

# 2022

# Environment, Social Responsibility & Governance Report

Stock code: 688005.SH



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## About the Report

### Overview

This report is the second “Environment, Social Responsibility & Governance Report” (hereinafter referred to as the ESG report) issued by Ningbo Ronbay New Energy Technology Co., Ltd., to disclose the corporation’s management, practice and performance in economy, environment, social responsibility and governance to all stakeholders.

### Time Frame

The report covers the time frame from January 1 to December 31, 2022 (hereinafter referred to as “reporting period”), tracing back to cover previous years for some contents.

### Scope and Boundary

The report’s scope of disclosure is consistent with that of the corporation’s 2022 annual financial statements, covering Ningbo Ronbay New Energy Technology Co., Ltd. (Hereinafter referred to as “the corporation”, “Ronbay Technology”, “Ronbay”, or “we”) and its subsidiaries.

### Compiling Basis of the Report

The report was compiled by referring to the “GRI Standards” issued by the Global Reporting Initiative (GRI) and Chapter 8 Social Responsibility of the “No. 1 Self-regulatory Guidelines for Listed Companies in Shanghai Stock Exchange – Standard Operation”.

### Data Sources and Reliability Guarantee

The information and data disclosed by this report come from disclosed information, statistic reports and official documents of the corporation. The board of directors shall guarantee that this report is free of any false records or misleading statements and assume responsibility for the truthfulness, accuracy and completeness of the contents.

### Access and Response to this Report

The views of stakeholders are valued by us. All readers are welcomed to contact us through the following contact information. Your opinions will help us further perfect this report and improve our ESG performance.

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## Message from the Chairman

2022 was a year that witnessed the rapid growth and successful deployment of Ronbay. Thanks to the hard work of all management staff and coworkers, our performance has witnessed a significant growth, as our high-nickel sales has grown 70% year on year and our profit has grown about 50% year on year, which has laid a solid foundation for us to develop at a faster speed in the coming three years.

2022 was a year when we truly began to implement and constantly perfect our “New Integration Strategy”. We made a comprehensive deployment for our New Integration Strategy in Hubei. In early 2022, we signed a package of strategic cooperation projects with Hubei in Xiantao such as the construction of a 400,000-ton positive electrode material production base in Xiantao, a new energy demonstration base, a headquarters in central China, a Research Institute of New Energy Technology, an Academy of Ronbay, a production capacity foundation and a stock equity fund, which were a further upgrade of the model of “implementation of projects plus industrial funds”. The signing and launch of these agreements and projects in Hubei represented our upgrade from the traditional integrated competition to a systematic competition in terms of industrial chain competition, which was a breakthrough achieved by us in our business model.

In 2022, we invested to acquire Tianjin Skyland Technology, a leading company in the business of LMFP, which was another M&A practice of Ronbay, meaning that we really began to take the second step “running an industry well”

in our “three-step” strategy. According to our second-step strategy, our main industry is positive electrode material, including precursor. The engineering design, engineering equipment business, trading, investment and fund-raising have been carried out to strengthen our core industry. We will invest in down-stream industries and battery recycling industry and invest in upstream industries like metallurgy and mining industry to enter quality projects and share the growth of the entire new energy battery industry. Last year, we successively invested in Liqin Resources and Korean recycling enterprise JYT Inc. and established a stock equity fund with a scale up to RMB 2.65 billion.

Ronbay is a comprehensive supplier and an industrial leader of positive electrode material covering all markets, ranked first in global sales of ternary positive electrode material, achieving a large-scale volume production of LMFP within the shortest time and taking the lead in sodium battery. In 2022, our total production capacity of ternary materials reached 250,000 tons, taking the lead globally in production capacity and sales volume. Our global market share of high-nickel reached about 20%, ranked first in the world. So far, our shipment of LMFP has neared a thousand tons, our shipment of sodium battery positive electrode has reached tens of tons, taking the lead in the industry for our commercialization progress. The application fields of high-nickel ternary materials, LMF materials and sodium battery materials cover high, medium and low-rank power, small power, energy storage and digital markets. Our industrial deployment covering all markets will present us with a wider

space for our new growth.

Our business architecture background with structural and trend development opportunities is not only reflected in our deployment in the industry, but also reflected in our overall spatial layout. In the future, we will expand from China and South Korea to other overseas regions. Seen from high-nickel material, though currently the permeability of new energy vehicles is very high in China, which is near 30%, the high-nickel material still has not occupied a big proportion. With the improvement of domestic battery technology and upgrade of domestic consumption, the shares of high-nickel in the medium and high-rank markets of China will further increase. In the European market, last year the permeability of new energy vehicles was less than 20%. In the Northern America market, especially in the US, currently the permeability of new energy vehicles is less than 10%. Therefore, for Ronbay, the two markets also present a great space for growth. Our plant in South Korea is highly unique and rare. We will rapidly expand its annual production capacity to 100,000 tons in about two years, so as to better serve our overseas business.

In the past years, we have developed our New Integration Strategy. In order to coordinate our New Integration Strategy, we have launched reforms based on our platform and corporation. In the first half of 2022, we established and solidified our business management hub centered around our chairman’s office and linked up the whole company with our “5+6+7” process system so that the whole company

chairman of the board  
Bai Houshan



will achieve coordinated operation. In 2023, we will reform our salary system, focused on the reform of our four-level partnership shareholding system, which will enable our management staff and employees to hold shares of the company from different levels. Meanwhile, on the basis of our reforms of our Business Unit in the past and our research fruits of organization and personnel issues and corporate structure in the new year, we will reform our organization across the corporation from three systems, namely market system, R&D system and delivery system, establish a great and solid triangle around customers at the corporation level and build a strong top management to manage the three systems respectively. This will allow us to further realize our integrated operation on the basis of our Business Unit, strengthen our integrated operation so that the company can be more united, agile and powerful to fulfill our market goals and become a true industrial leader in the world.

A new year is coming. In 2023, the thematic character chosen by Ronbay is “合”, meaning “together, cooperation and unity”. Now, Ronbay is ready to exert its force. We will seize the opportunity of the structuring trend of the battery positive electrode material industry and work hard to become a true industrial leader in all aspects in the word. We will adhere to the vision of “establishing a new energy industrial cluster with first-class innovation ability and high commercial civilization” and try to develop the new energy industry, improve the living environment of the humankind, open up a bright future for the company and employees and pay back to the society.

# 01

## Thriving and robust with a successful deployment

1.1 Company Profile

1.2 Foresighted Planning

### 1.1 Company Profile

Ningbo Ronbay New Energy Technology Co., Ltd. is a transnational corporation in the high-tech new energy material industry, which is mainly engaged in the R&D, production and sales of high-energy-density lithium battery positive electrode material and its precursor. During 2022, the company achieved a transformation and upgrade from a high-nickel leader to a comprehensive supplier of positive electrode material covering all markets.

In China, the company has invested to deploy and build production bases in provinces such as Zhejiang, Hubei and Guizhou. During 2022, we accelerated our integrated industrial deployment in Hubei, invested to build the globally largest production base of positive electrode

material in Xiantao and invested to build our central China headquarters and research institute of new energy technology in Wuhan.

In foreign land, we deployed an industrial chain of waste recycling, precursor and positive electrode in South Korea, and built an annual positive electrode production capacity of 20,000 tons in Chungju of South Korea, which is the first production capacity project of high-nickel positive electrode built by a Chinese enterprise abroad, and our first leg in our global deployment. In the future, we will continue to expand to Japan, Europe, America and Southeast Asia, further increase our market share and enhance our competitiveness.



Ronbay's global deployment planning

# 1.2 Foresighted Planning

## 1.2.1 Corporate Culture

Assuming the mission of “developing the new energy industry, improving the humankind’s living environment, creating a bright future for the company and employees and paying back to the society” and the vision of “establishing a new energy industrial cluster with first-class innovation ability and high commercial civilization”, we aim to become a great company, create commercial values constantly and create a wonderful future for the humankind.



We’ve adhered to the operation policy of “putting customers at the first position”, the striving spirit of attentiveness, independence, responsibility and pioneering. Through constant training and cultivation, we aim to make our employees develop a scientific, rational and systematic mindset based on learning and a big picture and advocate an optimistic, honest, resilient, glorious behavior pattern in pursuit of our dream. We’ve always taken innovation as our impetus and aimed to become a globally leading company of advanced material technology.

### VALUES

#### Mindset

Scientific, rational, learning-oriented, innovative, big-picture, systematic

#### Behavior patterns

Self-conduct: optimism, honesty, modesty, courage, resilience, glory and dream

Co-existence: respect, trust, gratitude, blend, sharing, service, support, coordination, win-win cooperation and spirit of contract

Work: customer-orientation, attentiveness, independence, responsibility, pioneering, working ahead of schedule, putting self later, progress before perfection, earnestness, comprehensive study, perfection seeking, enjoying the work.

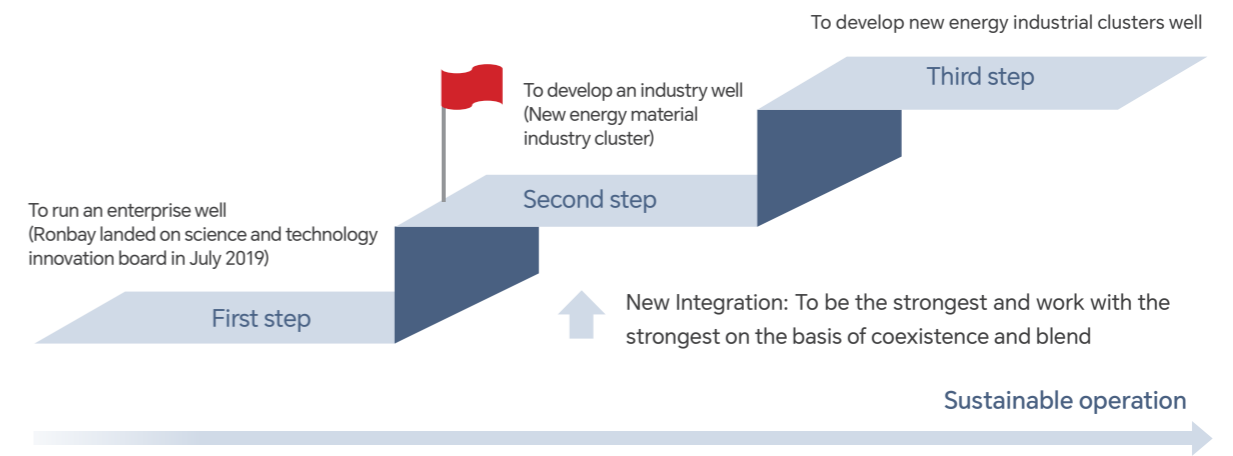
## 1.2.2 Strategic Deployment in Steps

Established in 2014, Ronbay has developed for more than a decade. Nowadays, we are self-positioned as an industry operator. Depending on our abilities in strategy, investment and management, we are in pursuit of sustainable development by insisting on investment and incubation of new industries. In 2016, we put forward the “three-step” strategy, with an ultimate aim to “completely replace petrochemical energy and realize a sustainable development for humankind”. Now we have already finished the first step, running an enterprise well, and are now on the way to fight for the second step, running an industry (new energy material industrial cluster) well. During this period, we will improve our

management ability and continuously incubate new industries with the aid of institutions such as investment platforms and research institutes to achieve a sustainable development. Meanwhile, we have also clearly realized that our business model will keep developing. Therefore, we have creatively put forward our six-generation business model on the basis of realizing convergent entrepreneurship, namely “New Integration Strategy”.

#### Ultimate goal:

To completely replace petrochemical energy and realize a sustainable development for humankind



## 1.2.3 New Integration Strategy

Adhering to the concept of “being the strongest and working with the strongest on the basis of coexistence and blend”, the “New Integration Strategy” combines industrial operation and investment management and shows seven characteristics, “professionalism, integration, platform, ecology, digitization, globalization

and organization”, rising from a vision of industrial operation to an extremely focused systematic vision. Relying on our strength in science and technology industry operation and professional investment capacity, we will pool resources to build a new business model and high-dimension competitiveness.

### New Integration Strategy

“To be the strongest and work with the strongest based on co-existence and blend”

01 “Professionalism”: Our accumulated strengths in innovation, industry-finance combination and investment integration were carried on as an important foundation for the realization of New Integration.

02 “Integration”: Based on our extremely focused professionalism, our investment was expanded in all aspects to boost the triangular cycle of our industrial chain integration.

03 “Platform”: As the diversified carrier of professionalism and foothold of New Integration, it was an important way to support our core business and integrated operations.

04 “Digitization”: Innovation and upgrade of our business model was empowered based on the characteristics of the era and industrial trend.

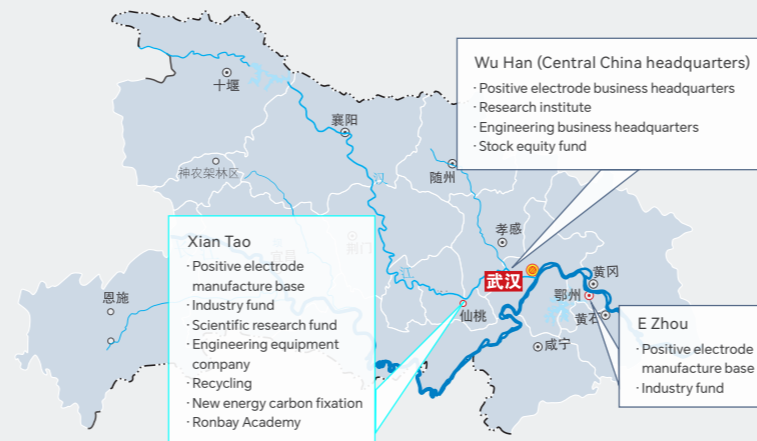
05 “Ecology”: Different from the traditional integrated organic system, it gave full play to our innovation vitality and self-evolving capacity and achieved integration with society and coordinated progress with the industry.

06 “Globalization”: With an open international vision, we attracted and embraced the wisdom of different civilizations to build a globalized enterprise.

07 “Organization”: As the source of our strategic executive force and the key precondition of our platform, we perfected our organizational management system to provide a driving force for our innovation and development.

### “Integration” – Integrated Industrial Layout in Hubei

From the commencement of construction of the positive electrode base in Xiantao to the signing of a package of agreements in Hubei, we are comprehensively planning our industrial layout in Hubei including a new energy demonstration base, a positive electrode base, the Academy of Ronbay, central China headquarters, Research Institute of New Energy Technology

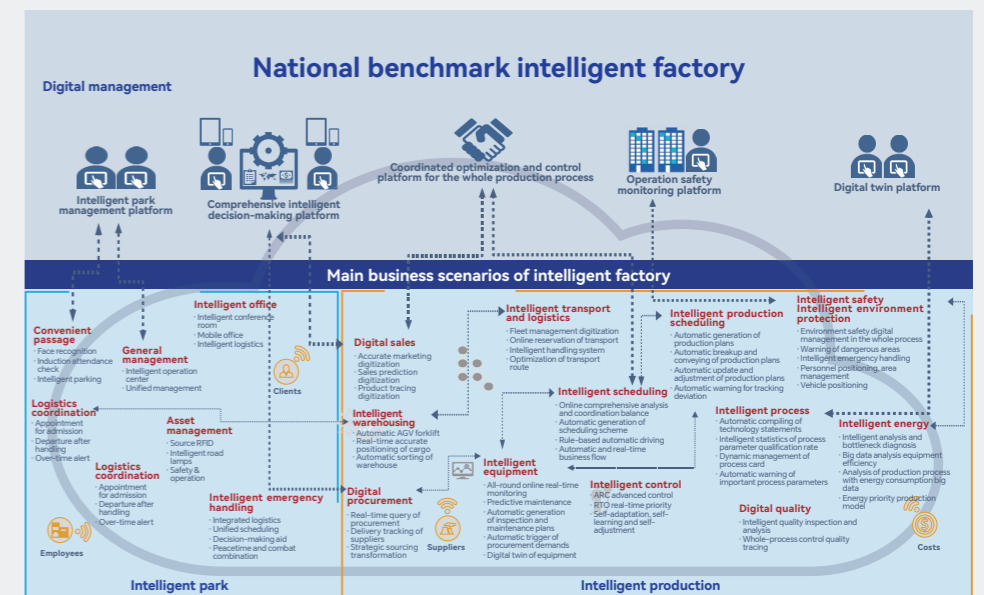


and engineering equipment company. The scale of our battery triangle fund has reached RMB 2.65 billion. In this way, we fully boost the integration of the triangle circular industrial chain and achieve win-win results among strategy, industry, capital, government and the public benefits.



### “Digitization” – “Information, digitization and intelligence” advance side by side

We are accelerating the planning of our digital transformation and taking every step firmly from overall planning to deployment and implementation. By means of “information, digitization and intelligence”, we plan to take the lead the industry in five years. During the reporting period, we have released 14 digital operation empowering projects including the construction of customer relations management system, the construction of supplier relations management system, and the construction of logistics management system. Throughout the year, we undertook a total of 1,676 basic operation and maintenance service projects of information technology, with a satisfaction degree of 100%. In terms of customer management, we have linked up the information flow at the sales end and achieved a visual sales process; in terms of supplier management, we have linked up the information flow at the procurement end and achieved an efficient coordination in business.



### “Ecology” – Coordinated Strategic Cooperation between Upstream and Downstream

Fully unleashing its ecological advantage in pursuing coordinated progress between the enterprise and the industry, the company has successively signed a strategic cooperation agreement with new energy enterprises such as Huayou, GEM and Welion. In 2022, the proportion of long-term agreements increased significantly, which further developed an industrial chain of high-nickel ternary material that was stable and more competitive in cost. In addition, we signed a cornerstone investment agreement with Liqin Resource and became a cornerstone investor for its IPO in Hong Kong Stock to further deploy upstream resources.



### “Professionalism” – upgraded to be a comprehensive positive electrode material supplier covering all markets

On July 20, 2022, Ronbay Technology held a strategy release event of 2022 in Yibin, Sichuan, announcing to advance from a high-nickel leader to a comprehensive positive electrode material supplier covering all markets. While continuously strengthening our new technology reserve in positive electrode material and volume production capacity in advanced materials, we historically entered the industry of LMFP, finished the acquisition of Tianjin Skyland and gained a leading

position in the industry in the development of sodium battery positive electrode material. In the face of the dynamic power, energy storage and 3C markets, the company will enrich its product structure and achieve a full coverage of the markets by producing positive electrode materials such as high-nickel ternary material, LMFP material and sodium battery material, and continuously develop towards diverse and co-thriving innovation platform.

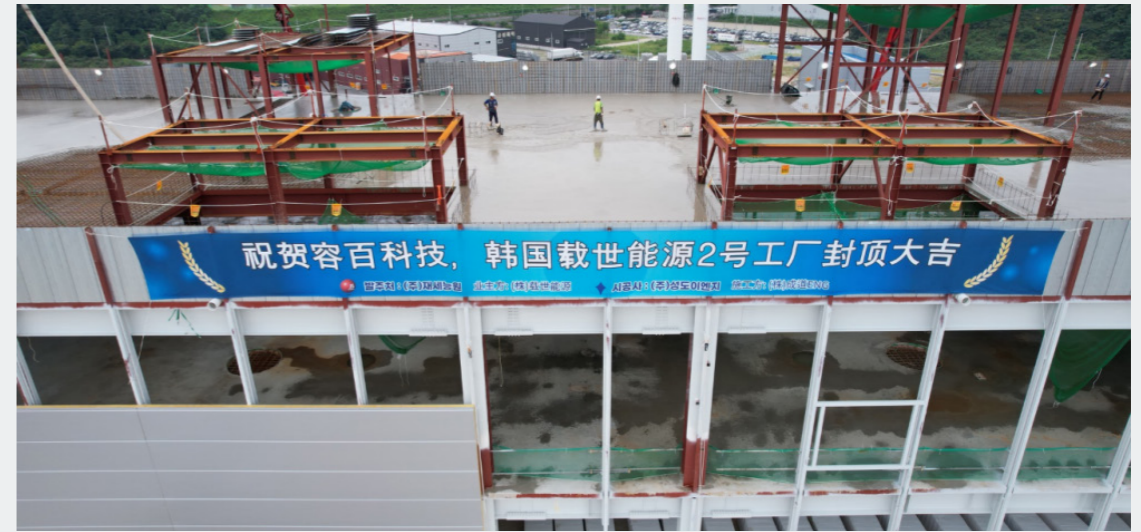


The strategy release event held in Yibin, Sichuan

### “Globalization” – the construction of the plant in South Korea

During the reporting period, our lithium battery positive electrode material project in Chungju of South Korea was completed and put into production. The unleash of its production capacity will promote our strategic

interaction with our Japanese and Korean clients and cover the European, American and Southeast Asia markets, serve global clients and the overseas plants of Chinese clients and truly create a global layout.



Capping of Phase 1-2 plants of our lithium battery positive electrode material project in Chungju of South Korea

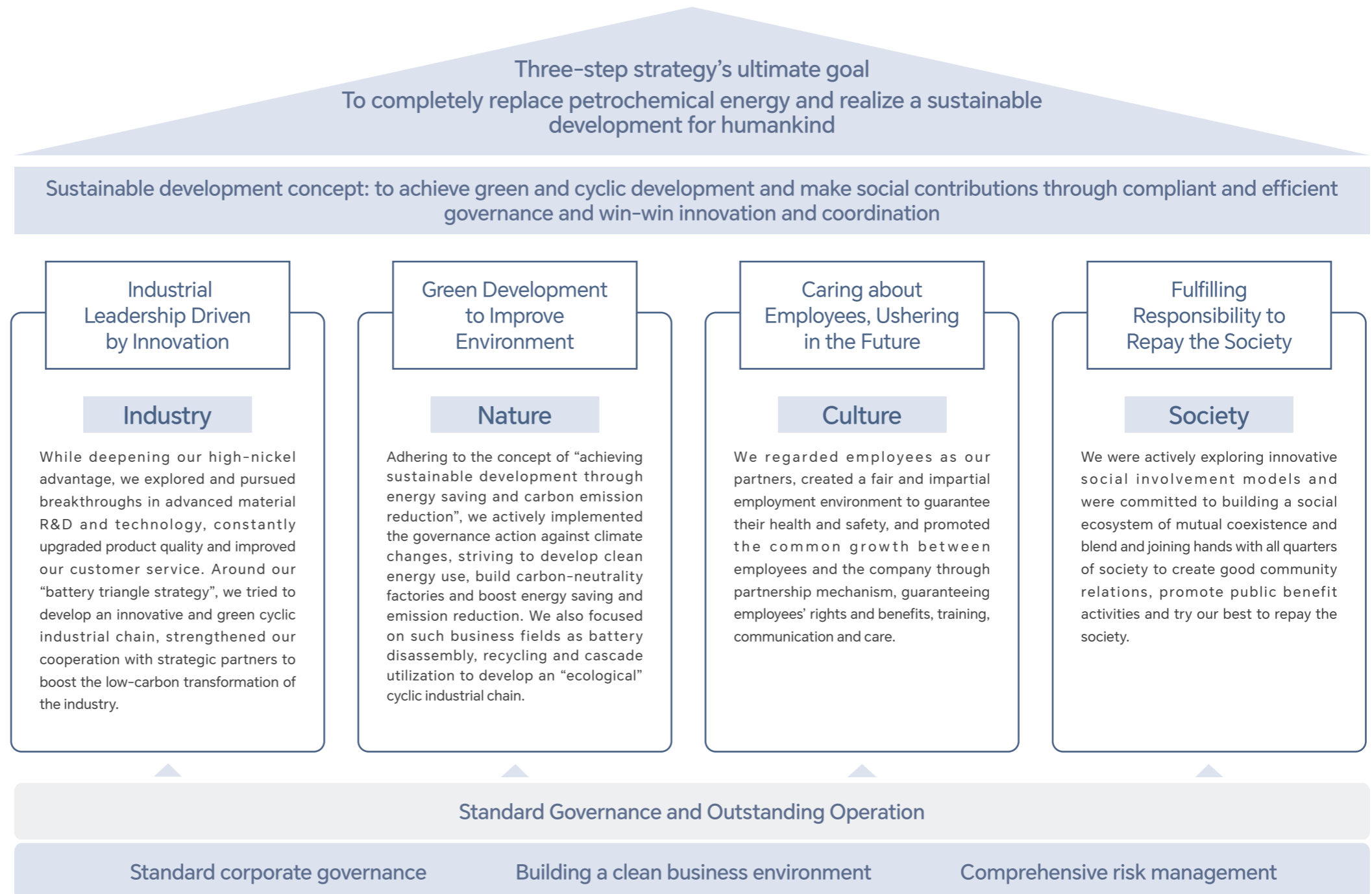
“

The New Integration Strategy represents the future. We are fully aware that other than the abilities to innovate and progress, we must fully blend with the industry, society and nature so as to keep evolving and achieve sustainable development. In the future, we will continue to shoulder our responsibility in seeking sustainable development as a globally leading new energy enterprise, try to build a globally leading new energy industry cluster, improve the humankind’s living environment and pay back to the society.

”

## 1.2.4 Sustainable Development Strategy

Under the guidance of the New Integration Strategy, we have established relations of mutual benefit, co-existence and blend with the nature, industry, society and humanity. Around our strategic goal of “completely replacing fossil energy and realizing sustainable development of the humans”, we have confirmed our sustainable development strategy: with responsible governance as our foundation, we will solidify our management foundation to ensure our strategy is fulfilled; depending on our four pillars, namely leading the industry’s green development, improving the humankind’s living environment, ushering in a bright future for the company and employees and paying back to the society, we will blend our sustainable development concept in the company’s daily operations, solidly advance every task of ESG to ensure that the company achieves sustainable operation and boost global sustainable development.





## 02

# Standard Governance and Outstanding Operation

## 2.1 Sustainable Development Management

## 2.2 Deepening of Governance

### Innovation Management



We promoted the organizational reform of the three systems “market, R&D and delivery” to effectively enhance the professional capability of each module and the collaboration between systems.



We launched the “Swan Action” and “Eagle Action” management reforms, set up and perfected the “5+6+7” operation system, and perfected the “PMO team” and “six-member” cross-organizational work coordination mechanism. [remark]

### Strict Risk Control



We improved and perfected the comprehensive risk control system within the company, strengthened the risk prevention and control mechanism characterized by “risk control before an operation, risk supervision during an operation and risk audit after an operation”.



Our information security technology system was implemented steadily, and our operation security center was running based on an entity.

### Incorruption Construction



We promoted and implemented the clean practice system and regulated the incorruption management.



The signing rate of “a letter of commitment of employees on clean practice” and the coverage rate of business ethics training for new employees both reached 100%.

Remark: For the meanings of “Swan Action”, “Eagle Action”, “5+6+7” system, “PMO team”, “six-member”, please refer to Section 2.2.2.

Governance is the core and foundation of a great company. In accordance with our “New Integration Strategy”, we strictly observed the operation principle of compliant governance and the concept of “prevention in advance”, continuously perfected the incorruption mechanism, strengthened our information security management mechanism and built a comprehensive risk control system. Through compliant and efficient management, we improved our business value and stability and further safeguarded the

shareholders’ benefits. On this basis, we kept exploring new governance mechanisms, promoting the corporation reform, and launching innovation from three aspects, namely organizational framework, operation management and coordination mechanism to further enhance the corporation’s coordinated operation capacity, improve our “organization, platform and professionalism” and lay a solid foundation for our stable development.

## 2.1 Sustainable Development Management

All the time, we have actively practiced the sustainable development philosophy of “seeking green and cyclic development and making more contributions to society through compliant and efficient governance and win-win innovation and cooperation”, continuously strengthened the communication among all stakeholders, promote each task of ESG management to enhance the company’s “ecology” and boost the company’s sustainable operation and global sustainable development.

## 2.1.1 Sustainable Development Management Structure

In order to practice our sustainable development philosophy and promote the deep blend of our sustainable development philosophy with our daily operations, we have formulated a “Sustainable Development Policy” and the construction goals of sustainable development system, further improved our ESG management structure. Led by our Quality and Environment Safety Center, we set up a three-level management structure at the levels of the corporation, business departments and each subsidiary, confirmed the ESG duty division among the levels to form an ESG close-loop management system from decision-making, communication, execution to evaluation and reporting and guarantee the effective fulfillment of our ESG strategy. The promotion and implementation results of our ESG strategy have been included into the scope of performance evaluation of all employees and specific incentive measures were provided for the fulfillment of our sustainable development goals.



## 2.1.2 Communication with Stakeholders

We continued to keep in close communication with stakeholders and actively respond to their appeals and expectations. We established diverse communication channels with them to guarantee effective and normalized communication. In 2022, we regularly communicated with each stakeholder. We hoped to establish cooperation of mutual assistance and benefit with them and provide useful guidance for our ESG management. We identified the

stakeholders related with environment, social responsibility and governance, including institutional investors, individual investors, clients, suppliers, etc.

During the reporting period, we actively communicated with each stakeholder to learn about their appeals and expectations, listened and responded to their suggestions carefully and achieved two-way communication.

Serial No.	Stakeholders	Communication Channels	Focus of ESG
1	Shareholders and investors	Shareholders' meeting Performance presentation Investor emails Roadshows Investor hotline Shanghai Stock Exchange e-interaction	Risk prevention and control Incorruption management Health and safety of employees Environment management R&D innovation Product quality Compliant operation Corporate governance Regional economic contribution
2	Government and regulation Institutions	Newsletters/news announcements Telephone communication Email communication Conference communication File sharing Network platform communication	Risk prevention and control Incorruption management Environment management Product quality Public welfare
3	Employees	Complaint box Employee communication conference Earnest talks Emails Daily communication	Employees' development Health and safety of employees Rights and benefits of employees Care for employees
4	Suppliers	On-site assessment Supplier evaluation Technical training	Supplier management
5	Clients	Communication meetings with clients Client satisfaction survey	Product quality R&D innovation Customer service

In addition, we paid much attention to the protection and communication on the rights and benefits of investors, regularly convened shareholders' meeting and performance presentation in accordance with related laws and regulations such as the “Listing Rules of Science and Technology Innovation Board in the Shanghai Stock Exchange”, “Guidance to Investor Relation Management of Listed Companies” and the “Articles of Incorporation” to safeguard the investors' right to know and participate in major matters of the company. For related rumors of market volatility caused by LME nickel fluctuation

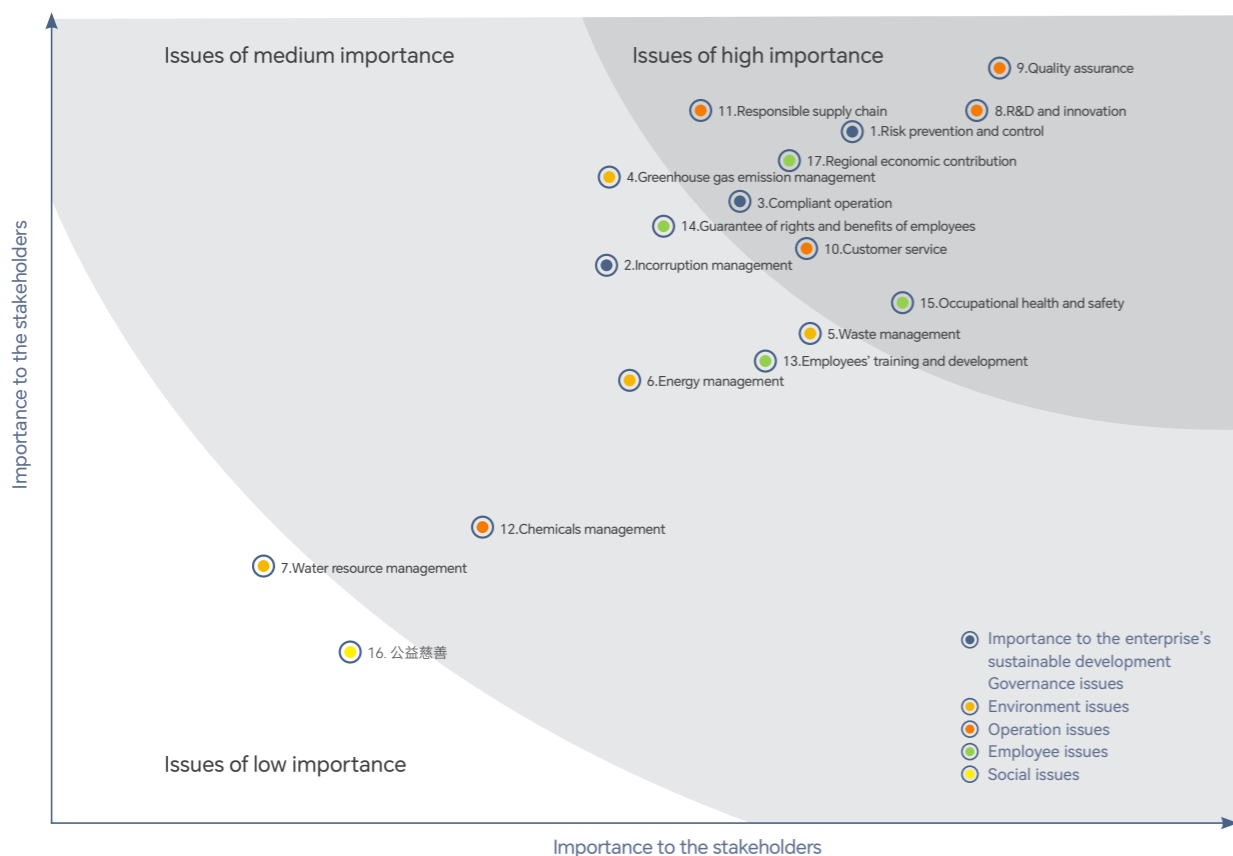
accidents and demands of clients for lower prices, we organized a communication meeting among the investors in the market at the first moment to dispel the rumors, and respond to the questions from investors through the Ask and Answer link of the management. In 2022, the corporation convened two shareholders' meetings, one performance presentation to disclose the minutes of investor communication for 13 times, covering such contents as the company's business conditions, strategy release and clarification of rumors.

## 2.1.3 Identification of Major Issues

We've established an identification mechanism for major issues. Each year, we confirm the major issues of the year by analyzing and surveying the internal and external stakeholders.

	ESG Issues	No.
Governance Issues	Risk prevention and control	1
	Incorruption management	2
	Compliant operation	3
Environment Issues	Greenhouse gas emission management	4
	Waste management	5
	Energy management	6
	Water resource management	7
Operation Issues	R&D and innovation	8
	Quality assurance	9
	Customer service	10
	Responsible supply chain	11
Issues of Employees	Chemicals management	12
	Employees' training and development	13
	Guarantee of rights and benefits of employees	14
Social Issues	Occupational health and safety	15
	Public welfare	16
	Regional economic contribution	17

During the reporting period, we sorted out 17 major ESG issues based on our communication with internal and external stakeholders, collection of public information and alignment to our peers and the national and international development trend, including 8 highly important issues such as quality assurance, R&D and innovation, risk prevention and control, 7 issues with medium importance such as guarantee of employees' rights and benefits and waste management, and 2 issues with low importance, and carried out targeted management to improve our performance.



## 2.2 Deepening of Governance

We insisted that compliant operation and innovation management was the foundation for the company's healthy and sustainable development. For this reason, we actively explored innovative management models under the guidance of New Integration Strategy, promoted the organizational reform of the three systems of "market, R&D and delivery" to enhance our "organizational" performance, establish a digital platform, empower our "digital and platform-based" model innovation and enhance our coordinated operation capacity. In addition, we kept perfecting the construction of our comprehensive risk control system to enhance our ability to deal with risks based on "prevention in advance". We strengthened the construction of our incorruption system and created a working atmosphere of "compliance, incorruption and fairness" to lay a solid foundation for our stable development.

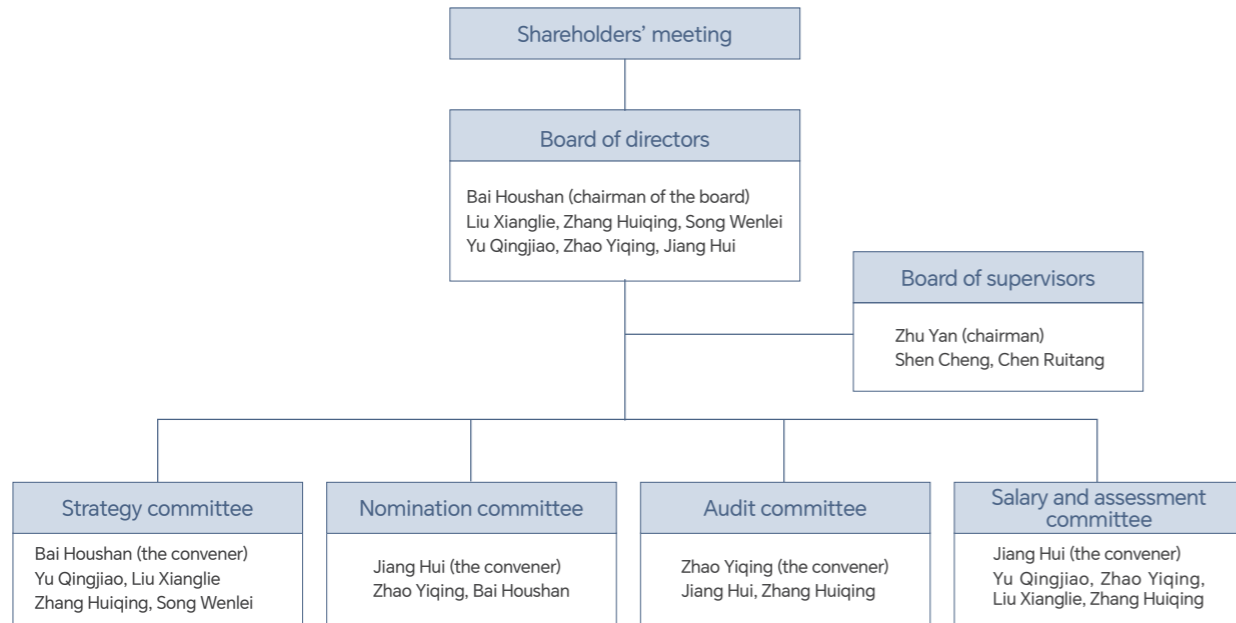
### 2.2.1 Governance Structure

In accordance with the "Code of Governance for Listed Companies" and "No. 1 Self-regulatory Guidelines for Listed Companies in the Science and Technology Innovation Board in the Shanghai Stock Exchange - Standard Operation", the company established a complete and effective corporate governance structure composed of the shareholders' meeting, board of directors and board of supervisors and a corporate governance mechanism with well-defined rights and duties and standard operation to effectively guarantee the fairness and scientific nature of the company's governance decisions.

The company has established four special committees under the board of directors, including the strategy committee, the nomination committee, the audit committee and the remuneration and evaluation

committee, which are responsible for supervising the company's operation management and related affairs within their duty from different aspects.

As of December 31, 2022, there were seven members in our board of directors, including three independent directors, four non-independent directors and two female directors. We continued to enrich the composition of members of our board of directors in such aspects as background, skill and experience, strengthened the professionalism and diversity of the board. All current directors have rich industrial experience and a good education background. We are firmly convinced that the professional and diverse members of our board of directors will guarantee the rigor and efficiency of our decisions.



Governance Organizational Structure

Shareholders' meeting	Convened twice to deliberate 23 proposals
Board of directors	Convened 12 times to deliberate 57 proposals
Board of supervisors	Convened 9 times to deliberate 41 proposals

Convening and deliberation of the three meetings & boards in 2022

## 2.2.2 System Innovation

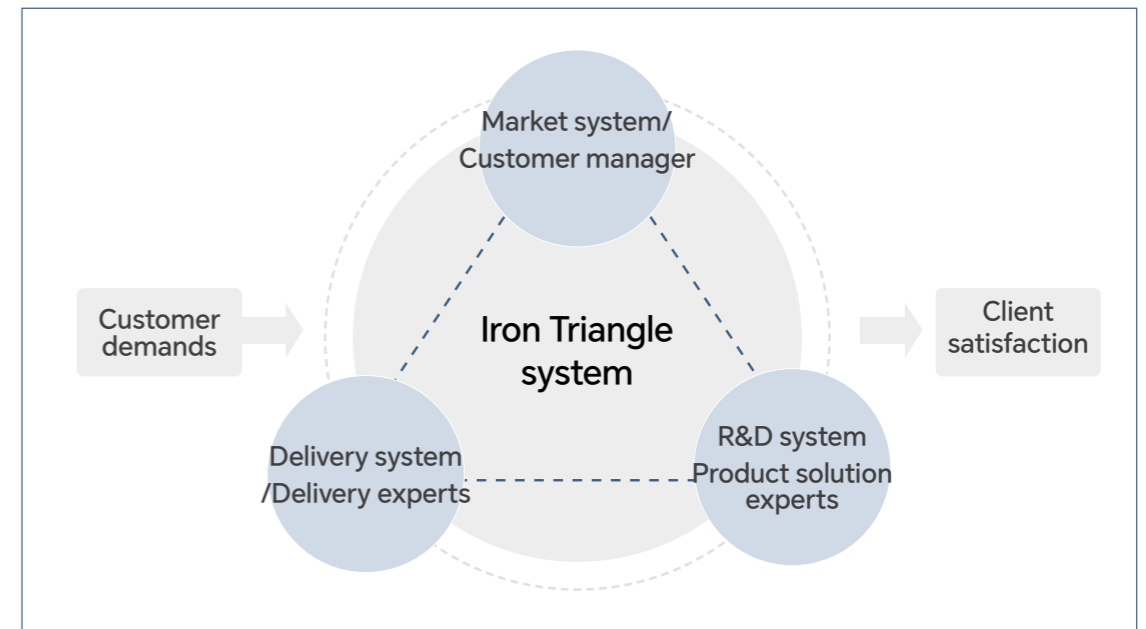
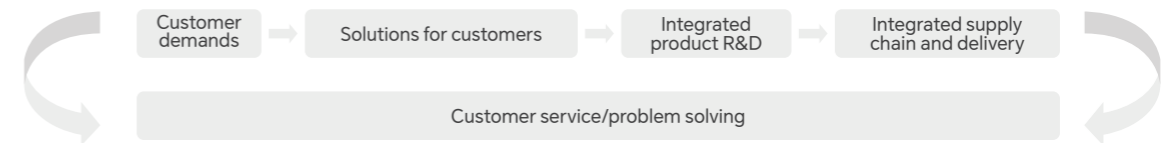
Management innovation is vital to the company's survival and development. Only through constant upgrade and optimization can the enterprise be able to sustain and evolve. Under the guidance of New Integration Strategy, we adhered to the core concept of "pioneering and innovation in all aspects", kept making innovation and breakthrough in such aspects as organizational framework, operation management and coordination mechanism, so as to enhance our "organizational and platform-based" performance.

### 1. Organizational Reform and Innovation

In order to make our internal control system more mature, better manage the company's performance in each business and functional area and enhance our professional decision-making ability, we set up 11 professional decision-making committees composed of experts from each field at the level of our operation, which perform respective duties and coordinate with each other. In addition, on the basis of the Iron Triangle System

of the Business Unit, we launched the organizational reform of the three systems "market, R&D and delivery" at the end of 2022. The "three systems", centered around the demands of clients, can effectively enhance the professional ability of each module and the coordination between systems, enhance the company's internal governance efficiency and guarantee that the company develops steadily, continuously and robustly.

### To build end-to-end value chain system and three systems based on the Iron Triangle flow Business close-loop



The schematic diagram of the working mechanism of the "three systems"

## 2. Operations Management Innovation

With the implementation of New Integration Strategy, new requirements were raised for our operation management. Through the support for operation management and the implementation of strategic opportunities and intents, we managed our key tasks by project, and established a “5+6+7” operation system, which had established a solid matrix style executive organization of 5 annual project teams, 6 business departments and 7 functional departments. Meanwhile, at the corporation level, we established the leading group, promotion group/organ coordination group, secretary group/PMO group and expert group and appointed project manager and PMO for each major task. As a support, we also established corresponding PMO coordination organization, six-member management mechanism, conference coordination mechanism, work planning mechanism, work review mechanism, cultural publicity mechanism, evaluation, reward and punishment mechanism and summary and sharing PK session mechanism. Through the “5+6+7” organization, we sorted and integrated each business department and functional module at the horizontal and vertical dimensions. Through corresponding mechanism construction, we facilitated the strategy fulfillment and strengthened the organizational coordination.



## 3. Comprehensive Innovation Abilities

In order to ensure that the efficient implementation of our New Integration Strategy, we creatively planned and launched the activity of “Swan Action” and “Eagle Action”. The activity was a comprehensive management reform event that involved all employees of the company, with coordination across departments and functions to enhance the morale and promote the ideological unification among the employees so that the company could achieve breakthrough fruits in such aspects as operation system and product innovation.

We also established a multi-level “PMO management system” and reached solutions through the PMO communication at each level to promote the implementation of strategic projects. We established a six-member coordination mechanism of “a planner, a HR specialist, a financial specialist, a standard specialist, a publicity specialist and a risk control specialist”. The system covered the corporation, each business department and subsidiary and even the workshops to perfect the communication and information exchange.



## 2.2.3 Risk Control

We implemented the core concept of “comprehensive risk control”, followed the requirements of “New Integration Strategy” and regarded risk management and internal control as the foundation of the company’s operation management in strict accordance with the “Company Law of the PRC”, the “Audit Law of the PRC” and the “Basic Regulations for Internal Control of the Company”. We tried to align ourselves to benchmark enterprises in the industry, studied and introduced advanced risk control theories and practical experience, tried to improve and perfect the comprehensive risk control system across the company, and strengthen the risk control in advance, risk supervision during an operation and risk audit after an operation, so as to continuously optimize our organization, system and processes and make up our shortages in control and management. In this way, we aimed to prevent and avoid major risk events, guarantee the stability of our production and operation, and seize the market opportunities to facilitate the promotion and fulfillment of our strategy.

In order to fully monitor the company’s risks, we established a comprehensive risk monitoring system, regularly identified and evaluated the various risks faced by us, covering different fields of operation such as major special activities and strategic projects, organizational personnel, quality, environment security, purchase, engineering, marketing, legal affairs, information security and intellectual property rights. Based on the evaluation results, we developed measures to deal with the risks, followed up, monitored and reported the implementation and execution status of each measure each week, so as to achieve a close-loop risk control mechanism of “risk identification, evaluation, addressing, monitoring and reporting”. In addition, we also established an information collection and diagnosis system, analyzed and judged the development trend of external environment such as the situation and hot topics at home and abroad, emergencies and market fluctuations, and worked with the business departments to develop a risk control scheme for abnormal events and monitor and cope with the risks effectively, so as to further enhance our overall ability to prevent and cope

with the risks and effectively avoid and control the crises and negative impacts.

We paid attention to the fostering of risk control awareness among our employees and included the learning of compliance into our induction training for new employees. We adopted various forms such as face-to-face lecturing, online class and publicity videos on an irregular basis to promote and publicize related contents across the corporation so that all employees could study the basic theories of risk control, architecture system and control methods and the management and employees of the company could better understand and accept the construction of our risk control system, with an aim to implement the risk control concept in every link of our daily operations.

### Information Security Construction

In order to implement the strategic requirement of building a new energy industrial cluster and quickly respond to the business changes and development in the future, we aimed to build a comprehensive information security capacity in the digital era. We aimed to step up our infrastructure investment and focus on our pain spots of business in two years and quickly improve our information security system to a satisfactory degree of maturity. Through rolling planning and continuous investment, we fully integrated information security into our business and aimed to build our information security system into an industrial benchmark in the coming 3-5 years.

In 2021, we focused on overall planning of information security and “quickly blocked” our security loopholes. In 2022, we fully unfolded the construction of our information security system according to our planned path, covering our security construction goals such as data and secret leak prevention, terminal security, application security, personnel security and environment security so that our information security technology system was implemented steadily and our Security Operation Center was running based on an entity.

Field of Construction	Finished Items	Security Capabilities
Terminal security	To deploy and finish the corporation's unified terminal security management platform	To build unified terminal security defense baseline for the corporation and be equipped with the abilities of terminal security such as detection, response and management
Data and secret leak prevention	To deploy and finish the terminal data encryption management platform	To achieve advance warning, interception during an operation and tracing after an operation for the release of our data assets
	To deploy and finish our unified file management system	To achieve centralized storage and efficient coordination of our core data assets and further comprehensively protect our data assets
Basic network construction	The construction of internal network access tunnel and cross-border SD-WAN network	To guarantee the network transmission security of data

Currently, our information security operation center has been running normally around modules such as security risk identification, supervision and audit, so as to identify the company's potential information security risks and violations. Based on the dynamic monitoring and automatic warning mechanism of our information security technology platform, we achieved quick advance warning, interception of behaviors during an operation and log tracing after an

operation for any information security abnormality. This year, we handled a total of 4 serious violation cases of information security and spot 31 person-times of information security risk behaviors. For the violations, we punished and called into account the related persons in charge according to the company's regulations.

## 2.2.4 Incorruption Construction

We adhered to our core concept of "zero tolerance towards corruption" and required all our employees to strictly practice the compliance requirements and firmly resisted to any violation. We strictly observed related national policies and regulations such as the "Company Law of the PRC", the "Anti-unfair Competition Law of the PRC", and the "Interim Provisions on Forbidding Commercial Bribery Behaviors" and took "advance prevention" as our norm. We paid high attention to the construction of our occupational ethics and incorruption system, implemented incorruption construction management in all our business flows, with an aim to create a working atmosphere of "compliance, incorruption and integrity".

### 1. Incorruption System Construction

Clean practice is a basic requirement for all our employees. In order to strengthen the clean practice awareness among our employees and encourage them to always observe the occupational spirit of clean practice and integrity, we have formulated institutional documents such as the "Regulations on Clean Practice", the "Regulations on Gifts and Rewards", "Regulations on Rewards for Whistle Blowers", and the "Agreement on Honest and Clean Cooperation", updated our mechanism for handling corruption events and regulated our work procedures.

- Tel and WeChat: 150 5742 6133 (WeChat account: Ronbay Clean Practice);
- Whistle-blowing email: jubao@ronbaymat.com;
- The company's WeChat: whistle-blowing and complaint;
- Whistle-blowing QQ: 2140 436 461;
- Mailing address: The Supervision Department of Ronbay Risk Control Center, 39 Tangjialing East Road, Yuyao, Zhejiang.



We encouraged and motivated the activeness of internal and external personnel to report any "bad practice or unhealthy tendency" in the company or other violations of laws and regulations, established a number of whistle-blowing channels online and offline, improved and perfected our "pressure" mechanism to discover various problems in our operation management in time and effectively ensure that the company was running in compliance and developing in an orderly manner. Meanwhile, we resolutely practiced the principle of "protecting the whistle-blowers", released a series of protection measures for them to ensure that their information and reports were kept as a secret strictly.

### 2. Construction of Incorruption Culture

We blended the incorruption culture into our operation philosophy. In order to create a good internal environment for our sustainable, healthy and high-quality development, we organized all our employees to receive related training of business ethics. During the reporting period, we organized eight sessions of clean practice publicity and promotion in the corporation, with a coverage rate of business ethics training for new employees at 100%. In addition, we required all our employees to sign the "Letter of Commitment on Clean Practice of Employees". 100% of our employees have signed it, creating a working atmosphere of fighting and warning against corruption in the company.

### 3. Incorruption Management of Our Partners

We paid attention to the performance of our suppliers in business ethics. We formulated the "Code of Conduct for Suppliers" and required all our suppliers to sign the "Letter of Commitment on Compliance and Incorruption of Suppliers", so as to avoid our suppliers from committing any behaviors that may disrupt the market fair play such as bribery and improper related transactions. As of the end of the reporting period, 445 historic suppliers and 279 new suppliers had signed the aforesaid letter of commitment.

### 4. Incorruption Supervision Mechanism

In order to ensure that the company is running in compliance, we have established complaint and inspection mechanisms in multiple channels and carried out work such as clue receiving and judgment, accepting of cases, evidence collection and fixation, personnel handling. Since the establishment of our supervision department, we carried out related audit and inspection of clean practice covering the entire corporation on an irregular basis. Meanwhile, we encouraged internal and external stakeholders to supervise our clean practice management together. During the reporting period, we investigated several corruption cases, involving such types as non-public bribery, duty encroachment and infringement on commercial secrets, which had greatly strengthened our working atmosphere of incorruption and integrity.

## 03

# Industrial Leadership Driven by Innovation

3.1 Green Procurement

3.2 Innovation and R&D

3.3 Quality of Craftsmanship

3.4 Customer Service

## Sustainable supply chain



The sustainable development of supply chain has been included into the supply chain management system to further reduce the carbon emission of industrial chain and realize its sustainable development and transformation.



A new online supplier relations management (SRM) system was established to achieve digital management transformation.



The proportions of strategic and long-term cooperation with suppliers have increased significantly.

## Innovation and R&D



While further strengthening the competitive edge in high-nickel material, we also accelerated our deployment in the innovation and R&D in LMFP and sodium battery materials, with our core technology covering related materials such as resource recycling, engineering equipment technology and solid battery.



With an R&D investment of RMB 486.5543 million, our team covers China, Japan and South Korea, and our internationalized R&D team reaching 599.



We further enhanced the industry-leading IPD integrated product development mode.



346 patents have been granted in total. <sup>[remark]</sup>

## Quality of craftsmanship



The EMT in Hubei, Guizhou, Yuyao and South Korea have all passed the certification of ISO 9001 and IATF16949 quality control system.



Our first pass yield of products increased by 5.94% than previous year, and our rate of quality products increased by 8.81% than last year.



41 clients at home and abroad conducted 41 quality reviews on our positive electrode plant, with a passing rate of review reaching 100%.

## Customer service



A customer relations management (CRM) system was released to achieve information-based and systematic customer management.



A complaint handling rate of product service for customers at 100%.



An average customer satisfaction degree during the reporting period at 96.1%.

Remarks: Three utility model patents became invalid in 2022.

We actively unleashed our innovation and pioneering capacity, deployed our innovation in cutting-edge products such as sodium battery and LMFP to stay leading in the industry and constantly improved our innovation capacity in engineering design and equipment to enhance our “professionalism” in all aspects. Meanwhile, we implemented comprehensive quality assurance and prevention and upgraded our product quality with methods such as “digitalization”. We enhanced the efficiency of our “platform-based” operation by establishing a full cycle of customer service management process, so as to satisfy the diverse demands of different customers. In addition, while carrying out strategic cooperation with our partners in the upstream and downstream of industrial chain, we also paid attention to the suppliers’ performance in sustainable development and facilitated the development of our “ecological” industrial chain architecture, providing a strong support for the low-carbon transformation of the new energy material industry.

## 3.1 Green Procurement

As a leader in high-nickel ternary material, we aimed to build a globally competitive cyclic industrial chain around our “Battery Triangle Strategy”, and try to build a sustainable supply chain that is “efficient, safe, collaborative and green” through various methods and channels such as supply chain management, responsible procurement and cooperation with our suppliers, so as to achieve win-win development with our supply chain partners and practice our concept of “being the strongest and working with the strongest on the basis of coexistence and blend”.

### 3.1.1 Operation Optimization

On the basis of observing related laws and regulations at home and abroad, we formulated systems such as the “Regulations on Suppliers”, the “Regulations on Risk Identification and Evaluation of Supply Chain” and the “Control Procedure for Evaluation and Management of Suppliers” and upgraded and regulated our management process of supply chain. Besides, the sustainable development of supply chain has been included into the supply chain management system to actively empower our suppliers and enhance their risk management performance in terms of environment and social responsibility, further reduce the carbon emission of industrial chain and realize its sustainable development and transformation.



Three-level classified management structure of suppliers

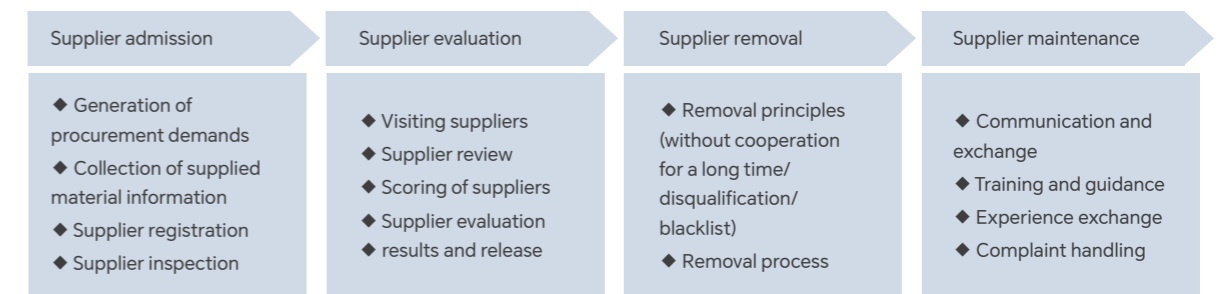
Our procurement modes mainly cover two links, namely procurement strategy and supplier management. As to procurement strategy, we established long-term cooperation with famous raw material suppliers at

home and abroad and formed a relatively stable list of qualified suppliers with appropriate competitive and dynamic adjustment to ensure that the raw materials were continuously and steadily supplied with reliable quality

and reasonable prices. In terms of supplier management, we adopted strict procurement management by means of promoting the standardization of bidding procedure and the evaluation system of suppliers to ensure the reliability of our raw materials and cost competitiveness.

In addition, we followed the innovation and reform trend of digital transformation in the industry, constantly deepened the application of new-generation information

technology and established a new online supplier relations management system to transfer the original supplier registration, admission and evaluation from offline to an online platform. In this way, we achieved a digital information platform for the management and interaction of suppliers, significantly enhanced our supplier management efficiency and empowered our digital transformation.



Due diligence management process for suppliers

### 3.1.2 Responsible Procurement

Adhering to the concept of sustainable development, we were committed to raising the sustainable development requirements for suppliers at home and abroad and paid a lot of attention to the environmental and social factors in our procurement as we deployed the green and low-carbon supply chain. Meanwhile, we were also committed to responsible procurement management for the global supply chain. Currently, our domestic bases have achieved 100% of local procurement to further stabilize our supply chain.

#### 1. Environmental and social responsibilities of suppliers

We included the performance of our suppliers in environmental and social responsibilities into our consideration for the admission and evaluation of suppliers and chose those companies that were safe, compliant, green and energy-saving as our suppliers in priority. Meanwhile, we also conducted a “review and evaluation of our suppliers with regard to environment safety and sustainable development”,

developed review and evaluation items for their environment safety and sustainable development, raised management requirements in such areas as environment protection and security for them. We scored and classified our suppliers based on their performance in environment protection and security and actively practiced responsible procurement.





### Environment safety and sustainable review conducted on Huayou New Energy Technology (Quzhou) Co., Ltd.

In December 2022, we organized an environment safety and sustainable development review on our supplier Huayou New Energy Technology (Quzhou) Co., Ltd. The supplier conducted a self-review according to the evaluation criteria. The review this time was organized remotely online by us to communicate with the supplier on such aspects as compliance and performance management, environment management, GHG emission management and security management.

## 2. Procurement of conflict minerals forbidden

In order to avoid procurement of conflict minerals, we strictly prohibited our suppliers to develop, trade and export mineral resources in conflict-hit and high-risk regions, paid attention to the possible social and environmental impacts of any minerals and fully respected the labor rights and benefits of any mine. We promised to observe the “Guide to Due Diligence Management for China’s Responsible Mineral Supplier Chain” and the “OECD Guide to Due Diligence Investigation of Responsible Supply Chain of Ores from Conflict-hit and High-risk Regions”, introduced the requirement of “due diligence investigation for mineral supply chain” into the development and admission of suppliers at home and abroad, and upgraded the “Letter of Commitment on Never Using Conflict Minerals” formulated by us into a letter of commitment to be observed by the enterprise. During the reporting period, all our suppliers that processed cobalt metal from

cobalt ores had passed the certification of RMI or were on the way to receive the RMI certification.

## 3. Green and low-carbon procurement

In order to expand our green supply chain, we advocated saving resources among suppliers based on the green concepts such as energy saving, emission reduction and environment protection in our procurement, in our effort to improve the raw material structure of our supply chain and explore a new trail in battery materials. During the reporting period, we launched green procurement projects based on close-loop recycling and formed a complete industrial close-loop by reprocessing ternary waste into raw materials for production to guarantee the reuse and zero loss of raw materials, with the recycled waste accounting for about 5% of all raw materials, achieving the green goals of energy saving, emission and consumption reduction.

signed a strategic or long-term cooperation agreement with excellent partners such as Huayou, GEM and Liqin, so as to lock our future production capacity in advance. Meanwhile, we worked with industry-leading enterprises worldwide in the construction of supply chain. In 2022, we signed a strategic cooperation agreement with Ningbo Liqin Resource Technology Co., Ltd., to cooperate in the development of nickel resource of Indonesia, and signed a long-term supply agreement of lithium raw material with international

lithium resource giants such as Alb and SQM to continually optimize our global supply chain’s layout. Our supply chain’s construction goal was to “build a global and competitive supply chain with our characteristics and sustainable development and advance new progresses in cooperation between enterprises in a way of reciprocity and mutual benefit”.

## 2. Communication with suppliers

We kept in close contact with our suppliers, maintained active communication and exchange with them in different ways and sought after joint growth and progress with them. We regularly held large-scale communication meetings with

suppliers and visited the suppliers at the site, and carried out experience sharing online and team guidance offline at once so as to communicate with our suppliers in time on the market dynamics and risk changes. For the problems that occurred to suppliers during work, we raised effective suggestions and offered substantial assistance to help improve the quality of products they supplied and create a good business atmosphere for our win-win cooperation. During the reporting period, we finished annual summary and exchange of supply with 20 suppliers, visited 23 suppliers at the site and provided training for 9 suppliers.



# 3.2 Innovation and R&D

We were clearly aware that innovation is the primary driving force for the new energy industry. Relying on the three major supports, “global R&D deployment, efficient R&D system, and competitive talents”, we will keep stepping up our effort in scientific research and innovation and seek more scientific research and innovation talents. While deepening our advantages in high-nickel, we will explore new materials and technologies, deploy our intellectual property rights in the industrial chain and become a leader of frontier technology in the global new energy material industry.

## 3.2.1 Construction of R&D Platform

### 1. R&D deployment

Under the guidance of New Integration Strategy, we planned to accelerate the construction of our production capacity, promote our global production capacity deployment and become a leader in the global new energy material industry in five to ten years. During the reporting period, we signed a “Cooperation Agreement between Hubei Institute of New Energy Technology and Central China Headquarters” with the people’s government of Hanyang District of Wuhan, planning regional R&D centers such as Central China Institute of New Energy Technology. In addition, we launched innovation and R&D strategy at home and abroad, focused on supporting the regional development of the industry, and deployed our R&D around the regional advantaged technology. In the future, we will establish R&D centers in major cities of China such

as Beijing, Shanghai, Wuhan and Ningbo and key overseas regions such as South Korea, Japan, the US and Europe.

### 2. R&D management system

On the basis of global R&D layout, our Central Research Institute fully unleashed its advantage in positive electrode high-nickel. Under the guidance of our strategic goal to “become a technology firm with the highest commercial value in the world’s battery field”, we were actively engaged in innovation and exploration and perfected the construction of our innovation and R&D management system around four parts, namely “technology development process, frontier research system, personnel development system and intellectual property system”.

#### ◆ Technology development system

- At the stage of product R&D, we simplified and upgraded the process of our original product development system based on our condition to develop a new R&D system with our characteristics, IPD integrated product development system and fully applied it in the process of product development.
- We tried to detect performance flaws in the performance, service life and safety of batteries.
- In terms of positive and negative electrodes and auxiliary materials for electrodes, we assisted the tests of our clients, detected flaws in performance and materials and quickly improved them. We upgraded our battery chemical research system into our material electrical chemistry research system, expanded our product categories and tracks and predicted our products and actual applications, business models and means of technology on the medium and long run.

#### ◆ Frontier research system

- In the future, our Research Institute of Technology will carry out in-depth research on frontier technologies such as solid battery, dry electrode, lithium-rich manganese base and spinel nickel-manganese and always stay leading in the industry in new fields, preparing leading next-generation technology and incubating new business for Ronbay. We have managed to incubate new business such as sodium ion battery and LMFP battery.

#### ◆ Personnel development system

- We cooperated with excellent universities and research institutes, implemented the talent introduction measure of "Hundred Talent Plan", attracted excellent talents through internal cultivation and introduction from the outside. Meanwhile, we also introduced a lot of excellent talents through channels such as the National Post-doctor Workstation and National Thousand Talent Plan.

#### ◆ Intellectual property system

- We managed our intellectual property work in accordance with the "Regulations on Intellectual Property Rights of Enterprises" to protect our intellectual property security and obtain the certification of intellectual property management system.

### 3. Open innovation activities

Besides, we also actively launched open innovation activities in cooperation with key universities, excellent enterprises and experts to build bridges for communication with different platforms, build the industry together and achieve win-win cooperation. For our deployment in frontier technology in the future, we established technology ties with our partners to promote the upgrade of product innovation route; for our exploration in green and low-carbon technology, we worked with excellent universities and research institutes to explore the future direction of green development.

#### ◆ Cooperation with enterprises

- We established an "Innovation Alliance of Ningbo for Next-generation Battery Materials" with Veken Technology Co., Ltd., Ningbo Viken New Energy Technology Co., Ltd., Ningbo Veken Battery Co., Ltd., Zhejiang Supcon Tech Co., Ltd., Ningbo Institute of Industrial Internet Co., Ltd., and Ningbo University to carry out related researches in the R&D, engineering, intelligent equipment and digital product lines of next-generation battery materials and their application, and the development of next-generation positive electrode material, battery and equipment.

#### ◆ Academy-research cooperation

- We worked with Ningbo Institute of Material Technology and Engineering of Chinese Academy of Sciences, Ningbo University and Ningbo University of Technology to undertake a major program of scientific innovation in 2025, "the development of ferromanganese Prussian white positive electrode material applied in sodium ion battery";
- We established a long-term in-depth cooperation with several universities and research institutes, signed a technology cooperation agreement with Northeastern University of China, Central South University, University of Science and Technology Beijing, University of Nottingham Ningbo and Beijing Institute of Technology, and launched a series of development cooperation programs.

## 3.2.2 Fruitful R&D Achievements

In order to become a comprehensive positive electrode material supplier "covering all markets of power battery and energy storage", we continually enriched our R&D team, increased our investment in R&D and carried out R&D efforts. We have made major achievements in such areas as product innovation, R&D patents and development of industrial standards. During the reporting period, our R&D investment amounted to RMB 486.5543 million.

### 1. R&D achievements

We were engaged in the research and development of battery positive electrode material and precursor. Centered on IPD R&D model and oriented around the demands of

customers, we managed our product development as an investment project, and upgraded our product research and development through cross-department collaboration. While further strengthening the competitive edge in high-nickel material, we also accelerated our deployment in the innovation and R&D in LMFP and sodium battery materials to effectively reduce the use of nickel and keep mastering leading innovative technology, with our core technology covering related materials such as positive electrode materials of lithium/sodium battery, precursor, resource recycling, engineering equipment technology and solid battery.

### Major innovation and R&D achievements

Product innovation	<ul style="list-style-type: none"> <li>· NI90 positive electrode material: we achieved a breakthrough in the energy density parameters of battery cell, connected with several clients of Europe, America, Japan and South Korea and accelerated the certification of related products and product lines.</li> <li>· Series 8 low-cobalt mono-crystal precursor product: we released customized innovative products and significantly lowered the processing cost while keeping the performance parameters.</li> <li>· Achieved innovation in high-nickel mono-crystal process and passed the certification of international head battery cell makers.</li> <li>· Ultra high-nickel positive electrode material: we developed excellent products with a high capacity, a low cost and circulation in high temperatures.</li> <li>· LMFP: We were the first company worldwide to achieve a volume production and shipment of LMFP positive electrode material at the level of thousands of tons and established cooperation with our clients at the downstream.</li> <li>· Positive electrode material for sodium ion battery: We achieved a breakthrough from 0 to 1, with each indicator improved significantly, connected with a number of clients at home and abroad and achieved a sales and shipment volume at the level of tens of tons.</li> <li>· Fully solid battery material: We developed ternary positive electrode material suitable for solid battery, effectively improved the compatibility between positive electrode and electrolyte interface, and won high recognition from our customers at home and abroad.</li> </ul>
Technical innovation	<ul style="list-style-type: none"> <li>· We achieved a major breakthrough in different fields such as precursor co-precipitation technology, positive electrode material doping technology, sintering technology in the atmosphere of positive electrode material, surface treatment technology of positive electrode material, high-voltage mono-crystal material production technology, NiCoMn metal recycling technology, Li2CO3 recycling technology, ultra high-nickel positive electrode material production technology and high-nickel waterless technology.</li> </ul>

## 2. Product patents

In the face of the rapidly developing industrial chain in the new energy sector, we especially established a market analysis department to collect and analyze industrial information from different channels and showed the direction for the company's technology R&D, which had significantly raised our speed in material R&D and volume introduction and greatly enhanced our scientific research and innovation capacity.

Depending on our prominent scientific innovation capability and industrial merger and acquisition capacity, we managed to master a number of core technologies of the industry. During the reporting period, the number of patents granted to us reached a new height with 357 patent applications submitted and 208 patents granted. So far we have submitted a total of 604 patent applications and been granted 346 patents, including 19 patents granted in South Korea. Our patents cover frontier products such as spinel nickel-manganese, lithium-rich manganese base and solid battery material, and

Series 8 and 9 high-nickel ternary precursor and positive electrode material and other key products, and the recycling methods of positive electrode material. Through comprehensive and effective patent portfolio strategy, we created a "moat" for our business innovation.

## 3. Standard compiling

We focused on the variety expansion and quality improvement of materials in the new energy industry, trying to become a demonstrator and leader for the high-quality development of battery material industry in the future. We kept promoting standardization and efficiency of new energy material industry. During the reporting period, we participated in the drafting or revision of 5 national standards under the centralized management of National Non-ferrous Metal Standardization Technology Committee, 3 industrial standards and 2 industrial standards under the centralized management of China Electronics Standardization Institute and promoted the progress and development of industrial technology.

## 3.2.3 R&D Team

We paid attention to the construction of our R&D and innovation talent team and the fostering of our employees' innovation capability. In order to support the implementation of our New Integration Strategy goals and strengthen our R&D and innovation capability and industrial competitiveness, we will cultivate endogenous talents and recruit external talents to build a high-level technology and management talent team with an international vision, original innovation ability, an ideal and high quality.

### 1. R&D team building

We actively explored new cooperation modes for coordinated development with universities and research institutes. We released a "Hundred Talent Plan" to attract more

excellent talents that agree with our technology concept and strengthen the construction of our talent team for core positions. Meanwhile, we actively promoted our overseas talent localization strategy and continually recruited excellent local talents into our teams in Japan and South Korea, so as to build a talent highland. During the reporting period, the number of our R&D staff reached 599, accounting for 12.90% of all our employees, of which over 45.8% were master and doctoral research fellows graduating from first-class universities.

### 2. Cultivation of R&D talents

We attached importance to the ability development of talents and were devoted to creating a rich variety of opportunities



for our scientific research team to improve their ability. Our research institute has established a complete training system for employees to help our teams and talents to improve their innovation abilities and unleash their innovative thinking, and our employees' innovation in scientific innovation to the largest extent. During the reporting period, our central research institute organized a total of 171 class hours of training for our R&D staff, including 22 courses of professional skills, system knowledge and financial knowledge, a total of 29 class hours at the level of our research institute.

### 3. R&D team motivation

Our central research institute was devoted to building an entrepreneurship platform and guiding our teams and talents to launch technical innovation actively through incentive mechanism with projects. In addition, we developed the "System for Approval of Patent Declaration and Punishment & Reward", established awards such as proposal, granting, commercialization of achievements, patent defense and publications for our internal staff and encouraged our employees to make inventions and creations.

## 3.2.4 Intellectual Property Protection

With strategic positioning of "protecting core technology, supporting global layout and running intellectual property rights", we further regulated the processes of patent application and review, and adopted standardized management for the whole process of our intellectual property rights such as creation, management, application and protection through establishing a complete intellectual property system.

### 1. Construction of intellectual property system

In order to strengthen the compliance construction of our intellectual property rights at home and abroad, we followed domestic laws and regulations such as the "Patent Law of the PRC", the "Anti-unfair Competition Law of the PRC" and the "Guide to Intellectual Property Management of Industrial Enterprises", observed international laws and regulations such as "Paris Convention", "Patent Law of

Korean Patent Office", "Patent Law of the United States" and "Patent Law of Japan", and were in active pursuit of the certification of intellectual property management system. We established the "System for Approval of Patent Declaration and Punishment & Reward" inside the company, developed a punishment and reward system for the protection of intellectual property rights. Whenever employees were found with such behaviors as misconduct in office, plagiarism and leak of commercial secrets in the intellectual property management, they were punished according to the seriousness of the case. Those employees with a prominent performance in intellectual property management would be commended accordingly.

### 2. Patent layout and defense

Starting from our business strategy, we applied for patents in time, chose the right regional and protection scope to

form patent clusters and adopted patent portfolio strategy, so as to safeguard our own products and technologies, and build a legal barrier against external challenges.

Meanwhile, we continued to strengthen the intellectual property protection and patent risk warning for our core products. On the basis of analyzing and sorting out the infringements on our existing products, we fully tracked and evaluated the intellectual property risks involved in each link of our new products including “approval of new projects, research and development and marketing of products” and adopted a defense layout against our patent risks.

Besides, we also protected our legal rights and benefits by means of administration and jurisdiction. In the face of patent infringements, we set up an intellectual property defending team composed of our intellectual property department, professional law firm’s intellectual property lawyers and intellectual property agent’s professionals to defend and safeguard our intellectual property rights actively and continuously.

### 3. Patent infringement supervision

In accordance with related laws and regulations and management systems, we perfected our internal protection system for intellectual property rights, established the mechanisms of patent infringement analysis and supervision mechanisms. We retrieved and analyzed patent information in corresponding countries or regions, screened the patent risks, identified possible

infringement risks of our products and formed a report on infringement risks to defend against the risks. Meanwhile, we included the requirement of intellectual property protection into our product development to ensure that our core technology and intellectual property rights were under all-round supervision and protection from the start of our research and development.

#### Defense against the lawsuit filed by Umicore

From 2019, Umicore Inc. and Korea Umicore Limited (hereinafter referred to Umicore) filed an intellectual property lawsuit and trade investigation against Ronbay in China and South Korea respectively. So far, the courts of China and South Korea have dismissed the legal action from Umicore, or Umicore has withdrawn its lawsuit on its own. Ronbay boasts leading technology and independent research and development in the field of NCM811 and has independent intellectual property in S85E, providing necessary intellectual property barrier for us to continue to explore the global market.

## 3.3 Quality of Craftsmanship

Adhering to the core concept of “creating values for our customers with quality products”, we provided our customers worldwide with quality products. In terms of hardware, we continued to increase investment in R&D to upgrade the equipment. In terms of software, we continually strengthened the quality control mechanisms of ISO9001 and IATF16949 and enhanced the awareness and abilities of our personnel. Through advanced tools such as IPD and digitization, we continually perfected our quality control system in the whole life cycle so as to win trust from customers with the best quality.

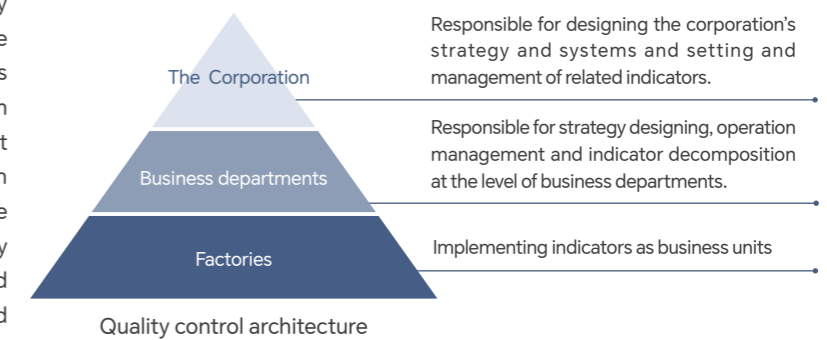
### 3.3.1 Complete System Construction

#### 1. Quality control system

In accordance with the system certification requirements, we kept improving our quality control system and enhancing our quality control to establish a quality benchmark in the global new energy material industry. By the end of the reporting period, EMT in the manufacture regions of Ronbay such as Hubei, Guizhou, Yuyao and South Korea had all passed the certification of ISO 9001 and IATF16949 quality control system.

##### 1) Quality control architecture

We established a three-level quality control architecture composed of the “corporation, business departments and factories”. We attached high importance to quality innovation, set up a quality innovation team at each level to focus on such aspects as the external market research, the quality innovation management of R&D and equipment, the introduction and promotion of advanced methods for quality control.



##### 2) Full life cycle quality control mechanism

We shifted quality control forward through the IPD process, carried out quality control activities throughout the life cycle of products and adopted end-to-end close-loop management and concerted efforts in such areas as market, R&D, manufacture and procurement to ensure that our products met the demands of customers and addressed their problems and challenges; ensure that the comprehensive competitiveness of our products was improved continually and the requirements of customers could be satisfied constantly with high quality.

During the reporting period, we compiled or revised systems such as the “System of Rewards and Penalties for Quality”, the “Internal Review Management System”, the “Handbook of Magnetic Impurities Management” and the “Supplier Management Agreement” to further improve our full life cycle quality control mechanism, implement the requirement of high quality in every process of our production, every position and every employee, so as to keep improving our quality management performance and product quality.

#### ◆ Supplier quality management

- Supplier management process: We tried to practice product quality control in the entire process by being strict with raw materials, adopting real-time monitoring on our production and conducting sampling tests on our finished products, while adopting a supervision mechanism to further guarantee the high quality of our products. During the reporting period, we revised the “Supplier Quality Agreement”, further enhanced the quality of raw materials and continually improved our product quality.

◆ R&D quality management

In terms of R&D quality, we actively promoted the IPD model and developed complete review tools based on the five tools of IATF, established the role of PQA, developed product quality plans with a preventive concept and supervised their execution. We classified the quality review points by the maturity of technology and implemented quality reliability analysis and quality evaluation; we tried to guarantee product quality in the full life cycle.

◆ Process quality management

In order to enhance our process quality management, we planned the LPA (layered process analysis) mechanism during the reporting period, where we conducted regular and frequent standardized reviews at each level so as to confirm the consistency of operating standards within the organization. We examined the organization from 13 segments such as feeding, packaging, warehousing and logistics and reviewed a total of 808 problems. Among them, the VOC segment of customers was adjusted dynamically according to their requirements to ensure that their requirements were satisfied, as a result of which we won recognition from several clients.

Meanwhile, in 2022, we established the Manufacture Execution System (MES) and Laboratory Information Management System (LIMS) and an information system and a digital foundation with our own characteristics to digitally empower our quality control, achieve automatic computing and abnormality identification of our product data and enhance the efficiency and accuracy of product quality control, laying a foundation for our digital transformation.



The launch ceremony of LIMS project

3) Quality training system

In order to keep improving our quality control and practice our quality concept, we attached high importance to quality-related training, developed different forms of training courses, with our training contents covering different fields such as quality control system and

quality improvement tools and methods. Meanwhile, we regularly carried out evaluation to help our employees constantly enhance their quality awareness and ensure that they indeed mastered the product quality theoretical knowledge and practical methods.

2.Special quality activities

In order to continue to promote the company's product quality improvement, solidify our status as an industrial benchmark and promote our global layout, in 2022, we carried out different forms of quality improvement activities among all our employees such as harmful

impurities improvement, production maintenance and IE program improvement to create a good atmosphere of improvement within the company, fully expose and solve quality problems and further improve our product quality control.



Harmful impurities removal master competition



IE program improvement activity



TPM activity

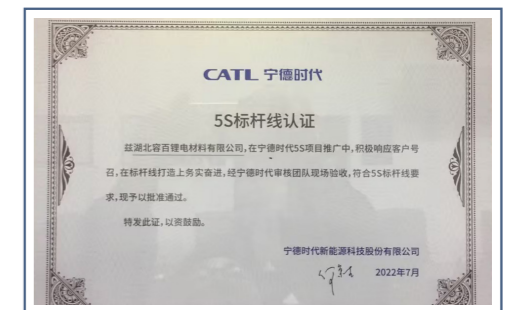
3.3.2 Quality Reputation

1.KPI indicators

In 2022, under the unremitting efforts of all our employees, our product quality was improved greatly. The first pass yield of our products increased by 5.94% than last year and our rate of good quality improved 8.81% than previous year, which further guaranteed the safety and stability of our products.

2.Customer audit

During the reporting period, a total of 41 customers at home and abroad conducted 41 quality audits on our positive electrode factories, with an audit pass rate at 100%. They spoke highly of our system management and product control performance. In August, we received a special visit from the CATL, which awarded an authentication certificate of "5S benchmark line" to us. Our quality level met the requirements of our customers at home and abroad.



The authentication certificate of "5S benchmark line" from the CATL

3.Honorary awards

Under our ceaseless pursuit of outstanding quality, we achieved an excellent performance in 2022 and won honorary awards such as "Evaluation of Chinese Brand Value", "Vice Chairman Organization of the 7th Council of Ezhou Municipal Quality Technology Association", "Award for Outstanding Quality" (awarded by Energy Very Endure), "Excellent Supplier of the Year" (awarded by the CATL).



Honorary awards of quality

## 3.4 Customer Service

We not only tried to produce quality products, but also aimed to be leader for customer service quality in the industry. Adhering to the service concept of “centering around the customers”, we continually improved our customer service before, during and after sales, tried to understand and satisfy the demands of customers in all aspects and actively improved the customer service satisfaction degree and the efficiency of our response to customer demands.

As our factory in South Korea was put into production in 2022, we also deployed a complete international customer service team in our factories in Seoul and Chungju of South Korea, covering our communication and connection with customers in four language zones, Chinese, English, Korean and Japanese, so as to extend our customer service to cover the overseas markets all over the world.

### 3.4.1 Optimization of Service Experience

We were committed to providing our customers with standard services and stable, reliable solutions. during the reporting period, we formulated some institutional documents such as “Customer Demands Management Process”, “Control Procedure for Customer Demands and Contract Review” and “Sales Contract Management System”, established a customer service management

mechanism in the full life cycle, so as to optimize the customer service experience and improve the efficiency of our response to customer requests as much as we can.

Meanwhile, we released a customer relations management (CRM) system, which has shifted the management of customers in countries such as China, South Korea, the US,

Japan and the EU from offline to online, so that the customer information could be traced and our sample process became visualized. In this way, we achieved standardization and information-based management of our sales orders in the whole process and further enhanced our customer satisfaction degree.

### 3.4.2 Close-loop Handling of Customer Complaints

We emphasized on the protection of the rights and benefits of our customers and had formed a complete set of handling processes for customer complaints and feedback. During the reporting period, we updated and revised systems such as the “Control Procedure for Customer Service” and “Customer Satisfaction Degree Management System” to clarify the standardization requirements for our customer service, strengthen our product call-back mechanism, fully investigate our customer satisfaction degree, so that our customer complaint channels could remain smooth and their complaints could be handled in a timely and fair manner as much as we could.

#### 1. Handling mechanism of customer complaints

In order to ensure that we were able to quickly and effectively handle customer complaints, we clarified our complaint sorting standard and the duties of each department in complaint handling in our “Control Procedure for Customer Service”, had a timely insight into feedback from customers, responded to their requests and improved our service quality. For the customer complaints we received, we established a complete complaint handling mechanism, and required that an official reply or response must be given to our customers within 24 hours. Whenever it was necessary, we

would organize a special session or visit the customer to avoid receiving more complaints from similar clients and continuously improve our products and services. During the reporting period, our customer complaint solving rate reached 100%.

#### 2. Product call-back mechanism

We established a three-level product call-back mechanism to provide our customers with all-round quality guarantee. Whenever defective goods was shipped, we would immediately notify the clients and launch the call-back mechanism according to the emergency level of the event, to minimize the loss of our clients. During the reporting period, no product call-back had occurred in the company.

#### 3. Customer satisfaction survey

We regularly conducted a customer satisfaction survey, with the dimensions covering the percent of pass, timely delivery rate, response to customer complaints. By measuring our customer satisfaction degree and analyzing our current shortages, we organized related departments to rectify such shortages actively in time. Our average customer satisfaction degree during the reporting period was 96.1%.

### 3.4.3 Perfection of Privacy Protection

We respected the rights of our customers, attached high importance to the protection of their privacy and strictly observed related laws at home and abroad such as the “Cyber-Safety Law of the PRC”, the “Personal Information Protection Law of the PRC” and the “EU General Data Protection Regulation”. We tried to avoid information security risks and protected the privacy of our customers from such aspects as adopting system authority control, information

storage and transmission management, cross-department information confidentiality management. Besides, we kept the names of our customers as secret in the form of codes, strictly adopted authority control within departments and isolated the information access permission based on positions, so as to fully safeguard the privacy, rights and benefits of our customers.

## 04

# Green Development to Improve Environment

## 4.1 Cyclic Industry

## 4.2 Green and Low-carbon

## 4.3 Three Wastes Management

## 4.4 Hazardous Chemicals Control

### Building a cyclic industry



We promoted the core technology for recycling and reuse of waste and scrap to establish a battery triangle strategy.

### The vision of carbon neutrality



We established a goal of carbon neutrality and built a model “beacon factory” in Xiantao of Hubei.



Our environmental protection investment exceeded RMB 17 million.



Ronbay Guizhou obtained the certification of ISO 50001 energy management system. We also launched the system certification for our positive electrode factories in Ezhou and Xiantao of Hubei and South Korea.



We signed a package of agreements with Hubei Energy Administration and used clean energy instead of traditional energy as much as we could in building zero-carbon factories.



We carried out carbon screening for Ronbay Hubei, Ronbay Wuhan and Ronbay Guizhou, all of which had obtained a verification certificate of ISO 14064.



We implemented life cycle assessment for our products to accurately evaluate our production and upstream links.

### Three wastes management



We tried to turn our waste water into resources and reduce our waste gas emissions and build a cyclic economy.



Our production bases that have been put into production have all obtained the certification of ISO 14001 environment management system.

It was a common ideal shared by everyone in Ronbay to “develop new energy industry and improve the humankind’s living environment”, which was also the social responsibility to be fulfilled by us. Centered on our “Battery Triangle Strategy”, we focused on such business fields as battery disassembly, recycling and cascade utilization to further develop an “ecological” cyclic industrial chain. Meanwhile, in order to respond to the national policies of “carbon peak and neutrality”, we were striving to develop and use clean energy, keep tapping our potential in energy saving and carbon reduction, so as to provide strong guarantee for the building of zero-carbon factories. In addition, we implemented the environment protection concept of “zero accidents, zero penalties, zero complaints”, established and promoted a scientific environment management system, continually reduced the environmental impacts of our own operations and developed an environment-friendly enterprise by means of reducing the pollutant discharge, recycling and reusing our wastes and “digital” empowering.

## 4.1 Cyclic Industry

We expanded from the industrial chain of positive electrode material to the “battery triangle” cyclic industrial chain, actively deployed business such as battery disassembly, recycling, extraction, refinement and mineral in the upstream of our supply chain, and deployed business such as battery operation and cascade utilization in the downstream of our supply chain, so as to form a complete battery triangle strategy and provide strong guarantee for the “ecological” development of our industrial chain.

### 4.1.1 Recycled Supply of Raw Materials

We aimed to minimize the use of raw materials and turn our wastes into resources and make them harmless with our core technologies for waste recycling and reusing such as “NiCoMn metal recycling technology” and “Li2CO3 recycling technology”. We recycled and reused elements such as nickel, cobalt, manganese and lithium with methods such as chemical dissolution and impurities removal, boasting a high comprehensive recycling rate and taking the lead in the industry.

### 4.1.2 Battery Cyclic Utilization

We were actively exploring the cyclic utilization of power batteries. The joint venture subsidiary TMR deployed and invested by us has already achieved mature application in the recycling and reuse of lithium battery waste. In addition, we signed a strategic cooperation agreement with GEM, striving to seek cooperation in such fields as power battery recycling, disassembly and utilization, cascade utilization and powder sorting and achieve a sustainable supply of material products. We also adopted several recycling and reusing technologies in the production of ternary materials and precursor, with an aim to avoid environmental impacts and realize an ecological cyclic economy.



## 4.2 Green and Low-carbon

Adhering to the concept of “achieving sustainable development through energy saving and carbon emission reduction”, we actively implemented the governance action against climate changes. We actively promoted the use of clean energy, planned the procurement of green power and built our own PV facilities. We also deeply mined our potential in energy saving and emission reduction in our production process, evaluated our products and measured our carbon footprints in the full life cycle, laying a foundation for us to build factories with carbon neutrality.

### 4.2.1 Building Factories with Carbon Neutrality

Based on our own environment management system, we actively practiced our green development strategy, established a goal of “achieving carbon neutrality at the level of organizational operation of our factories in Hubei and Xiantao by 2025” and developed our goal of carbon

neutrality and how to achieve the goal. Meanwhile, we were actively building “beacon factories”, and coping with climate changes and challenges and improving our sustainable development capacity with new technologies under the concept of green development.

#### Our model “beacon factory” in Xiantao of Hubei

In 2022, we built a model “beacon factory” in Xiantao of Hubei, reduced carbon emissions and resource waste in such aspects as energy saving and consumption reduction, green building and green logistics and achieved green development.

In terms of energy saving and consumption reduction, on the basis of reducing the use of fossil fuels such as oil and gas, Ronbay Xiantao planned to purchase forestry carbon sink through Hubei Carbon Trading Center for offsetting the greenhouse gas escape from such sources as fossil fuel combustion and air-conditioning refrigerant and the greenhouse gas emission from such sources as waste water treatment. The production and operation of our plants and factories were aligned to the domestic and international standards of “zero-carbon factory” in our effort to achieve zero carbon emission in our Xiantao factory and “achieve our goal of zero-carbon factory in domestic industry as soon as

possible by 2025”.

In terms of green building, our factory in Xiantao introduced the concept of green design into each design link from the very beginning, observed the technical requirements such as using environment-friendly materials, thermally insulated enclosing structures and adopting double-layer vacuum glass. By using facilities such as efficient energy-saving and water-saving devices and waste water treatment facilities, we achieved diversion of rain and sewage water and were building a true sponge factory.

In terms of green logistics, our factory in Xiantao used electric vehicles and transport trucks for logistics, commuting and service in all occasions, while encouraging our employees to take a bus for commuting and buy electric vehicles and offer them free recharging services.

Other than the factory in Xiantao, we had developed detailed carbon neutrality paths for such aspects as roof distributed PV, green electric power trading, green credits trading and certified emission reduction trading.

### 4.2.2 Energy-saving Reconstruction

We attached high importance to the management and improvement of energy use efficiency and regulated the rational utilization of energy according to the regulations of each area of operation, formulated the “Energy Consumption Quota Regulations” and further strengthened energy management, identification of energy management opportunities and management systems related with energy measurement. By the end of the reporting period, our Guizhou subsidiary had obtained the certification of the energy management systems GB/T 23331-2020 and ISO 50001: 2018. Meanwhile, we also launched the certification of energy management system for our other positive electrode factories, including our factories in Ezhou and Xiantao of Hubei and South Korea.

We were strict with every link from product design

to manufacture, tried to reduce the resource waste and pollutant discharge by means of lowering energy consumption, reducing our loss and pollutant discharge, and included energy management into our strategic and annual planning. In addition, we adopted energy assessment, took the fulfillment of the energy use reduction goal as part of our assessment and evaluation, and offered rewards to those regions and individuals that had done well in energy management.

In 2022, we explored energy saving and consumption reduction in our production end through process optimization, equipment energy efficiency and energy management control, and gradually lowered our energy consumption and carbon emissions during our operation and production.



◆ Equipment upgrade

- Automatic logistics system was used instead of traditional forklifts to improve logistics efficiency and electrification rate and lower the transport energy consumption for each unit of goods.
- Ventilation system reconstruction for the low-voltage power distribution room: we improved the ventilation system of power distribution room, effectively reduced the indoor temperatures and saved electricity bills of RMB 72,000/year.
- Cooling water system reconstruction: We mounted a temperature control device to the fan of cooling tower, and by optimizing the running frequency of the water pump, it was estimated to save energy consumption of 1,140,000 kwh a year.
- Compressed air waste governance: We improved the leak of compressed air, which was estimated save power consumption of 4.10 million kwh a year.

◆ Energy management and resource recycling

- Energy use control: According to the requirements of areas and time sections, our design optimized the lighting time of power distribution room and workshops to reduce unnecessary lighting energy consumption, which was estimated to save energy of 1,250,000 kwh a year.

◆ Process optimization

- Air separation oxygen-generation system: the pressure of our kiln adopted a low pressure system to optimize the use of oxygen compressor and lower the air separation system's energy consumption by over 15%.
- Power factor control and optimization: We adopted normalized control for power factors and enhanced the level of our power factors (above 0.95) to guarantee reactive power compensation.
- Lithium hydroxide crushing system: It achieved nitrogen reutilization of air separation system, recycled the residual pressure energy and lowered the system's energy consumption.
- Optimization of heating, ventilation and dehumidification system: We optimized its working conditions and reduced the use time of the dehumidification machine, which was estimated to save energy consumption of 2,240,000 kwh a year.
- Optimization of ceramic rotary kiln system: The system could achieve dynamic rolling and quick heating to lower the invalid energy and heat loss, which could effectively lower the system's energy consumption by about 70%.
- Oxygen recycling and utilization: By optimizing the kiln exhaust gas system, we achieved oxygen recycling and reuse, which could save energy consumption of about 835,000 kwh a year.

### 4.2.3 Clean Energy

We applied advanced technologies to improve our energy use efficiency, maximized the use of clean energy instead of traditional energy in our active effort to build zero-carbon factories.

We signed a package of agreements with the Hubei Energy Administration and developed green and clean energy from nearby in various forms such as fishery-solar hybrid, wind-solar hybrid and roof distributed PV. We actively

participated in the market-based trading of green power in Hubei, purchased green power through market-based trading, so that our factories used green power for 100%.

Meanwhile, we adopted various advanced and intelligent technologies and a large energy integrated management platform of the central control and scheduling system to integrate power generation, transmission and distribution, energy storage regulation and flexible response to loads

and rationally deploy in-factory PV sheds and recharging piles to build a new integrated electric power system, supply Ronbay Xiantao with green power from nearby and achieve a high proportion of local renewable energy consumption.

◆ Demonstration energy base project in Xiantao

- Through the fishery-solar hybrid power station, integrated wind power farm and new energy storage power plant, the Xiantao base established an energy management platform and system and developed an integrated intelligent self-balance system through the 220kV user station access point.

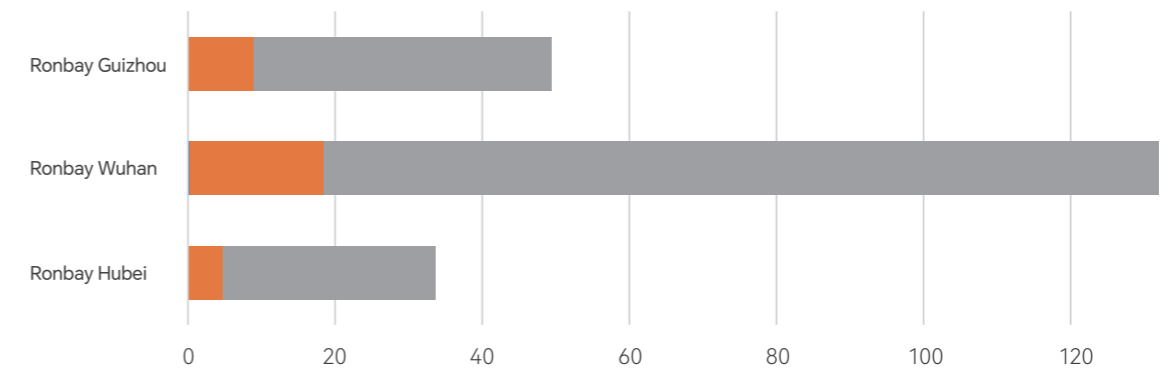
◆ Distributed PV project in Ezhou

- Our distributed PV project adopted the model of power generation for self-use and surplus power connection to the grid, with a total installed capacity of 5.73MW. After the project is put into use, it can achieve a proportion of 100% for the power generated for self-use.

### 4.2.4 Strict Control of Greenhouse Gas Emissions

In 2022, we launched carbon footprint accounting at the organizational level and carried out green and low-carbon environment protection according to the results. Currently, our three bases in Hubei, Wuhan and Guizhou carried out carbon footprint accounting according to ISO 14064 and obtained the verification certificate. In addition, in accordance with the carbon footprint accounting report, we developed pertinent measures and plans for carbon emission reduction, providing a strong support for us to fulfill our goal of "carbon neutrality" in the future.

The carbon footprint accounting result of Ronbay in 2022



	Ronbay Hubei	Ronbay Wuhan	Ronbay Guizhou
Scope 1	0.04	0.23	0.08
Scope 2	4.78	18.24	8.86
Scope 3	28.85	113.54	40.48

Remarks: Unit 10,000 ton

### 4.2.5 Promotion of Green Solutions

In order to evaluate the environmental impacts of our products in the full life cycle, we carried out a life cycle assessment on five products such as NCM polycrystal, NCM monocrystal and ultra-high nickel, accurately measured and evaluated the impacts of our production and upstream links in various characteristic factors (such as greenhouse gas impact, water consumption impact and resource consumption impact). In addition, we actively studied and planned the green power trading, green credit trading and carbon emission permit trading and promoted the implementation of green solutions.

### 4.2.6 Improvement of Industrial Water Use Consumption

Efficient water resource management is also an important link to facilitate the fulfillment of zero carbon. By taking measures in water resource management such as equipment optimization, technology transformation and water resource repeated utilization, we effectively enhanced the use efficiency of water resource. We also conducted life cycle assessment (LCA) analysis related with water resource for some products. Currently, the water use for production of our products per ton is equivalent to 1,000 - 1,500 cubic meters.

#### ◆ Reduction and improvement in ionized water preparation

The water consumption was reduced and the consumption of ionized water per ton of products decreased 89.1% from 2021 by optimizing the ionized water energy consumption of MVR compressor, adjusting the water use strategy of the centralized dissolving workshop, and shifting from ionized water to distilled water supplied to the workshops.

#### ◆ Improvement in water discharge per ton and water recycling rate

The water discharge per ton decreased by 59.2% from 2021 by reducing the amount of ionized water prepared, launching several reconstruction projects, improving the water use of public equipment, and using distilled water instead as raw material for dissolving crystals; the recycling rate of distilled water increased 35% than 2021.

#### ◆ Recycling of production waste water

By using the waste water in recycling water station after treatment at the waste water treatment plant and reducing the replenish to the system's circulating water, in 2022 we saved about 43,000 tons of water.

Highlights in our water saving measures

## 4.3 Three Wastes Management

We strictly observed the "Environment Protection Law of the PRC" and the laws and regulations applicable to the area of operation, developed internal systems such as the "Environment Protection Management System", with an aim to perfect our regular and transparent environment management system, strictly implement pollutant control in the whole process and encourage all employees to adopt innovative measures for energy saving and emission reduction. Based on advanced tools such as digitization, we continually reduced the environmental impacts of our own operations.

### 4.3.1 System Management Innovation

We established a complete internal system in accordance with ISO 14001 environment management system, set up an environment management system controlled by the management at each level, supervised by each functional department and strictly implemented by employees, refining environment management to each level to improve our environment risk management, try our best to reduce the environmental impacts of our own operations and achieve win-win harmony between environment and society. By the end of the reporting period, our production bases that have been put into production have all obtained the certification of ISO 14001 environment management system.



We have established a three-level environment management architecture composed of the "corporation, business departments and factories", where the corporation was responsible for strategic planning, system construction, innovation and improvement; our business departments were responsible for undertaking and decomposing our goals, and supervising the operation management of each factory; each factory followed the policies and systems of the headquarters and business departments and performed the specific daily management.

We strictly observed laws and regulations such as the "Atmospheric Pollution Prevention Law of the PRC", the "Water Pollution Prevention Law of the PRC" and the "Solid Waste Pollution Prevention Law of the PRC" in carrying out pollutant management.

We further enhanced our environment risk management and evaluated the environmental risks. In 2022, we carried out a comprehensive, systematic environment diagnosis on our production bases, including institutional flow, environment protection equipment risk assessment, hazardous waste process control and radiation safety evaluation and control and rectified the problems according to the diagnosis results. We made a special investment in environment protection to purchase and run treatment facilities for waste water, waste gas, solid waste and noise and removed our environment and safety hazards through measures such as engineering technology transformation. During the reporting period, we invested a total fund of RMB 174.682 million in environment protection.

### 4.3.2 Waste Management

We formulated internal management systems such as the “Administrative Regulations on Civilized Construction of Engineering Projects” for hazardous wastes and general industrial wastes generated in our production and operation, and controlled all wastes generated by factories in the whole process. Necessary measures to prevent stir-up, permeation or environment pollution were adopted by us during the waste recycling, storage, transport and disposal. Each department confirmed the waste handover point and the wastes were collected and transported by designated staff to the centralized warehouse for storage and disposal.

### 4.3.3 Waste Gas Management

Our waste gas mainly include waste gas generated in our production process, the dusts stirred up during our construction and the waste gas generated in our sewage treatment plant. Each production base of us formulated systems and regulations such as the “Administrative Regulations on the Control of Atmospheric Pollution” and the “Administrative Regulations on the Civilized Construction of Engineering Projects”, implemented daily inspection and maintenance requirements, supervised the construction organizations and project sites to ensure that waste gas reached the standard in a real-time manner. Besides, we made innovations to reduce the waste gas and pollutants, eliminating our impact on atmospheric environment from the root.

#### ◆ Reduction of waste gas discharge in our Zunyi factory

- The lithium hydroxide crushing system in our Zunyi factory used the air separation system to reuse the nitrogen discharged and lowered the crushing system's energy consumption. In 2022, the air-nitrogen ration of PSA nitrogen-generating system was 4.5:1, which was estimated to save power of 1,400,000 kwh throughout the year.

#### ◆ Transformation of waste gas discharge technology in our South Korea factory EMT

- Our South Korea factory EMT improved our waste gas with rotary kiln filter bags and changed the filter bags from parallel connection to series connection, changed the internal cartridge filter to a folding style, as a result of which the nickel content of hazardous matters in the waste gas emissions was lowered by 95.8% and was controlled effectively within the standard range.

### 4.3.4 Waste Water Management

Our waste water mainly included life sewage and production waste water. We developed management procedures at the level of subsidiaries such as the “Management Procedure for the Control of Water Pollution” and the “Management Procedure for Environment Protection Facilities” to ensure that waste water treatment facilities were running normally. During the reporting period, we employed new processes for resource recycling to recycle waste water, further reduce the discharge of pollutants and achieve the goal of standard waste water treatment and resource recycling.

#### ◆ Waste water recycling and treatment technology application

- During the reporting period, in order to further reduce the discharge of production waste water, we achieved recycling of waste water by optimizing our waste water treatment process. Currently, our recycling and utilization rate reached 96%. Each year, we can save a waste water treatment cost of millions of RMB.

## 4.4 Hazardous Chemicals Control

We insisted on choosing environment-friendly raw materials and tried to reduce our environment impact at the source to ensure that our products were free of substances such as lead, mercury, nickel, hexavalent chromium, PBB, PBDE and met the national standards and regulations such as the “Requirements on Banned Substances in Vehicles” (GB/T 30512-2014). Besides, we also formulated management systems such as the “Management System for Safety of Hazardous Chemicals”, the “Management System for Handling of Hazardous Chemicals” and the “Management Regulations on Precursor Chemicals”, strictly implemented the hazardous chemical supervision, established management systems such as warehousing inspection and registration of hazardous chemicals, and kept a watch on the links of hazardous chemicals such as purchase, storage, use and waste disposal in the whole process.

Hierarchical control	Normalized control	Registered use and disposal
<ul style="list-style-type: none"> <li>· Three-level control: we established a chemical supervision system of safety management at three levels, namely the corporation, departments and teams;</li> <li>· Focused supervision: We established a chemical management system and list to supervise the hazardous chemicals, establish a special warehouse for hazardous chemicals and post safety warning labels.</li> </ul>	<ul style="list-style-type: none"> <li>· Daily supervision: We established a daily inspection record form and carried out daily inspection and record of the hazardous chemical warehouse;</li> <li>· Special investigation: our department and company would inspect the chemical warehouse irregularly to ensure the storage safety of chemical warehouse.</li> </ul>	<ul style="list-style-type: none"> <li>· Entry and exit registration: We adopted entry and exit management for our chemical warehouse, made registration records in time to ensure consistency between account book and supplies and avoid the use of expired chemicals.</li> <li>· Compliant disposal: We regularly checked the entry time of hazardous chemicals, evaluated and discarded expired chemicals and disposed them as hazardous waste so that the whole process was under control.</li> </ul>

Our daily management measures for chemicals

We developed special emergency schemes for hazardous chemicals and handling accidents of hazardous chemicals, regularly carried out emergency drills such as leak accidents in the handling of sodium hydroxide and organized training such as use safety of precursor and explosive chemicals, safety knowledge of hazardous chemicals and emergency disposal. We regularly conducted special inspections on chemicals in the factory, sorted out the registration and requisition records of chemicals, conducted risk evaluation and intensive monitoring on new chemicals to ensure that risks were under control.



## 05

# Caring about Employees, Ushering in the Future

## 5.1 Value of HR and Employment

### 5.2 Cultivation of Talents

### 5.3 Care for Employees

### 5.4 Health and Safety

#### Cultivation and development of talents



100% of our employees participated in training, with a total of 49,041 hours.



We introduced internal online learning platform to release over 3,000 external general courses and eight selected courses.

#### Health and safety guarantee



In 2022, we carried out safety-related training of 5,892 hours to train 3,473 person-times in total.



There was no workplace fatalities among our employees, with workplace injury departure rate decreasing by 66.7% than 2021.



Ronbay Hubei, Ronbay Guizhou, positive electrode factory in Yuyao, Xiaocao'e subsidiary and South Korea subsidiary EMT had all passed the certification of ISO 45001 occupational health and safety system.

Talent was the most precious resource on our development path. We regarded our employees as our partners, fully respected and guaranteed the rights and benefits of every employee, attached high importance to their diversified development and comprehensive cultivation. Through methods such as partnership mechanism, safeguarding the rights and benefits of employees, employee training, communication and care, we achieved an organic integration between our strategy of “organization, professionalism and globalization” and our talent management to constantly pursue common growth between employees and the enterprise.

## 5.1 Value of HR and Employment

Around our New Integration Strategy, we tried to establish an operating architecture of three systems based on Shared Service Center (SSC) and supported by Center of Experts (COE) and Business Partnership (HRBP), developed an organizational operation mechanism, a talent management and development system and a corporate culture system adapted to our strategy to form a global HR ecosystem rich in innovation and cultural inclusiveness and continually realize the values of human capital.

### 5.1.1 Guarantee of rights and benefits of employees

Upholding an employment concept of fairness and equity and taking factors like skills and performance as our measurement criteria, we never discriminated any employees regardless of their ages, gender, race, nationality, marriage and family status, health condition and religion, and insisted on zero tolerance towards child labor and forced labor. Meanwhile, we valued the development and management of our overseas employees, not only

guaranteed their work and life abroad, but also respected the local culture of our overseas factories. We emphasized localized construction, strengthened the employment and cultivation of local employees, fully unleashed the roles of local management and backbone employees in the company's operation management, thus providing a strong support for the company to expand overseas markets and achieve a global layout.

### 1. Open and transparent recruitment channels

We established a complete HR management system, opened transparent recruitment channels such as public domain websites and local employment websites. Through complete recruitment mechanisms and comprehensive salary system, we regulated our recruitment process to provide strong support for the company to introduce talents. Meanwhile, we launched industry-academy cooperation with renowned universities and research institutes such as Zhejiang University, Central South University, Northeastern University and Ningbo Institute of Materials of Chinese Academy of Sciences, and provided

incentive scholarships for students with an excellent academic performance.

### 2. Fair and equal environment for human resource

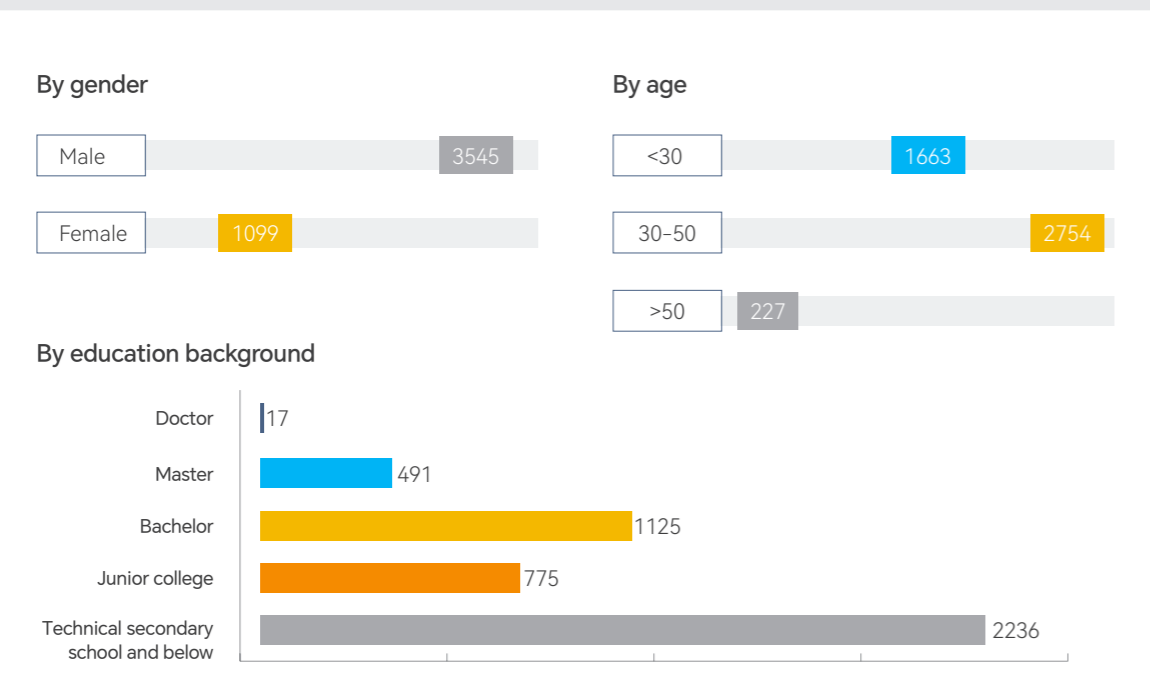
We established basic principles and requirements such as legal employment, respecting human rights and safeguarding legal rights and benefits of employees to ensure that all employees of Ronbay and our supply chain could enjoy respect and esteem and establish a culture of safety, respect, fairness and inclusiveness for all our employees.

### 3. Rational salary system

We insisted on equal pay for equal work, developed normative documents such as the “Salary Management System” and “Year-end Bonus Management System” to establish a scientific, reasonable salary system. We observed the principle of “allocation according to the amount of work done”, kept improving the fairness and equity of salary allocation so as to arouse the work enthusiasm of our employees and improve their working efficiency. By establishing entrepreneurial platforms for

our employees, we allowed them to share the company’s benefit and seek common development and arouse their working enthusiasm to the largest extent. Meanwhile, we also established the “Management System for Employees Dispatched by Ronbay Overseas” to confirm the pay and welfare policies for those employees sent abroad, guarantee their work and life, so as to satisfy the company’s requirements for sustainable development and support the company’s development strategy.

During the reporting period, we had a total of 4,644 employees, 100% of whom had signed a contract. They classified statistic data are as follows.



Moreover, we attached high importance to the rights and benefits of female employees and actively protected their legal rights and benefits by developing special labor protection policies for female coworkers. The company offered paid leaves such as prenatal check-up leave, maternity leave and breastfeeding leave for female coworkers, and adjusted their work content and arrangement during pregnancy and breastfeeding according to the actual situation to support their career development and retention.

## 5.2 Cultivation of Talents

We emphasized the employees’ ability development, always advocated that employees should be baptized by culture and empowered by management, open up their mind and keep improving through learning and innovation. We promoted the construction of our talent system, continually perfected our talent cultivation system to promote the career development of our employees, prepare and reserve talents for the company and provide strong support for the company’s high-quality development, while supporting the implementation of our New Integration Strategy.

### 5.2.1 Talent System Project

#### 1. Organizational structure design

We gradually promoted the construction of our talent system, diagnosed and analyzed our organizational structure scheme at the levels of corporation and department, followed up the promotion and turnover of our cadres at the senior, medium and basic levels, documented our organizational structure and signed approvals for promotion and transfer of cadres, developed new organizational adjustment scheme and personnel adjustment scheme to empower our talent growth. In 2022, we organized organizational diagnosis and adjustment to improve our organizational construction, optimize our

procedures and mechanisms and make our organizational operation more efficient. In addition, we made our core talents achieve great progress in cultural blend and abilities through methods such as personnel communication, interview, appointment communication and training.

#### 2. Cultivation of core talents

We managed talent cultivation in the whole process of “selection, cultivation, employment, retention, dismissal and reserve” so as to satisfy the demands of our business for talents and achieve our success and the growth of individuals.

“Little Eagle Plan”	“Eagle Plan”
“Little Eagle Plan” covers learning and blend, training on positions and accelerated growth, providing all-round training support for newly employed university graduates to join the workplace.	The “Eagle Plan” covers the cultivation of cadres at the senior, medium and basic levels, covering all management staff. In addition, we also had three-month integration plan for new employees recruited from society and professional training programs, which achieved a full coverage and gradually cultivated the talents into successors of key positions and reserve talents.

# TRAINING

## 5.2.2 Training and Development

We attached importance to the career development planning of our employees, promoted the construction of our talent system project. Through organizational diagnosis and analysis and talent structure analysis, we developed new organizational adjustment scheme and personnel adjustment scheme, created career development opportunities and smooth development channels for our employees. During the reporting period, through organizational diagnosis and adjustment and optimization of related processes and mechanisms and analysis of our talent structure, more than 100 cadres had been promoted, and the executive force and enthusiasm of our cadres and management had well improved.

We were firmly convinced that talent was the driving force for our continuous development. In 2022, we further strengthened the construction of the Ronbay Academy, with an aim to build a most innovative university in the new energy industry and fully upgrade our technology talent cultivation system. Meanwhile, we planned to build a physical base of Ronbay Academy of 400 mu in Xiantao of Hubei. Other than internal empowering, based on industrial exchange, management research and consultation with related business, we were trying to build a carrier platform linking with our business strategy, training our internal talents and empowering our industrial chain.



Our technology tale



Training and development course system

During the reporting period, we organized continuous and diversified training courses according to the company's requirements for production and operation, such as institutional and cultural training, leadership training, universal knowledge and literacy training and professional skill improvement training. In terms of induction training for new employees, we offered training by combining theory and practice, involving contents such as professional quality, corporate culture, rules and regulations, product knowledge, process and technology, and arranged new employees to learn and understand the content in the combination of theory and practice. As to external training, we organized training on quality control system and sustainable development to effectively enhance the employees' quality system awareness, improve our quality control level, finish our internal sharing and training in time, laying a foundation for the improvement of the employees' special abilities. As to internal training, we enhanced the employees' comprehensive abilities and the company's operation efficiency by organizing management system training, corporate culture publicity and training, safety training, and professional skill training for each position.

We launched the "Eagle Action" series training to enhance

the morale of our team, spread our internal experience through executive series courses, business giants' sharing and spread of internal experience, and through exploring real cases, analyzing problems, passing on knowledge, learning skills, tools and methods to empower the employees' efficiency. In 2022, the Eagle Action series launched a total of 12 training sessions, involving 4,338 person-times and covering all employees, with 71 cases and figure introductions shared. The training had been built into a mechanism of mobilization and interaction at each level.

Meanwhile, we introduced internal online learning platform, introduced over 3,000 external general courses, with eight selected courses such as executive series course and business giant series course. Through the evaluation and tracking of training and analyzing the training effects, we ensured that the employees had indeed mastered the skills. In the future, we will continue to upload learning materials, build online lecturer base and database to promote talent development and fully digitize learning in the company. During the reporting period, we offered training of 49,041 hours in total to our employees, with a coverage rate of 100%.

### 5.2.3 Promotion and Incentive

Adhering to the career development management principles for our employees “tapping full potential of talents in seeking common development”, we launched promotion of employees in rank and position openly and fairly each year and encouraged the diversified development of talents. In accordance with the career growth demands of the employees, we adopted measures such as internal transfer and competition to help our employees widen their career development path.

We kept improving our salary and welfare system, rewarded those employees with an excellent performance and development potential to solidify our attractiveness and

competitiveness in terms of pay and welfare. During the reporting period, we developed salary adjustment schemes including promotion pay rise, performance pay rise, special pay rise, CPI pay rise and pay rise for fresh graduates.

Our limited stock incentive plans were underway normally, playing an important role in improving our salary and welfare system and continually attracting and retaining the talents. In 2022, we finished the first phase of equity unlocking, with the first category of unlocked people at 160 persons, and 1,529,411 shares unlocked; the second category of attributable people at 172 persons, with 3,079,372 attributable shares.

#### The commendation ceremony of our Eagle Action

In order to mobilize the enthusiasm of all employees and arouse their working potential, our Xiaocao'e subsidiary held a grand commendation ceremony for the Eagle Action. This time, 3 excellent Eagle Action teams, 6 excellent team leaders and 10 active members were selected. The award-winning teams expressed recognition towards the Eagle Action platform and said that in their future work, they would stick to higher standard requirements and encourage more coworkers to seek common progress.



## 5.3 Care for Employees

We valued humanistic care for our employees and encouraged equal dialogues between employees, or between the superior and the subordinate. We were convinced that good, harmonious and sincere interpersonal relations and the working atmosphere of harmony, mutual trust and common progress were the foundation for us to work efficiently. We provided our employees with smooth dialogue channels, considerate care, complete welfare and diversified activities so as to keep improving their sense of belonging and happiness.

### 5.3.1 Communication and Exchange Channels

We listened to the voice of our grassroots employees actively through four major communication channels, including earnest talks and informal discussion with cadres, visits from executives and internal interviews. In addition, we established social groups of employees and cadres to follow up the problems and suggestions from our employees, and reply to and address their questions in time.

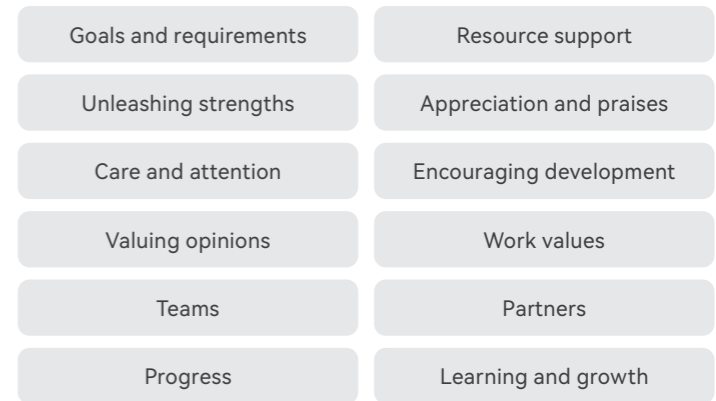
#### Earnest talks with employees

In August 2022, in order to better implement the spirit of Eagle Action, enhance the morale of employees, listen to their voice and encourage all employees to be devoted to the Eagle Action sprint actively and continually, we held earnest talks with employees of the fourth season in succession.

Everyone launched in-depth exchange around hot issues such as project management and production safety and proposed several rational suggestions in a relaxing and delightful atmosphere. The earnest talks had effectively shortened the distance between leadership and employees and enhanced their mutual understanding; reached a consensus among them through exchange of thoughts and sharing experience. As a result, everyone was more confident with a firmer goal.



Each year, we carried out a satisfaction degree survey among our employees in the form of questionnaire. We surveyed our organizational atmosphere around 12 dimensions such as goal and requirements, resource support, learning and growth, and launched the rectification according to the rational suggestions from the employees. During the reporting period, we handed out a total of 4,579 questionnaires and received 3,523 valid questionnaires, with an overall participation proportion at 77%.



Dimensions of organizational atmosphere survey

### 5.3.2 Welfare in Basic Necessities

While guaranteeing that our employees enjoy basic rights and benefits, we kept enriching our welfare and providing our employees better treatment. Starting from the basic necessities of our employees, we built a canteen at our production bases to improve their dining environment and quality, and built dorms at our production bases to provide

them with convenient accommodation. During festivals and holidays, we handed out welfare cards, gift boxes and allowances to them, indeed seeking more welfare to enhance their sense of recognition and belonging with Ronbay.



In July 2022, the dorm building was transformed into an R&D office building at our industrial park in Tanjialing, Yuyao of Ningbo.



In October 2022, Wuhan Ronbay finished decoration as the employees moved in.

### 5.3.3 Diverse Activities

In 2022, our headquarters and subsidiaries organized a rich variety of employee activities to strengthen their vitality and cohesiveness and create a healthy and positive cultural atmosphere.

#### The 112nd International Women's Day

In March 2022, we organized presentation of fresh flowers, a trip to the Daren Village and artistic flower arrangement with the theme of "women's striving effort to co-build the most beautiful Ronbay", sending our festive greeting and blessing to our female coworkers.



#### The 4th funny sports meeting of Ronbay Guizhou

In May 2022, the 4th funny sports meeting of Ronbay Guizhou was kicked off at the basketball court. Seven teams participated in the funny team competition, of which one special team organized by the management and cadres also joined the event.



#### Continuing with innovation and shouldering the mission with a revolutionary spirit

In June 2022, Ronbay Hubei joined hands with its excellent partner China Merchants Bank to launch a Party and Youth League co-building activity with the theme of "Embracing the Future with Concerted Effort" to further arouse the work enthusiasm of the employees, strengthen the team's vitality and unity and promote the stable development of business.



#### The 4th funny sports meeting

In July 2022, in order to enrich the employees' after-work cultural life and arouse their enthusiasm in sports, the Trade Union Committee of Ronbay Hubei and the General Office held the 4th funny sports meeting together, exhibiting the healthy, positive, vigorous and united spiritual outlook of all employees of the company.



#### Party Day activity with the theme of "Being a Pioneer of the Era, Building Industrial Clusters"

In July 2022, in order to fully unleash the pioneering and model role of Party members in improving services, optimizing management, R&D and innovation and overcoming difficulties, the Party branch organization of Ronbay Ningbo launched a Party Day event of "Being a Pioneer of the Era, Building Industrial Clusters", and re-visited the Long March Education Base and Xiangshan Maoyang Patriotism Education Base.





### Series activities of “Boosting Spirit of Employees, Empowering Eagle Action”

In the fourth quarter of 2022, we actively launched the series activities of “Boosting Spirit of Employees, Empowering Eagle Action”, which included but were not limited to funny sports meeting, cultural and recreational activities and skill competition to encourage the employees to be devoted to the fourth season of Eagle Action with greater determination and confidence, and accumulated strength for the work to be done in the fourth season with faster speed, higher efficiency and stronger cohesion.



### Healthy Running

In November 2022, the running interest group and trade union committee organized a healthy running event with the theme of “Yue Running, Youth and Health in Reaching the Height like an Eagle” to celebrate another new height achieved by Ronbay Hubei in monthly output, strengthen the company’s spiritual civilization and corporate culture construction and enrich the sports and cultural life of employees.



## 5.4 Health and Safety

We always put at the first position to strengthen production safety and protect the health of our employees. We implemented the management guideline of “putting safety first based on prevention and comprehensive governance”, established a complete occupational health and safety management system, and on the basis of strengthening the safety red line management, continually enhanced the construction of substantial safety, practiced the goal of “zero accident” in production safety, with an aim to become an industrial benchmark for safety and create a healthy and safe working and living environment for our employees.



### 5.4.1 Production Safety

We strictly observed related laws and regulations such as the “Law of the PRC on Prevention and Control of Occupational Diseases”, the “Production Safety Law of the PRC”, the “Administrative Regulations on Occupational Health at Workplaces”, developed and implemented rules and systems related with production safety such as the “Administrative Regulations on Potential Hazards Identification” and “System of Rewards and Penalties for Environmental Safety”, required all middle and high-level cadres of the environmental safety department to sign a letter of responsibility on safety and environment protection, linking production safety with the salary and performance of each department and executives and confirming the management requirements and standards for each issue such as safety management, potential hazards identification, emergency management and accident penalties.

In order to fulfill our production safety goals, we observed the norms of “three managements and three musts”, strictly implemented the core requirement that “the head of each organization is the primary person in charge of safety”, established a safety management architecture from top to bottom covering the headquarters, subsidiaries and each production unit, and strictly implemented the responsibility system for production safety. As the safety supervision and management organization, our production safety committee set up a leading group composed of senior management, responsible for inspection and supervision of production safety. Each business department and subsidiary of Ronbay also had a production safety committee subject to the supervision

from the company’s production safety committee. We included environmental safety management into the annual performance evaluation indicators at each level so as to achieve comprehensive supervision and management on environmental safety.

#### ◎ Construction risk management system

We established a construction risk management system to reduce the risks of accidents, compiled and implemented 32 construction safety management system documents of engineering projects and implemented them in all our projects. We established a normalized and compliant diagnosis and supervision management mechanism and a construction safety appraisal mechanism for projects. Construction control was introduced at the stage of feasibility demonstration of the projects, importing related laws and regulations, including standards such as environment protection, occupational health and fire prevention and planned and implemented the safe and civilized construction schemes after the subcontractors entered the construction site and during the construction, trying to identify and control the risks throughout the construction period.

#### ◎ Hidden hazard identification mechanism

We carried out comprehensive compliance diagnosis and hidden hazard identification in every production base in China. Our production bases adopted hierarchical control and dual-prevention mechanism and encouraged all employees to participate in hidden hazard identification based on the award for reporting hidden hazards. Meanwhile, we addressed and regulated the production

safety problems and potential safety points to improve by means of continuous rectification, tracking and optimization, so as to ensure that our production could continue steadily. During the reporting period, we had identified a total of 7,476 environmental safety hidden hazards, with a rectification rate of 100%.

### © Safety warning and emergency mechanism

We regularly organized safety emergency drills to enhance

the abilities of our employees to handle emergencies and protect themselves. In 2022, we organized a total of 38 various drills such as hazardous chemical emergency drills, special emergency drills for accidents in confined space, special emergency drills for pandemic prevention and control, comprehensive emergency drills for fire accidents in finished product warehouses, special emergency drills for sunstroke and emergency drills for fire accidents in hazardous waste warehouse.



Photos of our emergency drill scenes

### | Special improvement of environmental safety in our Xiaocao'e factory

During the reporting period, we launched reconstruction of rainwater open channel, MVR facilities and hazardous waste warehouse at our Xiaocao'e factory with a total investment of RMB 5.70 million, achieving 100% rain-sewage diversion in the factory, reducing the discharge of waste water and improving the factory's safety and environment protection level during its production and operation.

◆ Reconstruction of rainwater open channel: The rain closed conduit in the factory was changed to an open channel, set with an early collection tank for rain so that the rain could be collected and treated in a centralized manner during the first 15 minutes after a rainfall to ensure that rainwater discharge met the standard.

◆ Investment and construction of MVR facilities: We invested to build MVR equipment used for production waste water treatment, adopted the process of triple effect evaporation to further reduce the sewage discharge. The sodium sulfate generated from the evaporation could bring profits as a side product.

### | Special improvement of environmental safety in our Tanjialing factory

During the reporting period, our Tanjialing factory launched work such as odor treatment for our waste water treatment facilities and fire safety upgrade of our workshop with a total investment of RMB 900,000. As a result, unorganized waste gas emission reached the standard at our waste water plant and the fire safety emergency was enhanced, the factory's production safety was improved, creating a comfortable working environment.

◆ Odor treatment at waste water treatment facilities: For the unorganized odor generated in the waste water treatment, we adopted spraying process to treat the odor and ensure that the emission was stable and met the requirements;

◆ Upgrade of workshop's fire safety system: In order to eliminate the hidden danger left by the original building's fire safety construction A, we improved the workshop's fire safety hardware by adopting measures such as introducing fire safety evacuation signs and emergency lighting system and the reserve lighting equipment at the power distribution room.

### © Safety education and training

In addition, we regularly launched Production Safety Month activities each year, and were deeply aware of the safety concept that "safety is our responsibility". Through various activities and training, we created a strong atmosphere of safety and promoted all employees to develop a safety red line awareness and safety development concept. We also regularly shared penalty cases for violations of production safety in our internal publications. Through the study of typical cases, we urged the head of each business department, subsidiary and department to indeed fulfill their production safety responsibility, strengthen the safety awareness of all employees and keep improving the substantial safety of the company. In 2022, our safety education and training themes included regulations on precursor and explosive chemicals, occupational health and hygiene, high-risk operations, change management, introduction to the standardization system of production safety and production safety responsibility system. We also invited external medical workers to give health instruction and conventional training to our workers. During the reporting period, we organized training for 158 times to train a total of 3,473 person-times with a length of 5,892 hours and fully strengthen our safety management, with our work-related departure rate declining by 66.7% than 2021.

### | Special safety series activities themed as "Observing Production Safety Law as the Primary Person in Charge"

In order to actively respond to the call of national "Production Safety Month", each base of Ronbay convened a mobilization meeting, launched safety education and training activities such as on-site safety hazard identification, workshop team meetings and safety knowledge quiz. 100% of the employees in each production base had been involved. On the basis of strengthening safety awareness, each base actively carried out special safety governance, fully identified safety risks in the production areas and took a preventive move to further enhance our safety management.



## 5.4.2 Occupational Health

By updating our rules and regulations such as the "Administrative Regulations on Labor Protection Supplies" and the "Administrative Regulations on Labor Protection Appliance", we effectively prevented and reduced the occurrence of occupational hazards and diseases. We provided extra insurance and guarantee for the staff on related positions, regularly organized occupational health risk warning and notification, on-site environment supervision, routine inspection, and provided the employees with corresponding labor protection appliance to protect their occupational health. During the reporting period, Ronbay Hubei, Ronbay Guizhou, positive electrode factory in Yuyao, Xiaocao'e subsidiary and South Korea subsidiary EMT had all passed the certification of ISO 45001 occupational health and safety system. There was no occupational disease incident in the corporation, and the occupational health checkup of our employees achieved a qualification rate of 100%.

### | Occupational noise protection at our Guizhou factory

In order to reduce the harm of production noise to our employees, our factory in Guizhou launched noise reduction transformation on the high and low-voltage power distribution room of workshop 801. After the transformation, the area's noise had been reduced by 24%.

# 06 Fulfilling Responsibility to Repay the Society

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Other than seeking our own development, we were also actively fulfilling our social responsibility and repaying the society in different forms in our exploration and innovation of social involvement. Adhering to the “ecological” concept of our New Integration Strategy, we were committed to building a social ecosystem of mutual coexistence and blend and joining hands with all quarters of society to create good community relations, promote public benefit activities and try our best to repay the society and embrace a brighter future.

”

In 2022, we launched humanistic care among the vulnerable groups in local communities by means of greeting and charity donations. We continually worked with stakeholders to fulfill our social responsibility. During the reporting period, we donated a total of RMB 300,000 for the development of public welfare in communities.

## Making some contribution to boosting rural revitalization – our contribution to the boosting of consumption of agricultural products from Daliang Mountains

In 2022, we actively responded to the national rural revitalization strategy, trying to support the poverty relief effort of the Daliang Mountains region in Sichuan. Our Xiaocao'e subsidiary purchased agricultural and sideline products such as edible oil and buckwheat noodles with a value of about RMB 50,000 from Daliang Mountains and handed them out as greeting welfare for our employees.



## Warm love – greeting the senile and lonely elderly people in Longjiang and Qingjiang villages

In order to carry forward the traditional virtues of Chinese people and express gratitude to the workers of the era for their hard work, on April 28, 2022, our trade union organized a greeting trip of love to the senile and lonely elderly people in Longjiang and Qingjiang villages of Guizhou Province. A delegation of staff from Ronbay Guizhou sent their care to the elderly people, carrying various life supplies such as rice, flour and edible oil, clothes and tissues and healthcare products for the elderly such as fish oil, calcium tablets and protein powder.



## Loving donation to warm the campus – loving donation held at Qingjiang Elementary School in Shenxi Town

Children are the future and hope of our country and the focus of our attention all the time. On August 29, 2022, the trade union of Ronbay Guizhou organized a loving donation at Qingjiang Elementary School by sending various school supplies and sports equipment such as schoolbags, pencil sets, markers, badminton rackets, chess, gobang, basketballs and badminton. Through close contact and warm exchange, the kids felt care from the enterprise.



## Staying true to original aspiration and carrying on the revolutionary spirit – a greeting trip to the veterans of the War to Resist US Aggression and Aid North Korea

On November 22, 2022, Ronbay Hubei joined hands with the federation of trade unions and the Urban and Rural Integrated Development Bureau of Gedian Development Zone to launch a greeting trip to the veterans of the War to Resist US Aggression and Aid North Korea. They learned in detail about their physical status and living conditions, listened carefully to their extremely hard and bitter stories of fighting in the war, and provided the old ex-servicemen with spiritual comfort and material support so that they could feel care and respect from the society.



## Appendix 1 Chronicle of Events of Ronbay in 2022

Serial No.	Chronicle of events in 2022
1	The company's "New Integration Strategy signing & Xiantao positive electrode base commencement ceremony" were held to signal that the New Integration Strategy was officially launched in Hubei. We signed a series of new integration cooperation agreements with the Hanyang district of Wuhan, and officially invested to build our headquarters in central China and our Research Institute of New Energy Technology.
2	We invested in Skyland and officially stepped into the LMFP business.
3	Our Phase I of lithium battery positive material project in Chungju of South Korea was completed and put into operation, achieving an annual output of high-nickel positive electrode at 20,000 tons, achieving a milestone progress in our global layout.
4	Our ultra-high nickel and high-nickel and low-cobalt products were developed: our production capacity of positive electrode reached 250,000 tons, ranked first globally; our domestic market share of high-nickel ternary materials ranked first in the industry for three years in succession and our global market share took the first spot for two years in succession, as our leading advantage continued to grow.
5	We were striving to promote our sodium battery positive electrode material business and had taken the lead in the market.
6	In July 2022, Ronbay Technology held a strategy release event of 2022 in Yibin, Sichuan in the form of an online live-streaming event to advance from a high-nickel leader to a comprehensive positive electrode material supplier covering all markets.
7	We signed a package of agreements in Xiantao and Hubei, as our battery triangle fund had raised RMB 2.65 billion in total. We signed a letter of intent with Changjiang and Ezhou. Our first private placement application was reviewed and approved by the SCRC, which planned to raise a fund of RMB 5.428 billion.
8	We signed a long-term procurement agreement with Liqing Resource; Ronbay Battery Triangle Fund signed a cornerstone investment agreement with Liqin Resource and became a cornerstone investor for its IPO in Hong Kong Stock to further deploy upstream resources.
9	We were listed among the "Top 50 Chinese enterprises for innovation strength selected by Forbes in 2022" once again and were honored as the "influential enterprise of the year in the China Business Network's capital market value ranking in 2022".
10	We established a normalized annual work organizational system: we established five modules including strategy and operation planning, organizational personnel, evaluation and motivation, full budget and independent accounting, management reform and risk control, achieving comprehensive and systematic innovations.
11	In 2022, we continually upgraded our "intellectual property rights", handling 136 patent requests all year round, with a growth of 300% year on year, a new historic height.
12	Our lithium supply chain had formed project cluster management, optimized the supply structure, with the proportion of long-term agreements rising significantly and achieving an overall progress in our supply chain.

## Appendix 2 Honorary awards

Award winner	Awarding institution	Name of award
Ronbay	Cailian Press and Sci-tech Innovation Board Daily	The best listed company in the ESG sci-tech innovation board in 2022
	Forbes China	"Top 50 Chinese enterprises for innovation strength in 2022" selected by Forbes China
	China Automotive Battery Innovation Alliance	Top 10 supply chains of power battery in China
	China Business Network	The influential enterprise of the year in the China Business Network's capital market value ranking in 2022
	Cailian Press	The award for "new energy enterprises with the highest investment value in 2022"
	Human Resource and Social Security Administration	National post-doctoral scientific research workstation
	Ministry of Industry and Information and China Federation of Industrial Economy	A national single champion in the manufacture sector
	Science and Technology Bureau of Ningbo	A major science and technology project of Ningbo
	Economy and Information Bureau of Ningbo	A key enterprise to be fostered as a single champion in Ningbo
	Science and Technology Bureau of Ningbo	Hubei Provincial Enterprise Innovation Consortium
	Economy and Information Department of Hubei Province	A demonstrative enterprise for intelligent manufacture points in Hubei Province
	Economy and Information Department of Hubei Province	A factory fully connected to 5G in Hubei Province
Science and Technology Bureau of Ezhou	Technology Innovation Center of Ezhou	
Science and Technology Bureau of Ezhou	An excellent business-academy joint innovation center in Ezhou	

## Appendix 3 Key performance list

### Economic performance

Indicator	Unit	2022
Total assets	RMB 100 million	256.60
Business revenue	RMB 100 million	301.22
Growth rate of business revenue	%	193.62
Net profit attributable to shareholders of the listed company	RMB 100 million	13.53
Growth rate of net profit attributable to shareholders of the listed company	%	48.54
Basic earnings per share	RMB/share	3.00

### Environment Performance List <sup>2</sup>

Indicator	Unit	2022
Energy use		
Direct energy consumption	Tons of standard coal	68.16
Diesel	ton	3.15
Oil	L	59,593.38
Indirect energy consumption	Tons of standard coal	84,142.69
Purchased electric power	Kwh	684,547,425.80
Steam	ton	91,823.00
Comprehensive energy consumption	Tons of standard coal	84,210.85
Greenhouse gas emissions <sup>3</sup>		
Resource use		
Scope 1	Tons of CO2 equivalent	3,628.02
Scope 2	Tons of CO2 equivalent	318,886.61
Scope 3	Tons of CO2 equivalent	1,828,698.06

Indicator	Unit	2022
Total greenhouse gas emissions	Tons of CO2 equivalent	2151212.69
Intensity of greenhouse gas emissions	Tons of CO2 equivalent/ ton of products	24.12
Resource use		
Total water resource consumption	10,000 tons	338,054.51
Tap water	10,000 tons	338,054.51
Surface water	10,000 tons	0
Water intake from other sources	10,000 tons	0
Total amount of recycled water	10,000 tons	290,486.58
Use of materials		
Plastics	ton	304.68
Timber	ton	43.46
Paper	ton	0.90
Printing ink	ton	0.04
Waste gas		
Nitric oxide emissions	ton	3.42
Sulfur oxide/sulfur dioxide emissions	ton	3.45
Dusts	ton	45.78
Solid waste		
Total waste water discharge	ton	226,621
Solid waste		
Hazardous waste	ton	1,652.85
General garbage (harmless waste)	ton	96,095.00
Recyclable waste	ton	107,957.08

<sup>2</sup> Other than the greenhouse gas emission data, the statistical caliber of environment performance data is consistent with the annual report.

<sup>3</sup> The greenhouse gas emission is disclosed based on the carbon accounting certification obtained by Ronbay in 2022 and accounted in accordance with the international standard "ISO 14064-1:2018 Specifications and Guide on Measurement and Reporting of Greenhouse Gas Emission and Clearing", mainly covering three areas of operation of Ronbay, namely Guizhou, Hubei and Wuhan.

## Social performance

Indicator	Unit	2022
<b>Employment</b>		
Total number of employees	persons	4,644
<b>By Gender</b>		
Number of male employees	persons	3,545
Number of female employees	persons	1,099
<b>By age</b>		
Number of employees ages 50 or above	persons	220
Number of employees ages between 30 and 50	persons	2,726
Number of employees ages 30 or below	persons	1,698
<b>By education background</b>		
Technical secondary school and below	persons	2,236
Graduation from junior college	persons	775
Undergraduate	persons	1,125
Master	persons	491
Doctor graduates	persons	17
<b>By rank of position</b>		
Grassroots employees	persons	4,509
Middle-level management staff	persons	121
Senior management staff	persons	14
<b>Health and safety of employees</b>		
Number of employees with work injury	cases	8
Number of work injury fatalities	persons	0
Proportion of work injury fatalities	%	0
<b>Employee training</b>		
Coverage rate of employee training	%	100
Per capita training hours	%	10.56
<b>By Gender</b>		
Male employees	hours	10.56

Indicator	Unit	2022
Female employees	hours	10.56
<b>By rank of position</b>		
Grassroots employees	hours	10.65
Middle-level management staff	hours	8.99
Senior management staff	hours	3
<b>Product R&amp;D and innovation performance</b>		
Product R&D investment	RMB 10,000	48655.43
Number of researchers	persons	599
Proportion of researchers with master or doctor degree	%	45.08
<b>Product quality and safety</b>		
Total number of violations of laws and regulations by provided products and services in terms of health and safety and labeling	cases	0
Total number of violations of laws and regulations in terms of market promotion	cases	0
Total number of violations of laws and regulations in terms of customer privacy	cases	0
Proportion of the sold or shipped products to be called back due to safety and health	%	0
Number of complaints received on products and services	cases	3
Complaint handling rate of products and services	%	100
<b>Supplier performance</b>		
Total number of suppliers	ones	4857
<b>By region</b>		
Chinese mainland	ones	4811
Suppliers from Hong Kong, Macau and Taiwan China	ones	4
Overseas suppliers	ones	42
Local suppliers	ones	776
Annual summary and exchange finished with suppliers	ones	20
On-site visit and communication with suppliers	ones	24
<b>Social welfare performance</b>		
Amount of charity donations	RMB 10,000	31.63

## Appendix 4 GRI Standards Index

Disclosed topic/item	Disclosure title	Chapter index
GRI 1: Fundamentals		
GRI 2: General disclosure		
Organization and reporting practice		
2-1	About the organization	About the Report
2-2	Entities covered in the organizational sustainability report	About the Report
2-3	Cycle, frequency and contact of the report	About the Report
2-6	Activities, value chain and other commercial relations	1. Thriving and robust with a successful deployment 2. Standard Governance and Outstanding Operation
2-7	Employees	5. Caring about Employees, Ushering in the Future
2-9	Governance structure and composition	2. Standard Governance and Outstanding Operation
2-11	Chairman of highest governance body	2. Standard Governance and Outstanding Operation
2-12	Influence of highest governance body in terms of supervision and management	2. Standard Governance and Outstanding Operation
2-13	Delegation of management influence responsibility	2. Standard Governance and Outstanding Operation
2-14	The role of highest governance body in the sustainability report	About the Report
2-19	Salary policy	5. Caring about Employees, Ushering in the Future
Strategy, policy and practice		
2-22	Strategy statement on sustainable development	2. Standard Governance and Outstanding Operation
2-23	Policy commitment	2. Standard Governance and Outstanding Operation
2-24	Embedded policy commitment	2. Standard Governance and Outstanding Operation
Substantial issues		
Economy		
3-3	The reporting organization should report how it manages economic performance with the method stated in GRI 3: 3-3	5. Caring about Employees, Ushering in the Future Appendix 2 Key performance list: Economic performance
Economic performance		
201-1	Directly yielded and allocated economic values	5. Caring about Employees, Ushering in the Future Appendix 2 Key performance list: Economic performance

Disclosed topic/item	Disclosure title	Chapter index
Anti-corruption		
205-1	Operation points with corruption risk assessment	2. Standard Governance and Outstanding Operation
205-2	Conveying and training of anti-corruption policy and procedure	2. Standard Governance and Outstanding Operation
Environment		
3-3	The reporting organization should report how it manages environmental performance with the method stated in GRI 3: 3-3	4. Green Development to Improve the Environment
Use of materials		
301-1	Weight or volume of materials used	4. Green Development to Improve the Environment
301-2	Recycled feed materials used	4. Green Development to Improve the Environment
301-3	Recycled products and their packaging materials	Appendix 2 Key performance list: Environment performance list
Energy		
302-1	Energy consumption in the organization	4. Green Development to Improve the Environment
302-2	Energy consumption outside the organization	4. Green Development to Improve the Environment
302-3	Energy intensity	4. Green Development to Improve the Environment
302-4	Reducing energy consumption	4. Green Development to Improve the Environment
302-5	Reducing energy demands of products and services	4. Green Development to Improve the Environment
Water resources and sewage		
303-1	Mutual influence between the organization and water (as a public resource)	4. Green Development to Improve the Environment
303-2	Influence related with management and water discharge	4. Green Development to Improve the Environment
303-3	Water intake	4. Green Development to Improve the Environment
303-4	Water discharge	4. Green Development to Improve the Environment
Discharge		
305-1	Direct greenhouse gas emissions (category 1)	4. Green Development to Improve the Environment
305-2	Indirect greenhouse gas emissions (category 2)	4. Green Development to Improve the Environment
305-3	Other indirect greenhouse gas emissions (category 3)	4. Green Development to Improve the Environment

## Appendix 4 GRI Standards Index

Disclosed topic/item	Disclosure title	Chapter index
305-4	Intensity of greenhouse gas emissions	4. Green Development to Improve the Environment
305-5	Greenhouse gas emissions reduction	4. Green Development to Improve the Environment
305-6	ODS emissions	4. Green Development to Improve the Environment
305-7	Emissions of NOx, SOx and other major gases	4. Green Development to Improve the Environment
Waste		
306-1	Significant impact related with the generation of wastes	4. Green Development to Improve the Environment
306-2	Management of related impacts of major waste	4. Green Development to Improve the Environment
306-3	Waste generated	4. Green Development to Improve the Environment
306-4	Waste transferred from disposal	4. Green Development to Improve the Environment
306-5	Waste disposed	4. Green Development to Improve the Environment
Supplier environment evaluation		
308-1	New suppliers screened with the environment standard	3. Leading the Industry with the Driving Force from Innovation
308-2	Negative impacts of supply chain on environment and actions taken	3. Leading the Industry with the Driving Force from Innovation
Society		
3-3	The reporting organization should report how it manages social performance with the method stated in GRI 3: 3-3	5. Caring about Employees, Ushering in the Future
Employment		
401-2	Welfare provided for all employees (excluding temporary or part-time employees)	5. Caring about Employees, Ushering in the Future
401-3	Parental leave	5. Caring about Employees, Ushering in the Future
Occupational health and safety		
403-1	Occupational health and safety management system	5. Caring about Employees, Ushering in the Future
403-2	Hazard identification, risk assessment and accident investigation	5. Caring about Employees, Ushering in the Future
403-3	Occupational health service	5. Caring about Employees, Ushering in the Future
403-4	Occupational health safety affairs: involvement, consultation and communication of workers and staff	5. Caring about Employees, Ushering in the Future
403-5	Occupational health and safety training for employees	5. Caring about Employees, Ushering in the Future
403-6	Promoting the health of employees	5. Caring about Employees, Ushering in the Future

Disclosed topic/item	Disclosure title	Chapter index
403-7	Preventing and easing the occupational health and safety impacts directly related with commercial relations	5. Caring about Employees, Ushering in the Future
403-8	Employees covered by occupational health and safety management system	5. Caring about Employees, Ushering in the Future
403-9	Work-related injury	5. Caring about Employees, Ushering in the Future
403-10	Health issues related with work	5. Caring about Employees, Ushering in the Future
Training and education		
404-1	Per capita training hours received by each employee a year	5. Caring about Employees, Ushering in the Future
404-2	Employee skill improvement scheme and transition scheme	5. Caring about Employees, Ushering in the Future
404-3	Percentage of employees receiving regular performance and occupational development evaluation	5. Caring about Employees, Ushering in the Future
Diversified and equal opportunities		
405-1	Diversity of governance institutions and employees	5. Caring about Employees, Ushering in the Future
405-2	Basic salary of male and female	5. Caring about Employees, Ushering in the Future
Anti-discrimination		
406-1	Discrimination events and correction actions taken	5. Caring about Employees, Ushering in the Future
Forced labor		
409-1	Operation points and suppliers with forced labor risks	5. Caring about Employees, Ushering in the Future
Supplier social evaluation		
414-1	New suppliers screened with the social standard	3. Leading the Industry with the Driving Force from Innovation
414-2	Negative impacts of supply chain on society and actions taken	3. Leading the Industry with the Driving Force from Innovation
Clients health and safety		
416-1	Evaluation of health and safety impacts in the category of products and services	3. Leading the Industry with the Driving Force from Innovation
416-2	Violations involving health and safety impacts in the category of products and services	3. Leading the Industry with the Driving Force from Innovation
Customer privacy		
418-1	Proven complaints related with infringement on customer privacy and loss of customer data	3. Leading the Industry with the Driving Force from Innovation





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