carbon

footprint per unit product as much as possible. Practice a circular economy and improve resource recycling rates. Strictly control pollutants and waste to ensure compliant disposal and reduce the generation of the three wastes. Chemical and hazardous substance management must comply with international standards such as REACH and RoHS. Conducting ecological impact assessments to avoid biodiversity destruction; Strengthen management of soil, air, and water quality, ensure environmental monitoring data meets standards, and jointly build a green supply chain.

4.5 Business ethics

The company urges suppliers to strictly comply with domestic and international anti-corruption laws and regulations, strictly prohibits commercial bribery, power-for-money transactions, and other improper practices, and requires suppliers to sign the "Sunshine Agreement." Abide by the principle of fair competition, and eliminate unfair competition behaviors such as false advertising, commercial defamation, and bid collusion. It is prohibited to seek improper benefits through kickbacks, benefit transfers, and other means, ensuring transparent and compliant transactions. In the field of intellectual property, suppliers must respect others' patents, trademarks, copyrights, and other rights, and strictly avoid infringement and plagiarism. Establish and improve whistleblower protection mechanisms, strictly prohibiting retaliatory compliance reports. Suppliers must comply with all relevant export control laws, regulations, and trade sanctions, earnestly fulfill their responsibilities and obligations, and jointly maintain an honest, fair, and legal business ecosystem.

***For more specific requirements, see the Supplier Code of Conduct.**

5. Appeal channels

On the topics of responsible procurement and sustainable supply chain management, the company accepts oversight from all stakeholders and encourages

any stakeholder to provide feedback and reports on related risks to the company.

Reporting channels include:

Email: supplychain@shanshan.com

Phone: 021-58568662

6. International standards, conventions, and guidelines that are followed or referenced

- 1) "Ten Principles of the United Nations Global Compact"
- 2) Universal Declaration of Human Rights
- 3) ILO Declaration on Fundamental Principles and Rights at Work
- 4) International Charter of Human Rights
- 5) Organisation for Economic Co-operation and Development (OECD) Code of Conduct for Multinational Enterprises
- 6) OECD "Due Diligence Guide for Responsible Business Conduct"
- 7) OECD "Responsible Supply Chain Due Diligence Guidelines for Minerals from Conflict-Affected and High-Risk Areas"
- 8) Responsible Business Alliance (RBA)

Matters not covered in the policy shall be handled in accordance with relevant laws, regulations, and normative documents.

This policy shall take effect from the date of issuance.

The final interpretation of this policy belongs to the Department of Supply Chain.

Shanghai Shanshan New Materials Co., Ltd

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