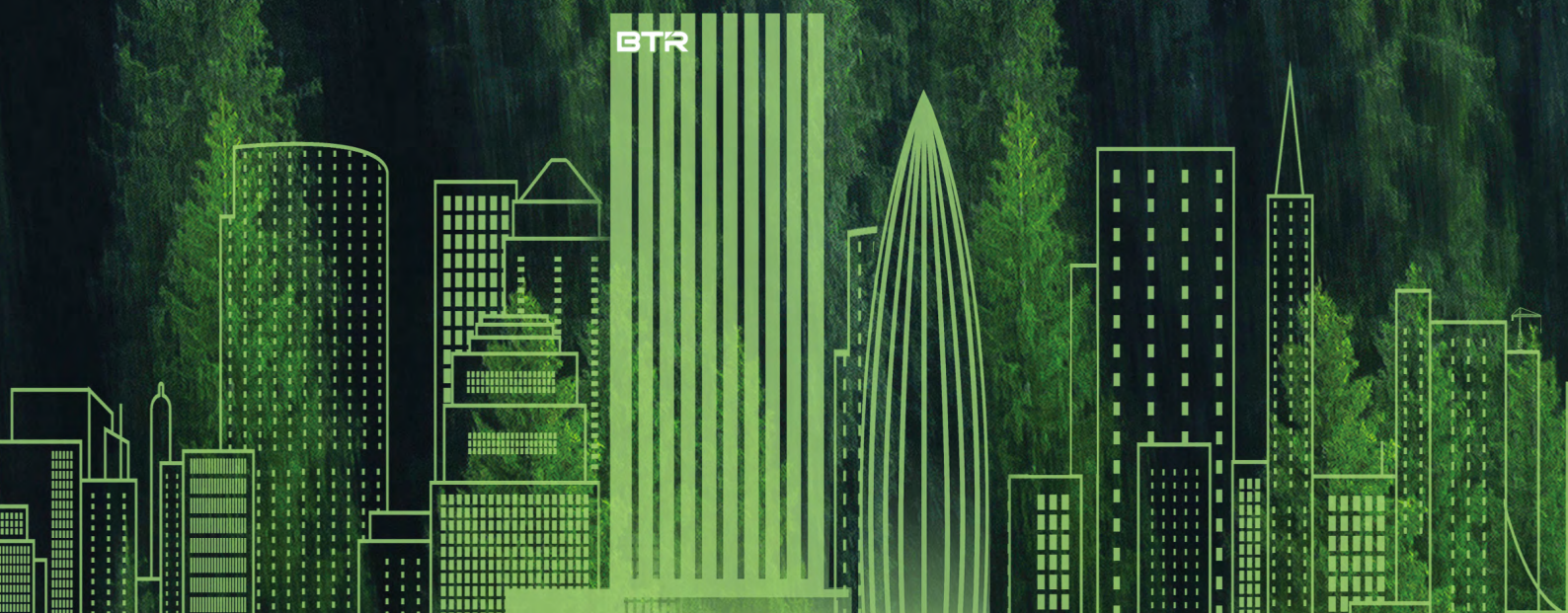




2023



Environmental, Social and Governance (ESG) Report



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About the Report

Reporting Period

This is an annual report covering the period from January 1, 2023, to December 31, 2023. To ensure the completeness of the Report, some data may extend beyond the aforementioned period (refer to specific dates for accuracy).

Report Boundary

The Report encompasses BTR New Material Group Co., Ltd. and its subsidiaries (branch offices), which is consistent with the scope of the disclosure in BTR's 2023 Annual Report.

For ease of expression, both "BTR" and "Company" refer to BTR New Material Group Co., Ltd. and its following major affiliates in the Report.

| Short Name | Full Name |
|-------------------|---|
| BTR Headquarters | BTR New Material Group Co., Ltd. |
| BTR Nano | Shenzhen BTR Nano Technology Co., Ltd. |
| BTR JS Cathode | BTR (Jiangsu) New Material Technology Co., Ltd. |
| BTR JS Anode | BTR (Jiangsu) New Energy Materials Co., Ltd. |
| Tianjin Materials | Tianjin BTR New Energy Materials Co., Ltd. |
| BTR Tianjin | Tianjin BTR New Energy Technology Co., Ltd. |
| BTR Jixi | Jixi BTR New Energy Technology Co., Ltd. |
| Jixi Changyuan | Jixi Changyuan Mining Co., Ltd. |
| Jixi Supercarbon | Jixi Supercarbon New Materials Co., Ltd. |
| BTR Sodium | Shenzhen BTR Sodium Battery New Material Technology Co., Ltd. |
| BTR Huizhou | Huizhou BTR New Material Technology Co., Ltd. |
| Huizhou Dingyuan | Huizhou Dingyuan New Energy Technology Co., Ltd. |
| Jixi Mineral | Jixi BTR Mineral Resources Co., Ltd. |
| Shenzhen Shenrui | Shenzhen Shenrui Graphene Technology Co., Ltd. |
| Fujian Shenrui | Fujian Shenrui Graphene Technology Co., Ltd. |
| Kaifeng Ruifeng | Kaifeng Ruifeng New Materials Co., Ltd. |
| BTR Sichuan | BTR (Sichuan) New Material Technology Co., Ltd. |
| BTR R&D Institute | Shenzhen BTR New Energy Technology Research Institute Co., Ltd. |

| Short Name | Full Name |
|----------------------------|---|
| BTR Changzhou | Changzhou BTR New Material Technology Co., Ltd. |
| Shandong Ruiyang | Shandong Ruiyang New Energy Technology Co., Ltd. |
| Hubei Beineng | Hubei Beineng New Energy Technology Co., Ltd. |
| Sichuan Ruian | Sichuan Ruian New Material Technology Co., Ltd. |
| Shanxi Ruijun | Shanxi Ruijun New Material Technology Co., Ltd. |
| BTR Yunnan | Yunnan BTR New Energy Materials Co., Ltd. |
| BTR Sales | BTR New Material Group Sales Co., Ltd. |
| BTR Incubator | Shenzhen New Material Incubator Co., Ltd. |
| BTR Supply Chain | Shenzhen BTR Supply Chain Management Co., Ltd. |
| BTR European | BTR New Material Europe GmbH |
| Shenzhen Dingyuan | Shenzhen Dingyuan New Material Technology Co., Ltd. |
| BTR Indonesia | Indonesia BTR New Energy Materials Co., Ltd. |
| BTR Hong Kong | BTR (Hong Kong) New Materials Co., Ltd. |
| Shenzhen Ruiqing | Shenzhen Ruiqing New Energy Technology Co., Ltd. |
| BNUO International Holding | BNUO International Holding Pte. Ltd |
| BTR MED | BTR Mediterranean New Material Technology Co., Ltd. |
| Rian International Holding | RIAN International Holding Pte. Ltd |

Release Cycle

This Report is an annual publication, released concurrently with the annual report of BTR New Material Group Co., Ltd. It marks the inaugural sustainability report/ESG report issued by BTR New Material Group Co., Ltd. and its subsidiaries. Its purpose is to effectively engage with stakeholders, comprehensively address their expectations and requirements, and showcase the Company's ESG practices and performance.

References

Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021)

HKEX *Environmental, Social and Governance Reporting Guide*

United Nations Sustainable Development Goals (SDGs)

Report Reliability Assurance

The Company ensures that the information of this report contains no false records or misleading statements. The data presented in the Report primarily originates from the Company's original operational records and the compilation and analysis of official documents, such as quarterly and annual reports, publicly disclosed. Unless stated otherwise, all amounts disclosed in the Report are measured in Chinese Yuan (CNY).

Report Statement

The financial data included in this Report conforms to the national *Accounting Standards for Business Enterprises* and relevant accounting regulations. It has been audited in accordance with the *China Internal Auditing Standards*, providing a true reflection of the Company's financial indicators and operating status. The Report has undergone internal review to ensure its authenticity, accuracy, and completeness. BTR aims to strengthen communication with stakeholders through the publication of this Report.

Access to the Report

The Report is available for online viewing and is available in both Chinese and English languages. You can download the report and access more sustainability information on the Company's official website (www.btrchina.com) and the Beijing Stock Exchange's information disclosure platform (www.bse.cn). In cases of ambiguity between the Chinese and English texts, the Chinese version shall prevail.



Message from the Chairman

With the profound transformation of the global energy landscape and the implementation of national policies on carbon peaking and carbon neutrality, the new energy industry is experiencing unprecedented development opportunities. In this era of change, BTR remains steadfast in our original aspiration to "Build a better green world". We innovate to drive our development, lead the way in green initiatives for the future, and are committed to becoming a global leader in new energy materials.

In 2023, despite facing challenges such as market volatility and sluggish growth in the industry cycle, we did not passively adapt but instead chose to be proactive, daring to go against the tide and excelling against the odds. We initiated the construction of our first overseas production base in Indonesia and announced plans to establish a factory in Morocco, marking BTR's proactive steps in the "era of globalization". Additionally, we released our first-ever *Sustainability & Environmental, Social and Governance (ESG) Report*, signaling the beginning of BTR's new journey towards sustainability.

BTR is dedicated to driving innovative developments in new quality productivity, continuously elevating the technical sophistication and value-added features of our products, and enhancing the overall competitiveness and sustainability of the industry chain. Our customer base encompasses the top ten battery manufacturers globally. For 14 consecutive years, our anode materials have held the leading market share globally, while our cathode materials have consistently ranked among the top three in China in recent years. In the realm of battery materials, BTR possesses extensive technological expertise and outstanding production capabilities. We have successfully pioneered a series of core technologies with proprietary intellectual property rights, enabling us to offer global customers with better, more efficient, and more eco-friendly new energy material solutions.

Innovation-led development remains the core impetus driving BTR. As a global leader in new energy materials, BTR has always prioritized technological innovation as its guiding principle. As early as 2010, BTR established the first domestic research institute for the industrialization of new energy technologies, achieving numerous significant breakthroughs in the field of new energy materials. We have successfully developed a series of core technologies with independent intellectual property rights, making positive contributions to the rapid development of the new energy materials industry. Meanwhile, with powerful support from government authorities, the Company has been approved to establish many innovation platforms. We will continue to expand our product range, introduce new technologies, and adopt new processes to provide global customers with better, more efficient, and more eco-friendly new energy material solutions.

Pursuing excellence is a long-term goal that BTR continuously strives for. BTR upholds quality as the core value and customer needs as our guiding principle, continuously enhancing product quality and services. Through rigorous quality control and ongoing technological innovation, the Company's products have been widely adopted in various countries and regions worldwide, including power batteries for new energy vehicles, 3C consumer electronics batteries, energy storage batteries, and more. BTR will continue to refine our quality management system and endeavor to strengthen, optimize, and expand our new energy industry cluster.

Green harmony is BTR's firm commitment to social responsibility. With the vision and mission of "Innovation leads the progress of the new energy industry, build a better green world", BTR is dedicated to promoting green and low-carbon production processes. We continuously improve environmental and energy management systems, prioritize actions to address climate change, continuously increase the utilization rate of renewable energy, and actively promote carbon emission reduction efforts. At the same time, the Company always adheres to the social responsibility concept of combining corporate benefits with social public welfare, actively participates in social public welfare activities, and strives to build harmonious and friendly social relationships.

Win-win cooperation is the foundation for BTR's collaborative development with partners. BTR has established an efficient and rational corporate management structure. With excellent teamwork and learning capabilities, our talent team has increasingly become a core competitive advantage that sets BTR apart from our peers. Additionally, BTR has established close cooperation relationships with many well-known companies and research institutions to jointly promote technological progress and industrial upgrading in the field of new energy materials. We firmly believe that only by working together with our partners and achieving mutually beneficial cooperation can we achieve long-term and stable development.

A mighty tree grows from a tiny seed. Looking ahead, BTR will continue to uphold the business philosophy of "Lead innovation, exceptional strength, green harmony, and win-win cooperation", continue to cultivate the new energy materials industry, and contribute to the innovative development of the global new energy materials industry. The Company will continue to fulfill its social responsibilities, promote sustainability development, and tirelessly strive to achieve a green future.

Mr. He Xueqin

Chairman, BTR New Material Group Co., Ltd.



About BTR

Company Profile

BTR New Material Group Co., Ltd. (hereinafter referred to as "BTR") was founded in August 2000 and is a subsidiary of the publicly listed Company China Baoan Group Co., Ltd. BTR is primarily engaged in manufacturing cathode, anode, and advanced materials for lithium-ion batteries in the fields of power batteries, 3C consumer batteries, and energy storage batteries. BTR is committed to providing world-class battery material solutions for the global new energy industry.

In 2015, BTR was listed on the New Third Board, and in November 2021, it went public on the Beijing Stock Exchange with the stock code 835185.

History
23 years

R&D team
909 members

Revenue
CNY 25.119 billion

Number of granted patents
568

Business Scope

BTR is distinguished by its technological leadership, comprehensive product and industry chain layout, and coverage of both international and domestic mainstream customers. With anode, cathode, and advanced new materials for lithium-ion batteries as its core products, BTR stands out as a prominent developer and manufacturer of new energy materials in the industry. The Company's main products include natural graphite anode materials, artificial graphite anode materials, silicon-based anode materials, nickel-rich ternary cathode materials, and other lithium-ion battery anode and cathode materials.

BTR has a competitive advantage with a full industry chain layout. In the realm of natural graphite, BTR has consistently focused on a full industry chain approach from mining to finished products. In the field of artificial graphite, it prioritizes a stable supply mechanism for core materials such as needle coke and ensures production capacity for key processes like graphitization through integrated production bases. For silicon-based materials, it adheres to dual technical routes to meet the needs of different market segments. The Company focuses on nickel-rich technology for cathode materials, combining an efficient supply chain and profound technological accumulation to establish systematic advantages in technology, quality, and high-quality customer service.

BTR has established a global strategic presence with its headquarters in Shenzhen, supported by over 20 production bases in southern China, eastern China, northern China, and central and western China. Additionally, it has overseas bases in Indonesia and Morocco¹, as well as branch offices in Japan, South Korea, and Europe. Its business spans across more than 100 countries and regions worldwide. BTR has emerged as a leading lithium-ion battery anode company with the largest capacity, shipments, and a diverse product range in the global anode industry.

¹BTR is actively promoting the construction planning of the production base in Morocco, which is still in the preparatory stage, and all preliminary work is progressing in an orderly manner.

Corporate Culture



Vision and Mission:

Innovation leads the progress of the new energy industry
Build a better world



Strategic Goal:

Become a global leader in the field of new energy materials



Core Values:

Lead innovation, serve customers, joint efforts, pragmatic and efficient



Business Philosophy:

Lead innovation, exceptional strength, green harmony, win-win cooperation



Value Advocacy:

Better our world



Product Theme:

Buy better, buy BTR



Team Culture:

Mutual respect, self-cultivation
Work with principles, and be considerate
Customer-oriented, result-oriented and strive-oriented



Quality Policy:

Adhere to unique, high quality, continuous improvement
Let the customer feel excellent quality and reasonable price

Development Milestones



Honors and Awards in 2023



BTR New Material Group Co., Ltd.

Green Design Demonstration Enterprise for Industrial Products

Awarded by: Ministry of Industry and Information Technology of the People's Republic of China

World's Top 15 Enterprises of Outstanding Contributions to Industry Development

Awarded by: China Automotive Battery Innovation Alliance

479th Place in "Top 500 Digital Economy Enterprises"

Awarded by: China Enterprise Evaluation Association

Quality Benchmark of Guangdong Province

Awarded by: Guangdong Association for Quality



BTR (Sichuan) New Material Technology Co., Ltd.

National-level Green Factory

Awarded by: Ministry of Industry and Information Technology of the People's Republic of China



Tianjin BTR New Energy Technology Co.,Ltd.

National-level Green Factory

Awarded by: Ministry of Industry and Information Technology of the People's Republic of China



BTR New Material Group Sales Co., Ltd.

CATL "2023 Sustainability Promotion Award"

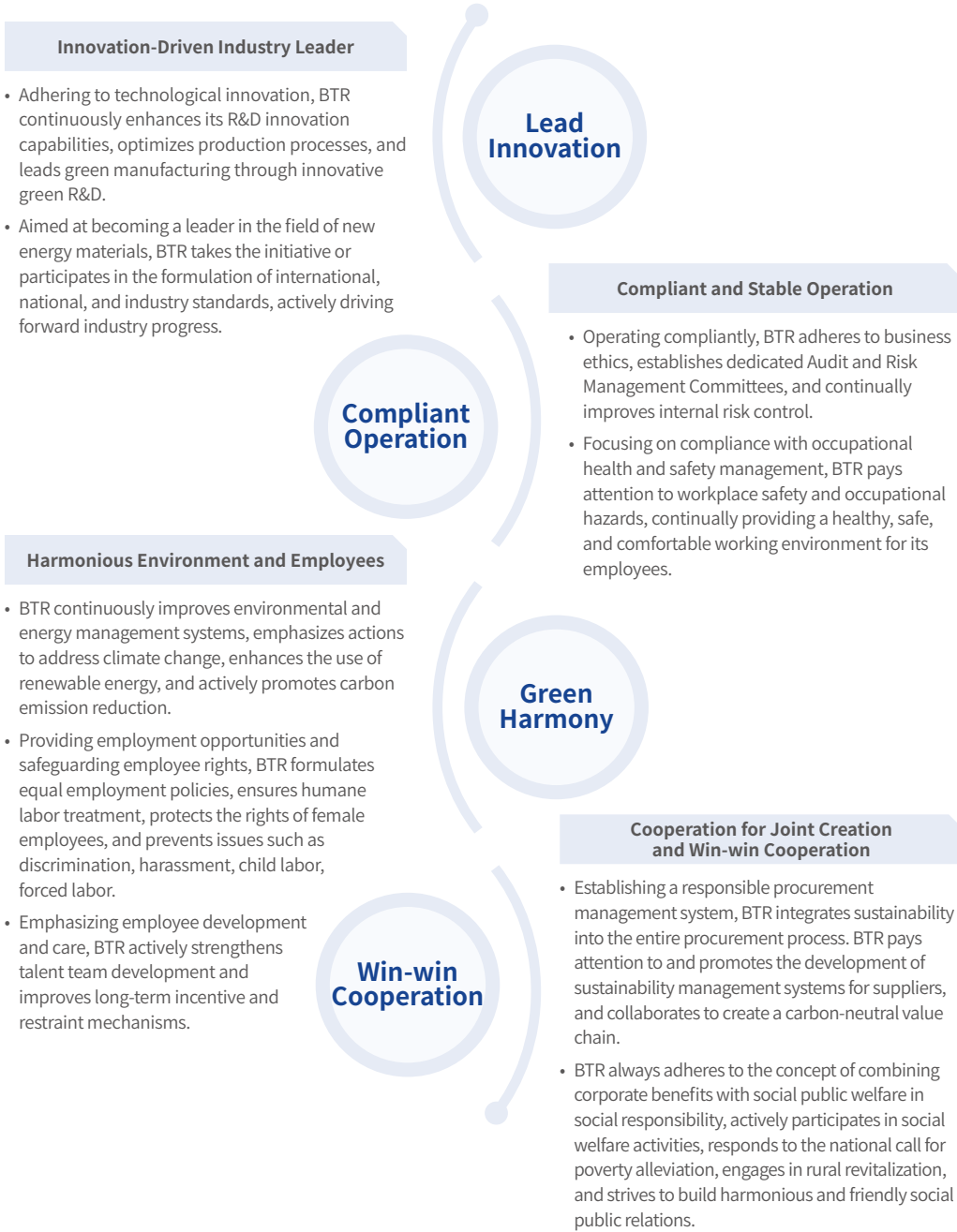
Awarded by: CATL

Sustainability Governance

Integrating sustainability into the Company's strategy is a crucial step in ensuring long-term prosperity. With the vision of "Innovation leads the progress of the new energy industry" and the mission of "Build a better green world", BTR considers sustainability governance as the core of its development strategy and deeply integrates it into daily operations.

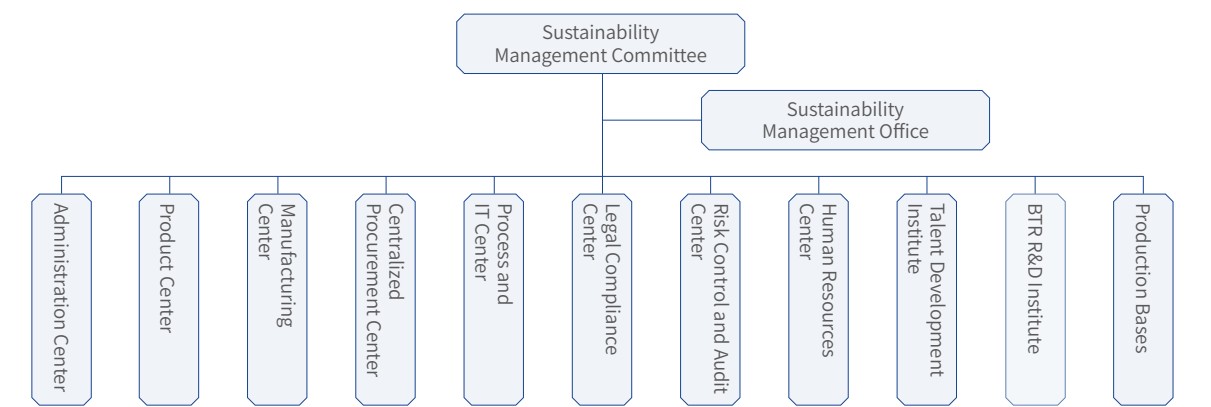
Sustainability Philosophy

As a global leading supplier of lithium-ion battery materials, BTR highly values the Company's sustainability process. The Company adheres to the sustainability policy of "Lead innovation, compliant operation, green harmony, and win-win cooperation", dedicated to realizing the vision and mission of "Innovation leads the progress of the new energy industry, build a better green world". In 2023, BTR formulated a sustainability strategy with specific actions, and implemented various measures according to the plan.



Sustainability Governance

BTR is continuously strengthening the involvement and decision-making capacity of the Board of Directors in ESG matters. It has established the Sustainability Management Committee to oversee the development and implementation of sustainability strategies, policies, objectives, and systems. Additionally, BTR has set up the Sustainability Management Office to execute and coordinate the daily operations of the Sustainability Committee. This enhances the sustainability governance structure and provides strong organizational support for advancing the Company's sustainability efforts.



Responsibilities of BTR's Sustainability Management Committee:

- Formulating company-level sustainability strategies, goals, policies, and systems, coordinating the establishment, implementation, and continuous improvement of the sustainability management system
- Ensuring that the Company's sustainability management complies with applicable laws and regulations, international standards, and customer requirements
- Organizing the preparation of the Company's annual ESG report



BTR's Sustainability Governance Structure

Communication with Stakeholders

BTR has established effective communication channels to maintain close contact with key stakeholders and understand the demands and expectations of both internal and external parties. The Company has established multiple open and transparent channels to proactively address stakeholders' expectations and demands, continuously refining its communication mechanisms, and enhancing the efficiency of information exchange.

To gain deeper insights into stakeholders' views on the Company's ESG topics, BTR conducted stakeholder questionnaire surveys covering various important groups such as investors, senior management, other employees, customers, government and regulatory authorities, suppliers, partners, the public, and the community.

In 2023, the Company collected over five hundred responses through the questionnaire survey to gauge stakeholders' perceptions of the impact of ESG topics. Combining these responses with expert opinions, BTR conducted an assessment of the importance and prioritization of relevant topics, ensuring that stakeholders' concerns were effectively addressed.

| Stakeholders | Expectations and Demands | Responses and Measures |
|--|--|---|
| <div> Customers</div> | <ul style="list-style-type: none">• Cutting-edge technologies and high-quality products• High-quality services experience• Information security and privacy protection | <ul style="list-style-type: none">• Persisting in innovation-driven development and developing high-quality products of multiple categories• Promoting eco-friendly products• Protecting customer privacy and information security |
| <div> Shareholders and Investors</div> | <ul style="list-style-type: none">• Corporate governance• Information disclosure• Shareholders' rights• Economic performance• Information transparency | <ul style="list-style-type: none">• Expanding information disclosure and communication channels• Regularly releasing financial reports, sustainability reports, etc |
| <div> Employees</div> | <ul style="list-style-type: none">• Legitimate rights and interests of employees• Employee remuneration and benefits• Diversity and equality• Health and safety of employees• Employee Development | <ul style="list-style-type: none">• Guaranteeing basic rights and interests of employees• Improving benefits and remunerations of employees• Establishing a talent training system• Smoothening career development and communication channels• Ensuring the occupational health and safety of employees |
| <div> Suppliers and Partners</div> | <ul style="list-style-type: none">• Fair procurement• Mutual benefit and win-win cooperation• Integrity cooperation• Industry development• R&D innovation | <ul style="list-style-type: none">• Strengthening supplier admission review and management and building a green supply chain• Actively participating in industry exchanges and contributing to the formulation of industry standards• Enhancing R&D innovation to promote industry development |
| <div> Government and Regulatory Authorities</div> | <ul style="list-style-type: none">• Legal compliance• Tax payment according to law• Anti-corruption• Employment guarantee• Green development | <ul style="list-style-type: none">• Paying taxes according to the law and adhering to lawful and compliant operations• Adhering to green production and protecting the ecological environment |
| <div> Community and NGOs</div> | <ul style="list-style-type: none">• Charity and voluntary services• Community communication and development | <ul style="list-style-type: none">• Participating in community public welfare activities• Promoting local economic development |

Analysis of Material Topics

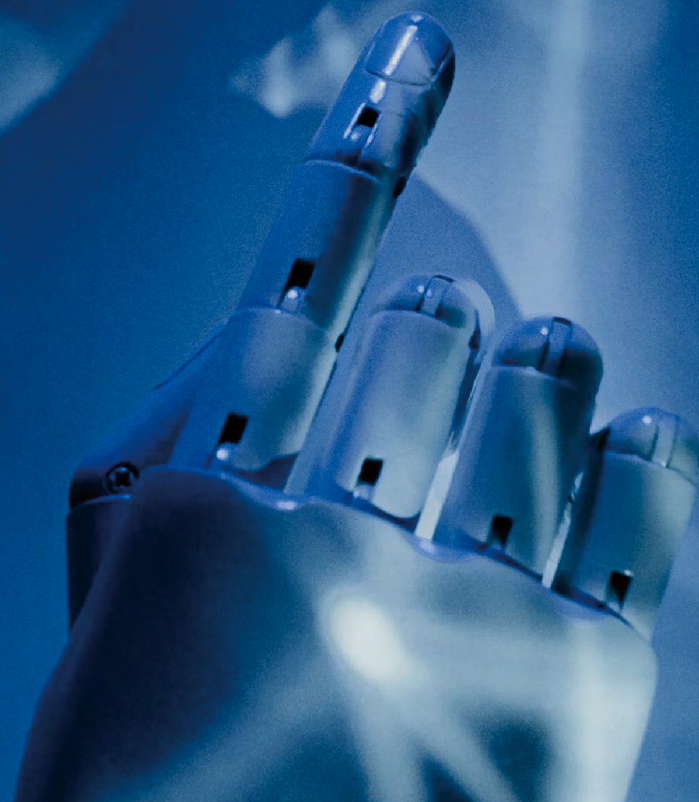
Referring to internationally recognized standards such as the *Sustainability Reporting Standards* of the Global Reporting Initiative (GRI) (hereinafter referred to as "GRI Standards"), the Company has identified 28 material topics (7 governance topics, 8 environmental topics, and 13 social topics) based on stakeholder research and analysis findings. These topics serve as important references for the Company's sustainability information disclosure in 2023.

| Environmental (E) | Social (S) | Governance (G) |
|---|---|---|
| <div>Environmental Management System</div> <div>Energy Management</div> <div>Resource Management</div> <div>Emissions and Waste Management</div> <div>Response to Climate Change</div> <div>Circular Materials</div> <div>Biodiversity Protection</div> <div>Green Supply Chain</div> | <div>R&D Innovation</div> <div>Intellectual Property Protection</div> <div>Product Quality and Safety</div> <div>Customer Services</div> <div>Responsible Procurement</div> <div>Supply Chain Management</div> <div>Promotion of Industry Development</div> <div>Protection of Employees' Rights and Interests</div> <div>Health and Safety of Employees</div> <div>Employee Diversity and Equality</div> <div>Employment Training and Development</div> <div>Community Communication and Development</div> <div>Public Welfare and Charity</div> | <div>Sustainability Governance</div> <div>Corporate Governance</div> <div>Compliance and Risk Control</div> <div>Integrity and Business Ethics</div> <div>Fair Competition</div> <div>Information Security and Privacy Protection</div> <div>Market Performance</div> |

Innovation-driven — Industry Leader

As a pioneer in the field of new energy materials, BTR places technological innovation as its core, continuously pushing the boundaries of technological R&D and product innovation. It is committed to providing products that are more environmentally friendly, safer, and of higher quality. BTR adheres to high standards of quality management to ensure the stability and excellence of its products and services. Furthermore, the Company continuously deepens its cooperation with industry partners to jointly promote the sustainability development of the new energy industry.

.01



Striving for Excellence to Provide High-quality Products and Services

BTR is dedicated to technological innovation and product R&D, continually advancing clean technology innovations to enhance product quality and environmental performance. The Company prioritizes safety in production and product quality assurance, rigorously adhering to high-standard quality control processes to ensure the delivery of safe and reliable products to customers. Simultaneously, the Company consistently optimizes customer service processes to improve response speed and service quality, meeting the diverse needs of its customers.

Technological Innovation

BTR consistently views technological innovation as the primary driving force behind its development. The Company continuously increases its investment in technological innovation and has established the Central Research Institute. It is committed to achieving the updating and iteration of anode, cathode, and advanced new materials for lithium-ion batteries through continuous R&D in the fields of power batteries, 3C consumer batteries, and energy storage batteries. BTR is dedicated to providing world-class battery material solutions for the global new energy industry.

Product R&D

Investment in R&D

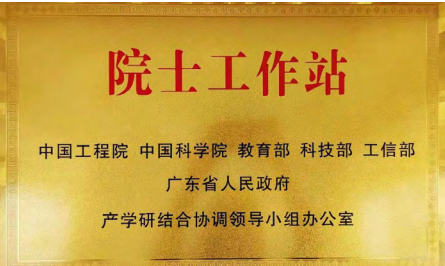
With the vision of "Innovation leads the progress of the new energy industry" and the mission of "Build a better green world", BTR has consistently adhered to the core corporate culture and business philosophy of "lead innovation". Through continuous investment in R&D, it has fostered robust R&D capabilities.

The Company has long prioritized the development of its R&D team, aiming to cultivate a professional talent pool. Since 2010, the Company has set up a new energy technology research institute, focusing on the development of key materials and cutting-edge technologies in the new energy field. To further enhance its R&D capabilities, the Company has upgraded to create a "Central Research Institute," equipped with top-notch R&D equipment and a professional research team, to create an internationally leading research platform for new energy materials. Currently, the Company has 909 R&D employees, including 84 with doctorates and 423 with master's degrees, accounting for 11.49% of the total number of employees.

The Company adheres to technology innovation leadership, with sustained investment in R&D, optimization of production processes, and accelerated introduction of new products and customers. Presently, the Company has established academican and postdoctoral workstations and obtained certifications from the National Center for Enterprise Technology and Cooperative Laboratory of Guangzhou Customs Laboratory Center, as well as multiple CNAS laboratory certifications. It has also been recognized as a provincial or municipal engineering technology center or laboratory to undertake relevant scientific research tasks. In 2023, the Company invested CNY 958,370,900 in R&D, with total R&D investment accounting for 3.82% of operating income.



National Center for Enterprise Technology

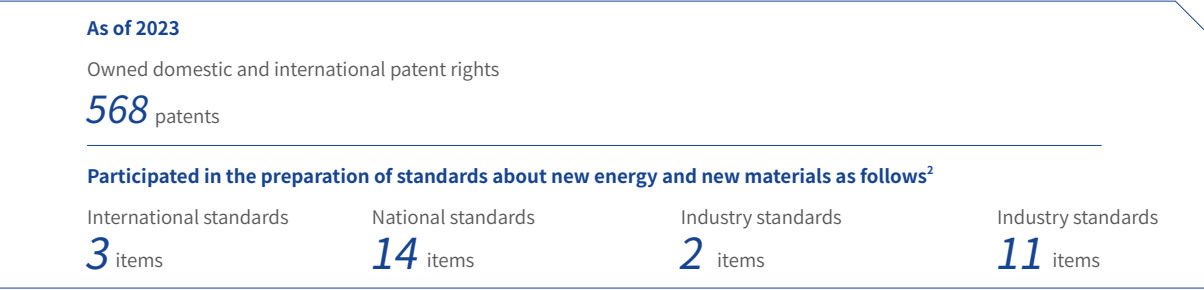


Academician Workstation of Guangdong Province

R&D Strength

As a national-level technology center, the BTR R&D Institute is one of the largest research institutes globally in the field of new energy materials. The main role of the institute is to conduct research and development on lithium-ion battery cathode and anode materials, as well as cutting-edge new energy materials, including solid-state batteries, fuel cells, sodium-ion batteries, and other materials and technologies, continuously delivering innovative outcomes.

BTR Group boasts formidable R&D testing capabilities in new energy materials. The Company has established a technical support center and transformed it into a benchmark laboratory and an industry public service platform in the new energy materials sector. BTR has five major innovation platforms: computing and simulation, material synthesis and engineering, analysis and testing, application development, and industry-academic-research institute cooperation. With over 300 sets of material performance testing equipment, the Company can comprehensively and accurately characterize the physical, chemical, and electrochemical properties of battery materials.

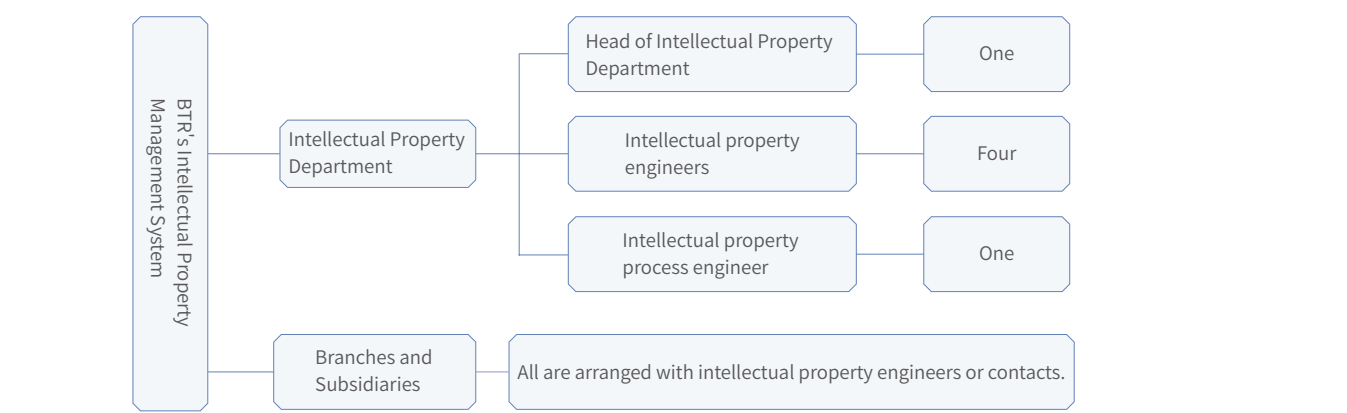


Intellectual Property Management

BTR has always placed high importance on the crucial role of intellectual property in driving the technological innovation of the Company. Prioritizing quality and adhering to principles of technological innovation, it considers intellectual property strategy as a key method to maintain BTR's competitive advantage in the market. The Company's intellectual property portfolio encompasses a wide array of patents, trade secrets, and trademarks. To this end, BTR focuses on three key aspects of intellectual property management: system and process development, intellectual property portfolio management, and employee awareness and ability training. This approach aims to gradually enhancing the intellectual property awareness among employees and improve the professional abilities of intellectual property management personnel, with robust systems and processes supporting these efforts.

In the aspect of systems, the Company adheres to the *Intellectual Property Law of the People's Republic of China* and the *Patent Law of the People's Republic of China*. Its Central Research Institute has formulated the *Intellectual Property Management System for R&D Projects of Central Research Institute*, which includes core work task systems based on patent evaluation orientation, a patent application pre-evaluation system, and other systems. Additionally, the Company has established mechanisms for training intellectual property talents and for protecting and incentivizing the rights and interests of corporate inventors. In 2021, it issued the *Measures for Management of Special Bonuses for Patents and Theses*, increasing the rewards for employees applying for PCT and overseas patents.

In the aspect of departmental functions, BTR has established the Intellectual Property Department as a functional management entity reporting to the Company's General Manager. This Department is responsible for developing, implementing, and managing the Company's intellectual property regulations. It also formulates plans, drives implementation, and assesses intellectual property efforts, while establishing an overarching intellectual property management system.



In the aspect of employee awareness and skill development, BTR's Intellectual Property Department has been conducting regular intellectual property awareness campaigns at the headquarters, branches, and subsidiaries since 2022. It has already organized two editions of the "Intellectual Property Month" event consecutively.

²The standards related to new energy and new materials that BTR has led and participated in formulating with only those that have been published counted.



2022

China Patent Excellence Award

2022

Guangdong Patent Gold Award

2022

First Prize of Zhejiang Technical Invention Patent Award

2021

First Prize of Science and Technology Award of Chinese Non-ferrous Metals Industry

2018

China Patent Excellence Award

2018

Intellectual Property Advantageous Enterprise in Shenzhen

2017

China Patent Excellence Award

2013

Intellectual Property Advantageous Enterprise in Guangming New Area

Product Clean Technology Innovation

Innovation Philosophy

BTR places a high value on innovation in clean technology. During the reporting period, the Company established sustainability goals and measures for 2023, including initiatives for energy saving processes, enhancing production efficiency, and increasing the use of renewable energy. In 2023, BTR was recognized as a Green Design Demonstration Enterprise for Industrial Products by the Ministry of Industry and Information Technology of the People's Republic of China.

Representative Products

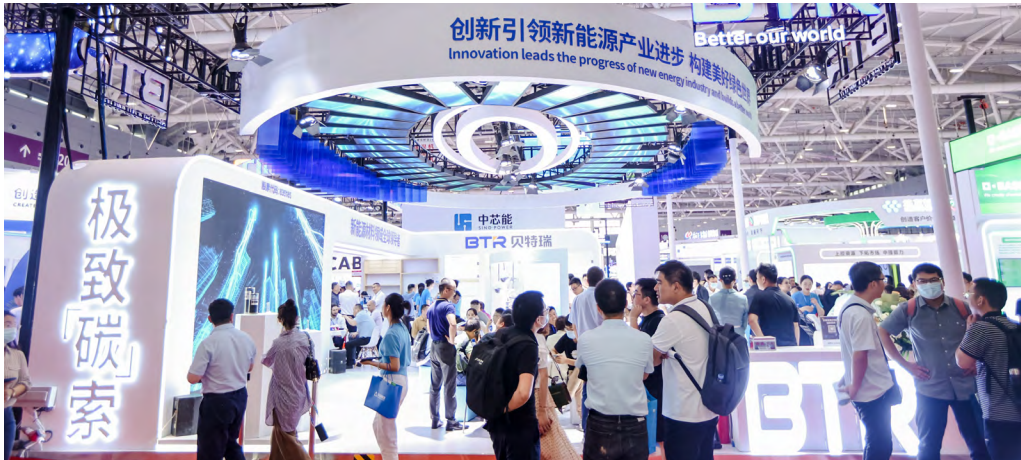
As a global leader in the field of new energy and materials, BTR Group's main business foundation lies in lithium-ion battery anode materials, expanding to lithium-ion battery cathode materials, sodium-ion battery cathode and anode materials, and new carbon materials. The Company's main products include natural graphite anode materials, artificial graphite anode materials, silicon-based anode materials, and nickel-rich ternary cathode materials (NCA and NCM811).

| | |
|--------------------|--|
| Anode Materials | Anode materials are among the primary components of lithium-ion batteries. Artificial graphite anode materials possess characteristics such as fast charging and high energy density, primarily used in applications like power batteries, energy storage batteries, and 3C digital batteries. Natural graphite anode materials offer advantages such as long cycle life, low expansion, fast charging, low cost, high capacity, and high power output, mainly applied in power batteries and energy storage batteries. Silicon-based anode materials, known for their high capacity and long cycle life, find applications in electric tool batteries and 3C digital batteries. |
| Cathode Materials | Cathode materials are also crucial components of lithium-ion batteries. They mainly consist of multi-metal composite oxides, including lithium nickel cobalt manganese oxide (NCM) and lithium nickel cobalt aluminum oxide (NCA), with a wide range of products primarily used in power batteries, 3C consumer batteries, electric tool batteries, and other fields. |
| Advanced Materials | To better cater to diverse customer needs, BTR actively diversifies its technological routes by assembling multiple R&D teams in various cutting-edge fields. These teams focus on key materials for new energy devices and work on R&D directions such as solid-state electrolytes, sodium-ion battery cathode and anode materials, carbon-based materials for fuel cells, and perovskite solar cell materials. These efforts are aimed at supporting the Group's new business ventures in the next 5 to 10 years. |



Frontier Development Trend

With the advancement of the national goals of carbon peaking and carbon neutrality, BTR actively deploys complementary new energy storage devices and technologies to lithium-ion battery materials by leveraging its profound technologies and industrialization experience in the field of new energy materials.



In May 2023, BTR held an "Extreme Carbon Exploration" new product launch event and released the following products:

| | |
|-------------------------------|--|
| Sodium-ion battery materials | <p>Product Type: Sodium-ion battery anode materials</p> <p>Product Name: BSHC-350</p> <p>Product Highlights: The product has a capacity of 350 mAh/g, with an initial Coulombic Efficiency (ICE) of 90%. The interlayer distance is adjusted for the product, and sealing pores are added. The product employs BTR's third-generation hard carbon technology for sodium-ion batteries, which adjusts the interlayer distance between carbon layers to enable rapid sodium-ion shuttling.</p> |
| | <p>Product Type: Sodium-ion battery cathode material</p> <p>Product Name: BN-O3B</p> <p>Product Highlights: The product has a capacity of 145 mAh/g, with an ICE \geq 93%. Specialized precursors are selected in combination with a gradient design. The product utilizes a dual/multi-domain synergistic structural design to achieve a microcrystalline composite synergistic structure. This results in higher capacity, longer life, and better safety.</p> |
| Carbon material for fuel cell | <p>Product Type: Carbon material for catalytic layer</p> <p>Product Name: TQ BMC</p> <p>Product Highlights: The product has a graphitization degree of \geq 0, a specific surface area of \geq 600 m²/g, and a mesopore volume of \geq 0.6 mL/g, achieving adjustable multi-level characteristic pore diameters. The product significantly reduces platinum consumption while improving platinum and carrier stability.</p> |
| | <p>Product Type: Carbon material for diffusion layer</p> <p>Product Name: TQ BGD</p> <p>Product Highlights: The secondary pore structure of the product is continuously adjustable, with the pore volume of the large drainage pores adjustable up to 40%. The pore walls surface exhibits intrinsic self-hydrophobicity, and the surface oxygen content is below 70% of existing materials, achieving better mass transfer efficiency and durability. The degree of crystallinity in the carbon layers of the product is more than twice that of existing materials. The product shows characteristics of high current, long life, and strong adaptability.</p> |

Products and Services

BTR upholds the product philosophy and theme of "Buy Better, Buy BTR" and is committed to enhancing the quality of its products and services comprehensively. The Company ensures that its products meet quality standards, strictly adhering to safety regulations to guarantees product safety. Simultaneously, it strives to continuously optimize customer services and establish long-term partnerships. Through ongoing improvement and innovation, BTR aims to provide customers with excellent product experiences and comprehensive satisfaction.

Enhancing Product Quality

BTR adheres to the quality policy of "Adhere to unique, high quality, continuous improvement. Let the customer feel excellent quality and reasonable price". Following the ISO 9001:2015 Quality Management System and the IATF 16949:2016 Automotive Quality Management System Standard, the Company has formulated a *Quality Management Manual* to monitor its quality comprehensively. Currently, BTR Headquarters and 12 subsidiaries have obtained ISO 9001 certification, while its headquarters and 10 subsidiaries have obtained IATF 16949 certification.

During the product design stage, BTR ensures the rationality and quality controllability of product design through its *Product Design and Development Control Procedures*. Additionally, the Company has developed Inspection and *Measurement Control Procedures* to rigorously monitor product quality at various stages, including raw materials, semi-finished products, and finished products. Furthermore, the Product Technical Standards provide detailed regulations on inspection methods, frequencies, and specifications, ensuring consistency and stability in product quality.

In terms of quality management, the Company actively promotes the digitization of quality management. It has established a comprehensive, efficient, and controllable quality management platform to achieve real-time monitoring and continuous improvement of product quality. Additionally, BTR continues to promote specialized Lean Six Sigma training to strengthen the cultivation and reserve of quality talents, providing strong talent support for the Company's quality management. Through systematic supplier quality management, the Company has established close cooperation relationships with strategic suppliers to ensure the stability and reliability of raw material supplies.

Furthermore, BTR has developed *Non-Conforming Product Control Procedures* to ensure the timely handling of problematic products and prompt responses to customer demands. These initiatives not only enhance product quality and customer satisfaction but also lay a solid foundation for the Company's long-term development.

Ensuring Product Safety

The Company places a high priority on product safety, conducting focused safety assessments at every stage of product design and production. Each product is accompanied by a Material Safety Data Sheet (MSDS) outlining its chemical safety properties, ensuring stability in its physical and chemical characteristics. Additionally, the Company submits its products for external monitoring annually to ensure compliance with RoHS and REACH certifications, with test results consistently meeting regulatory standards. Throughout the reporting period, the Company maintained a 100% product compliance rate.

To guarantee both product quality and safety, BTR rigorously adheres to the *Product Design and Development Control Procedures* during product R&D. Technical reviews are conducted at each stage, and only projects that pass these reviews proceed to the next stage. During the R&D phase, the Company establishes product technical specifications and related verification plans to ensure that only high-quality, safe products move into mass production. In the mass production stage, internal standards are set for incoming materials, manufacturing processes, and shipping, with inspections conducted at each stage according to product technical standards to maintain product quality and safety.

| During the reporting period | |
|---------------------------------------|---|
| The Company's product compliance rate | Total number of penalties/warnings for violating product safety regulations |
| 100% | 0 |

Additionally, to effectively protect customers' rights and interests, BTR has established a standardized product recall management process and system, ensuring strictly control over product quality and safety to maximize customer protection rights and interests. As per the *Customer Service and Management Control Procedures*, should any customers feedback or internal quality assurance findings indicate non-compliance with product specifications or customer requirements, the Company will promptly initiate the product recall process. Following the successful resolution of any issues, the Sales Department will notify the customer and conduct a satisfaction survey to ensure timely resolution of reported concerns.

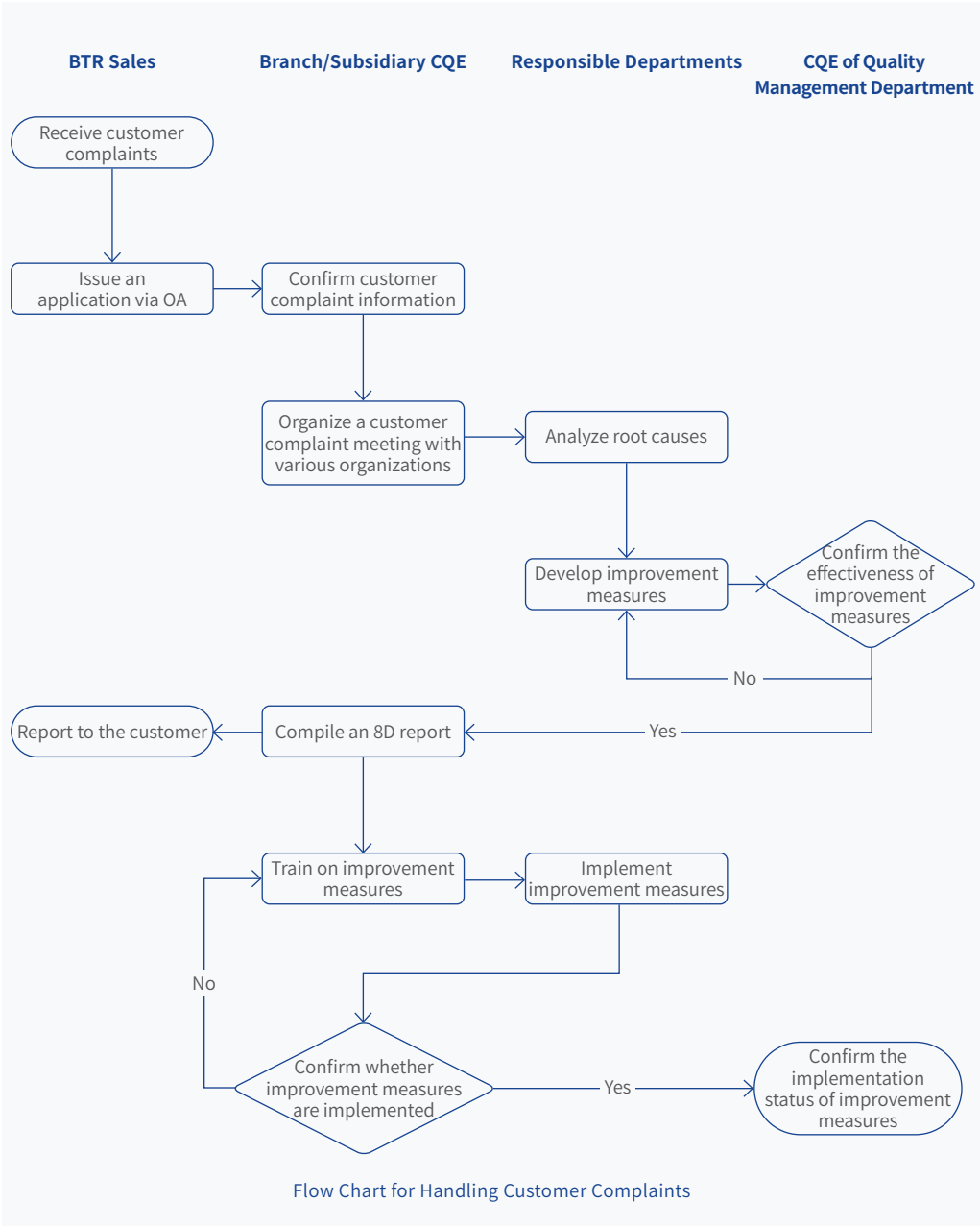
| |
|---|
| During the reporting period, the Company did not issue any product recalls. |
|---|

Optimizing Customer Services

Guided by customer needs, BTR upholds the product theme of "Buy Better, Buy BTR", committed to serving every customer and continuously improving the quality of its products and services. The Company has developed the *Customer Service and Management Control Procedures* to standardize pre-sales, sales, and after-sales services provided by the BTR Sales and relevant departments of the BTR Group to all customers.

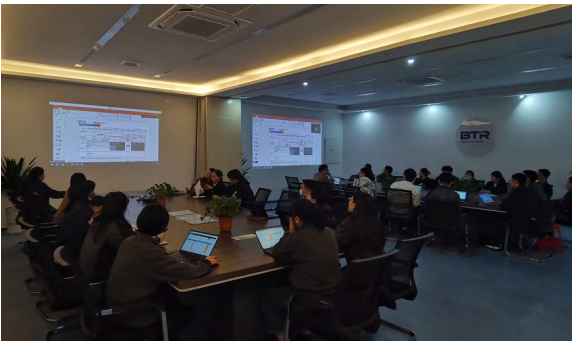
According to the *Customer Service and Management Control Procedures*, the BTR Sales is required to respond to customer service requests within 48 hours, addressing inquiries, requirements, feedback, and complaints. In cases of urgent customer information, the BTR Sales must provide an initial response within 24 hours, while non-urgent matters require an initial response within 48 hours.

Additionally, the Company has implemented the Issue to Resolution (ITR) process and established branches/subsidiaries or offices at major customers to enhance the quality of customer service, ensuring timely and accurate understanding of customer feedback and rapid responses.



| Pre-sales stage | Sales stage | After-sales stage |
|---|---|--|
| Before signing a <i>Product Sales Contract</i> with a customer, the BTR Sales provides full technical support to facilitate the customer' understand the products and services. When a customer requires samples, sales personnel submit applications, and relevant personnel from the Process Equipment Department or PDT handle the production, providing technical support if necessary. | Each production department at the respective bases organizes production according to the production plan, ensuring the quality, quantity, and timely delivery of products required by the customer. The Material Department arranges shipment time for loading. | The Strategy and Marketing Department is responsible for formulating the <i>Customer Satisfaction Survey Plan</i> and organizing relevant departments to evaluate and confirm it. The BTR Sales distributes the <i>Customer Satisfaction Survey</i> to domestic and foreign customers every six months, collecting relevant information through methods such as customer discussion surveys, customer visits, telephone calls, and internet surveys. |

To further enhance the professionalism and responsiveness of the Customer Service Team, in 2023, BTR conducted 26 professional training sessions in the field of customer service. Among these, seven were at the group-level, covering topics such as customer complaint handling, 5WHY analysis, 8D problem-solving methods, communication skills, and the application of mind mapping techniques. Additionally, the Company conducted 19 training sessions directly at various bases, focusing on IPD processes, small-batch management, quality planning, and analysis of customer complaint records. These training sessions involved professionals from 13 bases, with a cumulative participation of 6,734 individuals.



| During the reporting period | |
|--|-----------------------|
| Number of bases covered by customer service training | Cumulative attendance |
| 13 | 6,734 |
| 2023 | |
| Overall customer satisfaction index | > 80% |

Driving Sustainable Development for Industry Partners for Win-Win Values

With a proactive and open mindset, BTR collaborates with its partners to jointly build a high-quality industry chain system. To promote exchange and cooperation within the industry, the Company actively participates in various industry events, sharing cutting-edge technologies and industry trends. In 2023, BTR participated in over fifty industry exchange events, including the China International Battery Technology Exchange Conference/Exhibition and the 6th China International Advanced Materials Industry Exposition, and delivered presentations at nearly twenty summits.

BTR continuously drives the formulation of industry standards, contributing to the innovative progress of the industry. BTR has led or participated in the formulation of a total of 30 international, national, industry, and group standards. In 2023, the Company led or participated in the formulation of two national standards, two industry standards, and four group standards.

Additionally, BTR actively participates in industry associations, discussing diversified business cooperation models with partners to jointly promote high-quality industry progress. Currently, BTR holds positions in numerous industry associations and alliances, providing a valuable platform for in-depth exchanges and collaborative development with peers.

| Association | Position |
|---|--|
| China Automotive Battery Innovation Alliance | President Member of Battery Materials Branch |
| China Industrial Association of Power Sources | Executive Director Member |
| China Battery Industry Association | Member |
| Industry-University-Institute Cooperation Alliance for Advanced Battery and Materials | Vice President Member |
| Shenzhen Battery Industry Association | Honorary President Member |
| Shenzhen Enterprise Confederation | Vice President Member |

BTR Hosted the 2023 International Forum on Power Lithium-Ion Battery Technology and Industrial Development

In November 2023, BTR held the 17th International Forum on Power Lithium-Ion Battery Technology and Industry Development in Guangming, Shenzhen. With the theme of "Challenges and Opportunities the Power Battery Industry Facing," this forum gathered numerous academicians and experts to deliver speeches, focusing on the latest advancements in innovative research and industrial applications of various advanced batteries and their materials. Together, they explored the future development direction of the power battery industry.



Scene of 2023 International Forum on Power Lithium-Ion Battery Technology and Industrial Development



Compliant — Robust Operations

BTR adheres to the principle of "Compliant and Robust Operations," and has implemented a series of practical measures in corporate governance, compliance, risk control, anti-corruption, business ethics, as well as information security and privacy protection. Through the establishment of a comprehensive governance system, strict adherence to compliance standards, implementation of anti-corruption measures, and enhanced information security, BTR not only ensures the robust operation of the Company but also sets an example for the sustainability development of the industry.

.02

Consolidating the Development Foundation via Excellent Governance

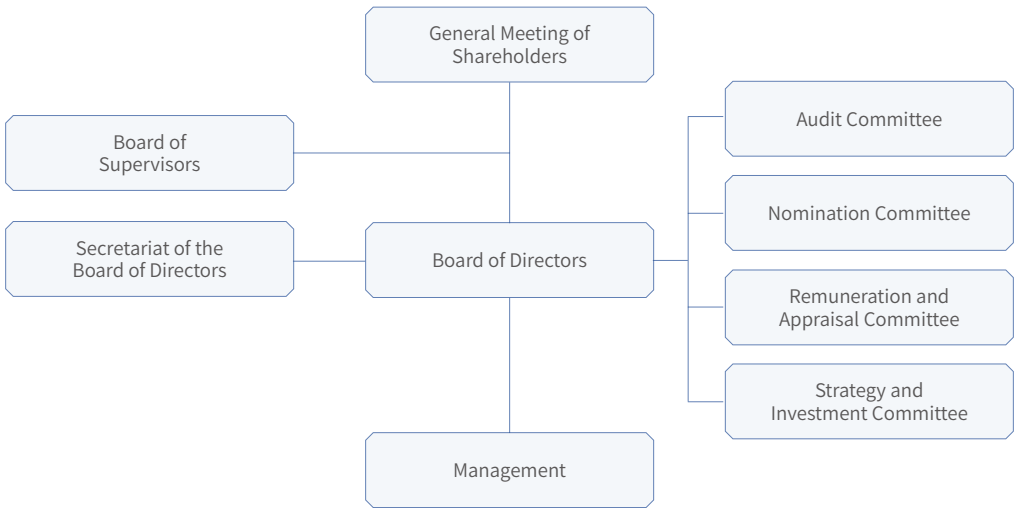
Corporate governance is the cornerstone of standardized operations and safeguarding the rights and interests of stakeholders. BTR adheres to compliant and lawful operations and has established a comprehensive and enduring governance framework. By implementing a scientific governance structure and adhering to principles of compliance, risk management, integrity, and business ethics, BTR has solidified the foundation for the Company's steady development.

Corporate Governance

BTR strictly adheres to relevant laws, regulations, and business rules, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Rules Governing the Listing of Shares on Beijing Stock Exchange (Trial)*. The Company is dedicated to constructing a scientific, transparent, and efficient corporate governance system while continuously optimizing its governance structure.

Scientific Governance Structure

BTR has established an organizational structure with clear levels and responsibilities to ensure the effective operation and mutual checks and balances among the various governance entities of the Company. The General Meeting of Shareholders serves as the supreme authority, with the Board of Directors being accountable to it. Within the scope authorized by the General Meeting of Shareholders, the Board of Directors deliberates and decides on significant matters concerning the Company's operations. The Board of Directors comprises four specialized committees: the Strategy and Investment Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Audit Committee, each carrying out its responsibilities accordingly. The Board of Supervisors acts as the supervisory body, overseeing the performance of duties by directors and senior management. Additionally, under the leadership of the Board of Directors, the management implements team executes the Company's strategies, supervises daily operations, and ensures the achievement of operational objectives, thereby driving the Company's long-term and robust development.



Investor Relations Protection

According to the *Rules Governing the Listing of Shares on Beijing Stock Exchange (Trial)* and applicable laws and regulations, the Company has developed the *Management System for Investor Relations* and the *Investor Protection System* to safeguard the legitimate rights and interests of investors, ensuring that investors can exercise their shareholder rights in accordance with the law. Through initiatives such as organizing investor surveys, managing the Company's telephone hotline, and hosting performance briefings, the Company enhances communication and engagement with investors, fostering a constructive dialogue and enabling investors to gain a deeper understanding of the Company. The Company consistently upholds principles of honesty, trustworthiness, fairness, and equity and fully and compliantly discloses information to all investors according to applicable laws and regulations.

Dividend Return to Shareholders

Upholding the business philosophy of "creating value for investors," the Company places great emphasis on shareholder returns while effectively managing its operations. It strictly adheres to the dividend return plan and profit distribution policy, actively rewarding investors with practical actions. Since 2015, the Company has implemented equity distributions multiple times through cash dividends, bonus shares, and capital increases via conversion, with a cumulative cash dividend of CNY 617 million (excluding those in the 2023 dividend plan), sharing the Company's development achievements with all shareholders.

In 2023, the Company proposed to distribute a cash dividend of CNY 4.00 (including tax) per 10 shares to all shareholders, based on the total share capital minus the shares held in the repurchase account. While maintaining stable dividend payments, and based on confidence in the Company's development prospects and the aim to uphold the stability of the Company's market capitalization and the interests of all shareholders, the Company announced a share repurchase plan in March 2024. It intends to use funds totaling not less than CNY 100 million and not exceeding CNY 200 million for share repurchases, implementing the action plan of "Enhancing Quality, Maintaining Credibility, and Rewarding Shareholders" and taking multiple measures to increase shareholder returns.

Compliant Operation and Risk Control

Compliant operation is the cornerstone of corporate development. BTR places high importance on operating in compliance and actively promotes effective risk management through a comprehensive compliance system and management processes.

Building of Compliance System

A robust compliance system is essential for strengthening internal oversight and mitigating corporate risks. The Company's Board of Directors, Board of Supervisors, and General Meeting of Shareholders operate in a standardized manner, and the corporate governance structure is well-established. This has resulted in an internal control system with clear responsibilities and checks and balances, supported by internal control processes encompassing prevention, in-process control, and post-supervision and inspection.

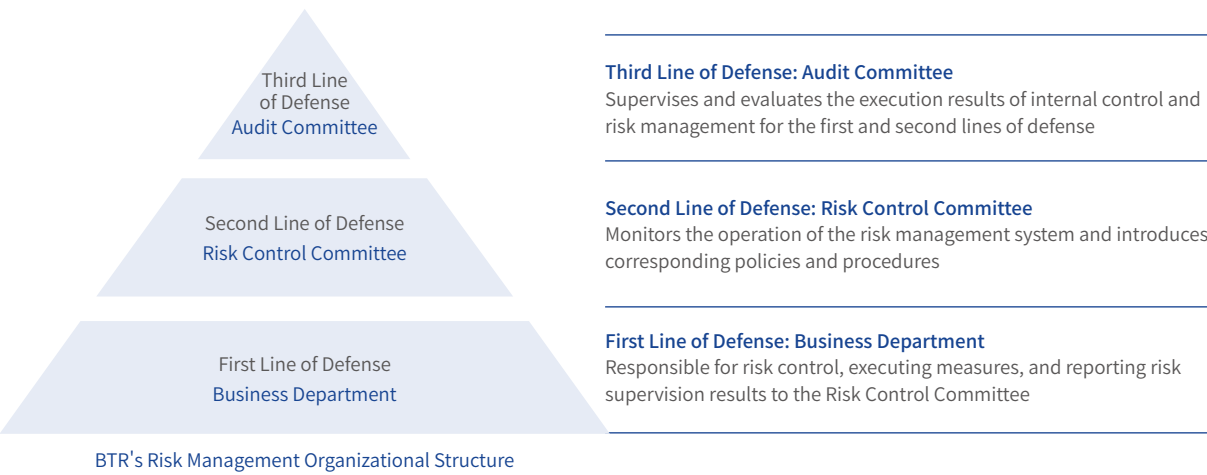
The Company has formulated the *Internal Audit System*, which outlines the internal audit system, internal audit institutions, related responsibilities, overall requirements, and specific implementation guidelines. The Company has established Risk Control and Audit Center, which conducts internal control audits, special audits, risk management, anti-fraud work and other tasks, inspecting and evaluating the effectiveness of the Company's internal control design and operation. In 2023, the Company conducted an evaluation of the previous year's internal control procedures, confirming that the Company maintained effectiveness in all significant aspects according to the requirements of the internal control standard system, and did not identify any major deficiencies in the internal control of non-financial reports.

Implementation of Risk Control

BTR continually enhances its risk management system and refines internal control processes. The Company has established Risk Control Committee and developed *Risk Management Manual* to guide risk management efforts across all business units. Through activities such as risk identification and assessment, prevention and response, improvement and supervision, and the establishment of a risk information database, BTR actively promotes comprehensive risk management.

In terms of risk identification, BTR collects and analyzes risk information from its headquarters, branches, and subsidiaries, identifying 18 major risks requiring priority management. It has established a tracking mechanism for these risks along with corresponding mitigation measures, ensuring a closed-loop management approach. Additionally, BTR conducts specialized risk assessments and develops and implements risk prevention and control measures. The Company has actively carried out specialized risk assessments, including procurement and supply chain risk assessments, to focus on preventing and controlling risks.

To enhance employees' awareness of risk control, BTR has established a comprehensive risk management training system for staff at all levels. During the reporting period, the Company organized various internal training sessions, including *Training on Theories and Practices of Risk Management* and *Practical Knowledge of Risk Management*. Furthermore, BTR invited external experts to conduct specialized training on the Development of Enterprise Risk Management Systems, aiming to deepen employees' understanding of theories and practices of risk management while nurturing a talent pool in risk management within the Company.



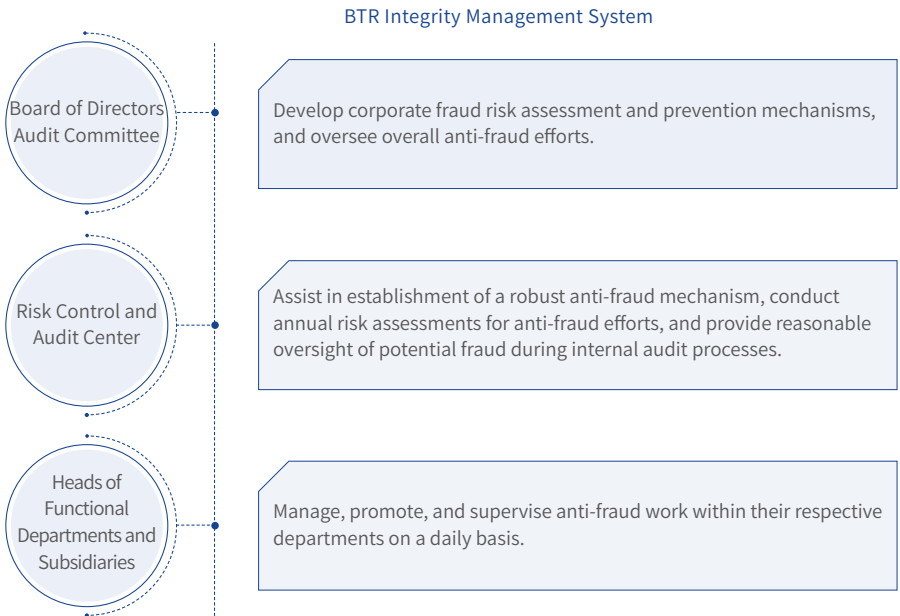
Integrity and Business Ethics

Integrity and business ethics are vital principles for ensuring compliant operations within a Company and are essential for upholding its reputation. BTR consistently reinforces the development of its integrity management system, conducting regular corruption risk assessments at operational sites. Additionally, the Company is committed to promoting a culture of integrity, continuously enhancing employees' moral awareness and professional conduct, and fostering a positive corporate atmosphere.

Development of Integrity Management System

BTR upholds a "zero tolerance" stance towards fraud and corruption, continually enhancing its internal anti-corruption system. The Company has developed the *Management Measures for Anti-Fraud Work (Trial)*, the *Supplier Management Measures* and *Honest Procurement Management Provisions* in accordance with the *Interim Provisions on Prohibiting Commercial Bribery* and other relevant laws and regulations. Additionally, to prevent fraud and corruption, the Company has established an integrity management system comprising the Board of Directors, the Audit Committee, the Risk Control and Audit Center, the Board of Supervisors, and the heads of all functional departments and subsidiaries to guide the Company's anti-fraud efforts.

Each year, the Company conducts internal assessments and audits, conducts due diligence investigations for key stakeholders, and ensures the comprehensive implementation of integrity building. In 2023, the Company conducted corruption risk assessments for all operation sites, identifying no sites with significant corruption risks. One corruption incident was reported through complaint and reporting channels, in which 2 employees involved were penalized by termination of their labor contracts.



In terms of anti-fraud cooperation, BTR has joined the Enterprise Anti-Fraud Alliance and dedicated to advancing research on modernizing governance systems and anti-fraud capabilities, developing standards, sharing blacklists, and providing mutual assistance in anti-fraud resources. Additionally, BTR collaborated with the Shenzhen Guangming District Procuratorate to set up a "Procuratorate-Enterprise Cooperation Platform". Through this platform, the District Procuratorate conducts targeted activities such as compliance and rule of law lectures, and anti-corruption risk prevention and control initiatives, tailored to the Company's specific needs.



Enterprise Anti-Fraud Alliance Member Unit



Signing Ceremony of the First Phase of the "Prosecution-Enterprise Cooperation"

Integrity Culture Education

BTR places high importance on integrity culture education. The Company requires employees to actively learn and embrace the concepts and requirements of the Company's anti-fraud efforts, signing and strictly adhering to the *Commitment to Integrity and Self-discipline*. Building on this foundation, the Company formulated the *Operational Guidelines for the Filing and Declaration of Gifts Received by Employees*, mandating transparent reporting of gifts received during external interaction and visits. Furthermore, the Company encourages employee participation in various anti-fraud training sessions and activities organized internally to enhance awareness of anti-corruption measures.

To establish an effective mechanism for integrity supervision and safeguard the legal rights and interests of the Company, shareholders and partners, the Company has formulated the *Implementing Rules on Complaints and Reports* incorporating a comprehensive system for complaint confidentiality and incentives. Whistleblowers can report instances of misconduct by BTR employees, partners and individuals through various channels such as telephone, email, mailbox, the "Honest BTR" WeChat public account, as well as through written correspondence or in-person visits. Complaints are received and reviewed by the Risk Control and Audit Center, which then handles the reported issues in accordance with relevant provisions.

During the reporting period, BTR

| | | |
|--|----------------------|---------------------------------|
| Carried out integrity-related training | Total training hours | Percentage of employees trained |
| 4 times | 40 hours | 100% |

Anti-fraud reporting channels:

Tel: 0755-81390262
Email: jubao@btrchina.com

Integrity Themed Training

In 2023, BTR conducted anti-fraud training as part of the themed "The Second Anti-Fraud Anniversary" activities, deeply instilling the anti-fraud concept through case studies, discussions and system promotion.



3.15 The Second Anti-Fraud



9.13 Training Activities on Integrity and Honest Procurement

Trade Secret Protection

BTR diligently upholds the principle of fair trade, strictly abides by the *Law of the People's Republic of China against Undue Competition*, the *Anti-monopoly Law of the People's Republic of China* and other laws and regulations. It continuously strengthens the Company's business ethics management system and trade secret protection, firmly maintaining compliance. The Company has established institutional documents such as the *Management Measures for the Protection of Trade Secrets*, the *Trade Secret Protection System* and the *Appraisal Measures for the Management of Trade Secrets* to refine trade secret protection management.

In terms of external trade secret management, suppliers are required to sign the *Confidentiality Agreement* during development and certification. Suppliers involved in the output, exchange and technical cooperation of "Confidential" and "Top Secret" information of the Company undergo annual review as confidential suppliers. Additionally, the Company signs the *Confidentiality Agreement on Business Cooperation* with the procurement personnel to enhance the ideological education and supervision mechanisms, ensuring the security of business cooperation.

Internally, the Company conducts annual trade secret compliance management training for all employees. It also enhances employees' awareness of trade secret protection through various forms of publicity such as monthly magazines on trade secret themes, promotional videos, quizzes and standing signs in the office..

2023

Training on trade secrets for all staff

2 sessions

Total attendance

1,939 participants



Trade Secret Compliance Management

Information Security and Privacy Protection

Information security and privacy protection are fundamental to establishing and maintaining long-term relationships with customers and partners. BTR places great importance on information security and privacy protection. The Company comprehensively builds its information security management system through the establishment of robust management systems, the development of multi-layer defense technologies, and ongoing staff awareness training and assessment.

Information Security Management

BTR adheres to the information security policy of "International Standards, Industry Leadership, Prevention-oriented, All-employee Participation, Continuous Improvement, and Customer Trust". Based on the ISO/IEC 27001 international standard for information security management systems and the Company's actual situation, BTR has developed several documents including the *Information Security Management Manual*, the *Information Security Incident Response Management Standard*, the *Emergency Response System* to guide the establishment of the Company's information security management system. Currently, BTR Headquarters and 9 subsidiaries have obtained ISO/IEC 27001 certification.

The Company conducts an annual internal audit of information security and a management review to ensure the effective implementation of information security risk control measures and to prevent incidents. During the reporting period, BTR did not experience any major information security incidents. Additionally, the Company continues to monitor the information security management of its suppliers and includes the assessment of their information security management level in its supplier evaluation process.

Specialized Empowerment Training on Information Security Protection Awareness

In 2023, BTR conducted comprehensive training for all employees to enhance their awareness of information security. The training covered topics such as the concept and importance of information security, information security systems and requirements, as well as key points and blind spots in information security within employees' offices.



Data and Privacy Protection

The Company places high importance on data security and has implemented measures to protect the system data as well as the privacy data of employees and partners. Clear management systems have been established for the use, transmission, storage, backup, and destruction of data assets at each stage. Utilizing techniques such as network access control, document encryption, operational monitoring and auditing, data backup, and change management, the Company ensures the effective implementation of all management requirements. Additionally, all BTR employees have signed the *Employees' Personal Information Protection Policy Acknowledgement*, which specifies the management requirements for the collection, authorization, storage and use of employees' personal information.

Harmonious Environment — and Staff

BTR is dedicated to exploring the harmony between people, nature and society. Along the path of pursuing green development, BTR actively builds a green production system, promotes the use of clean energy and reduces waste generation, striving to achieve harmonious coexistence with the natural environment. Simultaneously, the Company prioritizes the cultivation and development of its employees, establishing a comprehensive talent development system and providing diverse training and advancement opportunities. It fosters a positive, cooperative work atmosphere, promoting both employee and Company growth. BTR demonstrates its commitment to social responsibility with practical actions, contributing to the construction of a sustainable future.

.03

Green and Low-carbon Development for an Environmentally Friendly Production System

As the world's leading supplier of lithium-ion battery materials, BTR has consistently supported the Sustainable Development Goals (SDGs) of the United Nations. Through continuous technological innovation and environmental management practices, BTR is committed to advancing its development in a more environmentally friendly and sustainable direction, making positive contributions to building a cleaner and greener world.

Response to Climate Change

Climate change not only threatens human survival and development, but also has a significant impact on the safety of enterprise production and operation. It is urgent to take global actions to mitigate and adapt to climate change. BTR faces a series of physical and transformation risks due to climate change. As a leading global supplier of lithium-ion battery materials, BTR actively takes on social responsibility and responds to the calls of the international community and nation. The Company has made significant efforts in climate work strategic planning, risk identification, carbon emission management and other dimensions,contributing to a sustainable future.

Climate Strategy and Risk Identification

To fully disclose the Company's climate-related risks, BTR proactively responds to the concerns of investors and the public, further advancing the Company's transition to a more sustainable low-carbon economy. The Company identifies its management policy and strategies for mitigating and responding to climate change risks across four dimensions: governance, strategy, risk management and goals.

| | |
|-----------------|--|
| Governance | BTR has enhanced the governance structure related to sustainability and climate action by establishing a Sustainability Management Committee within the Company. This Committee reports directly to the Company's legal entity, overseeing all aspects of the Company's sustainability efforts and driving its response to climate change. Additionally, BTR has set up a GHG team in its subsidiaries, which is responsible for the management of carbon emission verification. |
| Strategy | BTR continuously improves environmental management and energy management systems. The Company prioritizes actions to address climate change, including increasing the utilization of renewable energy, and actively promoting carbon emission reduction efforts. |
| Risk Management | BTR conducts assessments of climate-related physical risk and transformation risk, considering both the likelihood of risk occurrence and its potential impact. The Company also engages with government regulatory agencies, cooperative suppliers, research institutions, and other stakeholders to identify key climate issues. In the future, the Company will further establish and improve its risk management system to monitor and respond to all types of risks, including climate risks, in a timely manner. |
| Goals | In alignment with its production activities, BTR sets carbon emission reduction goals and discloses them on the Company's official website. |



BTR Huizhou photovoltaic generation



BTR JS Cathode photovoltaic generation

Climate Risk Matrix of BTR

To fully disclose the Company's climate-related risks, BTR proactively responds to the concerns of investors and the public, further promoting the Company's transition to a more sustainable low-carbon economy. The Company identifies its management policy and strategies for mitigating and responding to climate change risks across four dimensions: governance, strategy, risk management and goals.

| Risk Category | Subcategory | Potential Impact | Countermeasures |
|---------------------|----------------------------|---|--|
| Physical Risk | Acute Risk | Climate change-induced floods, typhoons, blizzards, and other extreme weather may cause damage to equipment, factories, and other facilities at BTR production bases, leading to production stoppages, serious personal injuries, and direct or indirect economic losses. Additionally, extreme weather can affect the efficiency of transportation and personnel mobility, leading to disruptions or delays in the delivery of raw materials and construction, as well as inconvenience for the Company's employees' commuting and business travel. | 1.Selection and planning for operation sites: <ul style="list-style-type: none">When selecting sites, refer to historical natural disaster data and prioritize areas with lower climate risk.Implement green and energy-efficient building and infrastructure design to ensure adaptability and tolerance to the environment, taking into account local climatic characteristics when planning operation sites. 2.Disaster preparedness and emergency management: <ul style="list-style-type: none">Establish an early warning system for extreme weather, notify employees promptly, and execute appropriate safety measures.Develop emergency response plans for natural disasters such as floods, typhoons, and high temperatures, including measures for employee safety, facility protection, and business continuity. 3.Operational efficiency and energy-conserving technologies: <ul style="list-style-type: none">Optimize production processes and energy efficiency by adopting energy-saving technologies to reduce energy consumption and costs.Regularly assess and monitor energy efficiency to ensure continuous improvement and efficient resource utilization. 4.Renewable energy applications: <ul style="list-style-type: none">Strengthen the utilization of renewable energy sources such as wind and solar energy to reduce dependence on fossil fuels.Actively participate in the green energy market by purchasing or directly producing green electricity to improve the energy structure. 5.Water resource management and water conservation measures: <ul style="list-style-type: none">Improve water conservancy facilities to increase water use efficiency and reduce water waste.Implement water recycling programs to reduce demand for water resources and environmental impacts. 6.Comprehensive climate risk assessment and insurance management: <ul style="list-style-type: none">Conduct regular climate risk assessments to identify and quantify potential risks.Purchase appropriate property and business interruption insurance based on the assessment to mitigate potential financial impacts. |
| | Chronic Risk | Chronic risks from climate change include persistent regional droughts, high temperatures, sea level rise, and changes in magnetic fields. As a supplier of lithium-ion battery materials, BTR production and operational equipment are sensitive to the environment and temperature. Climate change will likely increase the Company's depletion and costs for temperature control and equipment maintenance, and increase the use of water resources in production and operations, resulting in sustained economic losses. | |
| Transformation Risk | Policy and Regulation Risk | The threat of climate change has increased. With the release of the <i>Working Guidance For Carbon Dioxide Peaking And Carbon Neutrality In Full And Faithful Implementation Of The New Development Philosophy</i> and the <i>Action Plan for Carbon Dioxide Peak by 2030</i> and due to the establishment and improvement of the carbon market in China, the development of the carbon trading market, the gradual implementation of the carbon tax and the environmental protection tax, the disclosure requirements of international and domestic regulatory agencies and capital market rating indices for corporate environmental data are increasing. BTR is facing more pressure in terms of green production, reduction of product carbon footprints, and disclosing environmental protection information. The Company's negotiations with overseas cooperation projects and compliance management costs are rising. | <ul style="list-style-type: none">Pay close attention to changes in carbon trading and related policies and regulations, conduct GHG inventories, and formulate and improve emission inventories.Monitor and optimize emission hotspots to enhance GHG emissions management.Integrate environmental protection principles into all aspects of R&D, production, packaging, logistics and product recycling to reduce energy and resource consumption.Comply with the regulations of the location and product sales country, and establish a sound system and protection mechanism. |

| Risk Category | Subcategory | Potential Impact | Countermeasures |
|---------------------|-----------------|---|---|
| Transformation Risk | Technical Risk | In the context of global climate change, the transformation towards green and low-carbon technologies has become an inevitable trend for social development. BTR faces pressure regarding the transformation to low-carbon technologies. For example, the investment and utilization of green technology are at risk of failure, which could result in financial losses and increased compliance and operational costs. As future market continue to focus on products carbon footprints, BTR faces increased pressure to manage the carbon footprint throughout the entire life cycle of its products. | <ul style="list-style-type: none">In the development, input and use of green technologies, ensure their rationality and feasibility, and carry out full justification, analysis, experimentation and testing before trial implementation and full-scale promotion and use.Encourage and strengthen the use of green technologies within the enterprise and value chain partners, such as promoting green offices and exploring the possibilities of energy conservation and carbon emission reduction.Establish a systematic technical talent cultivation system, strengthen R&D investment, actively participate in industry exchanges, and maintain technological leadership.Cooperate with the entire value chain, promote product dismantling and recycling, participate in the formulation of relevant standards, and reduce the carbon footprint throughout the entire life cycle of products. |
| | Market Risk | With the growing public recognition of environmental protection and green development concepts, consumers and upstream and downstream suppliers are paying more attention to environmental protection initiatives when choosing companies. If BTR fails to meet the expectations of its partners and the public, it may face the risk of losing market share. In the context of globalization of the supply chain, the environmental pressure of other partners may be transferred to BTR, further increasing production costs. With the reduction of new energy subsidies, the market popularity is gradually decreasing, which may also increase the Company's production and marketing costs. | <ul style="list-style-type: none">Actively pay attention to the market, comply with the trend of green carbon emission reduction, and grasp the R&D of low-carbon products.Strictly manage and control the environmental impact of the Company, adhere to the green development path and low-carbon development mode, and enhance the Company's market reputation.Strengthen the transparency and accuracy of environment-related information disclosure, respond to stakeholders' concerns and gain market trust.Accelerate research on low-carbon technologies and upgrade corporate green and long-term production mechanisms to cope with the risk of potential cost increases. Enhance product accessibility and affordability to ensure an effective response to market demand. |
| | Reputation Risk | Countries' strategic protection of local companies may make it difficult for BTR to expand overseas. China's "carbon peaking and carbon neutrality" goal has been put forward, and policy regulation has been intensified. Stakeholders' concern for green development, consumption reduction and carbon emission reduction has increased, which puts higher requirements on the fulfillment of BTR's corporate social responsibility and the level of information disclosure. | <ul style="list-style-type: none">Strictly refer to regulatory requirements, improve the comprehensiveness and accuracy of environment-related data disclosure, and increase the transparency of the information disclosure framework and process.Clarify corporate goals regarding environmental impacts, respond positively to stakeholders' concerns, and enhance trust.Comprehensively implement measures to reduce consumption and carbon emissions within the Company and along the value chain, and effectively promote the goals of carbon peaking and carbon neutrality. |

GHG Management

BTR activity responds to the national green development strategy and adheres to the development policy of "Green Harmony and Win-Win Cooperation". In 2023, BTR publicly released the Strategic Plan of Carbon Neutrality, aiming to achieve operational carbon peaking by 2030, operational carbon neutrality by 2050, and carbon neutrality across the value chain by 2060.



To strengthen the Company's carbon emission management, BTR has formulated the *Carbon Emission Verification Management System* based on the requirements of the GHG Protocol and ISO 14064 standards, as well as the Company's actual circumstances. It has set up the Company's carbon emission verification database. Annually or semi-annually, the Company conducts independent carbon emission inventories of its subsidiaries and invites third-party entities to perform carbon emission verification and certification for BTR Headquarters and 12 subsidiaries for the year of 2023. Starting from the reporting year, the Company has placed special emphasis on key items in Scope 3, including the transportation process of raw materials, products and waste during carbon emission verification statistics. In 2023, the total GHG emissions of BTR Headquarters and its 12 subsidiaries amounted to 863,248.20 tons of CO₂e, with a GHG emission intensity of 0.344 tons of CO₂e/CNY 10,000 of revenue. BTR also actively promotes ESG performance reviews of suppliers and occasionally conducts online surveys to collect suppliers' GHG emissions data to support the creation of a green industry chain.

Furthermore, BTR is reducing production and operational carbon emissions through efforts such as technological innovation, process improvement, and equipment upgrades. BTR commissions third parties to conduct product carbon footprint assessments, analyzing carbon emissions at various stages of products development to guide carbon emission reduction. In 2023, the Company completed the carbon footprint assessment of artificial graphite battery anode materials products and obtained the LCA report.

While continuously optimizing energy conservation and carbon emission reduction on the production side, the Company is actively advancing the utilization and transformation of clean energy. By the end of 2023, the Company had completed the construction of a 12 MW photovoltaic power plant.

Organizational chart of the CO₂ Emissions Verification Team (BTR Headquarters)

| | | |
|--|--|--|
| Top Leadership | Carbon Verification System Leader | EHS Management Department |
| | | Responsibilities: Revise the GHG quantification and reporting system and regularly verify CO ₂ emissions. |
| | | Administration Department |
| | | Responsibilities: Provide administrative related information such as refrigerant charging in the Company. |
| | | Production Department |
| Responsibilities: Appoint the Carbon Verification System Leader of the CO ₂ Emissions Verification Team as required by the City Government and provide the support required by the Carbon | Responsibilities: Staff the Verification Team, implement the teams' work plans and follow up on the progress, and report the status of verification to the supreme leader. | Responsibilities: Provide basic information related to the Company's production. |
| | | Engineering Department |
| | | Responsibilities: Provide power metering network diagrams. |
| | | Material Department |
| | | Responsibilities: Provide information on corporate energy purchases, consumption and inventory. |
| | | Finance Department |
| | | Responsibilities: Provide invoices for gasoline, diesel, electricity, liquefied petroleum gas, asphalt, etc., and provide basic information on the Company's annual output value, annual tax revenue, and annual industrial added value. |
| | | |

Environmental Management System

BTR consistently upholds the environmental management policy of "Law Abiding, Green Harmony, Enhanced Management, and Continuous Improvement," aiming to establish a comprehensive and efficient environmental management system.

Environmental Management System

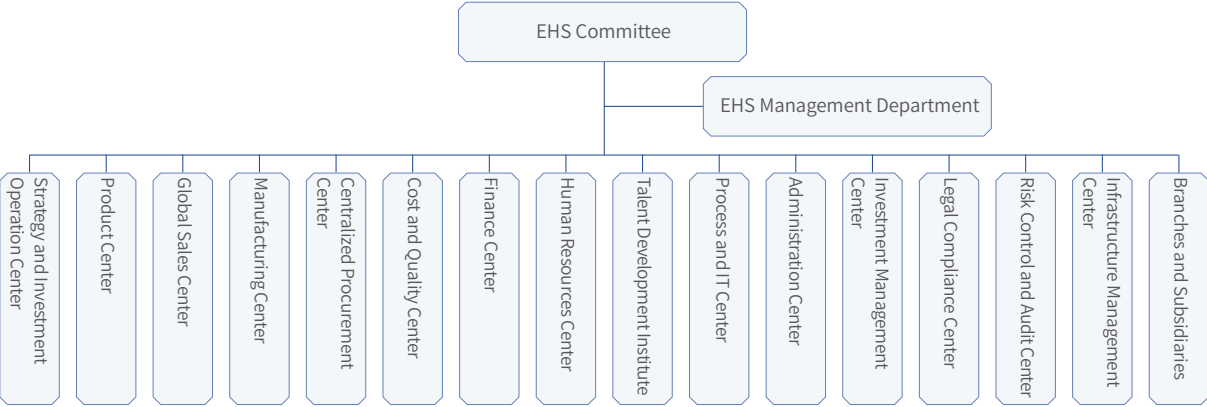
BTR complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Law of the People's Republic of China on Promotion of Cleaner Production*, the *Administrative Measures for the Legal Disclosure of Environmental Information of Enterprises*, as well as the relevant requirements of ISO 14001. It has developed the *EHS Management Manual*, the *Carbon Emission Verification Management System*, and several procedural documents and operating guidelines to achieve standardization and proceduralization of environmental management.

Up to now,

BTR Headquarters and subsidiaries have garnered ISO 14001 certificates

11 items

To ensure that the Company meets the required standards of environmental protection and safety management in all aspects, BTR has set up an EHS Committee. The Committee chaired by a senior management member of the Company and reports directly to the Company's legal entity. The general manager (or deputy general manager) from each subsidiary serves as Committee members. The EHS Committee is fully responsible for driving improvements and managing safety and environmental protection within the Company, oversees the establishment of EHS Sub-committees in each subsidiary, sets environmental objectives, identifies environmental factors, conducts compliance assessments, and manages internal reviews and evaluations.



Building a Green Factory

BTR places a high priority on the construction of green factories, and employs various measures across its facilities to promote green manufacturing comprehensively through systematic management, energy transition, and waste resource utilization. As of December 2023, four production bases, including BTR Headquarters, BTR Huizhou, BTR Tianjin, and BTR Sichuan, have received "National-level Green Factory" certification.

BTR (Sichuan) New Material Technology Co., Ltd. was awarded "National-level Green Factory".

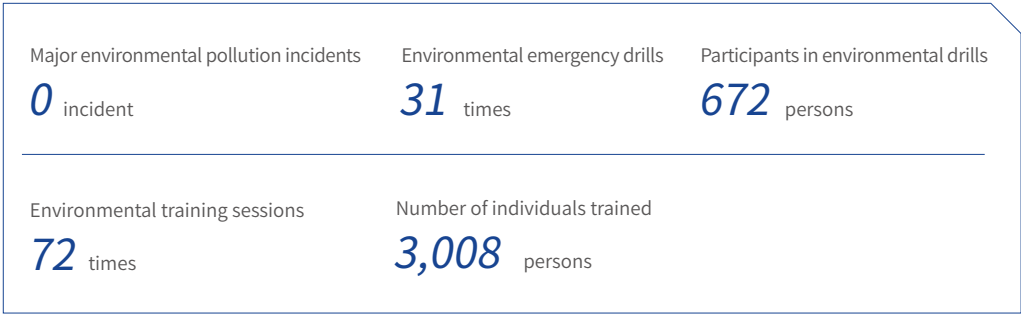
Since its establishment, BTR (Sichuan) New Material Technology Co., Ltd. has adhered to green factory construction standards as a guideline, establishing a safety, environmental protection, energy organization and management guarantee system. It has developed a green development system with a focus on "environmental protection" and "carbon emission reduction" and has implemented standardized control procedures through leadership groups from top to bottom. This recognition as a "National-level Green Factory" highlights its comprehensive capabilities in green manufacturing, including factory intensification, harmless raw materials, clean production, waste resource utilization, low-carbon energy, and so on.

In December 2023, BTR Sichuan was included on the 2023 National Green Manufacturing List of the Ministry of Industry and Information Technology of the People's Republic of China, and was granted the honor of "National-level Green Factory".



Emergency Management

To enhance its preparedness and response capabilities for unforeseen environmental incidents, BTR has developed detailed emergency response plans for environmental emergencies and conducts regular accident drills. In 2023, BTR organized multiple emergency drills for environmental incidents such as wastewater leaks, excessive emissions of off-gases, hazardous waste spills, and production wastewater exceeding standards.



Green Production

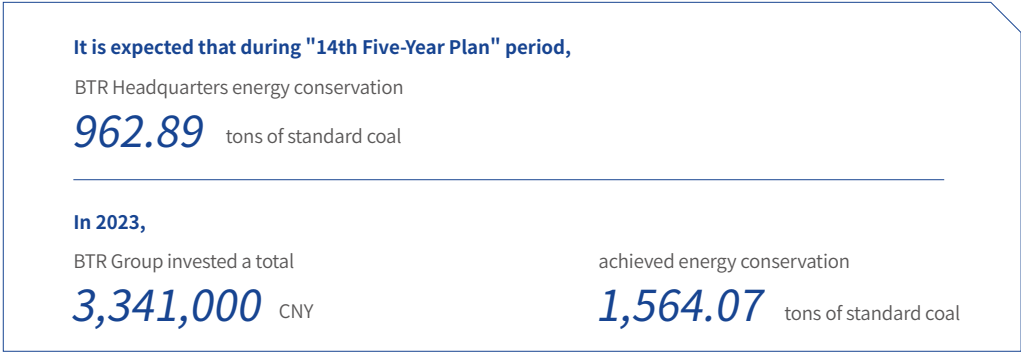
BTR upholds the principles of green development, striving to advance the transition and application of clean energy and achieve efficient energy use through the implementation of energy-saving strategies. Simultaneously, the Company rigorously manages pollutant emissions and waste to reduce pollution and carbon emissions. On the path to green production, BTR continuously optimizes its processes, promotes green manufacturing, and contributes steadfastly to the construction of a green, low-carbon society in the future.

Energy Management

BTR follows the *Law of the People's Republic of China on Energy Conservation*, the *Industrial Energy Conservation Management Measures*, the *Energy Conservation Management Measures for Key Energy Consumption Organizations*, the *Guangdong Energy Conservation Regulations*, and other laws, regulations, and management requirements. With reference to ISO 50001 and other standards, it adheres to the energy management policy of "Law Abiding, Green Harmony, Enhanced Management, and Continuous Improvement". The Company has set up the Energy Management Center and formulated the *Energy Management Manual* and a number of procedural documents and operating instructions to guide the establishment and improvement of the Company's energy management system. Up to now, the headquarters and 8 subsidiaries of BTR have been reviewed to meet the relevant requirements of ISO 50001 and have garnered certification.

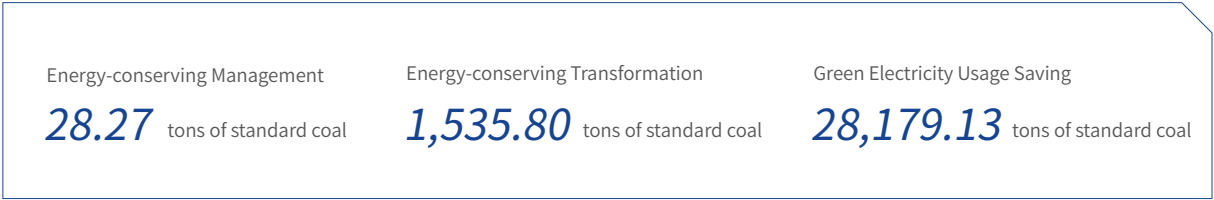
To enhance energy management, reduce energy consumption and improve energy efficiency, BTR conducts regular energy audits and prepares energy audit reports along with five-year energy conservation plans. According to the BTR's *Corporate Energy Conservation Plan during the "14th Five-Year Plan" Period (2021-2025)*, the Company aims to decrease energy consumption per unit product through measures like process improvement and equipment efficiency enhancement. It is anticipated that during the "14th Five-Year Plan" period, energy consumption will be reduced by an estimated 962.89 tons of standard coal.

In 2023, BTR initiated a series of key energy-conservation projects, with a total investment of CNY 3,341,000, resulting in an energy-saving equivalent to 1,564.07 tons of standard coal. Additionally, the Company implemented management strategies such as setting IT facilities to automatic sleep mode and turning off lights when people leave to further reduce electricity consumption.



Energy-conserving Technology Improvement Projects in Various Industries of BTR in 2023 (Partial)

| Company & Business Unit | Renovation Description | Results in 2023 |
|--|--|--|
| BTR New Material Group Co., Ltd. | Negative pressure station reconstruction | Saving of about 1 million kWh of electricity and 123.53 tons of standard coal. |
| Tianjin BTR New Energy Technology Co., Ltd. | Waste heat recovery and renovation of air compressor and energy conservation renovation of equipment | Saving of 3.6 million kWh of electricity and 442.44 tons of standard coal. |
| Tianjin BTR New Energy Technology Co., Ltd. | Lighting-related electricity conservation management | Saving of 0.23 million kWh of electricity and 28.27 tons of standard coal. |
| Huizhou BTR New Materials Technology Co., Ltd. | Energy conservation renovation of demagnetization cooling circulation system | Saving of 0.825 million kWh of electricity and 101.36 tons of standard coal. |
| Huizhou BTR New Materials Technology Co., Ltd. | Optimization of power transmission curves | Saving of 1.6 million kWh of electricity and 196.64 tons of standard coal. |
| Changzhou BTR New Materials Technology Co., Ltd. | Single cone circulating water renovation | Saving of 1.953 million kWh of electricity and 240 tons of standard coal. |



Based on energy conservation and consumption reduction, BTR continues to drive forward the transition to clean energy, further advancing low-carbon production. As of the end of 2023, BTR Group's five production bases collectively utilize green electricity, accounting for 18.14% of the Company's total electricity consumption. Among them, Sichuan Ruian has achieved full operation with green electricity (hydropower), while other production bases are gradually increasing the proportion of clean energy usage.



Resource Management

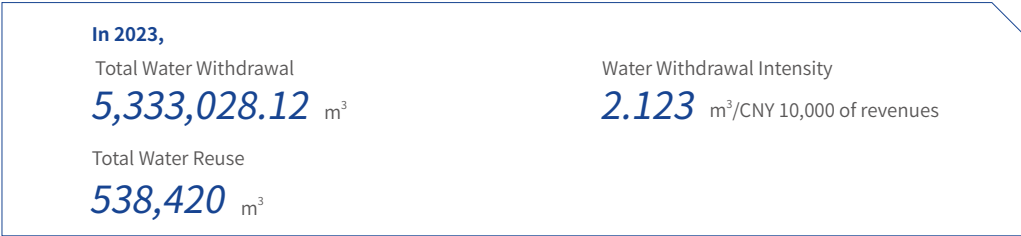
BTR continues its efforts in resource management, with a focus on water resources and the recycling of packaging materials. Through technological innovation and process optimization, the Company continually reduces water consumption during production processes. Additionally, BTR promotes the use of environmentally friendly and recyclable materials for packaging, aiming to minimize unnecessary packaging waste and embody the concept of sustainable development through concrete actions.

Water Resources Management

BTR places high importance on water resource management. In strict compliance with the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Action Plan for Prevention and Control of Water Pollution* and other relevant laws and regulations, it has formulated the *Energy Resource Management System* to monitor and manage key water usage points in the production process.

To further optimize the efficiency of water resources utilization, BTR actively increases investment in technological upgrading. Through regular statistical analysis of water usage data, the Company compiles instructions for water conservation and reclaimed water reuse. Those instructions are intended to specify the management over the whole process of water usage, drainage, water treatment and reclaimed water reuse, thereby comprehensively improving water usage efficiency.

On this basis, BTR has established a water conservation working group and appointed a water conservation administrator responsible for promoting water conservation policies and techniques. Additionally, the Company holds quarterly water conservation meetings to review initiatives and deepen employee awareness of water conservation. In daily production, BTR makes great efforts to reduce water consumption in daily operations and enhance staff awareness of water conservation. Those efforts include the establishment of a planning and water conservation responsibility system, the selection of water-conserving appliances, staff water conservation management and training, etc. The BTR Headquarters has been honored as a "Shenzhen Water-Conserving Enterprise".



Packing Material Management

BTR actively explores lightweight management and recycling of packing materials, prioritizing designs that are easy to disassemble and recyclable. The Company selects recyclable and degradable packing materials to reduce overall usage.



Emission and Waste Management

BTR takes proactive steps to assume environmental responsibility throughout the production cycle, emphasizing the management of emissions and waste. It strictly follows the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, the *Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on Prevention and Control of Soil Pollution*, and other laws and regulations. The Company pays close attention to emissions and waste management and disposal and endeavors to promote clean production.

BTR has established a comprehensive internal management system to address the primary pollutant emissions, including wastewater, exhaust gas, solid waste, and noise, generated during production and operations. The system is intended to clarify the treatment of different waste pollutants and avoid the environmental pollution caused by abnormal discharges to the greatest extent possible. The Company regularly conducts assessments to identify key discharge points and thoroughly analyzes their primary environmental impact factors, striving to mitigate adverse effects on the environment from pollution and emissions at their source. BTR has completed voluntary clean production reviews and received audit approval from the Shenzhen Municipality.

Air Pollutant Management

In compliance with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and other laws and regulations, BTR has formulated the *Off-Gas and Noise Emission Control Procedures* to strictly manage the off-gas. The Company meticulously monitors industrial exhaust emissions for particulate matter, soot, asphalt fumes, nitrogen oxides, volatile organic compounds (VOCs), and sulfur dioxide (SO₂) among the industrial exhaust gases, and then discharges them up to the standard after treating them through the exhaust gas treatment facilities, such as high-temperature combustion furnaces, cloth bag dust collectors, spraying towers, and activated carbon adsorption devices.

The Company regularly commissions a qualified third party to conduct sampling and testing of the Company's production exhaust gases and cafeteria fumes. On this basis, the EHS Department will carry out EHS assessments for new, renovated, and expanded projects in accordance with the regulatory requirements in the event of an increase in workshop equipment and exhaust ports or changes in the raw materials used that may cause changes in the composition of exhaust gases.

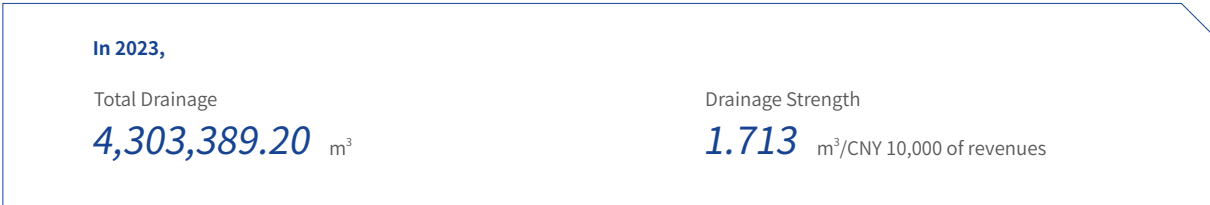
VOCs Emission Control and Enhancement Project of BTR Huizhou

In October 2023, BTR Huizhou hired environmental protection experts and a third-party environmental protection service company to conduct a diagnostic assessment of the factory's exhaust gas treatment facilities. Based on their findings, they formulated a comprehensive treatment and renovation plan. Additional exhaust gas treatment facilities such as dry filters, activated carbon adsorption beds, and CO catalytic oxidizers were installed on the premises. Testing confirmed that these new facilities were operating effectively, with pollutant concentration in the treated exhaust gases significantly below the emission limits.

Wastewater Management

BTR has implemented the *Wastewater Discharge Control Procedures* and the *Operation Guidelines for Wastewater Treatment Station*, which clearly define the responsible management departments, disposal procedures, and emergency measures for wastewater disposal and testing. The Company has set up an independent rainwater pipe network collection system and conducts regular inspections and maintenance to ensure the separation of rainwater and sewage.

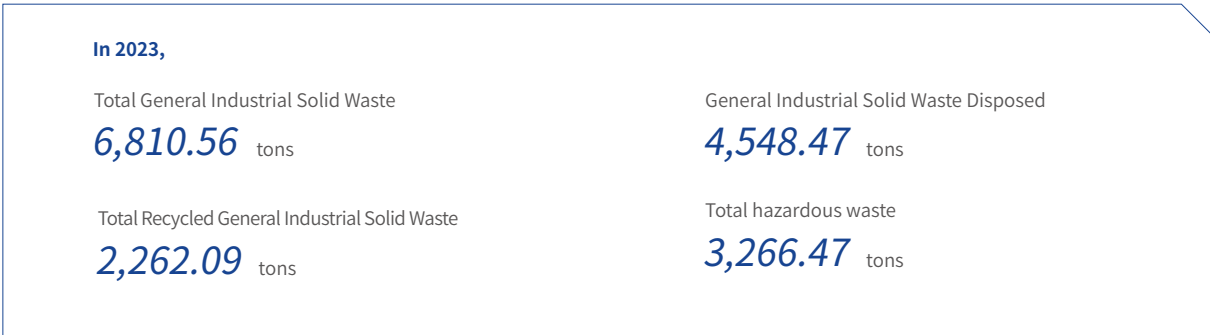
BTR's wastewater primarily consists of industrial wastewater and domestic sewage. The Company sets up an industrial wastewater treatment station. After treatment at these stations, some industrial wastewater that meets standards is discharged indirectly into a downstream wastewater treatment factory, while the rest is recycled after meeting treatment qualifications. Domestic sewage is indirectly discharged to the municipal sewage treatment factories. BTR regularly engages qualified third-party testing companies for wastewater monitoring. Additionally, BTR Headquarters and BTR JS Cathode set up online real-time wastewater monitoring systems according to local regulations.



Waste Management

BTR strictly follows the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, the *Measures for the Transfer of Hazardous Wastes*, and other laws and regulation. The Company issues the *Waste Management Procedures*, which intends to carry out strict categorization and management of waste. It clearly defines the responsible departments for waste collection, storage, management, and transfer, advocating for the use of advanced processes and production equipment to minimize waste generation and production pollution.

BTR divides the Company's waste into industrial solid waste, hazardous waste, and domestic waste. For industrial solid waste and domestic waste, the Company recycles them and then hands them over to qualified companies for recycling or disposal, ensuring minimal environmental impact. For hazardous waste, BTR complies with legal requirements by implementing comprehensive management throughout the waste disposal process. It establishes dedicated hazardous waste storage facilities and entrusts qualified third-party entities for disposal.



Noise Management

BTR actively carries out noise management and control, formulates the *Off-Gas and Noise Emission Control Procedures*, and effectively reduces noise pollution in the production process by adopting advanced technology and equipment. The Company strictly implements national and local noise emission standards and conducts regular noise monitoring and evaluation to ensure that noise pollution is effectively controlled.

Green Action

BTR focuses on the environmental impact of office operations, aligning with national policies on energy conservation and carbon emission reduction. It vigorously promotes the concept of green offices and responds to environmental calls through practical actions, integrating environmental principles into daily office practices. In 2023, BTR Headquarters will lead by example in implementing a series of energy-saving measures. By introducing initiatives such as using energy-efficient lamps instead of conventional lighting, OA online process management instead of paper file approval, and turning off the lights when people leave, green office action is further promoted.

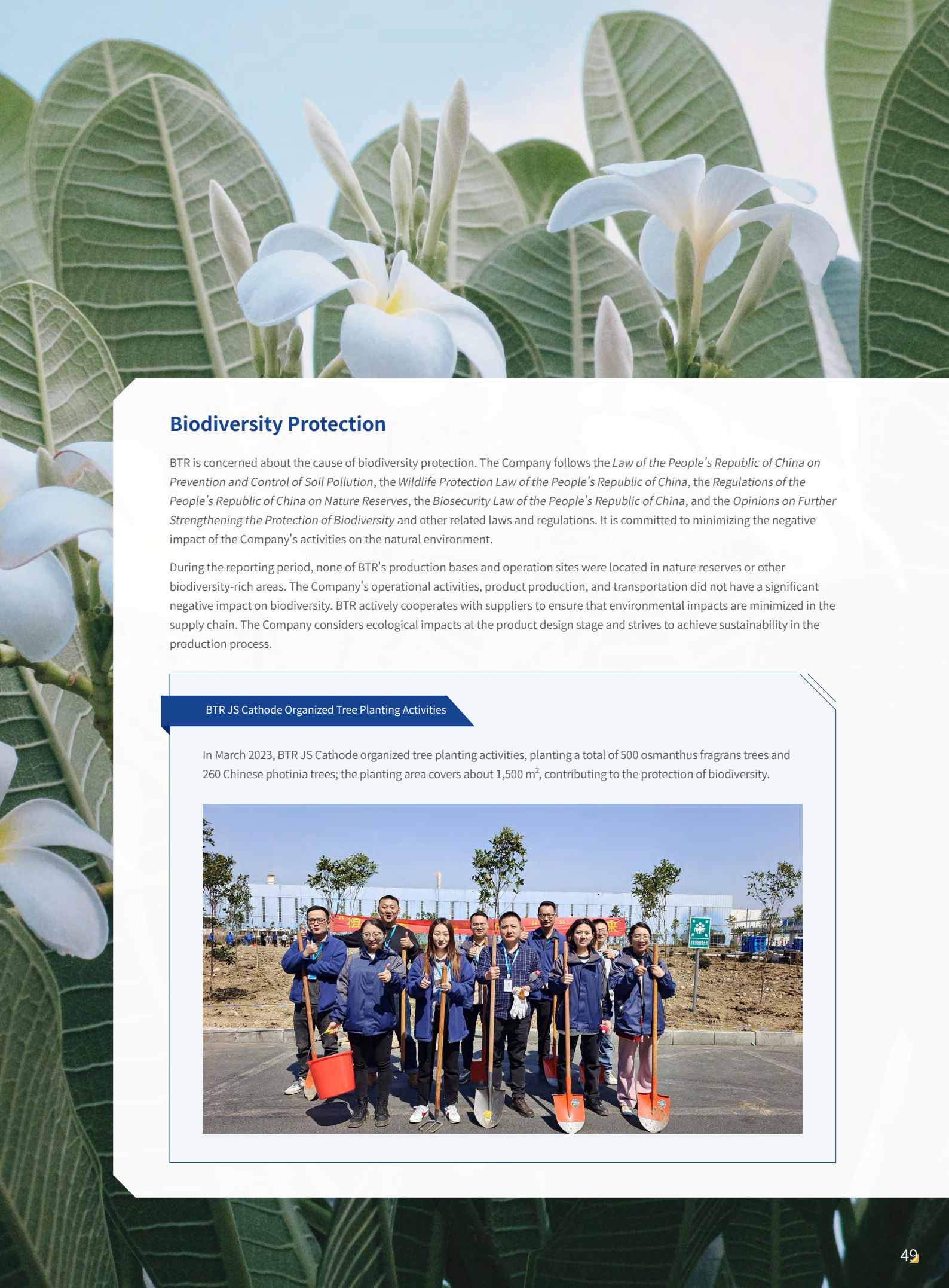
Moreover, BTR is committed to nurturing a green culture and promoting concepts such as electricity conservation, water conservation, and low-carbon travel. The Company has formulated and released relevant initiatives to encourage optimized resource utilization, effectively reducing the carbon footprint of office processes. Additionally, BTR promotes the use of new energy vehicles for employee travel, gradually increasing the utilization of new energy business commuter vehicles.

Launching the Themed Activity of "Healthy Hiking, Waste Collecting, Carbon Reducing"

In June 2023, the BTR Party Committee and Labor Union hosted, and the party branch and EHS Management Department co-organized the themed activity "Healthy Hiking, Waste Collecting, Carbon Reducing". Participants cleaned up plastic waste in Shenzhen's Yangtai Mountain Forest Park, which brightened up the greenery of the Yangtai Mountain. BTR employees actively served as green and low-carbon environmental protection ambassadors, promoting the concept of "Protecting the Green Environment, Building a Green Home" to tourists.



In 2023, BTR organized **72** training sessions covering various topics such as environmental management, sustainable production processes, and green innovation, with the aim of enhancing employees' awareness of the importance of environmental protection. The total number of employees who directly benefited from these sessions reached **3,008**.



Biodiversity Protection

BTR is concerned about the cause of biodiversity protection. The Company follows the *Law of the People's Republic of China on Prevention and Control of Soil Pollution*, the *Wildlife Protection Law of the People's Republic of China*, the *Regulations of the People's Republic of China on Nature Reserves*, the *Biosecurity Law of the People's Republic of China*, and the *Opinions on Further Strengthening the Protection of Biodiversity* and other related laws and regulations. It is committed to minimizing the negative impact of the Company's activities on the natural environment.

During the reporting period, none of BTR's production bases and operation sites were located in nature reserves or other biodiversity-rich areas. The Company's operational activities, product production, and transportation did not have a significant negative impact on biodiversity. BTR actively cooperates with suppliers to ensure that environmental impacts are minimized in the supply chain. The Company considers ecological impacts at the product design stage and strives to achieve sustainability in the production process.

BTR JS Cathode Organized Tree Planting Activities

In March 2023, BTR JS Cathode organized tree planting activities, planting a total of 500 osmanthus fragrans trees and 260 Chinese photinia trees; the planting area covers about 1,500 m², contributing to the protection of biodiversity.



People-oriented Empowering Employees to Excel in Development

BTR consistently upholds the principle of being "People-oriented" concept, dedicated to creating an environment conducive to the outstanding development of its employees. The Company strictly abides by the regulations on the protection of basic rights and interests of employees to ensure that the legitimate rights and interests of employees are fully protected. In terms of occupational health and safety, BTR has established a robust safety management system to provide employees with a secure and healthy working environment. Moreover, the Company prioritizes employee promotion and development, providing diversified training and learning opportunities to unleash their potential and aid them in achieving personal fulfillment. Additionally, BTR actively fosters a warm and harmonious corporate atmosphere by caring for employees' life and work.

Employees' Welfare and Protection of Rights and Interests of Employees

BTR prioritizes the welfare of its employees and the protection of their rights and interests, strictly adhering to relevant regulations and laws in this regard. The Company is dedicated to upholding equal employment opportunities and providing equitable development prospects for all employees. In terms of salary and benefits, BTR adheres to the principle of fairness and equity, ensuring that employee's contributions and rewards are effectively equal. Additionally, the Company places emphasis on fostering open communication with employees, attentively listening to the voices of employees, and effectively protects the rights and interests of employees.

Equal Employment and Protection of Rights and Interests

BTR strictly follows the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other laws and regulations, establishes and continuously improves the human resource management system. It formulates the *Employee Manual*, the *Employee Attendance Management System*, and other internal rules and regulations. These regulations aim to standardize aspects of employee management including recruitment, termination, salary, promotion, working hours and holidays, thereby providing employees with perfect employment, salary and welfare protection.

BTR ensures that employees have the freedom to choose their employment, strictly prohibits forced labor practices such as involuntary and captive labor, and ensures that all employees are over 18 years old, eliminating any form of child labor. The Company stipulates that the ID cards of recruited employees must be verified during the recruitment process, and the relevant recruitment registration and verification materials must be kept properly to avoid the use of child labor. Furthermore, the Company provides basic training on labor protection, non-discrimination policies, and diversity for new employees during their induction, ensuring effective communication of the Company's philosophy and system.

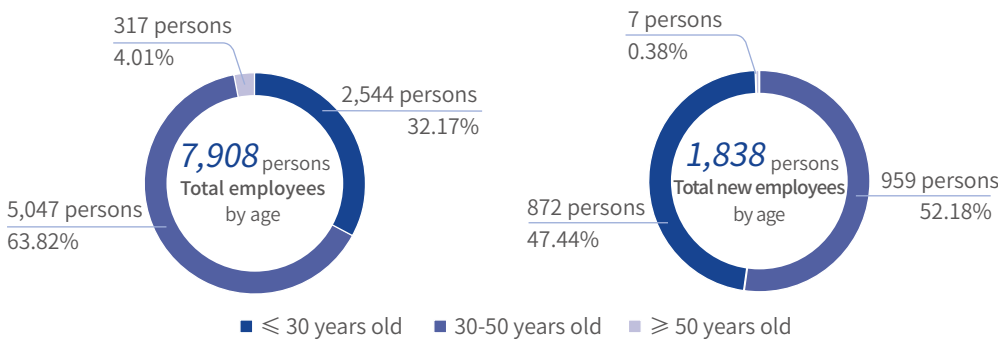
During the reporting period

The Company's labor contract signing coverage rate

100%

Social security contribution rate of regular employees

100%

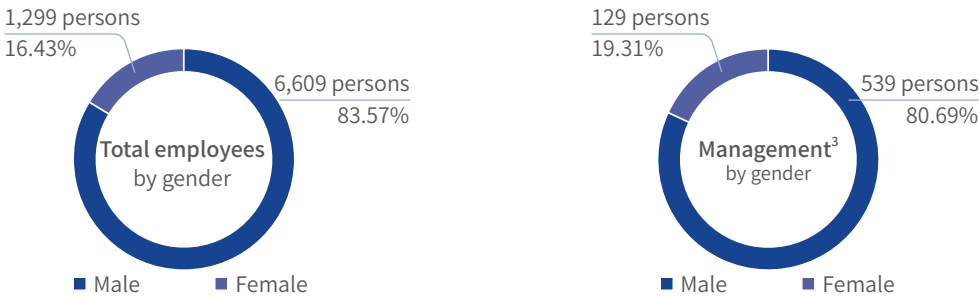


Diversity and Equal Opportunity

BTR is committed to the principles of openness, fairness, and impartiality in hiring, providing equal opportunity to all candidates in employment without discrimination or aggression on the basis of an employee's or candidate's race, color, religion, sex, sexual orientation, age, disability, national origin, familial status, or any other reason deemed unlawful by existing laws and regulations.

BTR insists on equal pay for men and women and is committed to creating an equal and fair workplace environment. The Company strictly prohibits harassment and discrimination for any reason and in any form. If harassment or discrimination occurs, employees can file a complaint to their supervisors or the Human Resources Department, and the Company will conduct a thorough investigation in accordance with the relevant procedures and maintain strict confidentiality for the employees.

The Company has implemented a policy of avoidance for hiring employees' relatives to avoid conflict and leakage of secrets. Relatives of the Company's executives, employees of the Human Resources Department, and employees of the Finance Department are not permitted to be employed in any of the Company's departments.



Salary and Benefits

BTR has established a comprehensive salary incentive system and implemented internal systems such as *the BTR Salary Management System* and other internal systems, taking job value and performance as the main distribution factors for salaries. The Company aims to improve the management process, from formulating performance targets to tracking, appraising, and applying them to ensure the fairness and reasonableness of employees' salaries. On this basis, to establish and improve the Company's long-term incentive and constraint mechanism and attract and retain outstanding talents, the Company implemented *the Share Incentive Plan in the Second Installment of BTR New Material Group Co., Ltd.* (hereinafter referred to as the "Incentive Plan") in 2021 for its employees 388 times. It granted a cumulative total of 24.83 million share options. During the reporting period, the waiting period for the first exercise period of the first grant of share options and the first exercise period of the reserved share options as stipulated in the Incentive Plan had expired. The Company had exercised a total of 8,489,250 share options held by 364 incentive recipients.

BTR implements a standard working hour system and provides employees with transfer leave, personal leave, sick leave, maternity leave, and other leaves by national and provincial regulations. It regulates the employee's leave system in *the Employee Attendance Management System*. The Company provides 5 days of paid vacation for outstanding employees to motivate them to make continuous progress.

Employee Communication

BTR emphasizes "zero distance" communication between employees and the Company, and has set up a variety of democratic communication platforms. BTR and its subsidiaries have set up Labor Unions, respecting the right of all employees to join Labor Unions and the right to participate in collective bargaining. The Company regularly holds staff meetings, staff seminars, and other communication meetings to break down the communication barriers between management and employees. On this basis, the Human Resources Center conducts regular employee interviews and quarterly employee satisfaction surveys to keep abreast of the real situation of employees at work and their real thoughts about their work.

BTR places significant emphasis on protecting the rights and interests of whistleblowers. Employees may file complaints with the Company through various channels, including the Human Resources Center email, their direct supervisor, the first person in charge of their department, or the Chairman's email. The relevant person in charge has the responsibility to maintain the confidentiality of the complainant. The Company has issued a strict anti-retaliation policy, which strictly prohibits retaliation against employees who seek help or report known and suspected violations in good faith. Any retaliation will be subject to appropriate penalties, including dismissal.



Staff Seminar

Employee Complaint Channels:

- Human Resources Center Email: hr@btrchina.com
- Direct supervisor or the first person in charge of the department
- Chairman's Email (Located at the staircase on the first floor of Building 8)

³ The statistics of BTR's management include all levels of management, including supervisors at the front line and above levels.


Occupational Health and Safety

BTR always puts the occupational health and safety of its employees first. The Company strictly enforces safety production management standards to ensure the safety of the production process and the working environment. BTR emphasizes the physical and mental health of our employees, provides comprehensive occupational health and safety training, and actively creates a healthy working atmosphere.

Management of Safety Production


BTR strictly abides by the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and other laws and regulations applicable to the production bases. It takes "Safety First, Prevention First, All-employee Participation, Safety for All" as the policy of safety production to ensure the orderly promotion of production. BTR has formulated internal systems like the *EHS Management Manual* and the *Responsibility Management Procedures for Safety Production* to continuously supervise and improve the establishment of the Company's occupational health and safety management system. Up to now, the headquarters and 10 subsidiaries of BTR have obtained ISO 45001 certification. The Company requires all employees to sign a *Safety and Environmental Protection Responsibility Statement* every year to implement safety production responsibilities layer by layer and follow up on the fulfillment of the indicators to ensure that safety management is put into practice. During the reporting period, the signing rate of the *Safety and Environmental Protection Responsibility Statement* reached 100%.

To implement risk control and potential risk management and control in safety production, BTR has formulated systems such as the *Hazard Source Identification and Control Procedures* and the *Safety Audit Operating Procedures*. It aims to establish a dual prevention mechanism for safety risk classification and control and potential risk identification and management, with source management and process control at the core. In 2023, the Company has identified a total of 7,754 hazard sources, with 5,379 minor risks, 2,146 general risks, 204 major risks, and 25 significant risks. Corresponding control measures have been put in place to effectively control the hazard sources and prevent accidents.



Hazard source and safety risk identification

The Company carries out regular identification of hazard sources every year, prepares a list of hazard sources identified and risks, and formulates control measures for significant hazard sources to ensure rapid and orderly emergency disposal.



Potential risk identification of safety accidents

The Company formulates a safety-related potential risk identification plan every year to guide the orderly advancement of potential risk identification and promote the rectification of safety-related potential risks. The purpose is to prevent accidents from occurring in the first place.

To cope with unexpected production safety incidents, BTR has issued the *Emergency Response Plan for Production Safety Accidents*, formulated special emergency response plans for production safety accidents and incidents and on-site disposal programs. The aim is to ensure that the Company and its employees are able to dispose of emergency incidents.

BTR continues to devote itself to the establishment of a safety culture to strengthen employees' safety awareness and ability to handle emergency safety incidents. The Company pays close attention to the three-level safety training for new employees to improve their safety awareness and safe operation skills through theoretical training and on-site practical instructions. For all on-the-job employees, the Company actively carries out safety-related on-the-job training to ensure that employees master the necessary safety knowledge and skills. BTR actively responds to the call of the state every year and organizes and carries out the themed activity of Work Safety Month. The Company makes great efforts to create a safe and healthy production culture. Those efforts include theme publicity and the organization of a "safety video" collection contest, an EHS knowledge contest, a firefighting skill competition, a safety photography contest, and other activities.

| | | |
|---|--|----------------------------------|
| In 2023, | | |
| Occupational health and safety drills conducted | | Total attendance of the drill |
| 200 sessions | | 5,775 participants |
| Occupational health and safety education and training conducted | | Total attendance of the training |
| 470 sessions | | 38,329 participants |

Themed Activity of Work Safety Month

On June 12, 2023, BTR Changzhou held a signature activity on the theme of Work Safety Month in front of the Company's Activity Center. The persons in charge of each department and all staff responded with practical actions, showing their determination that "Safety Starts with Me". The Company focuses on the theme of Work Safety Month, i.e., "All Aware of Safety and Able to Give Emergency Response". Based on the safety issues during daily production and life, it organizes staff to carry out an "EHS Knowledge Contest," to improve the staff's awareness of work safety.



Occupational Health Management

BTR is committed to safeguarding the physical and mental health of its employees. The Company has formulated internal management systems such as the *Occupational Health Management Procedures* and the *Labor Protective Equipment Management Procedures* to continuously improve the occupational health management system.

To ensure employees' health and reduce the incidence of occupational diseases, BTR has formulated and implemented the *Occupational Health Management Operating Procedures*. The Company organizes pre-employment, in-employment and off-employment medical check-ups for employees exposed to occupational disease hazards in an orderly manner. It conducts regular testing and evaluation of occupational disease hazards and publicly discloses the results. Additionally, it supervises employees to ensure the proper use of protective equipment such as dust masks, noise-proof earplugs, and helmets.

Occupational Disease Prevention and Control Publicity Week Themed Activity

In 2023, BTR actively conducted the occupational disease prevention and control publicity week themed activity. During the activity, the Company distributed more than 350 copies of occupational health promotional materials, and a total of more than 320 employees participated in the occupational health knowledge contest and won prizes.



Stress Reduction Salon Activity

BTR prioritizes the mental health of all employees, regularly organizing stress reduction salon activities and implementing special initiatives to reduce workload. The Company is dedicated to enhancing workplace happiness and fostering a stronger sense of belonging among employees.



Employment Training and Development

The Company places a high value on talent, continuously focusing on the introduction and development of human capital. It makes great efforts to allow employees a prosperous career, including the establishment of a clear and transparent promotion system and incentive mechanism, a comprehensive and perfect training system, and a broad career development platform.



Awards

Benchmarking case included in the 2024 Blue Book of Corporate Learning in China

TOP 20 Best Practice Award for Cultivating Future Management Talents

"2023 X Awards Human Capital Management Practice Competition - Best Practice Award for Digital Intelligence Talent Development"

"5th Yuntu Awards for Digitally Enabled Learning Programs"

"Best Content Development Award from the China Scenario-based Learning Organizing Committee"

Promotion System

To further accelerate the establishment of the workforce and promote the growth of the organization, BTR established the *Qualification Management Measures* and set up a clear qualification system. It intends to provide clear guidance and guarantee the diversified growth of the employees. The Company emphasizes a promotion evaluation mechanism centered on performance, competence, and potential and conducts fair and transparent up-to-standard and promotion certification of posts on a regular basis every year. In 2023, the proportion of employees receiving appraisals at the Company was 100%.

To ensure that all employees enjoy equal promotion opportunities, the Company has planned two career development paths: management development series and professional development series. It endeavors to avoid any form of discrimination and provide employees with smooth development channels and sustainable growth opportunities.

To enhance the mobility of employees' career development, BTR has formulated the *BTR Job Rotation Management Measures* to encourage front-line employees and management to participate in job rotation.

Employee Training System

BTR is dedicated to creating expansive development opportunities for its employees, allowing them to grow personally and enhance their self-worth while advancing within the Company. The Company has established various training-related management systems, such as the *Training Management System*, the *Internal Instructor Management Methods*, and the *Operational Guidelines for Training Evaluation*. These systems form a multi-level talent development framework covering leadership empowerment, professional skills, business literacy, corporate culture, new employee training, and instructor training. Addressing the development needs of employees at different levels, the Company has designed a series of multi-level and progressive training programs to help improve the establishment of a talent team. During the reporting period, the Company set up the Talent Development Institute to coordinate the Company's training and empower employees' career development in an all-round way.

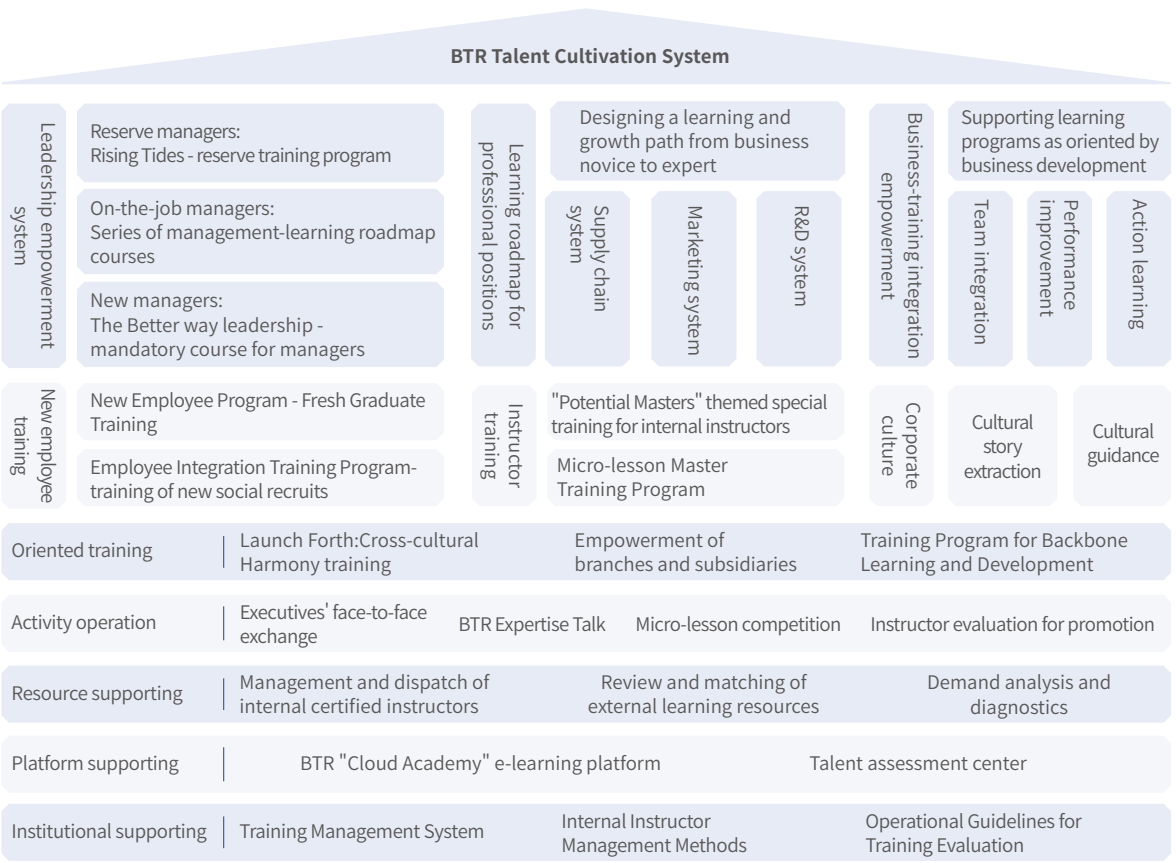
In terms of new employee training, the Company values the personal development and career planning of employees. It customizes the *Job Training Program* and the *Individual IDP Growth Plan* for all new employees, and provides them with career mentors. The Company aims to enhance their learning experience and sense of role integration through the New BTRers -Orientation Training Program for Fresh Graduate and the Employee Integration Training Program.

For the training of the manager team, the Company focuses on the development of BTR's own manager training courses and matches targeted management training programs for managers at all levels. For example, the Company launched the *Rising Tides Program* for reserve managers, *The Better Way Leadership* for new managers, and a series of management-related map learning courses for on-the-job managers. The Company actively organizes benchmark enterprise visits, masters' courses on corporate management, improves performance, and develops other high-quality online and offline training content.

Furthermore, BTR addresses key business development needs by implementing specialized talent cultivation programs. The Company provides integrated training solutions according to business needs, such as the Launch Force: Cross-culture Harmony Training, which is special training for expatriates, and special training for sales staff, special learning roadmap for R&D engineers, etc., empowering hundreds of business leaders.

In 2023, the Company continued its internal instructor training initiative, launching the "Potential Masters" themed special training for internal instructors. It certified a group of professional internal instructors, enhancing internal knowledge dissemination and talent empowerment. On this basis, the Company developed the "Cloud Academy", the e-learning platform for BTR, providing employees with convenient and rich learning channels. During the reporting period, the "Cloud Academy" e-learning platform provided nearly 1,400 courses and introduced over 300 micro-lessons on internal knowledge for various positions in production, sales, R&D, and so on.

In 2023, BTR received a total of 6 awards in the talent cultivation industry and conducted over 10 external thematic sharing sessions, garnering recognition for its practical experience in talent cultivation. Notably, BTR's talent cultivation experience case was selected as a benchmarking case in the 2024 Blue Book of Corporate Learning in China, won the "TOP 20 Best Practice Award for Cultivating Future Management Talents," and was included in the *Annual Selected Cases Collection*. The Company was invited to share its experience at the "China Enterprise Training & Development Annual Conference," organized by the *Training Magazine* of Xinhua Daily Media Group.



Total class hours

| Male employees | Female employees | Total class hours | Per capita class hours |
|-----------------|------------------|-------------------|------------------------|
| 136,607.7 hours | 44,250.0 hours | 180,857.7 hours | 22.9 hours |

The New BTRers: Orientation Training Program for Fresh Graduate

According to the The New BTRers, BTR focuses on the key needs of new employees and engages in deep collaboration with branches and subsidiaries to establish a system of "Identity Transformation - Ability Enhancement - Career Development". This system, combined with training sessions and practical tasks, aims to help fresh graduates successfully complete the transition from campus life to the workplace, laying a solid foundation for the Company's talent pool.



Skill Competition in Shenzhen Plant

To promote the spirit of craftsmanship and identify top talents of professional skills, BTR's Shenzhen Plant organized a skill competition covering modules such as production, quality, engineering, materials, engineering design, and process improvement, with a total of more than 140 employees participating.



Development of Mandatory Courses for Middle and Junior Managers in BTR

In 2023, BTR completed the development of *The Better Way Leadership*, a mandatory program for newly promoted middle and junior managers, aiming to systematically enhance their management abilities. Additionally, the Company certified and cultivated 13 internal management instructors, effectively empowering newly promoted managers and standardizing management language across the Company.



Launch Forth: Cross-cultural Harmony Training

In view of the needs of Indonesia's overseas business in 2023, the Company initiated the Launch Forth: Cross-cultural Harmony Training to systematically cultivate expatriates. This program includes online empowerment, pre-travel centralized training, and continuous counseling at the destination, with the goal of enhancing the readiness of expatriates and helping them better adapt to work and life overseas.



Care for Employees

BTR always insists on improving and optimizing employee welfare and is committed to creating a harmonious and healthy working environment for employees, ensuring that employees receive adequate support and care at work, and helping them maintain work-life balance. In 2023, the Company was honored as the "Shenzhen Happy Enterprise Pilot Enterprise".

To celebrate employees' birthdays, the Company organizes monthly gatherings for those whose birthdays fall within the month, accompanied by the distribution of birthday gifts to extend sincere wishes. Additionally, BTR regularly organizes various festivals and cultural and sports events, such as flower arranging salons, hiking outings, and singing contests, providing opportunities for relaxation and socialization and bolstering team unity.

Furthermore, BTR remains committed to supporting and caring for employees in need, offering assistance through various means. In 2023, BTR provided over CNY 150,000 in subsidies, donations and relief funds to employees facing hardship.

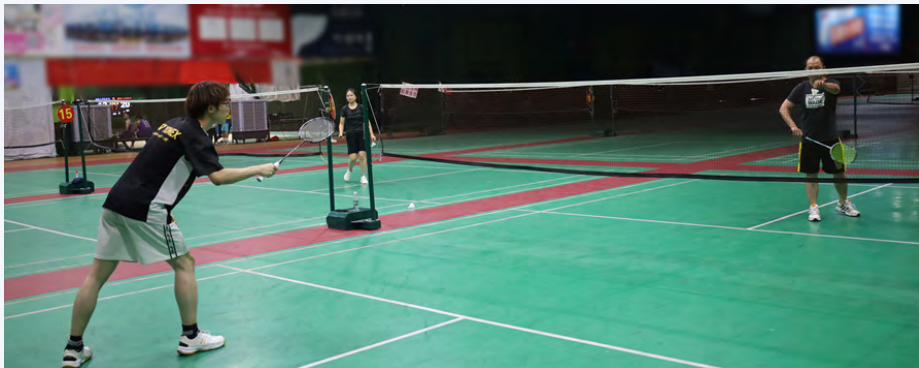
BTR's 7th Annual Hiking Activity - "Retracing the New Long March"

To enhance the cohesion of the staff, promote exchange and communication between the staff, and allow the staff a relaxing and pleasant atmosphere to promote friendship and create the future together, BTR organized the 7th Annual Hiking Activity - "Retracing the New Long March," in November 2023.



Badminton Competition

To enhance team cohesion, BTR organized a badminton competition to promote communication and interaction among employees, cultivate their good qualities of tenacity, courage, unity, and cooperation, enriching employee's spare time.



Women's Day Embossing Activity

To show the Company's concern and support for the employees' lives, BTR Labor Union held an employee embossing activity on Women's Day in 2023. Employees chose a variety of flowers and plants to create beautiful embossing works, showing their creativity and aesthetic.



Family Day Activity

To improve employees' sense of belonging to the Company and enhance parent-child relationships, in July 2023, BTR Huizhou organized summer vacation parent-child activities for employees. The activities covered interactive parent-child games, digital oil painting, firefighters explaining knowledge of fire safety, a personal talent show, etc. The purpose was to let the children have an interesting and educational experience and grow up happily.



Harmonious Collaboration — for Multi-win Outcomes

BTR is steadfastly advancing towards the realization of symbiotic value between the Company and the society. The Company works closely with value chain partners to promote common growth and realize resource sharing and mutual benefit. Additionally, BTR actively fulfills its social responsibility, devotes itself to public welfare, and contributes to the establishment of a better society.

04

Building a High-quality Industry Chain System through Synergies

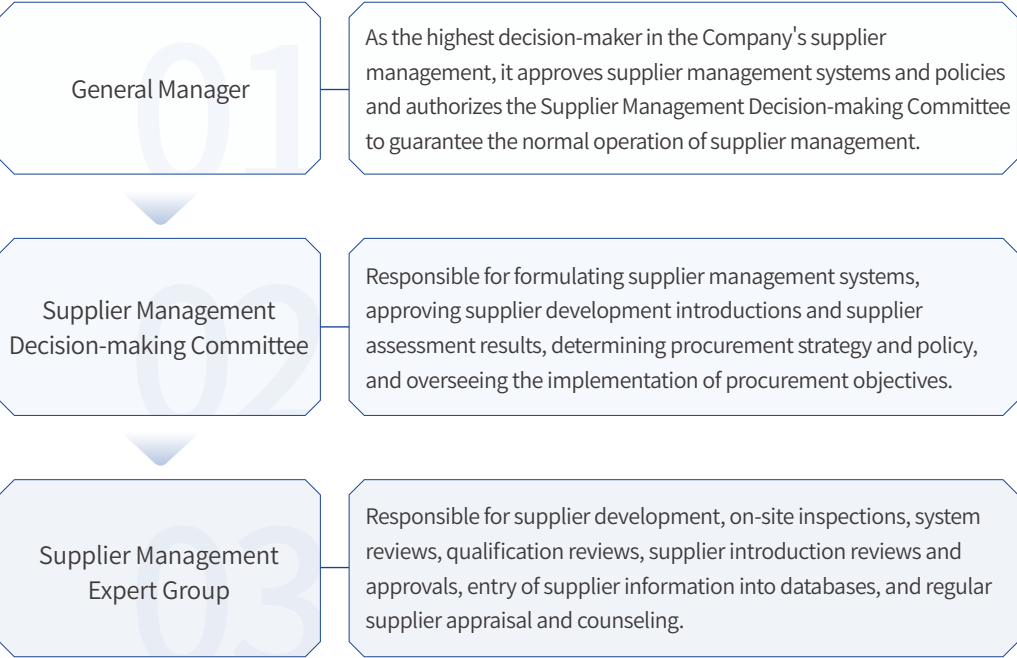
BTR is committed to extending the concept of "Innovation leads the progress of the new energy industry, build a better green world" to all aspects of the value chain. It strives to create a harmonious and stable supply chain through multi-faceted initiatives and join hands with industry partners to share the fruits of development.

By focusing on supplier access, daily management, and empowering communication, BTR has established a comprehensive and transparent supply chain management system and continued to promote supply chain management capabilities. The Company performs responsible purchasing and adheres to the enhancement of the sustainability governance capabilities of the whole value chain.

Supply Chain Management System

The Company continuously deepens its cooperative relationship with suppliers and is committed to realizing the establishment and maintenance of long-term and close strategic partnerships with suppliers. The Company continuously improves the whole process management system of the supply chain and has formulated internal policies and systems such as the *Supplier Management Approach 3.0* and the *Supplier Performance Appraisal Management Approach* and integrated them into the *Compendium of Procurement Management System*. The purpose is to safeguard the quality level of the Company's supply chain and promote the sustainability of the supply chain.

The Company has set up the Supplier Management Decision-making Committee and the Supplier Management Expert Group to standardize supplier development, appraisal, and management processes from top to bottom and to clarify the management of the supply chain. BTR has established a supplier information database and formulated the *Supplier Management Regulations of the Integrated Management Platform* to continuously improve suppliers' file management. The aim is to ensure the accuracy of supplier data and improve supply chain management efficiency.



To create an atmosphere of honest procurement, adhering to the principles of "Fairness, Impartiality and Openness", BTR has issued the *Honest Procurement Management Provisions*, the *Procurement Supervision and Audit Management Measures*, and other internal system documents. The Company has formulated comprehensive incentive and punishment measures and supervision mechanisms to eliminate procurement corruption from the source. These provisions have been incorporated into the training of new employees in the Procurement Department, and retraining of procurement personnel is conducted on a regular basis. All suppliers are required to sign the *Integrity Agreement* as well as the *Confidentiality Agreement on Business Cooperation*, which stipulate and protect the legitimate rights and interests of both the Company and the supplier.

Daily Management of Suppliers

BTR develops and certifies new suppliers in strict accordance with the Company's *Supplier Management Control Procedures* and related system requirements. All suppliers are required to submit the *Supplier Information Questionnaire*, the *Confidentiality Agreement*, and the *Integrity Agreement*. On this basis, BTR actively promotes suppliers' environmental and social responsibility risk management and incorporates suppliers' environmental management, social responsibility, labor management, and other requirements into the scope of suppliers' reviews. The Company includes ESG-related content in the daily training of procurement personnel. New suppliers are required to provide appropriate qualification information, including but not limited to ISO certification, RoHS certification, REACH certification, work safety license, and so forth, as required. For major bidding projects, BTR will conduct an on-site review of suppliers.

100% of BTR's new suppliers underwent an ESG impact assessment

According to the category of suppliers and product types, BTR divides suppliers into three categories with seven product types and four levels. The Company clarifies the boundaries of various categories and levels of suppliers and carries out differentiated performance appraisal and evaluation management. All suppliers are subject to a semi-annual performance appraisal. For raw material suppliers, suppliers commissioned for outsourced processing, and suppliers of packing materials needed during production and shipment, it is required to go to the suppliers' production site at least once a year for system and process reviews. BTR will suspend cooperation with suppliers with unqualified performance levels and incorporate unqualified suppliers into the rectification list. The Procurement Department will be responsible for organizing on-site reviews and providing rectification guidance. BTR will suspend cooperation with non-compliant suppliers with ineffective rectification to ensure supply chain compliance.

Number of suppliers reviewed

197 suppliers

Review rate of important material suppliers

100%

BTR focuses on suppliers' risk management and control capabilities and continues to help suppliers improve their management and technology and work with them to develop together. In 2023, BTR improved supplier risk resilience through systematic supplier management and training. BTR has developed a comprehensive supplier training program for suppliers. The Quality Center conducts quality training for suppliers during on-site review, and the EHS Department provides safety training for suppliers entering the construction site.

During the reporting period

Total times of supplier training conducted by the Quality Center

62 times

Total times of safety training for suppliers conducted by the EHS Department

1,026 times

Number of participants

4,532 persons

Coverage of supplier employees entering the factory

100%

BTR Conducted Supplier Training Activities

In order to comprehensively improve suppliers' risk response capabilities, BTR conducted supplier training activities in 2023, systematically improving suppliers' resilience to risks and focusing on tackling technical difficulties.



BTR Hosted 2023 Partner Conference

On December 22, 2023, BTR hosted the 2023 Partner Conference in Guangming, Shenzhen, with the theme "Enhancing Chain and Upgrading and Building Growth Poles Together". The conference invited representatives from over 100 strategic suppliers of BTR to explore the high-quality development "growth poles" of the industry chain and to create a healthy ecosystem.



2023 Partner Conference of BTR

Responsible Mineral Management

BTR actively promotes the work related to responsible mineral management and publicly releases the *Statement on Non-Use of Conflict Minerals*. BTR promises that the Group and its subsidiaries will adopt relevant stipulations in the second edition of the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains* issued by the China Chamber of Commerce of Metals, Minerals, & Chemicals Importers & Exporters, the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* issued by the Organization for Economic Co-operation and Development, and the *Dodd-Frank Wall Street Reform and Consumer Protection Act*. It gives a positive response and supports policies of not using conflict minerals.

BTR Policy on Conflict Minerals

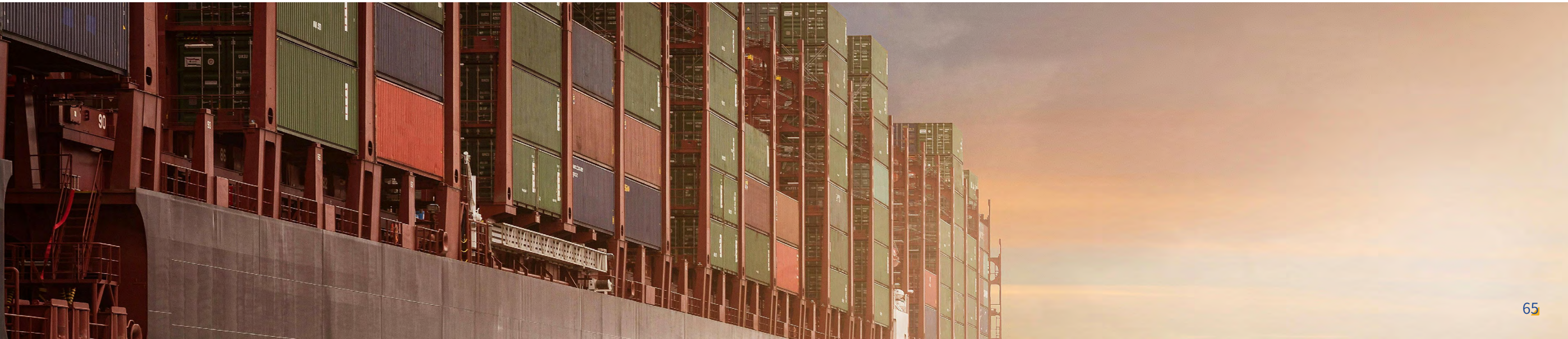
Do not support or use metals derived from armed conflict, illegal mining, or mining in poor working conditions, which are also known as "conflict minerals". Suppliers shall investigate the presence of metals such as aurum (Au), tantalum (Ta), stannum (Sn), and wolfram (W) in their products and identify the sources of these metals.

The Company has established a comprehensive responsible mineral supply chain management system and formulated internal systems such as the *Responsible Mineral Supply Chain Grievance Mechanism*, the *Due Diligence Management Policy of Responsible Mineral Supply Chain*, and the *Conflict Mineral Control Procedures*. It strives to continuously strengthen the management of the supply chain of mineral resources and to promote the practice of responsible mineral use.

For mineral resources such as stannum, wolfram, tantalum, and aurum that may be present in the production process, BTR insists on ethical sourcing and commits not to support or use mineral resources from conflicting areas. It implements source tracking and due diligence investigations on the mineral supply chain under its responsibility. Suppliers of related mineral resources are required to sign the *Commitment of Not Using Conflict Minerals*.

BTR is committed to identifying and managing the following risks in the operations of its responsible mineral supply chain:

| | |
|---|--|
| Chapter I Risks Related to Human Rights and Risk Mitigation Strategies | Article 1: Risk of Serious Infringement in Mineral Extraction, Transportation, or Trade Article 2: Risks Related to Child Labor Article 3: Risk Mitigation Strategies Related to Human Rights |
| Chapter II Conflict-related Risks and Risk Mitigation Strategies | Article 1: Risks Related to Direct or Indirect Support to Non-State Armed Groups Article 2: Risk Mitigation Strategies for Direct or Indirect Support to Non-State Armed Groups Article 3: Risks Related to Public or Private Security Arms Article 4: Risk Mitigation Strategies for Public or Private Security Arms |
| Chapter III Governance-related Risks and Risk Mitigation Strategies | Article 1: Risk of Fraudulent Misrepresentation regarding Bribery and Origin of Minerals Article 2: Risks Related to Money-laundering Article 3: Risks Related to Taxes, Fees and Royalties Paid to the Government Article 4: Governance-related Risk Mitigation Strategies Article 5: Land Rights, Emissions and Small-scale Workshops Article 6: Occupational Health and Safety |



Responsibility and Contribution to Social Prosperity

As an enterprise with responsibility, BTR always bravely assumes its responsibility to give back to society and devotes itself to public welfare. It actively responds to the call for national rural revitalization to implement social responsibility with practical actions. In 2023, the Company carried out diversified public welfare activities and employees' voluntary activities to help the harmonious development of society and common progress.

Social Public Welfare

BTR consistently upholds the value of combining corporate benefits with social welfare and values public welfare as an important driving force to promote social development. Focusing on public welfare education assistance and rural revitalization, BTR remains committed to its original intention of public welfare, implements public welfare responsibility with practical actions, and contributes to improving the quality of education and supporting the development of rural industry.

BTR deems that education is the foundation of social progress and development and views the promotion of education as an important part of corporate social responsibility. In 2023, BTR supported public welfare education in all aspects by means of public welfare education assistance, including subsidizing the establishment of schools, donating teaching equipment, providing scholarships, etc. During the reporting period, BTR's total investment in education-oriented activities exceeded CNY 120,000.

BTR has always kept the original intention of helping rural revitalization and has supported the growth and development of local industries through continuous practical actions. In 2023, the Company had continued to increase support for rural industries, which had provided solid support for the prosperity of the countryside.

During the reporting period,

BTR's total investment in public welfare amounted to approximately

1.8 million CNY

BTR Huizhou Carries out Public Welfare Education Assistance Activities

In June 2023, BTR Huizhou initiated public welfare education assistance activities by donating sports teaching equipment such as basketballs and soccer balls valued at approximately CNY 25,000 to Huangdong Primary School in Zhenlong Town, Huiyang District. This donation aimed to enrich the school's hardware facilities. Additionally, the Company donated CNY 75,000 to the local police station to purchase security labor protective equipment to ensure a good security environment in the area and safeguard the safety of students.



BTR Donates Green Computers to Assist Education Activities

To support education in the less developed areas of Guangdong Province and to improve the conditions of schools, BTR Headquarters and BTR Nano Company donated 75 computers to the Guangdong Provincial Education Foundation.



BTR carries out Activities to Help Rural Revitalization through Consumption

The BTR Headquarters, together with subsidiaries, jointly carried out the activity of "Assisting Poverty Relief and Rural Revitalization through Consumption". This activity was intended to raise the income level of local farmers by purchasing various poverty-relief products produced in poor areas and breathe new life into the economic development and revitalization of the countryside. In 2023, each subsidiary purchased various poverty-relief products for about CNY 459,000.



Employees' Voluntary Activities

BTR actively encourages and organizes employees to participate in voluntary activities, contributing to the construction of a harmonious society and sustainable development. BTR organizes employees to participate in activities such as visits, river clean-ups, and blood donation drives. During the reporting period, the Company conducted various employee voluntary activities, with a total participation of 327 employees.

During the reporting period,

Number of employees participating in voluntary activities

327

Jixi BTR Carried out Employees' Voluntary Activities

In 2023, employees of BTR Jixi visited the "Red Sunset Nursing Home" in Mashan District, expressing deep care and respect for the elderly and presenting them with consolation gifts valued at CNY 3,000, demonstrating the spirit of humanistic care of the Company through practical actions.

In the course of poverty relief in Xidapo Village in Mashan District, the Company, in response to the problem of siltation in the village river, quickly formulated a clean-up plan. It invested CNY 11,900 and organized a team of employee volunteers to carry out remediation, which effectively improved the environment of the river and created a more livable environment for locals.



BTR Changzhou and BTR JS Cathode Parks Carried out Employees' Voluntary Activities

On August 17, 2023, BTR JS Cathode Park organized the "BTR's Same Mind and Blood Donation" public welfare blood donation activity. A total of 86 people from BTR JS Cathode Park donated blood, contributing 30,100 ml, with 25 human hematopoietic stem cell samples stored for future use.

On September 5, 2023, BTR Changzhou Labor Union and Jintan Blood Station organized a voluntary blood donation activity on the third floor of the Company's Staff Activity Center with the slogan "Blood Donors Boast Iridescent Souls; Blood Donated Makes Life Surge". A total of 30 employees participated in the blood donation activity, contributing to the social and public welfare with their own strength.



Report Appendix

Key Performance Table⁴

| Topics | Primary Indicators | Secondary Indicators | Unit | 2023 |
|---------------------------|---|--|--|----------------|
| Environmental Management | Number of Major Environmental Pollution Incidents | | Case | 0 |
| | Number of Environmental Emergency Drills | | Time | 31 |
| | Employee Environmental Protection Training | Participants in Environmental Drills | Person | 672 |
| | | Environmental Training Sessions | Time | 72 |
| | | Environmental Training Participants | Person | 3,008 |
| Energy Management | Energy Consumption | Integrated Energy Consumption | tce | 155,323,183.22 |
| | | Direct Energy Consumption | tce | 155,302,490.61 |
| | | Indirect Energy Consumption | tce | 20,692.61 |
| | | Integrated Energy Intensity | tce/10 ⁴ RMB | 61.83 |
| | | | | |
| Addressing Climate Change | GHG Emissions | Scope 1 | tCO ₂ e | 42,030.75 |
| | | Scope 2 | tCO ₂ e | 720,659.16 |
| | | Scope 3 ⁵ | tCO ₂ e | 100,558.29 |
| | | Direct Emissions from Biomass Combustion | tCO ₂ e | 1,842.53 |
| | | GHG Emissions Intensity | tCO ₂ e/10 ⁴ RMB | 0.34 |
| Resource Management | Water Resources Use | Water Withdraw | m ³ | 5,333,028.12 |
| | | Reclaimed Water | m ³ | 538,420.00 |
| | | Water Discharge | m ³ | 4,303,389.20 |
| | Wastewater Discharge | COD | Ton | 10.33 |
| | | BOD | Ton | 1.24 |
| | | NH ₃ -N | Ton | 2.30 |
| | | TSS | Ton | 146.41 |
| | | Phosphorus | Ton | 0.02 |
| | | | | |

⁴ The environmental management, energy management, addressing climate change, resource management, emissions and waste management, occupational health, and safety data cover the following 13 companies that have been in stable production: BTR Headquarters, BTR Tianjin, BTR JS Cathode, BTR JS Anode, BTR Changzhou, BTR Sichuan, BTR Huizhou, Huizhou Dingyuan. Shandong Ruiyang, Sichuan Ruian, Jixi Changyuan, Jixi BTR and Kaifeng Ruifeng.

⁵ Scope 3 data covers the transportation processes of company raw materials, products, and waste.

| Topics | Primary Indicators | Secondary Indicators | Unit | 2023 |
|--------------------------------|---|---|--------|----------|
| Effluents and Waste Management | Air Pollutant Emissions | SO ₂ | Ton | 24.22 |
| | | NO _x | Ton | 69.97 |
| | | VOCs | Ton | 12.77 |
| | | Particulate Matter | Ton | 140.16 |
| | | Asphalt Fume | Ton | 6.22 |
| | | Benzo[a]pyrene | Ton | 0.05 |
| | Waste Emissions | General Industrial Solid Waste | Ton | 6,810.56 |
| | | Disposal Quantity of General Industrial Solid Waste | Ton | 4,548.47 |
| | | Quantity of Recycling and Reuse of General Industrial Solid Waste | Ton | 2,262.09 |
| | | Hazardous Waste | Ton | 3,283.70 |
| Recycled Materials | Packaging Materials ⁶ | Disposal Quantity of Hazardous Waste | Ton | 3,283.70 |
| | | Quantity of Packaging Materials Used | Ton | 9,683.57 |
| Employment | | Weight of Packaging Materials Reused | Ton | 1,043.04 |
| | | | | |
| | Total Number of Employees | | Person | 7,908 |
| | Employee Education Level | Doctorate | Person | 84 |
| | | Master's | Person | 423 |
| | | Bachelor's | Person | 1,628 |
| | | Below Bachelor's | Person | 5,773 |
| | Employees Newly Hired | | Person | 1,838 |
| | Gender of Newly Hired Employees | Male | Person | 1,592 |
| | | Female | Person | 246 |
| | Age Distribution of Newly Hired Employees | Under 30 Years Old | Person | 872 |
| | | 30-50 Years Old | Person | 959 |
| | | Over 50 Years Old | Person | 7 |

⁶ The packaging material data statistics includes BTR Headquarters, Sichuan Ruian, BTR Changzhou, BTR JS Anode, Shandong Ruiyang, and BTR Huizhou.

| Topics | Primary Indicators | Secondary Indicators | Unit | 2023 |
|-------------------------------------|---|--|--------|-----------|
| Diversity and Equal Opportunities | Employees by Gender | Male | Person | 6,609 |
| | | Female | Person | 1,299 |
| | Employees by Age | Under 30 Years Old | Person | 2,544 |
| | | 30-50 Years Old | Person | 5,047 |
| | | Over 50 Years Old | Person | 317 |
| | Management Staff by Gender | Male | Person | 539 |
| | | Female | Person | 129 |
| | Management Staff by Age | Under 30 Years Old | Person | 56 |
| | | 30-50 Years Old | Person | 567 |
| | | Over 50 Years Old | Person | 45 |
| Employment Training and Development | Career Development | Employees Receiving Regular Performance and Career Development Reviews | Person | 7,908 |
| | | Percentage of Employees Undergoing Performance Evaluation | % | 100 |
| | | Number of Male Employees Undergoing Performance Evaluation | Person | 6,609 |
| | | Number of Female Employees Undergoing Performance Evaluation | Person | 1,299 |
| | Employee Training | Total Hours of Employee Training | Hour | 180,857.7 |
| | | Average Hours of Training Received per Employee | Hour | 22.9 |
| | | Average Hours of Training Received by Males | Hour | 20.7 |
| | | Average Hours of Training Received by Females | Hour | 34.1 |
| | | Average Hours of Training for Management Sequence | Hour | 25.9 |
| | | Average Hours of Training for Professional and Technical Sequences | Hour | 33.6 |
| | | Average Hours of Skills Training | Hour | 21.4 |
| | | Average Hours of Administrative Training | Hour | 15.3 |
| | Number of Major Safety Accidents | | Case | 0 |
| Occupational Safety and Health | Drills for Occupational Health and Safety Emergency | Drill Exercises | Time | 200 |
| | | Participants Covered | Person | 5,775 |
| | Training on Occupational Health and Safety | Training Sessions | Time | 470 |
| | | Participants Covered | Person | 38,329 |

| Topics | Primary Indicators | Secondary Indicators | Unit | 2023 |
|---|--|-------------------------------------|------------------------|-----------|
| R&D Innovation | R&D Investment | | 10 ⁴ RMB | 95,837.09 |
| | Number of R&D Personnel | | Person | 909 |
| Intellectual Property Protection | Authorized Patents | | Patent | 568 |
| | Authorized Inventive Patents | | Patent | 333 |
| | Patent Applications in Progress | | Patent | 494 |
| Product Quality and Safety | Percentage of Products Evaluated as Compliant | | % | 100 |
| | Total Number of Incidents of Penalties/Warnings/Voluntary Code Violations for Product Safety | | Case | 0 |
| Supply Chain Management | Number of Suppliers Audited | | Supplier | 197 |
| | Audit Rate of Key Material Suppliers | | % | 100 |
| | Number of Suppliers Identified with Significant Actual and Potential Negative ESG Impacts | | Supplier | 0 |
| | Number of Suppliers Terminated Due to Significant ESG Impacts | | Supplier | 0 |
| | Supplier Training | Training Sessions | Time | 62 |
| | | Suppliers Participating in Training | Supplier | 62 |
| | Supplier Safety Training | Suppliers Participating in Training | Supplier | 1,026 |
| | | Participants Covered | Person | 4,532 |
| Anti-Corruption and Business Ethics | Percentage of Operational Sites Covered with Corruption Risk Assessment | | % | 100 |
| | Number of Operational Sites Identified with Significant Corruption Risks through Risk Assessment | | Site | 0 |
| | Number of Confirmed Corruption Incidents | | Case | 1 |
| | Number of Individuals Involved in Handling Confirmed Incidents | | Person | 2 |
| | Anti-Corruption Training | Total Duration | Hour | 40 |
| | Trade Secret Training | Participants Covered | Instance/ Person-Times | 1,939 |
| | Anti-Unfair Competition Litigation | | Time | 0 |
| | | | | |
| Information Security and Privacy Protection | Major Information Security Incidents | | Case | 0 |
| | Information Security Incidents from External Complaints | | Case | 0 |

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| GRI Standard | Disclosure | Location |
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| GRI 2: General disclosures 2021 | 2-1 Organizational details | About the Report About BTR |
| | 2-2 Entities included in the organization's sustainability reporting | About the Report |
| | 2-3 Reporting period, frequency and contact point | About the Report |
| | 2-4 Restatements of information | About the Report |
| | 2-5 External assurance | Independent Assurance Report |
| | 2-6 Activities, value chain and other business relationships | About BTR |
| | 2-7 Employees | People-oriented and Empowering Employees to Excel in Development Key Performance Table |
| | 2-8 Workers who are not employees | Key Performance Table |
| | 2-9 Governance structure and composition | Sustainability Governance Consolidating the Development Foundation via Excellent Governance |
| | 2-10 Nomination and selection of the highest governance body | Consolidating the Development Foundation via Excellent Governance |
| | 2-12 Role of the highest governance body in overseeing the impacts | Sustainability Governance |
| | 2-13 Delegation of responsibility for managing impacts | Sustainability Governance Consolidating the Development Foundation via Excellent Governance |
| | 2-14 Role of the highest governance body in sustainability reporting | Sustainability Governance |
| | 2-15 Conflicts of interest | Consolidating the Development Foundation via Excellent Governance |
| | 2-17 Collective knowledge of the highest governance body | Sustainability Governance |
| | 2-19 Remuneration policies | People-oriented and Empowering Employees to Excel in Development |
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| | 2-22 Statement on sustainable development strategy | Sustainability Governance |
| | 2-23 Policy commitments | Consolidating the Development Foundation via Excellent Governance People-oriented and Empowering Employees to Excel in Development |
| | 2-27 Compliance with laws and regulations | Consolidating the Development Foundation via Excellent Governance |
| | 2-28 Membership associations | About BTR Striving for Excellence to Provide High-quality Products and Services |
| | 2-29 Approach to stakeholder engagement | Sustainability Governance |
| | 2-30 Collective bargaining agreements | People-oriented and Empowering Employees to Excel in Development |

| GRI Standard | Disclosure | Location |
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| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Sustainability Governance |
| | 3-2 List of material topics | Sustainability Governance |
| | 3-3 Management of material topics | Sustainability Governance |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | About BTR Key Performance Table |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Green and Low-carbon Development for an Environmentally Friendly Production System |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Defined benefit plan obligations and other retirement plans | Green and Low-carbon Development for an Environmentally Friendly Production System Responsibility and Contribution to Social Prosperity |
| | 203-2 Financial implications and other risks and opportunities due to climate change | About BTR Striving for Excellence to Provide High-quality Products and Services |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | Consolidating the Development Foundation via Excellent Governance |
| | 205-2 Communication and training about anti-corruption policies and procedures | Consolidating the Development Foundation via Excellent Governance Key Performance Table |
| | 205-3 Confirmed incidents of corruption and actions taken | Consolidating the Development Foundation via Excellent Governance |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Consolidating the Development Foundation via Excellent Governance |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 301-2 Recycled input materials used | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 301-3 Reclaimed products and their packaging materials | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 302-3 Energy intensity | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 302-4 Reduction of energy consumption | Green and Low-carbon Development for an Environmentally Friendly Production System |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 303-2 Management of water discharge-related impacts | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 303-3 Water withdrawal | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 303-4 Water discharge | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 303-5 Water consumption | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |

| GRI Standard | Disclosure | Location |
|---|--|---|
| GRI 304 Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas | Green and Low-carbon Development for an Environmentally Friendly Production System |
| | 304-2 Significant impacts of activities, products and services on biodiversity | Green and Low-carbon Development for an Environmentally Friendly Production System |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 305-3 Other indirect (Scope 3) GHG emissions | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 305-4 GHG emissions intensity | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Green and Low-carbon Development for an Environmentally Friendly Production System Key Performance Table |
| | | |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Green and Low-carbon Development for an Environmentally Friendly Production System |
| | 306-2 Management of significant waste-related impacts | Green and Low-carbon Development for an Environmentally Friendly Production System |
| | 306-3 Waste generated | Green and Low-carbon Development for an Environmentally Friendly Production System |
| | 306-4 Waste diverted from disposal | Green and Low-carbon Development for an Environmentally Friendly Production System |
| | 306-5 Waste directed to disposal | Green and Low-carbon Development for an Environmentally Friendly Production System |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | Building a High-quality Industry Chain System through Synergies Key Performance Table |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | Building a High-quality Industry Chain System through Synergies |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | People-oriented and Empowering Employees to Excel in Development Key Performance Table |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | People-oriented and Empowering Employees to Excel in Development |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | People-oriented and Empowering Employees to Excel in Development |
| | 403-2 Hazard identification, risk assessment, and incident investigation | People-oriented and Empowering Employees to Excel in Development |
| | 403-3 Occupational health services | People-oriented and Empowering Employees to Excel in Development |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | People-oriented and Empowering Employees to Excel in Development |
| | 403-5 Worker training on occupational health and safety | People-oriented and Empowering Employees to Excel in Development Key Performance Table |

| GRI Standard | Disclosure | Location |
|---|---|--|
| GRI 403: Occupational Health and Safety 2018 | 403-6 Promotion of worker health | People-oriented and Empowering Employees to Excel in Development |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | People-oriented and Empowering Employees to Excel in Development |
| | 403-8 Workers covered by an occupational health and safety management system | People-oriented and Empowering Employees to Excel in Development |
| | 403-9 Work-related injuries | People-oriented and Empowering Employees to Excel in Development Key Performance Table |
| GRI 404: Training and Education 2016 | 403-10 Work-related ill health | People-oriented and Empowering Employees to Excel in Development |
| | 404-1 Average hours of training per year per employee | People-oriented and Empowering Employees to Excel in Development Key Performance Table |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | People-oriented and Empowering Employees to Excel in Development |
| GRI 405: Diversity and Equal Opportunity 2016 | 404-3 Percentage of employees receiving regular performance and career development reviews | People-oriented and Empowering Employees to Excel in Development Key Performance Table |
| | 405-1 Diversity of governance bodies and employees | People-oriented and Empowering Employees to Excel in Development Key Performance Table |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | People-oriented and Empowering Employees to Excel in Development |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | People-oriented and Empowering Employees to Excel in Development Building a High-quality Industry Chain System through Synergies |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | People-oriented and Empowering Employees to Excel in Development Building a High-quality Industry Chain System through Synergies |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Responsibility and Contribution to Social Prosperity |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | Building a High-quality Industry Chain System through Synergies |
| | 414-2 Negative social impacts in the supply chain and actions taken | Building a High-quality Industry Chain System through Synergies |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Striving for Excellence to Provide High-quality Products and Services |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Striving for Excellence to Provide High-quality Products and Services Key Performance Table |
| GRI 417: Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling | Striving for Excellence to Provide High-quality Products and Services |
| | 417-2 Incidents of non-compliance concerning product and service information and labeling | Striving for Excellence to Provide High-quality Products and Services Key Performance Table |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Striving for Excellence to Provide High-quality Products and Services Consolidating the Development Foundation via Excellent Governance |



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CNAS VV003-EI

GREENHOUSE GAS VERIFICATION STATEMENT

Certificate No: 04124GHGA20047

The inventory of Greenhouse gas emissions in year 2023 of

BTR New Material Group Co.,Ltd.

(Issue date: March 15, 2024; Time period: January 1, 2023- December 31, 2023)

has been verified in accordance with ISO 14064-3:2019 with the materiality and the level of assurance satisfied.

Verification Criteria :

ISO 14064-1:2018

Verification Programmes:

ISO/IEC 17029:2019; ISO 14065:2020; ISO 14064-3:2019; ISO 14066:2011

Boundary(ies):

Verified greenhouse gas statement:
The 2023 Greenhouse Gas Inventory Report of BTR New Material Group Co.,Ltd..
Organizational boundaries:
All facilities under the operational control approach related to greenhouse gas emissions and removals of BTR New Material Group Co.,Ltd. located in the following addresses:
Address1: BTR New Material Group Co.,Ltd. located in Building 1, 2, 3, 4, 5, 6, 7A, 7B and 8, High tech Industrial Park, Xitian Community, Gongming Town, Guangming New District, Shenzhen.& Fenghuang street Dongkeng community Guangyuan 4 road No. 8 BTR HQ, Guangming district, Shenzhen
Address2: Tianjin BTR New Energy Technology Co.,Ltd. located in Jiuyuan Industrial Park, Baodi District, Tianjin City, P.R. China
Address3: BTR(Jiangsu) New Material Technology Co.,Ltd located in No.519,Jiangdong Avenue, Jintan District, Changzhou City, Jiangsu Province, China
Address4: BTR (Jiangsu) New Energy Materials Co.,Ltd. located in No.519,Fuxing South Road, Jintan District, Changzhou City, Jiangsu Province, China
Address5: Changzhou BTR New Material Technology Co.,Ltd. located in No. 9 Changrui Road, Rulin Town, Jintan District, Changzhou City, Jiangsu Province, China
Address6: BTR(Sichuan)New Material Technology Co.,Ltd. located in No.012,Songshi Road, Songjiaba Industrial Park, PingshanTown, Pingshan County, Yibin City, Sichuan Province, China
Address7: Huizhou BTR New Material Technology Co.,Ltd. located in BTR Industrial Park, Huangdong Village, Zhenlong Town,Huiyang District, Huizhou City,Guangdong Province
Address8: Dingyuan New Energy Technology Co.,Ltd. located in Huyangkeng Region, Huangdong Village, Zhenlong Town, Huiyang District,Huizhou City, Guangdong Province, China
Address9: Shandong Ruiyang New Energy Technology Co.,Ltd. located in No.328, Gongye 9th Road, Yangxin County Economic Development Zone, Binzhou City,Shandong, P.R.China
Address10: Sichuan Ruian New Material Technology Co.,Ltd located in No.11 Chuangye Auenue, Lushan County Economic Development zone,Ya'an City, Sichuan Province
Address11: Jixi Changyuan Mining Co., Ltd. located in Industrial Development Zone, Liumao Town, Hengshan District, Jixi City, Heilongjiang Province
Address12: Jixi BTR New Energy Technology Co., Ltd located in Central Community yuejin committee, Mashan District
Address13: Kaifeng Ruifeng New Material Co.,Ltd. located in Group 3,Dongkong Village, Gegang Town, Qi County, Kaifeng City, Henan Province
Scope of business and activities:
Production and sales of Anode Business,Cathode Business and New Business
Time period:
January 1, 2023- December 31, 2023
GHG Category(ies):
☒ Category 1 ☐ Category 2 ☐ Category 3
☐ Category 4 ☐ Category 5 ☐ Category 6.

Total emissions :

863248.20 tCO₂e

Biomass emissions :

1842.53 tCO₂e

Type of entity :

Third-party

Issue date :

Mar 28, 2024

Commissioned by :

BTR New Material Group Co.,Ltd.

Details of the objectives, assurance levels, materiality, intend users of the GHG statement, etc. are given in the appendix to this verification statement of which forms an integral part.





General manager

CTI Certification Co., LTD.

Zone A 8F CTI Building, No.4 Liu Xian San Road, Xin'an Street, Bao'an District, Shenzhen, Guangdong Province,China.

The CNAS accreditation mark indicates only that CNAS recognizes the competence of the VVB and should not be construed to mean that CNAS approves or is responsible for the certificate.
This certificate is available on our website (www.cti-cert.com) or the official website of National Certification and Accreditation Administration (www.cnca.gov.cn).



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APPENDIX TO THE GREENHOUSE GAS VERIFICATION STATEMENT

Certificate No: 04124GHGA20047

Description of the verification : CTI verified the inventory of Greenhouse gas emissions in year 2023 of BTR New Material Group Co.,Ltd.. according to ISO 14064-3:2019.

Scope : Others (21)

Objectives : a) Evaluate whether the GHG inventory report meets the requirements of ISO 14064-1:2018
b) Evaluate the consistency and completeness of the GHG inventory report
c) Verify the correctness and reasonableness of the GHG accounting and reporting
d) Evaluate the GHG-related management controls at the organization level

Assurance level : Reasonable

Materiality threshold : 5%

Intended users : Stakeholders involved in the business activities

Nature of data and information supported the GHG statement : Historical facts

GHGs included : ☒ CO₂ ☒ CH₄ ☒ N₂O ☒ HFCs ☐ PFCs ☐ SF₆ ☐ NF₃

Category 1 Emissions : 42030.75 tCO₂e

Category 2 Emissions : 720659.16 tCO₂e

Category 3 Emissions : 100558.29 tCO₂e

Total Emissions : 863248.20 tCO₂e

Biomass emissions : 1842.53 tCO₂e





General manager

CTI Certification Co., LTD.

Zone A 8F CTI Building, No.4 Liu Xian San Road, Xin'an Street, Bao'an District, Shenzhen, Guangdong Province,China.

The CNAS accreditation mark indicates only that CNAS recognizes the competence of the VVB and should not be construed to mean that CNAS approves or is responsible for the certificate.
This certificate is available on our website (www.cti-cert.com) or the official website of National Certification and Accreditation Administration (www.cnca.gov.cn).

Independent Verification Statement



To the management and stakeholders of BTR,

TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch (hereinafter referred to as “TÜV SÜD”) has been engaged by BTR New Material Group Co., Ltd. (hereinafter referred to as “BTR” or “the Company”) to perform an independent third-party verification on BTR 2023 Sustainability and ESG Report (hereinafter referred to as “the Report”). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with BTR and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by BTR and provided to TÜV SÜD. The scope of verification is limited to the given information. BTR shall be held accountable for authenticity and completeness of the provided data and information.

Scope of Verification

- Time frame of this verification:
- The Report contains the data disclosed by BTR during the reporting period from January 1st, 2023 to December 31st, 2023, including economic, environmental and social information and data, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.
- Physical boundary of this verification:
- The on-site verification sampling took place at below listed location:
BTR New Energy Technology Building, No.8, Guangyuan 4 Road, Guangming District, Shenzhen, Guangdong
- Scope of data and information for the verification:
- The scope of verification is limited to the data and information of BTR and all companies under its operational control covered by the Report.
- The following information and data are beyond the scope of this verification:
- Any information and contents beyond the reporting period of this Report; and
 - The data and information of BTR's suppliers, partners and other third parties; and
 - The financial data and information disclosed in this Report that have been audited by an independent third party are not verified again herein.

Limitations

- The verification process is conducted in the above scope and places. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before January 1st, 2023 are beyond the scope of this verification.

Basis for the Verification

This verification process was conducted by TÜV SÜD's expert team with extensive experience in the economic, environmental, social and other relevant areas and drew the conclusions thereof. The verification conforms to the following standards:

- International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, Limited Assurance*

Independent Verification Statement



- TÜV SÜD Procedure of Verification on Sustainability Report*
- In order to perform adequate verification in accordance with the contract and provide reasonable verification for the conclusions, the verification team conducted the following activities:
- Preliminary investigation of the relevant information before the verification;
 - Confirmation of the presence of the topics with high level of materiality and performance in the Report;
 - On-site review of all supporting documents, data and other information provided by BTR; tracing and verification of key performance information;
 - Special interview with the representative of BTR's management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
 - Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe that the data and information presented in BTR's report are objective, factual and reliable, without systematic problems, and can be used by stakeholders.

The verification team has drawn the following conclusions on this Report:

| | |
|----------------|--|
| Inclusivity | BTR has identified the internal and external stakeholders such shareholders and investors, employees, customers, suppliers, government and regulatory authorities, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders on a regular basis. |
| Materiality | BTR has established the prioritization process of material topics determination, identified and assessed the priority of the sustainability topics which are highly related to the industry, the Company disclosed the strategy, management approach as well as sustainability performance in corporate operation, therefore the Report's adherence to materiality principle is guaranteed. However, there is no material analysis of the topic from the " double materiality" perspective of finance and sustainable development. |
| Responsiveness | BTR has disclosed the management approach and performance of material topics that stakeholders concern, such as Corporate Governance, Combating Climate Change, Emissions and Waste Management, R&D Innovation, Responsible Sourcing, Employee Health and Safety, etc., and has established a communication mechanism, to fully respond to the demands and expectations of stakeholders. |
| Impact | BTR has identified its positive or negative, actual or potential impacts on the economy, environment and society, and has taken certain mitigation measures to prevent, mitigate and remediate the negative impacts, and disclosed them accordingly in the Report. |

Recommendations on Continuous Improvement

- It is recommended the Company analyzes and discloses the impact of each material topic on the company's value creation, as well as on the economy, the environment and society, from the perspective of " double materiality" in the following year's report.

Statement on Independence and Verification Capability

Independent Verification Statement



TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specialises in testing, certification, auditing and advisory services. Since 1866, TÜV SÜD has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. TÜV SÜD has been committed to sustainable development and actively promotes environmental protection related projects. Over the years, TÜV SÜD has been actively expanding its performance in energy management, renewable resources, and electric automobiles, etc., helping its customers meet sustainable development needs.

TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and BTR are two entities independent of each other and both TÜV SÜD and BTR and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by BTR. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of the verification statement.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd.

Zhu Wenjun
TÜV SÜD Sustainability Authorized Signatory Officer
March 25th, 2024
Shenzhen, China

Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement CN" of this verification statement shall prevail, while the English translation is used for reference only.

ID: 252713 Revision: 0 - released Effective: 25 Aug 2023



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