



# 2023 and 2024

## Environmental, Social, and Governance (ESG) Report

Shenzhen Senior Technology Material Co., Ltd.

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About This Report

This report is the second environmental, social, and governance (ESG) report (the "ESG Report" or "the Report") published by Shenzhen Senior Technology Material Co., Ltd. (hereinafter referred to as the "Company" or the "Group"). It provides an overview of the management philosophy, initiatives, and key achievements of the Company and its subsidiaries (collectively referred to as "Senior," "the Company," or "we/our/us") in ESG-related areas for the years 2023 and 2024.

Abbreviation Explanation

| Abbreviation                                       |                  | Full Company Name                                  |
|--|------------------|--|
| Senior, the Company, we/our/us, or Senior Shenzhen |                  | Shenzhen Senior Technology Material Co., Ltd.      |
| East China Base                                    | Senior Nantong   | Senior (Nantong) New Material Technology Co., Ltd. |
|  | Senior Changzhou | Changzhou Senior New Energy Materials Co., Ltd.    |
|  | Senior Jiangsu   | Jiangsu Senior New Material Technology Co., Ltd.   |
| Senior Hefei                                       |                  | Hefei Senior New Energy Materials Co., Ltd.        |
| Senior Foshan                                      |                  | Senior (Foshan) New Material Technology Co., Ltd.  |
| Senior Europe                                      |                  | Senior Material (Europe) AB                        |

Basis for Preparation

- Global Reporting Initiative (GRI) *Sustainability Reporting Standards* (GRI Standards)
- United Nations Sustainable Development Goals (SDGs)
- Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation)*
- IFRS Sustainability Disclosure Standard 2 — Climate-related Disclosures* (IFRS S2)

Reporting Principles

This report has been prepared in accordance with four key reporting principles: "Materiality," "Quantitative," "Balance," and "Consistency," ensuring that the expectations of stakeholders related to Senior are effectively addressed.



The preparation of this report has fully considered the Company's business characteristics and identified current material ESG topics through stakeholder engagement. The findings have been submitted to the Board of Directors for approval. The final material topics, approved by the Board, serve as the foundation for this report and are thoroughly addressed throughout.

An ESG data collection and verification mechanism has been established. Where applicable, this report includes annual comparative data to help stakeholders track the progress of ESG management.

This report also highlights areas for improvement and outlines plans to address relevant topics, ensuring that no critical aspects are overlooked and that decisions are made transparently, without undue influence on stakeholder decision-making.

The quantitative data in this report is collected and disclosed consistently with previous reports, enabling stakeholders to analyse and assess performance over time. Any changes or updates in certain data scopes are clearly explained for stakeholder reference.

Scope of the Report

The Reporting Period for this report is from January 1, 2023 to December 31, 2024 (the "Reporting Period"). Some content may extend appropriately beyond this period.

Unless otherwise specified, the policy documents, statements, data, and other information in this report reflect the actual business scope of Senior. All monetary amounts are presented in Renminbi (RMB) in this report, unless otherwise stated.

Data Sources

The data and information presented in this report primarily come from publicly available sources, internal statistical reports, third-party research, administrative documents, and other relevant resources.

Approval of Report

This report was reviewed, acknowledged and confirmed for publication by the Board of Directors on April 28, 2025.

Report Access

This report is available in both Simplified Chinese and English versions. In case of any discrepancies, the Simplified Chinese version shall prevail. The electronic version of this report can be accessed on the Company's official website. For any comments or suggestions regarding this report, please feel free to email us at [esg@senior798.com](mailto:esg@senior798.com).



# Chairman's Statement



For over two decades, every Senior member has boldly pursued breakthroughs and set industry benchmarks, paving the way for innovation in Chinese manufacturing. In 2008, we became the first to break the foreign monopoly on lithium battery separator technology, marking a milestone as the first Chinese manufacturer to export lithium battery separators in bulk to overseas markets. In 2023, our fifth-generation "Super Wet-Process Line" was officially launched, setting a global standard with more efficient, smarter, and greener production metrics. Over the years, despite a complex and ever-changing market environment, we have consistently adhered to our corporate vision: "To be the best global function separator manufacturer." With strong R&D capabilities, excellent manufacturing capacity, and a forward-looking global distribution strategy, we have continuously made breakthroughs in the fields of new energy and new materials, contributing Senior's strength to the global green energy transition.

Shenzhen Senior Technology Material Co., Ltd.  
Chairman

Chen Xiufeng

## Crafting excellence: Building the cornerstone of the industry

Driven by the innovative spirit of "creating what others don't have, standing out, taking a step ahead, and leading at every turn," we have established a comprehensive R&D system that spans from basic research to industrialization. In recent years, we have continuously strengthened our R&D investments, achieving key breakthroughs in key technologies such as solid electrolyte membranes and high-performance coated process separators. These efforts have enabled the successful mass production of multiple high-end separator products. Notably, in 2024, our co-developed technology with Sichuan University "Preparation of High-Performance Lithium-Ion Battery Separators Based on Polyolefin Condensed Structure Control" was awarded the First Prize of the National Science and Technology Progress Award. In the future, we will continuously deepen collaboration with leading research institutions both domestically and internationally to lead the upgrades and iteration of industry technologies.

## Green manufacturing, shaping a sustainable industry ecosystem

We firmly believe that the true value of a company is not only built on profit but also on responsibility. At Senior, we have deeply embedded the philosophy that "lucid waters and lush mountains are invaluable assets" into our core values. By leveraging digital technologies for precise energy consumption management, we optimize energy structures and reduce carbon emissions. At Senior Europe, we have fully transitioned to 100% non-fossil energy use, with renewable energy accounting for 89.4%, including hydropower and wind power. This transition has resulted in a carbon reduction of over 1,300 tons annually, equivalent to planting 75,000 trees. These incremental efforts have led to significant results. In 2024, the Group's greenhouse gas emissions density was 0.75 tCO<sub>2</sub> equivalent per RMB10,000 of revenue. In other words, for every RMB10,000 we earned, only 0.75 tons of carbon were emitted — a clear sign that we are making steady progress on our low-carbon and green development journey. The spark of innovation will eventually ignite a prairie fire. While achieving our own green transformation, Senior has led the industry in setting green and low-carbon standards and encouraged partners across the industrial chain to jointly build a green and low-carbon ecosystem.

## Co-creating value, nurturing the future of the industry

As we pursue the Company's grand vision, we remain committed to our mission of "People-oriented, non-stop innovation, creating new values, become the top functional membrane enterprise." By continuously improving our talent development mechanisms, we are dedicated to creating a diverse and multi-dimensional career platform for our employees. We cultivate an open and inclusive innovation ecosystem within the organization and advocate for a collaborative, win-win value philosophy, helping every employee realize their full growth potential. At the same time, through industry-university-research institute collaborative innovation, we have established deep partnerships with prestigious universities such as Sichuan University, Huazhong University of Science and Technology, and South China University of Technology. Together, we have built an innovation community that integrates university and corporate resources and fosters closer collaboration between academia and industry to explore new opportunities for sector growth.

Though the way forward is long and challenging, perseverance will lead us to where we aspire to be. We are confident that by harnessing the power of technology for good and embracing green development, we will contribute to a future where humanity and nature coexist in harmony. As a pioneer in the new energy revolution, we are ready to join hands with global partners to embrace challenges, seize opportunities, and move toward a greener, more harmonious, and sustainable future!



# About Senior

## Company overview

Shenzhen Senior Technology Material Co., Ltd. (Stock Code: 300568) was established in September 2003 and listed on the Shenzhen Stock Exchange (SZSE) in December 2016. A national high-tech enterprise, the Company specializes in the research and development, production, and sales of lithium-ion battery separators and function separators. Senior is the leading drafting unit for the national standard of lithium-ion battery separators and serves as the vice-chairman unit of the editorial board.

With the mission of "Senior membrane, create new life", the Company has been deeply involved in the new energy and new materials sectors for over 20 years. Its product portfolio includes dry-process, wet-process, and coated-process separators for lithium batteries, widely applied in industries such as new energy vehicles, energy storage power stations, electric bicycles, power tools, aerospace, medical devices, and the digital sector.

Senior stands out with its strong technical capabilities in lithium battery separators. The Company is the first globally to propose "power lithium battery separators". As a key high-tech enterprise under the National Torch Program, we are the first Chinese company to break the foreign monopoly on dry-process single-stretch technology for lithium battery separators and the first Chinese lithium separator manufacturer to mass-export these separators internationally. Additionally, the Company is the first of its kind in China to simultaneously own dry-process, wet-process, and coated-process separator manufacturing technologies and to list on the capital market with separators as its core business. The Company currently serves top-tier domestic and international battery manufacturers such as CATL, BYD, and LG Chem.

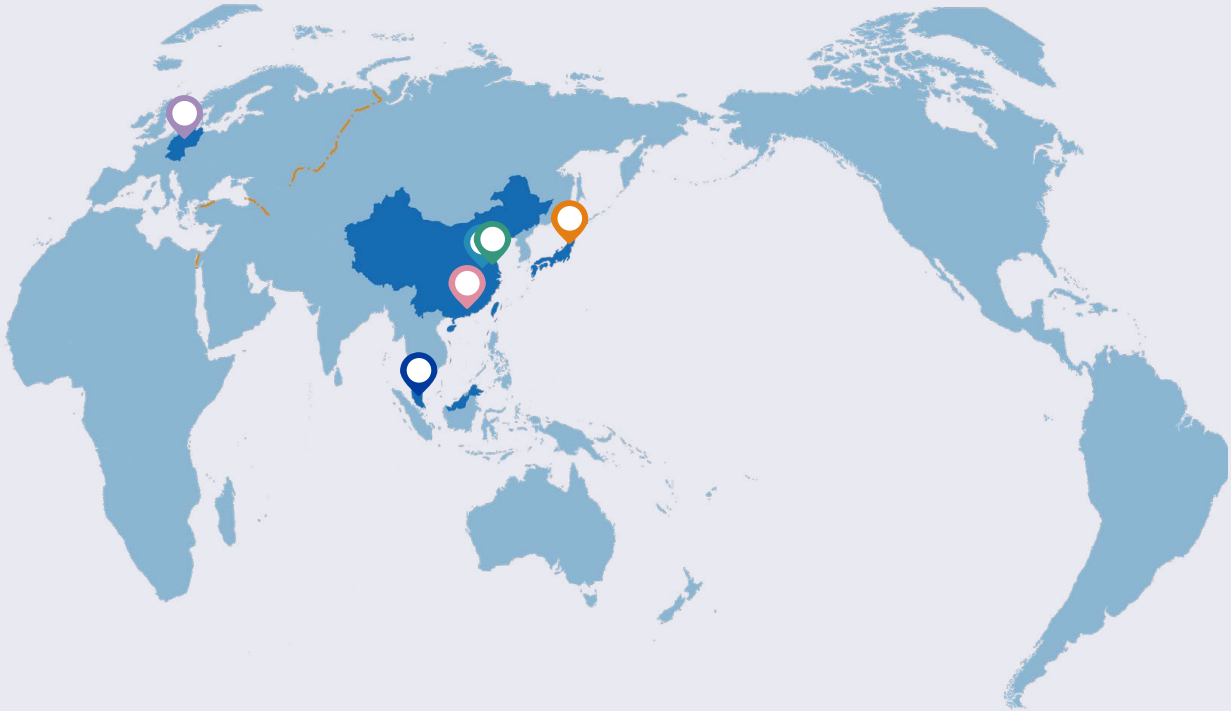
As a key driver of the Company's growth, Senior's internationally recognized R&D team, with more than 20% of its workforce dedicated to technical R&D roles, has established long-term, close cooperation with renowned academic institutions and research organizations both domestically and internationally.

With a strong national brand and a global vision, Senior strives to "be the best global function separator manufacturer" and is committed to its mission of "Senior membrane, create new life." Guided by the principle of "staying people-oriented, non-stop innovation, creating new values, become the top functional membrane enterprise" and our strategic focus on "technological leadership and separator expertise," we aim to advance the research, production, sales, and service of lithium battery separators, accelerating the global growth of the new energy industry with new quality productive forces.



## Business distribution

After more than two decades of development, Senior has established a global strategic network, with its headquarter in Shenzhen and nine production bases in Shenzhen, Hefei, Changzhou (two locations), Nantong, Sweden (Europe), Foshan, ASEAN, and the United States. The Company also operates R&D centers in Shenzhen, Osaka (Japan), Nantong, and Sweden (Europe). Senior has developed an integrated system of R&D, production, and sales, forming a highly intensive, efficient and strong product supply chain, cementing its position as a leader in the global lithium battery separator industry.



-  Senior Material (Europe) AB/Senior Material Europe Technology Center
-  Jiangsu/Senior Changzhou/Senior Jiangsu/Senior Nantong and East China Research Institute
-  Guangdong/Senior Shenzhen and R&D Center/ Senior Foshan
-  Hefei, Anhui/Senior Hefei
-  Osaka, Japan/ Osaka Research Institute
-  ASEAN Base



| Honors and qualifications

Technological innovation



2023 National Science and Technology Awards - 2023 First Prize of the National Science and Technology Progress Award



2024 Gaogong Lithium Battery Annual Conference & Gaogong Golden Globe Awards Ceremony - Enterprise of the Year and Overseas Distribution Pioneer in 2024



Guangdong Provincial Science and Technology Conference - 2023 Guangdong Provincial Science and Technology Progress Awards (Second Prize)



China Automotive Battery Innovation Alliance 2024 Annual Conference - Top 20 Enterprises with Outstanding Contributions to the Industry and Top 20 Most Promising Enterprises



Jiangsu Provincial Science and Technology Conference & Jiangsu Provincial Science and Technology Awards Ceremony - 2023 Jiangsu Provincial Science and Technology Award (Second Prize)



ESG



The 14th Philanthropy Festival 2024 & ESG Summit - 2024 ESG Innovation Award



Senior Material (Europe) AB received the 2023 EcoVadis Sustainability Rating (Silver)

Human resources



2023 DHR Expo Awards - Excellent HR Team



Honors and qualifications

Business partners



COSMX - 2024 Excellent Supplier Award



LGES - Excellent Collaborator



SEVB - Strategic Cooperation Partner Award and Annual Co-creation Pioneer Award



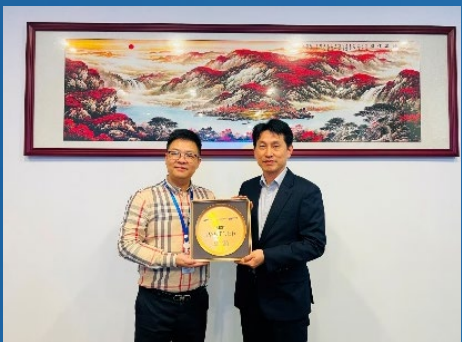
Gotion High-tech - 2024 Excellent Contribution Award



AESC - Excellent Supplier



Yinpai Battery - Top Ten Partners



Samsung SDI-ARN (Xi'an) Power Battery - Best Partner



Report Summary

Environmental



GHG emissions density:  
**0.75** tCO<sub>2</sub>e/ RMB10,000 in total revenue



Senior Europe achieved  
**100%** non-fossil energy consumption



Total investment in environmental protection:  
**3,960** RMB10,000 **10%**



Recycled water consumption:  
**47,282.20** cubic meters **15%**

Social



R&D investment:  
RMB **248** million



Cumulative valid patents obtained:  
**368**



Quality management system certification:  
**100%** business coverage



Employee social insurance contribution rate:  
**100%**



Employee health check-up coverage rate:  
**100%**



Average training hours per employee:  
**16.40** hours

Governance



General Meetings of Shareholders held:  
**3**



Board of Directors meetings held:  
**9**



Board of Supervisors meetings held:  
**7**



Information disclosure announcements published:  
**145**



Investor communication events held:  
**9**



Employees trained on anti-corruption and anti-bribery:  
**646**



Special Topic

Led by Innovation to  
Create a New Future for  
Separator Technology

As a global leader in lithium battery separator supply, Senior remains steadfast in its vision to "be the best global function separator manufacturer." We are dedicated to advancing separator technology through continuous innovation and breakthroughs, infusing new energy into the global energy transformation.



Breakthrough in solid electrolyte membrane R&D

Opening a new chapter for battery safety



Separators are critical materials for lithium batteries, playing a key role in ensuring battery safety, performance, and lifespan. Recognizing the importance of solid electrolyte separator, Senior took proactive steps several years ago to establish a high-level professional team. Through deep collaborations with various enterprises, we have successfully developed oxide and polymer solid electrolyte membranes with independent intellectual property rights, overcoming numerous technological challenges. These products excel in areas such as low-temperature performance, battery cycle stability, and safety, setting an internationally leading standard.

Mass production of high-performance coated process separators

Breaking the monopoly and achieving breakthrough in domestic substitution



Senior has made significant advancements in high-performance coated process separators, successfully mass-producing three types of products: nanofiber-coated separators, PI-coated separators, and aramid-coated separators. Among them, aramid-coated separators—offering superior separator rupture temperature, high-temperature puncture strength, and liquid adsorption and retention properties—have broken through overseas patent barriers. This breakthrough has notably reduced production costs and provided the domestic market with higher-cost-performance alternatives. It not only strengthens the Company's position in the high-end separator market but also supports China's independent control over its new energy industry chain.

R&D system and investment

Building a globalized innovation ecosystem



Senior adheres to an "international R&D strategy" and has established R&D centers in multiple countries and regions worldwide, creating a global R&D network centered in Shenzhen. In 2024, the Company's R&D investment reached RMB248 million, representing 7% of revenue—reflecting our strong commitment to technological innovation. Continuous R&D investment not only underpins the Company's technological breakthroughs but also fuels the ongoing progress of the industry.



In 2024, the Company's R&D investment reached **RMB 248 million**, representing **7%** of revenue

Overseas market expansion

Deepening global markets and enhancing China's reputation



Senior actively expands its presence in international markets, maintaining a leading position in overseas shipments among domestic separator enterprises. To optimize global supply chain efficiency, the Company has established a production base in Sweden and is constructing a new production facility in ASEAN. This expansion enhances our localized service capabilities for international customers, further bolstering the Company's competitiveness in the global market and contributing to the global rise of "Made in China."



# 01

## Responsible Governance Achieving Sustainable Value Creation

### Material Topics in This Section

- Corporate Governance
- Business Ethics



### Response to United Nations Sustainable Development Goals (SDGs)



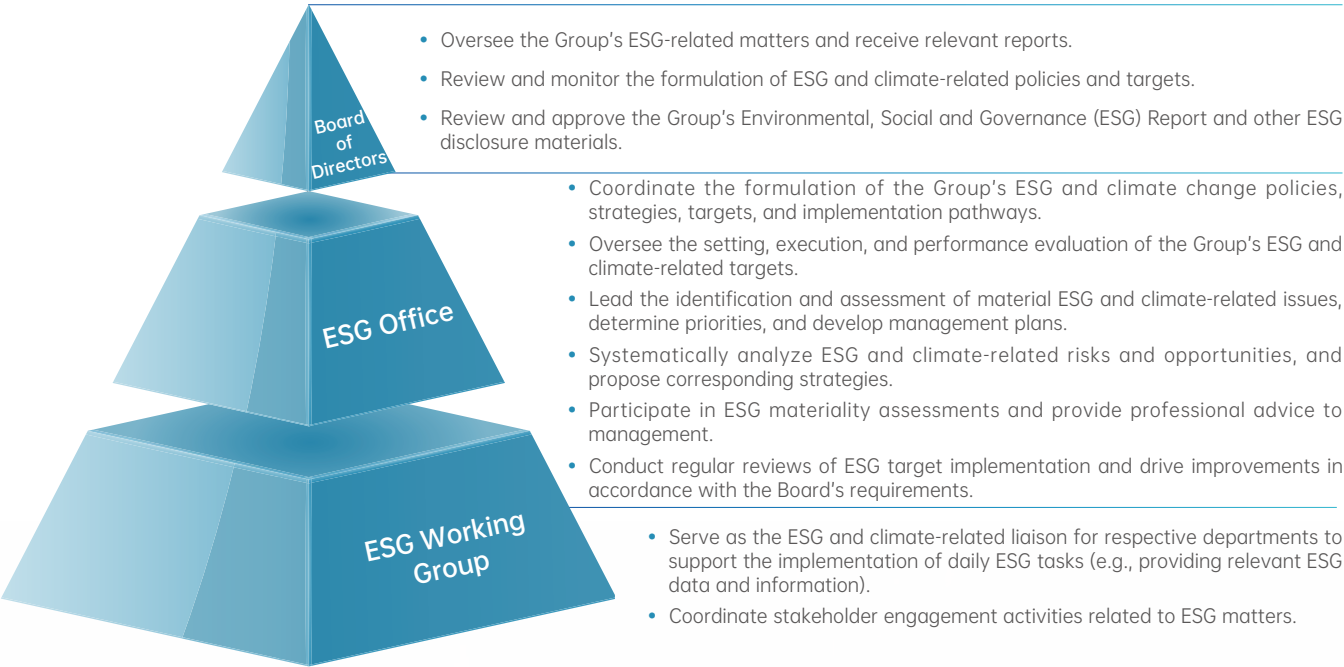


ESG management

ESG governance mechanism

Senior adheres to a responsible development philosophy, striving for the synergistic growth of both economic and environmental and social values. The Company fully integrates sustainable development into its corporate strategy and operational management, establishing a well-defined and efficient ESG governance system. By implementing standardized ESG management processes, Senior ensures the seamless integration of ESG principles into business practices, reinforcing the effectiveness of its ESG initiatives.

To proactively address and mitigate ESG-related risks, the Company has developed a systematic risk management mechanism. This includes regular risk identification, assessment, and response procedures. ESG factors are incorporated at the strategic level, with ongoing evaluations of material ESG topics to accurately identify key priorities. Through continuous monitoring of ESG performance, Senior ensures its practices highly align with both its development strategy and the expectations of its stakeholders.



Material topic management

Stakeholder engagement

Considering industry characteristics and operational realities, and drawing from both domestic and international best practices, the Company categorizes its key stakeholders into six main groups: shareholders and investors, customers, employees, government and regulatory agencies, partners, and the community and the public. Senior utilizes a variety of communication channels—including its official website, media agencies, special meetings, annual reports, and other activities—to maintain regular communications with stakeholders.

| Stakeholder Engagement  |  |  |
|---|--|--|
| Stakeholders  | Material Topics  | Communication Channels   |
| <br>Shareholders and investors           | <ul style="list-style-type: none"><li>Corporate Governance</li><li>Business Ethics</li><li>Risk Management</li></ul>   | <ul style="list-style-type: none"><li>General Meeting of Shareholders</li><li>Board of Directors Meetings</li><li>Financial Reports</li><li>Business Reports</li><li>Roadshows and External Exchange</li></ul> |
| <br>Customers                           | <ul style="list-style-type: none"><li>Product Quality and Safety</li><li>Technological Innovation</li><li>Customer Service</li><li>Green Products</li></ul>  | <ul style="list-style-type: none"><li>Product Exhibitions</li><li>Market Research</li><li>Customer Satisfaction Surveys</li></ul>  |
| <br>Employees                          | <ul style="list-style-type: none"><li>Employee Rights and Welfare</li><li>Employee Training and Development</li><li>Occupational Health and Safety</li></ul> | <ul style="list-style-type: none"><li>Employee Activities</li><li>Employee Training</li><li>Corporate Intranet</li><li>Employee Handbook</li></ul>   |
| <br>Government and regulatory agencies | <ul style="list-style-type: none"><li>Corporate Governance</li><li>Business Ethics</li><li>GHG Emissions</li><li>Emissions and Waste Management</li></ul>    | <ul style="list-style-type: none"><li>Regular Communication and Reports</li><li>Institutional Visits</li><li>Policy Implementation</li><li>Information Disclosure</li></ul>                                    |
| <br>Partners                           | <ul style="list-style-type: none"><li>Supply Chain Management</li><li>Compliant Operation</li><li>Product Quality and Safety</li></ul>                       | <ul style="list-style-type: none"><li>Public Tender Meetings</li><li>Strategic Partnerships</li><li>Exchange and Visits</li></ul>  |
| <br>Community, the public, and media   | <ul style="list-style-type: none"><li>Emissions and Waste Management</li><li>Clean Technology Opportunities</li><li>Community Investment</li></ul>           | <ul style="list-style-type: none"><li>Community Volunteer Activities</li><li>Philanthropy Projects</li></ul>   |

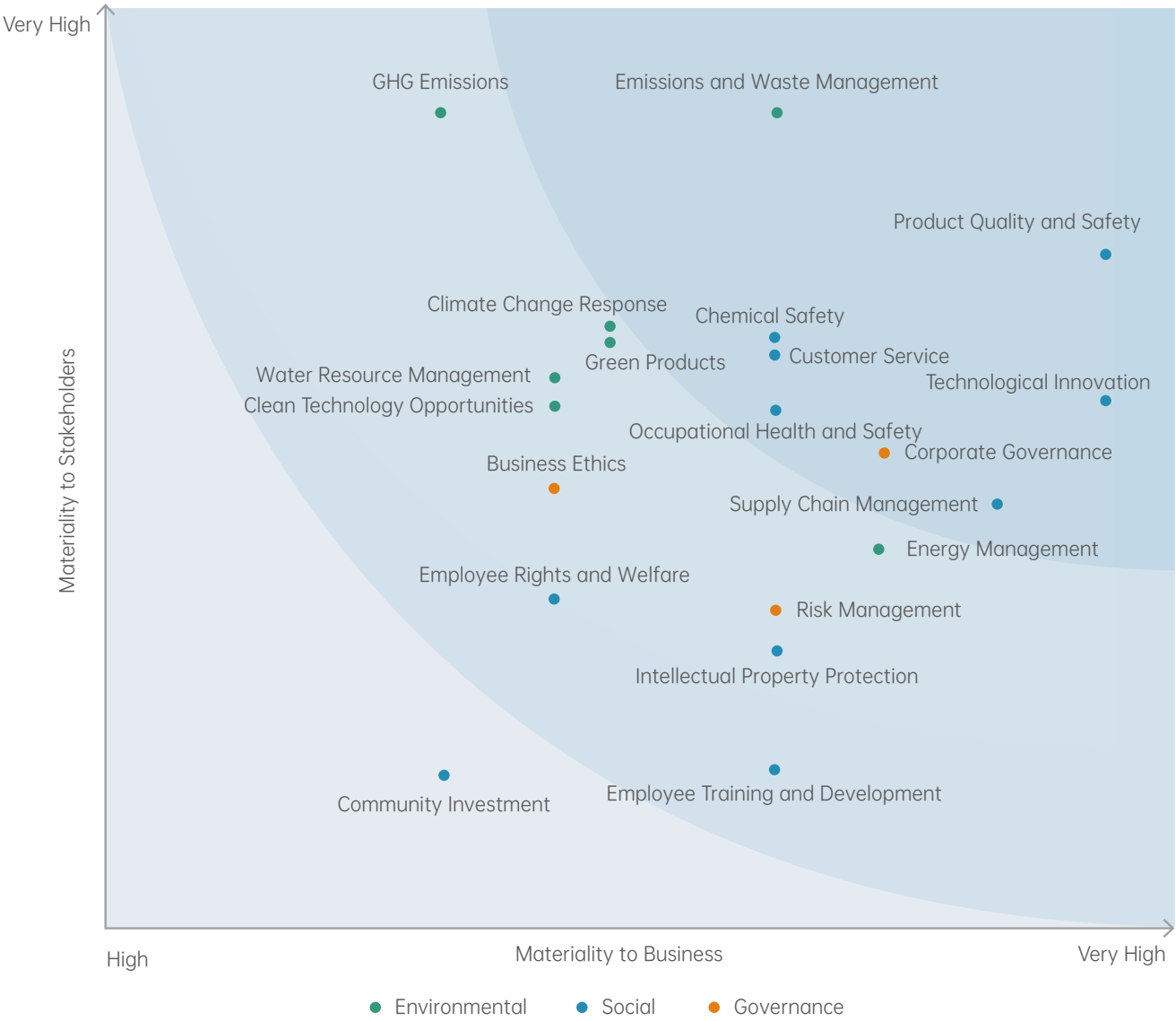
Materiality assessment

Senior regularly assesses the materiality of ESG topics, guided by the expectations of both internal and external stakeholders and aligned with industry trends and strategic plans. In 2024, the Company completed a new round of materiality evaluations. By creating a comprehensive material topic database, we identified 20 key material topics that significantly impact the Company, including seven environmental topics, ten social topics, and three governance topics.

During the evaluation process, stakeholder opinions were gathered through an online survey. Participants included the Company's directors, senior executives, employees, suppliers, customers, investors, government and regulatory agencies, media, philanthropic organizations, and community representatives, totaling 225 stakeholders. The survey data was analyzed, and a material topic matrix was constructed based on two dimensions: "Materiality to Stakeholders" and "Materiality to Business". After several rounds of review and validation, the final prioritization was determined, as illustrated in the chart below.

The Company has developed specific action plans to address the identified material topics, and responses to material topics and the relevant information disclosures are provided in this report.

Senior 2023 and 2024 Material Topic Matrix



Highly Material Topics

- Product Quality and Safety
- Emissions and Waste Management
- Technological Innovation
- Supply Chain Management
- Chemical Safety
- Corporate Governance
- Customer Service
- Occupational Health and Safety

Moderately Material Topics

- Energy Management
- Climate Change Response
- Green Products
- Risk Management
- Intellectual Property Protection
- Water Resource Management
- Clean Technology Opportunities
- GHG Emissions
- Employee Training and Development
- Business Ethics
- Employee Rights and Welfare

Generally Material Topics

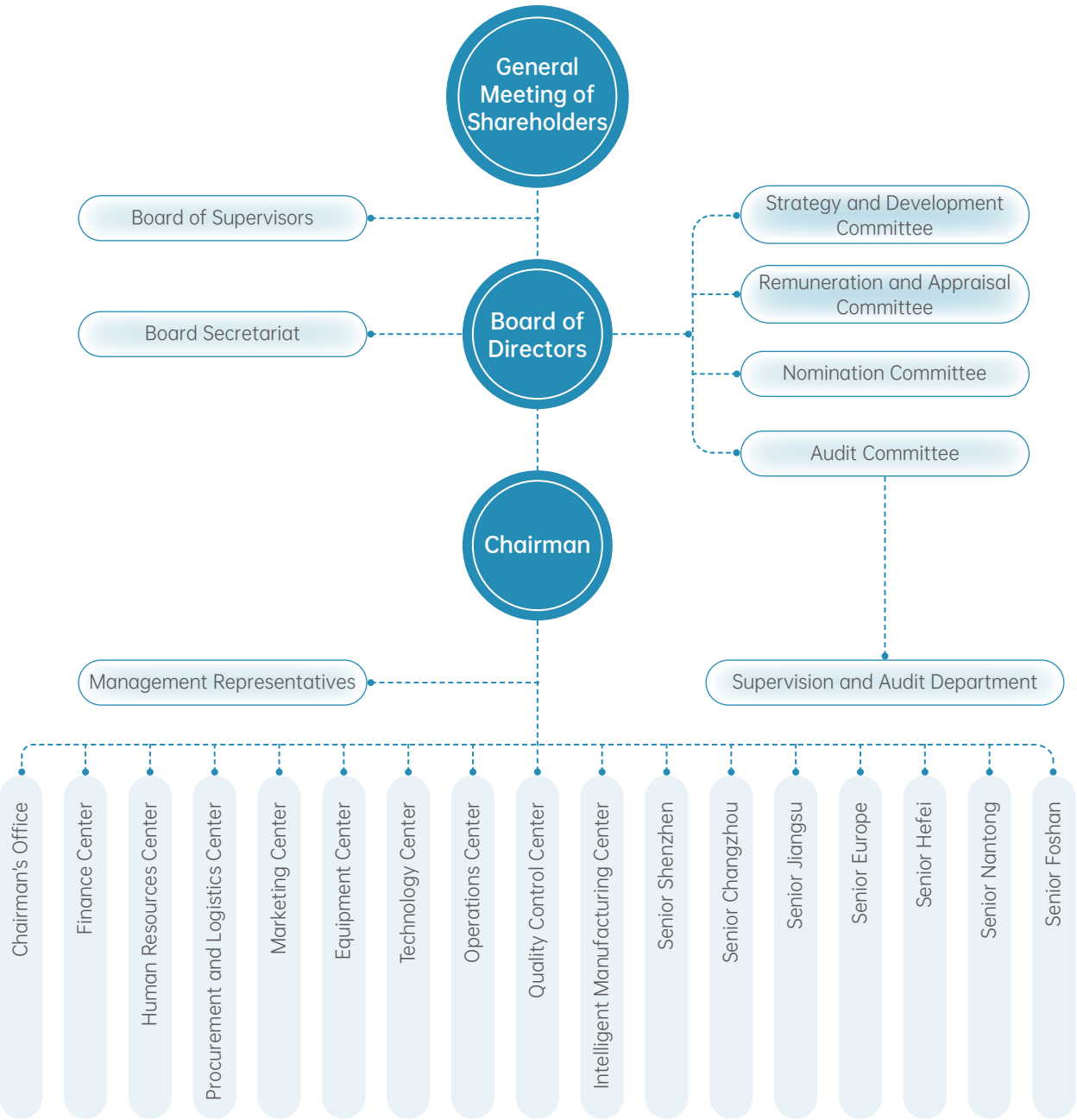
- Community Investment



# Corporate governance

## Governance structure

The Company strictly adheres to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and relevant securities regulations. A corporate governance structure has been established, comprising the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the management team. During the Reporting Period, corporate governance operations were conducted in a standardized and orderly manner. The General Meeting of Shareholders, the Board of Directors, and the Board of Supervisors each fulfilled their respective roles in compliance with the law, ensuring a clear separation of decision-making, execution, and supervision powers. This structure effectively protects the rights and interests of all shareholders, with particular attention given to safeguarding the legal rights of minority investors.



The Company's General Meeting of Shareholders has clearly defined responsibilities, with a well-established rule of procedure that is consistently followed. The procedures for convening, holding, and proposing matters at the General Meeting of Shareholders are in full compliance with legal regulations and the Company's internal systems.



The Board of Directors has clearly delineated responsibilities, and the procedures for convening and holding meetings align with relevant laws, regulations, and systems. All Board members attend both the Board of Directors meetings and the General Meetings of Shareholders, exercising their powers in accordance with the law. They diligently perform their duties, continually monitor the Company's operations, and actively participate in the Board of Directors meetings. By fully leveraging their professional expertise, they make prudent decisions and protect the interests of the Company and its shareholders.

As of the end of the Reporting Period, the Company had **7** directors, including **3** independent directors.



The Board of Supervisors has clearly defined responsibilities and is accountable to all shareholders. It plays a key role in supervising the legality and compliance of the duties carried out by the Company's directors, General Manager, and other senior executives. The Board of Supervisors also ensures the protection of the legal rights of the Company and its shareholders. The Company has implemented effective measures to safeguard the rights of supervisors to know, enabling them to independently and effectively oversee directors, general managers, and other senior management members.

As of the end of the Reporting Period, the Company had **3** supervisors, including **2** employee supervisors.



## Board of Directors' independence and diversity

To ensure the independence of the Board of Directors and support scientific decision-making, the Company prioritizes diversity when selecting Board members. Factors such as gender, age, industry experience, professional skills, and other relevant factors are carefully considered. The current Board of Directors comprises seven members, including three independent directors, with one female director. Independent directors make up 43% of the Board of Directors, and female directors account for 14%. The professional backgrounds of the Board members span diverse fields, including electronics, materials science, economics, accounting, and chemical engineering, providing essential expertise for the Board of Directors' work. This diversity enhances the quality of decision-making and contributes to the Company's sustainable development.

The Company places great emphasis on the professional development of its directors. Through various training sessions, learning opportunities, and experience sharing, we continually improve the professional capabilities and ethical standards of our Board members, ensuring they are well-equipped to fulfil their duties effectively.

## Investor communication

The Company remains focused on its investors and continually improves its *Investor Relations Management System*. By utilizing various communication channels—such as regular announcements, General Meeting of Shareholders, and telephone consultations—we maintain close engagement with our investors. We not only listen to their voices but also take proactive steps to address their expectations. The Company recognizes the materiality of transparent and accurate information disclosure and adheres to principles of truthfulness, accuracy, completeness, and timeliness. We are committed to enhancing corporate governance and communication transparency. The trust of our investors is highly valued, and we are dedicated to safeguarding their legal rights and interests, while growing and sharing our success with them.

In 2024



The Company held **9** investor communication events and responded to **586** investor hotline and email inquiries.



Throughout the year, the Company published **145** information disclosure announcements, covering regular reports, strategic cooperation agreements, the general election of the Board of Directors, the Board of Supervisors, and senior management, major project developments, and subsidiary guarantees.

## Risk management

To strengthen corporate governance, the Company has developed and implemented a comprehensive risk management framework. This framework designates the Board of Directors as the core decision-making body, the Board of Supervisors with responsibility for oversight, and the management team for execution. This clear division of responsibilities creates a balanced operating mechanism. The Company adheres to the principle of balancing compliance with efficiency and has established and refined the multi-level all-rounded internal control system to effectively manage the entire process of corporate operations. Building on this foundation, the Company continually optimizes its governance structure, enhances early risk warning and response capabilities, and provides robust support for stable corporate development, driving sustainable value growth.

## Management policies

The Company strictly complies with the *Audit Law of the People's Republic of China*, the *Articles of Association*, and other relevant regulations. It has developed key policy documents, such as the *Internal Control and Audit Management System* and the *Internal Control Procedures*. The Board of Directors is primarily responsible for establishing and implementing internal controls, evaluating their effectiveness, and preparing the internal control evaluation report. The Board of Supervisors oversees the establishment and implementation of these controls by the Board of Directors, while the management team organizes and leads the day-to-day operations of internal controls.

## Management practices

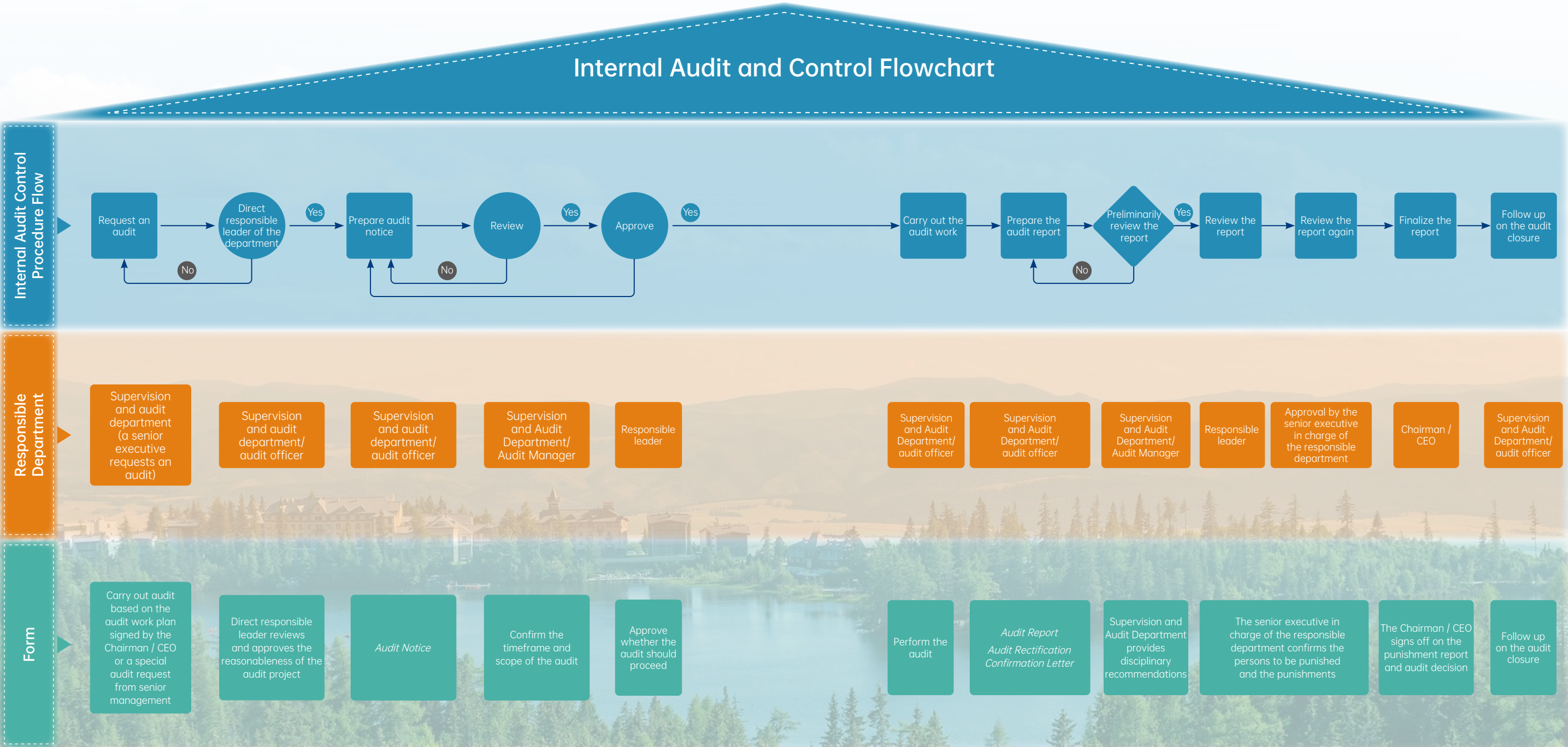
### Improvement of internal control

The Company has established a clear and structured process for business operations management, identifying key risk control points at each process. On this basis, a process-centered management system has been developed to ensure that business activities are legal and compliant, assets are secure, and financial reporting and related information are accurate and complete.

In 2024, the Company's internal audit department revised the *Group and Subsidiary Authorization Manual* in response to the latest adjustments to the organizational structure. This revision further optimized the office automation (OA) approval process and redefined approval authority settings in the enterprise resource planning (ERP) system, strengthening standardized management. Additionally, the Company engaged a third-party professional organization to conduct a comprehensive risk assessment. Through daily supervision of internal controls and targeted supervision, the effectiveness of internal controls was evaluated, and an annual internal control report was issued. These third-party assessments help identify and address any shortcomings in management, ensuring the effectiveness and completeness of the Company's internal control system.







### Strengthening risk management

Senior adheres to relevant national laws and regulations, employing management processes and tools such as risk identification, assessment, and prioritization to establish clear standards and methods for effective risk monitoring. The Company's Supervision and Audit Department conducts routine and special audits for each subsidiary on a quarterly basis, reviewing operational risks and compliance. Then, it provides audit reports. In 2024, based on risks identified during these audits, the Company proposed 55 audit recommendations, requiring responsible parties to rectify the issues within a specified time frame.

### Risk culture promotion

The Company regularly conducts compliance training to enhance awareness among employees, suppliers, and partners regarding legal regulations, company policies, risk management practices, data privacy protection, and anti-corruption measures. This initiative aims to strengthen employees' risk awareness and prevent legal liabilities or economic losses resulting from regulatory violations.



Business ethics

Management philosophy

The Company consistently upholds principles of lawful operation and good faith, treating all stakeholders fairly and implementing a zero-tolerance policy for any actions that violate integrity standards. Through continuous efforts to strengthen integrity development, the Company continually improves employee self-discipline and supervision mechanisms to effectively prevent and address illegal and unethical behavior, ensuring overall integrity within the workforce. On this foundation, the Company focuses on enhancing employees' professional ethics, thereby laying a solid talent foundation for the healthy development of the business.

Management policies

The Company has established the *Code of Conduct for Professional Integrity* and the *Whistleblower Protection System*, along with supporting implementation guidelines. The effectiveness of the business ethics policy is evaluated annually, and the system is revised and improved in a timely manner. A multi-level supervision mechanism has been put in place, including the Audit Committee and the audit department, to continuously enhance management processes such as regular financial and internal control audits, routine risk inspections, and compliance inspections. The Company also has independent whistleblowing channels and verification procedures to ensure adherence to business ethics standards. Additionally, the Company strictly enforces preventive and punitive measures against violations, maintaining a zero-tolerance policy toward actions that breach integrity regulations, thereby ensuring corporate governance compliance and transparency.

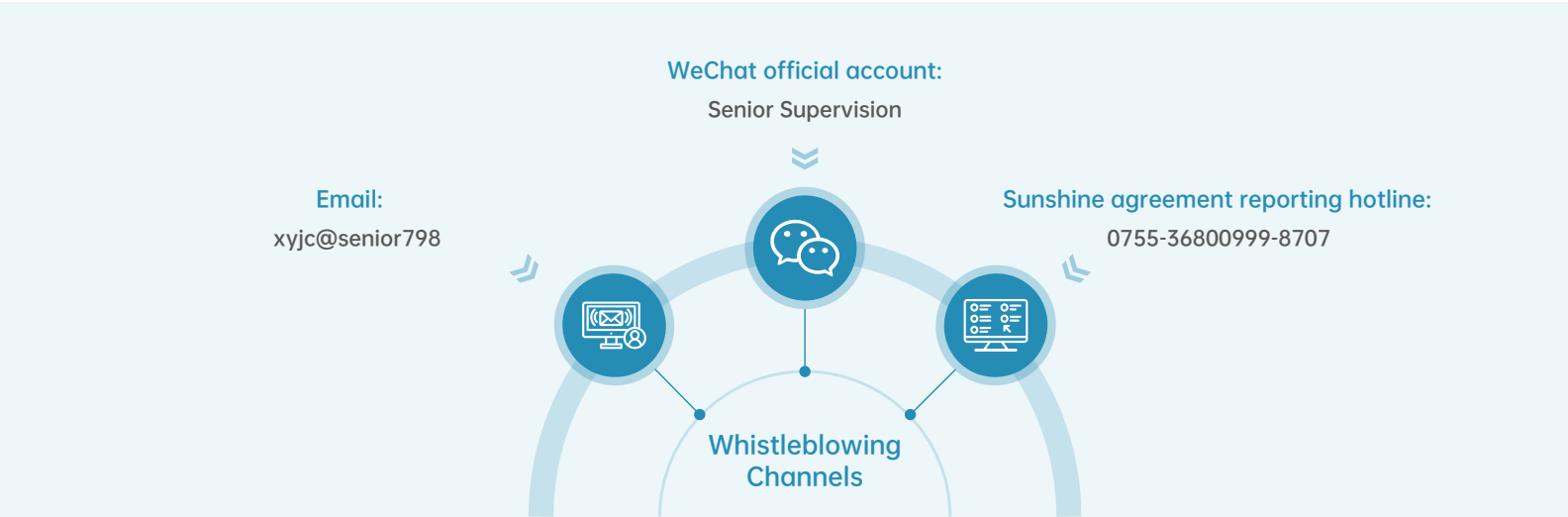
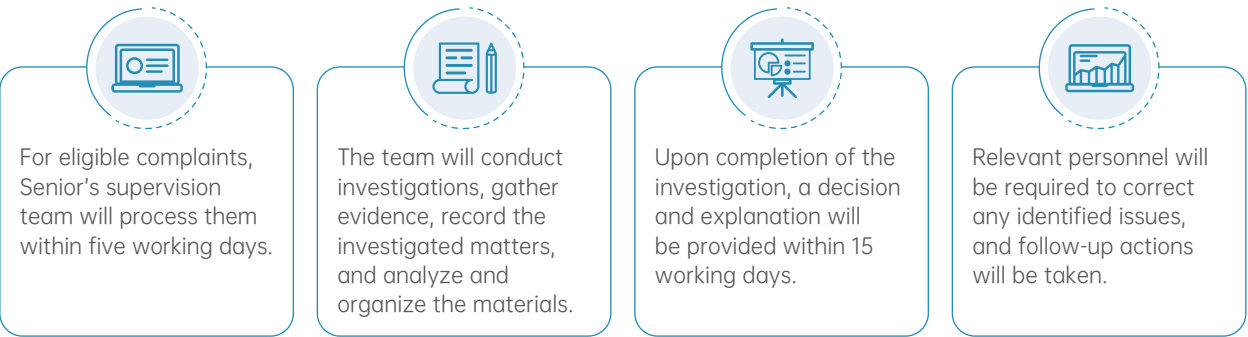
Management practices

Integrity management

The Company requires employees to sign a *Commitment to Professional Integrity*, clearly defining their responsibility to professional integrity. Zero tolerance is enforced for behaviors that harm the Company's interests, including corruption, bribery, and dereliction of duty. To strengthen business ethics management, significant violations are incorporated into management performance evaluations, with a joint and several liability system implemented to ensure responsibilities are effectively cascaded throughout all levels of the organization.

The Company has also established a whistleblowing and complaint handling mechanism for integrity violations. The Supervision and Audit Department, in collaboration with relevant departments, standardizes the process of accepting, investigating, and providing feedback on complaints. To protect the rights of whistleblowers, the Company has implemented a strict information isolation and avoidance mechanism, designating dedicated persons to handle complaints while minimizing the knowledge scope and strictly prohibiting the disclosure of whistleblower identities. Any actions that obstruct or retaliate against whistleblowers are considered disciplinary violations, with severe cases resulting in dismissal or referral to judicial authorities.

Complaint and Whistleblowing Handling Process



Integrity promotion

The Company conducts ad hoc integrity promotion training for directors and employees, requiring key personnel to publicly sign the *Integrity and Self-Discipline Commitment*, ensuring the continued integrity of the workforce.

In 2024

The number of employees who completed anti-corruption and anti-bribery training reached **646**.

Senior Foshan's Integrity Culture Promotion

In 2024, Senior Foshan organized integrity culture promotion activities, bringing together key management personnel and employees from various departments to sign the *Integrity and Self-Discipline Commitment*. Display boards were set up in public areas to further reinforce the integrity culture within the organization.

Integrity and Self-Discipline Awareness Enhancement Display Board



# 02

## Low-Carbon Development Moving Toward a Better Future

### Material Topics in This Section

- Emissions and Waste Management
- Energy Management
- Climate Change Response
- Green Products
- Water Resource Management
- Clean Technology Opportunities

### Response to United Nations Sustainable Development Goals (SDGs)





# Green products

## | Management philosophy

Senior actively supports the national carbon peaking and carbon neutrality strategy, focusing on the research and application of green products. The Company adopts a customer-driven approach, guided by a research and development strategy of “focusing on internal development, supported by external cooperation, and advancing iterative upgrades.” We continuously advance clean technological innovations and expand the application of green products in sectors such as new-energy vehicles, green hydrogen, and seawater desalination. Additionally, environmental protection principles are integrated throughout the entire product lifecycle, aiming to minimize environmental impact.

## | Management policies

Senior strictly adheres to national and local regulations, including the *Environmental Protection Law of the People’s Republic of China* and the *Environmental Impact Assessment Law of the People’s Republic of China*, ensuring that all operational activities comply with national environmental protection requirements. Furthermore, the Company continuously improves its internal management system by formulating and implementing regulatory documents such as the *Environmental Substance Management List*, the *Document Management Procedures*, and the *Production Process Control Procedures*. A systematic approach is employed to promote green product innovation and to identify and manage potential environmental risks throughout the product lifecycle.

## | Management practices

### Investment in clean technologies

Senior plans to, based on its business situation, increase investment in clean technologies year over year, fostering green product innovation. During the Reporting Period, the Company improved its clean production management processes and established a dedicated Clean Technology R&D and Application Steering Group, led by the General Manager of the Group. The clean technology R&D team set clear annual goals and assigned an implementation team to carry out clean production plans, while also conducting training to promote clean philosophies and technologies.

In 2024, the Company focused on source reduction and recycling management, optimizing energy management on both supply and demand sides, as well as production line emissions, in order to create green production lines.

#### Senior Shenzhen

Senior Shenzhen replaced the exhaust recovery system, reducing dichloromethane loss by 58.82%, resulting in a total reduction of 105.98 kg of dichloromethane exhaust emissions for the year.

#### Senior Jiangsu & Senior Changzhou

Senior Jiangsu optimized the workshop energy system by utilizing basement waste heat to run an air-source heat pump for heating tap water used by dormitory employees. A photovoltaic system was also installed on the roof to prioritize green electricity in the production process. Senior Changzhou installed desulfurization and denitrification equipment on its steam boiler to control nitrogen oxides emissions to below 20 mg/m³.

#### Senior Europe

Senior Europe iterated the exhaust recovery system, achieving a recovery efficiency of 99.6%. The production line also separated and recovered qualified paraffin oil through solvent recovery facilities, achieving a recovery rate of approximately 92.2%.

Each clean technology team at Senior’s bases regularly tracks and updates the progress of clean technology development and application goals, reporting to the management in a timely manner.

#### Senior Europe



Senior Europe organizes annual comprehensive reviews to analyze the contribution of clean technology development and application to business growth, assessing the reasonableness of goals and implementation effectiveness, and making adjustments as needed in response to policy changes.

#### Senior Foshan

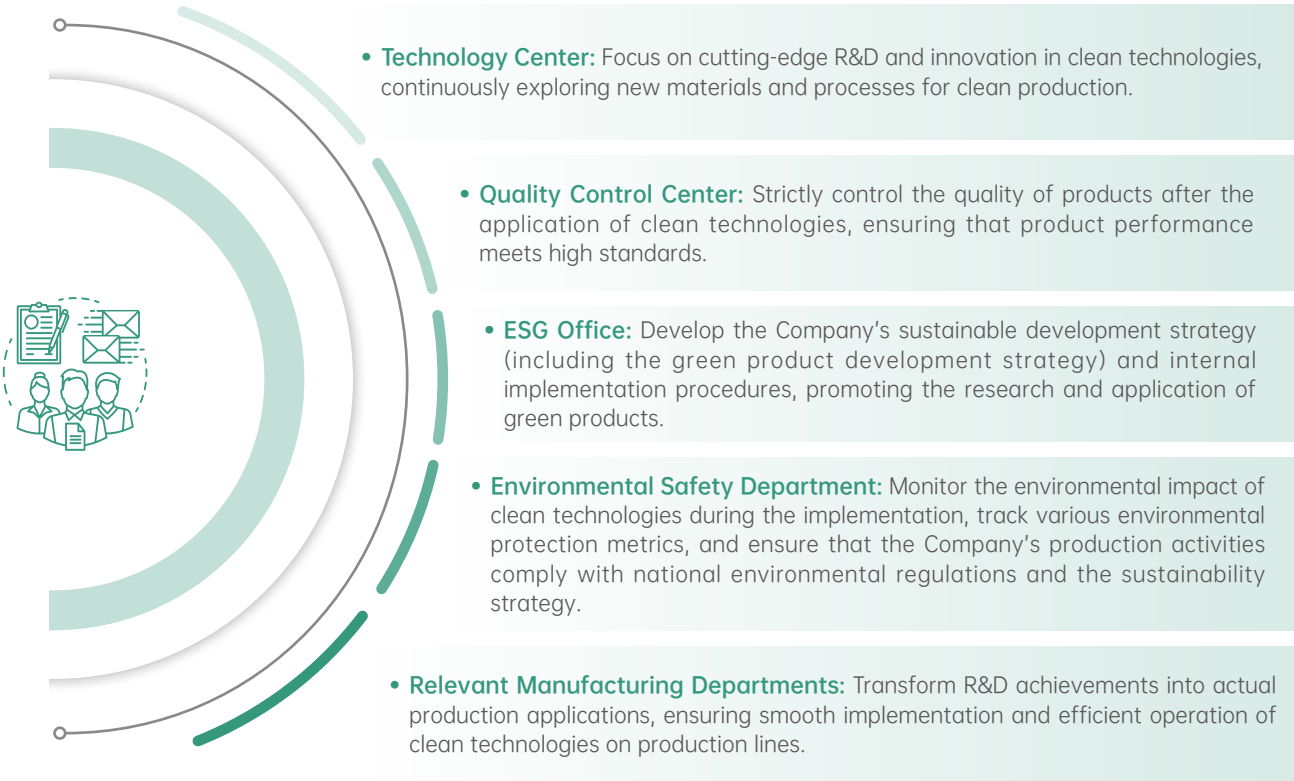


Senior Foshan has established a biweekly tracking system for clean technologies, with departments regularly reporting progress. The steering group analyzes, evaluates, and discusses issues, develops solutions, clarifies task divisions, and ensures the implementation of actions.



Green product applications

To comprehensively reduce carbon emissions and resource consumption throughout the product lifecycle, and further enhance the environmental and sustainability performance of products, Senior continuously expands the application scenarios for green products. Each year, the Company organizes joint incubation of green products through the Technology Center, Quality Control Center, ESG Office, Environmental Safety Department, and relevant manufacturing departments.



Formulating the industry's low-carbon standards

Senior actively responds to international regulatory requirements, such as the *Regulation (EU) 2023/1542 of the European Parliament and of the Council Concerning Batteries and Waste Batteries* and the European Union's (EU's) restriction on the use of undecafluorohexanoic acid (PFHxA) and PFHxA-related substances, by continuously increasing investment in the R&D investment of environmental protection materials. The Company is advancing technological research on non-fluorinated colloidal products to replace polyvinylidene difluoride (PVDF), ensuring that products align with the market's green entry standards. Additionally, the Company has joined the China Battery Industry Environmental Product Declaration Platform Technical Committee and the Battery Industry Carbon Emission Standard Working Group, playing an active role in the development of industry environmental standards and carbon emission accounting systems. These efforts contribute to the green and low-carbon transformation of the battery industry.

In response to the absence of sustainable development standards within the separator industry, Senior has led the drafting and release of several key low-carbon standards, including the *Implementation Guide for Energy Efficiency Benchmarking of Battery Industry*, the *Sustainable Development Factory Evaluation Standards*, the *Green Supply Chain Management Evaluation Specifications: Power Lithium-Ion Battery Industry*, and the *Green Factory Evaluation Requirements for Lithium-Ion Battery Separators*. These standards are designed to support the sustainable development of the entire value chain within the separator industry. Through the establishment of these standards, the Company aims to drive the industry toward a more low-carbon, efficient, and circular future.



Improving resource efficiency

Management philosophy

Senior is committed to utilizing intelligent and digital technologies to achieve the scientific allocation and efficient use of energy and resources, with a focus on reducing GHG emissions throughout the entire production process. The Company reduces energy consumption through the establishment of a comprehensive energy management system, the optimization of the energy structure using intelligent platforms, and the expansion of green electricity applications. At the same time, we develop water-saving technologies, promote water conservation concepts, and continually enhance the efficiency of resource utilization.

Management policies

The Company strictly complies with the *Law of the People's Republic of China on Energy Conservation* and the *State Council's Decision on Strengthening Energy Conservation*, along with other relevant laws and regulations. We have formulated and implemented the *Energy Management Measures* and established a dedicated inspection team. In addition, each base, according to its specific circumstances, has developed internal management systems such as the *Energy Procurement and Use Management System*, the *Energy Performance Management System*, and the *Facility and Equipment - Full Lifecycle Management Regulations*. These systems aim to clarify the basic principles of internal energy management, standardize the energy procurement process, and regularly assess energy management performance.

Furthermore, we strictly adhere to the *Water Law of the People's Republic of China* and other national and local laws and regulations applicable to our operating locations. The Company has established the *Water Conservation Management System*. For each base, we have developed internal systems such as the *Water Metering Management System* and the *Water Equipment Management System*. These efforts focus on continuously improving employee water-saving awareness and the Company's overall water resource management capabilities.



Management practices

Energy management

In daily operations, we conduct regular energy audits to evaluate and analyze energy consumption, particularly for major energy-consuming equipment at each base, maximizing energy efficiency. Additionally, we leverage digital technologies to enhance key areas such as intelligent energy monitoring, energy structure optimization, and energy-saving transformations.

East China Base

East China Base promotes the application of renewable energy by installing photovoltaic panels, using the generated electricity in the production process to provide clean energy support.

Senior Changzhou

Senior Changzhou has launched an energy-saving retrofit pilot project to improve the energy efficiency of drying oven equipment in the coated process separator workshop. This upgrade has successfully reduced production line energy consumption by approximately 40%, with three coated process separator machines now in practical operation.

Senior Foshan

Senior Foshan has built an intelligent energy management platform to enable real-time monitoring, data analysis, and intelligent regulation of energy consumption across water, electricity, and gas. Through interconnectivity between devices, the base can collect real-time energy consumption data and, using big data analysis algorithms, precisely identify energy wastage aspects and optimization opportunities.

Senior Europe

Senior Europe has optimized R&D and application processes by monitoring energy consumption and emissions in real time. Following parameter optimization of the air conditioning system, energy consumption has been reduced by 5%-10%.

Energy audits

Senior has established an energy inspection team at each base, setting targets for energy consumption per product unit in terms of electricity and natural gas. The inspection team conducts weekly supervisory energy checks in each area, regularly reporting violations. Additionally, the team updates the *Key Environmental Performance Records* monthly, conducting detailed statistical analyses of energy consumption, including production consumption, auxiliary production consumption, losses, and other consumption types.

| Metrics                     | Unit      | 2024       | 2023       |
|-----------------------------|-----------|------------|------------|
| Total purchased electricity | MWh       | 341,396.03 | 276,328.13 |
| Natural gas consumption     | 10,000 m³ | 3,744.76   | 2,534.50   |

Water resource management

Senior strictly complies with national and local water resource laws and regulations. During the Reporting Period, the Group and each base actively promoted water conservation efforts through digital water resource management, awareness campaigns on water conservation, and regular inspections of water equipment, leading to a comprehensive reduction in the Company's water consumption in production and operations.

Senior Shenzhen

Senior Shenzhen regularly conducts water balance tests to enhance water resource efficiency and has established a water-saving management information system.

It implements a contract-based water-saving management model to ensure intensive conservation of resources.

Senior Nantong posts electricity and water conservation signs in all office areas. It conducts regular checks of water-using equipment to ensure it is in good condition and free of leaks.

Senior Nantong

To effectively control water resource management, Senior has established water-saving working groups at each base to monitor and track water consumption in real time. During the Reporting Period, all water used by Senior was sourced from the municipal water supply.

| Metrics                    | Unit | 2024      | 2023      |
|----------------------------|------|-----------|-----------|
| Recycled water consumption | m³   | 47,282.20 | 41,029.10 |

Material and packaging material management

Senior is dedicated to improving the recycling rate and environmental characteristics of packaging materials:

Packaging Material Recycling: The Company collaborates with key customers to establish packaging and auxiliary material recycling plans, including cores, standing cards, white film paper tubes, and cardboard boxes, thereby increasing the utilization rate of packaging and auxiliary materials.

Nearby Reusable Packaging: For local customers with high supply volumes, the Company employs reusable packaging to reduce packaging material consumption.

Selection and Substitution of Packaging Materials: The Company prioritizes the use of renewable wood and new composite cushioning materials, and substitutes cardboard boxes for wooden crates and plastic pallets for wooden pallets to further achieve packaging material replacement, reduction, and recycling, promoting green and sustainable supply chain development.



# Emissions and waste management

## Management philosophy

Senior is committed to reducing waste generation at the source by focusing on raw material selection, production process optimization, and improving production efficiency. We utilize emissions and waste management systems to ensure all waste is classified and handled in compliance with regulations, minimizing the environmental impact of our business operations while achieving a balance between economic growth and environmental protection.

## Management policies

Senior strictly adheres to national laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, as well as local regulations on waste discharge in operational locations. We continuously strengthen the monitoring and management of emissions and waste discharge. In line with the ISO 14001 certification standard, each base has developed and implemented procedures such as the *Solid Waste Control Procedure*, the *Wastewater Control Procedure*, the *Exhaust Control Procedure*, and the *Hazardous Waste Management System*, aiming to reduce pollutant discharge through standardized environmental management measures.

Each base of the Company has established an environment, health, and safety (EHS) department responsible for identifying and monitoring factors such as air quality, noise, and wastewater. This department determines monitoring factors and frequencies, uses reference standards, and regularly compiles data into reports. Additionally, we engage external professional organizations for annual testing, with reports provided by them.



Senior has a total of **6** bases that have obtained ISO 14001 certification, with a coverage rate of **86%**<sup>1</sup>.

## Management practices

### Exhaust management

The EHS department at each base follows the Exhaust Control Procedure to identify sources of exhaust sources and types, conducting regular tests of exhaust emissions. We enhance waste management by optimizing production processes, installing exhaust treatment facilities, and establishing online monitoring systems. Currently, we have implemented an online monitoring system for volatile organic compounds (VOCs) at all production bases.



Senior Hefei has updated the exhaust recovery system by using a combination of three methods, including compression condensation, membrane separation, and resin adsorption, to treat exhaust from workshop drying ovens. This system now achieves 100% recovery of dichloromethane from exhaust, ensuring compliance with national emission standards.

<sup>1</sup> Senior Foshan officially commenced production in November 2024 and has not yet obtained ISO 14001 certification.



Senior Jiangsu has installed desulfurization and denitrification equipment on boilers and activated carbon exhaust treatment facilities to effectively handle organic exhaust and reduce pollutant discharges. During the Reporting Period, all exhaust outlets and factory boundary noise metrics were subject to annual testing, with compliance rates reaching 100%.



Senior Shenzhen has set up an online monitoring system to monitor emission concentrations in real time. If emission concentrations exceed the preset threshold, the system triggers an alarm, alerting employees to evacuate and initiate emergency response measures for non-compliant emissions.

## Wastewater management

In accordance with the *Wastewater Control Procedure*, Senior classifies wastewater generated from operations and production into domestic wastewater, industrial wastewater, and rainwater. Different treatment and monitoring measures are applied to each type of wastewater:

### Domestic Wastewater

Domestic wastewater is treated in a tertiary sedimentation tank before being discharged into the sewage network. The administrative department regularly engages third-party services to clean the tertiary sedimentation tank.

### Industrial Wastewater

The production line features a complete wastewater treatment system using chemical wastewater treatment equipment and coated process separator wastewater treatment equipment for classified treatment.

### Rainwater

Rainwater and sewage pipelines are strictly separated, with pollutants prohibited near sewage outlets. The rainwater system is connected to an intelligent monitoring system, undergoing regular maintenance and inspection.

### Senior Hefei Upgraded Its Wastewater Treatment Equipment

In 2024, Senior Hefei upgraded its wastewater treatment equipment to enhance treatment effectiveness and efficiency, reducing environmental impact.



**Equipment Optimization Design:** Senior Hefei adopted a Fenton reaction multi-pool flow design to extend reagent reaction time and improve treatment effectiveness. A slanted tube filtration system was added to the secondary sedimentation tank to accelerate the clarification process.



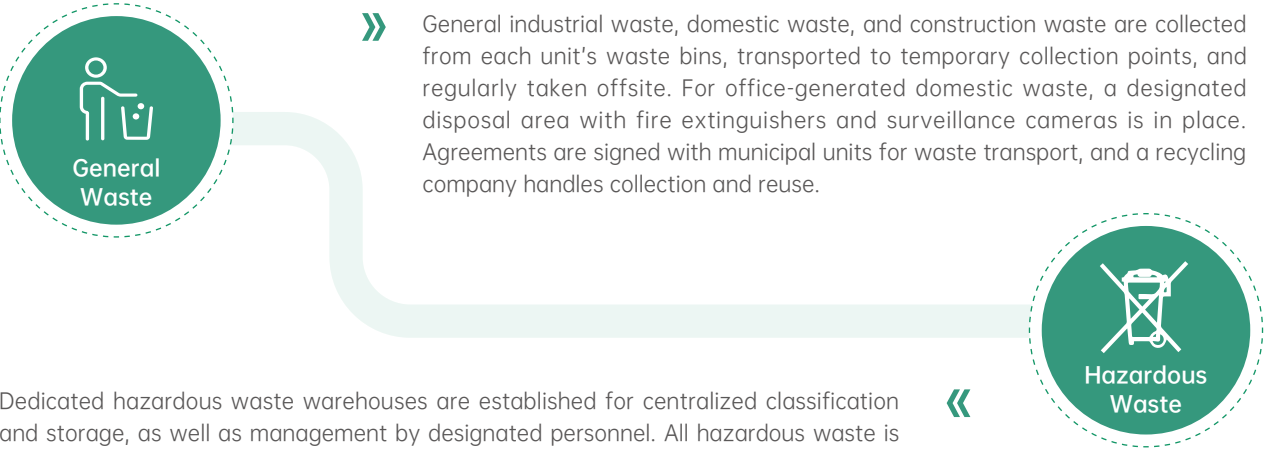
**Intelligent Operation:** Reagents were added nearby to reduce safety risks, and a backup system ensured a sufficient reagent supply. Reagent discharge outlets were manually adjusted to reduce reagent usage and improve treatment efficiency.



**High Efficiency:** The wastewater treatment equipment now has a daily processing capacity of 40 tons, and processing time per batch has been reduced to seven or eight hours, fully meeting the base's daily wastewater treatment needs. A filter press module has been added to improve sludge dewatering efficiency.

Solid waste management

In accordance with the *Solid Waste Control Procedure* and the *Hazardous Waste Management System*, EHS departments, production teams, and warehousing and logistics groups at each base are responsible for managing all waste generated. This includes ensuring classified storage, compliant transportation, and proper disposal by third-party professional organizations.



Dedicated hazardous waste warehouses are established for centralized classification and storage, as well as management by designated personnel. All hazardous waste is registered in the government monitoring system and transported regularly for disposal by a qualified third-party organization. The specific management process is as follows:



**Transportation:** Each department collects and transports hazardous waste to designated warehouses, where the waste is labeled with hazardous waste labels generated by the "Environmental Monitoring" system. The transportation process ensures no leakage or spillage.



**Receipt:** The responsible person in the hazardous waste warehouse receives the waste, fills out the *Hazardous Waste Storage Process Record*, and transfers the waste to the designated area.



**Classification and Storage:** Based on the *Environmental Factors Identification and Evaluation Form*, risk management is carried out to assess the negative impact of different types of waste on the ecological environment. Waste is classified according to its risk level and stored in sealed containers, with mixing strictly prohibited. The responsible person verifies the type and quantity of hazardous waste with the EHS department before it is stored.



**Disposal:** A qualified third-party organization is contacted for regular transportation and compliant disposal, creating a hazardous waste transfer form.

Climate change response

Governance

Senior fully recognizes the significant impact that climate change may have on our customers, operations, employees, and local communities. In response to the challenges posed by climate change, we have integrated climate-related oversight and management into our existing governance framework.



Senior Management

Oversees the Company's direction in addressing climate change, monitors industry trends, reviews climate-related risks and opportunities, and incorporates these insights into the Company's overall strategic decision-making.



ESG Office

Responsible for deploying and implementing climate change initiatives, reporting to senior management, and providing execution support and assurance for operations at relevant bases.





Strategy

To actively response the risks and challenges presented by climate change, the Company focuses on low-carbon technological innovation in our products while continuously strengthening the GHG emissions management. We are committed to promoting energy conservation, carbon emission reduction, and improving the Company's climate resilience.

GHG emissions management

Senior manages GHG emissions across three key areas: Company operations, factory construction, and production activities. We comprehensively assess the impact of our business on the natural and ecological environments and have developed the *Senior GHG Assessment Procedure*. In parallel, we support the Company's low-carbon operations through various measures, including management improvements, green office initiatives, and carbon audits.

Management improvement

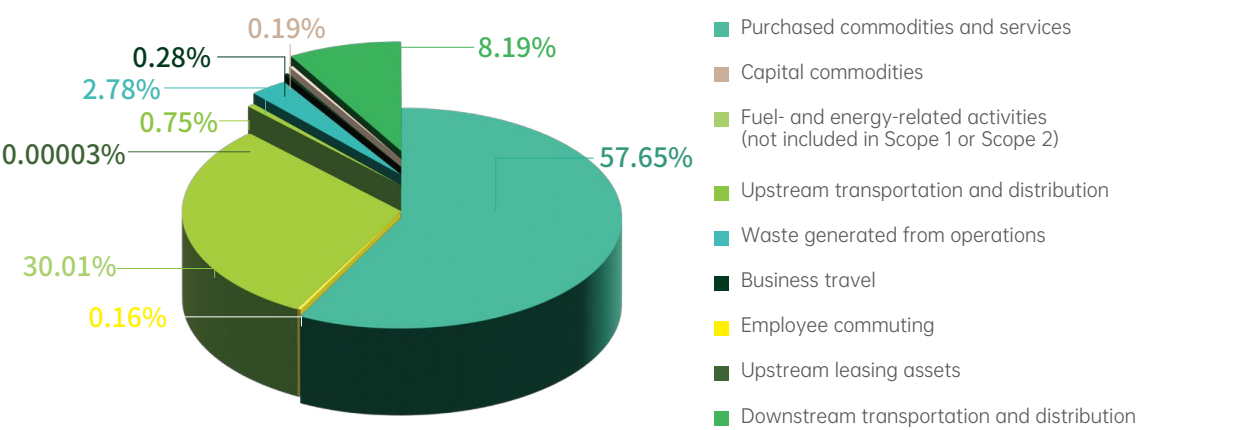


Carbon assessment and audit

Under the Company's ESG strategic framework, we have established a dedicated GHG Assessment Team, coordinated by the ESG Office, to conduct annual carbon emission inventories at each production base. We strictly adhere to the ISO 14064-1 standard and systematically identify and document carbon emission sources across the entire production and operational process, in accordance with the *Senior GHG Assessment Procedure*. We scientifically calculate and manage the relevant carbon emission data. To further enhance the credibility and transparency of these data, we engage a third-party organization with professional qualifications to independently audit the carbon assessment results. This independent audit ensures the accuracy and compliance of the data, providing robust support for the Company's sustainable development goals.


| Metrics               | Unit   | 2024       | 2023       |
|-----------------------|--|------------|------------|
| Total GHG emissions   | tCO <sub>2</sub> e                             | 264,398.54 | 203,166.96 |
| GHG emissions density | tCO <sub>2</sub> e/ RMB10,000 in total revenue | 0.75       | 0.67       |

In addition, we have initiated the accounting of Scope 3 GHG emissions by identifying nine categories of Scope 3 emission sources. We also calculated the proportion of emissions from each category to support the identification of future emission reduction priorities.




Green office


Senior actively promotes green office practices to improve resource efficiency through energy conservation and minimize material usage:




We promote electricity conservation by regularly conducting "7S inspections" (Sort, Set in Order, Shine, Standardize, Sustain, Safety, and Spirit) and strictly regulating air conditioning temperature settings to no lower than 25°C. We also post clear energy-saving signs in all office areas, covering lighting facilities and air conditioning controllers, to remind employees to adopt energy-saving practices.



The Group and each base adopt electronic workflows to achieve a paperless office environment.



We use environmentally friendly and recyclable office supplies instead of non-green alternatives.



We have launched the "Clean Your Plate" campaign, saving energy and reducing resource waste.





Risk management

Climate-related risk identification

We fully recognize the risks and opportunities associated with climate change and proactively respond to the challenges it presents. Our objective is to manage business exposure to fluctuations and identify growth opportunities, thus contributing to the Company’s sustainable development.

Physical risks

| Risk                   | Specific Description  | Potential Impact   | Mitigation Measures   |
|------------------------|---|--|---|
| Acute physical risks   | The Company’s operational entities, including industrial parks, office buildings, and employee dormitories, may be impacted by extreme weather events such as typhoons, floods, heavy rainfall, and droughts. | The Company may suffer from extreme weather events, leading to depreciation and damage to fixed assets, as well as production delays.              | <ul style="list-style-type: none"><li>Establish an emergency management system and regularly conduct climate change risk assessments.</li><li>Set up a remote work mechanism to improve resilience to extreme weather.</li><li>Equip emergency devices and conduct emergency rescue training.</li></ul> |
| Chronic physical risks | Climate change factors such as rising temperatures, sea-level rise, unstable water resources, and land desertification may lead to extreme weather conditions.  | The Company may experience extreme weather conditions, resulting in deterioration of air and water quality, as well as health issues of employees. | <ul style="list-style-type: none"><li>Strengthen water quality management and establish backup water sources.</li><li>Provide a high-quality office environment and focus on employee occupational health.</li></ul>  |

Transition risks

| Risk             | Specific Description   | Potential Impact  | Mitigation Measures   |
|------------------|--|---|---|
| Policy and legal | Policies on energy use, waste management, green buildings, environmental information disclosure, etc., are increasingly tighter.                       | The Company and stakeholders may face legal liability due to non-compliance with regulations.                         | <ul style="list-style-type: none"><li>Closely monitor policy changes to ensure timely understanding and compliance with relevant laws and regulations.</li></ul>  |
| Market           | Environmental protection concepts are deeply ingrained, and customers' focus on energy conservation and emissions reduction is continually increasing. | The Company may experience a decline in competitiveness due to market preference choices.                             | <ul style="list-style-type: none"><li>Expand green products and services to meet market demand and lead industry development.</li><li>Implement a digital energy consumption management system to improve operational efficiency.</li></ul> |
| Technology       | Innovations in energy technologies may change the development trends of the industry.  | The Company may face obsolescence due to technological innovations that render its own product technologies obsolete. | <ul style="list-style-type: none"><li>Pay close attention to industry developments and manage technological risks through innovation and process optimization.</li></ul>  |






Climate-related opportunity identification

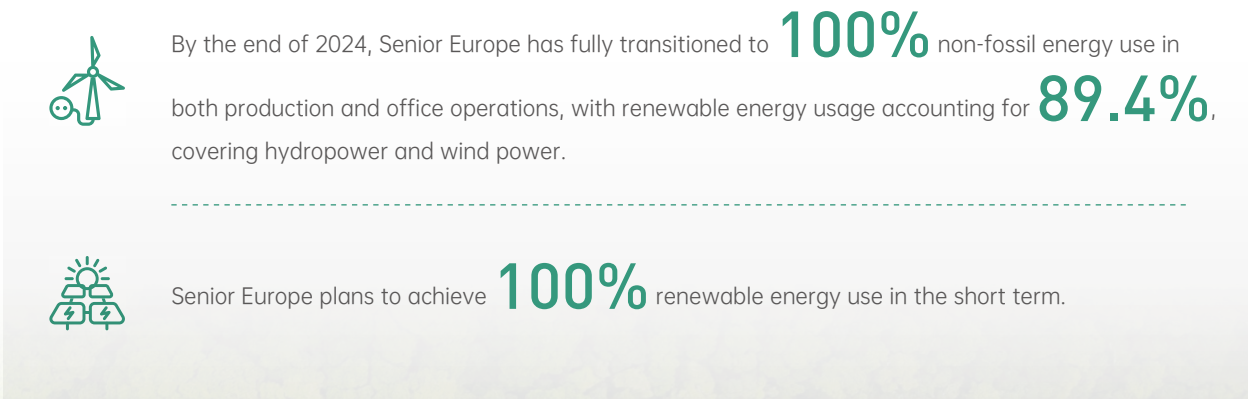
In addition to responding to the risks posed by climate change, Senior actively pursues market and technology opportunities within the industry. Through technological innovation and management optimization, we strengthen the Company's resilience to risks and enhance its market competitiveness.

| Opportunity            | Category                 | Opportunity Description   | Potential Impact   |
|------------------------|--------------------------|---|--|
| Market opportunity     | Customer demand          | With the continuous growth in global demand for clean energy, downstream application markets such as new energy vehicles and energy storage are rapidly expanding, driving a sustained increase in lithium battery demand. This, in turn, fuels strong growth momentum in the separator industry. The growing demand for high-performance and safe separators, a key material in lithium batteries, presents new business opportunities for the Company to expand into the high-end market, drive technological innovation, and optimize capacity planning. | Increase market share and improve profitability.                     |
|                        | Policy support           | The government has introduced policies supporting the development of new energy and new materials, encouraging companies to advance energy-efficient and low-carbon technologies. With subsidies, tax incentives, and other measures, these policies help reduce project costs while ensuring regulatory compliance.  | Enhance project economics and strengthen market competitiveness.     |
|                        | Customer preference      | As international standards, such as the <i>EU Batteries Regulation</i> , continue to evolve, customers' preference for low-carbon products is growing, further driving the demand for the Company's green products and services.  | Improve customer satisfaction and enhance brand influence.           |
| Technology opportunity | Technological innovation | Technological advancements in the lithium battery industry also indirectly drive innovation in the separator sector to meet customer requirements for improved product safety and cycle performance.  | Drive technological innovation to strengthen market competitiveness. |

Metrics and targets

To effectively response climate change and systematically manage climate risks, Senior has incorporated relevant targets into the Company's medium- and long-term carbon reduction strategy. The following targeted measures are being implemented to achieve these goals:

-  Break down targets into specific tasks for each base and department.
-  Establish a corresponding metrics system and integrate it into day-to-day management.
-  Implement targeted climate risk control measures, incorporating sustainability concepts into operational processes to enhance the Company's climate resilience.



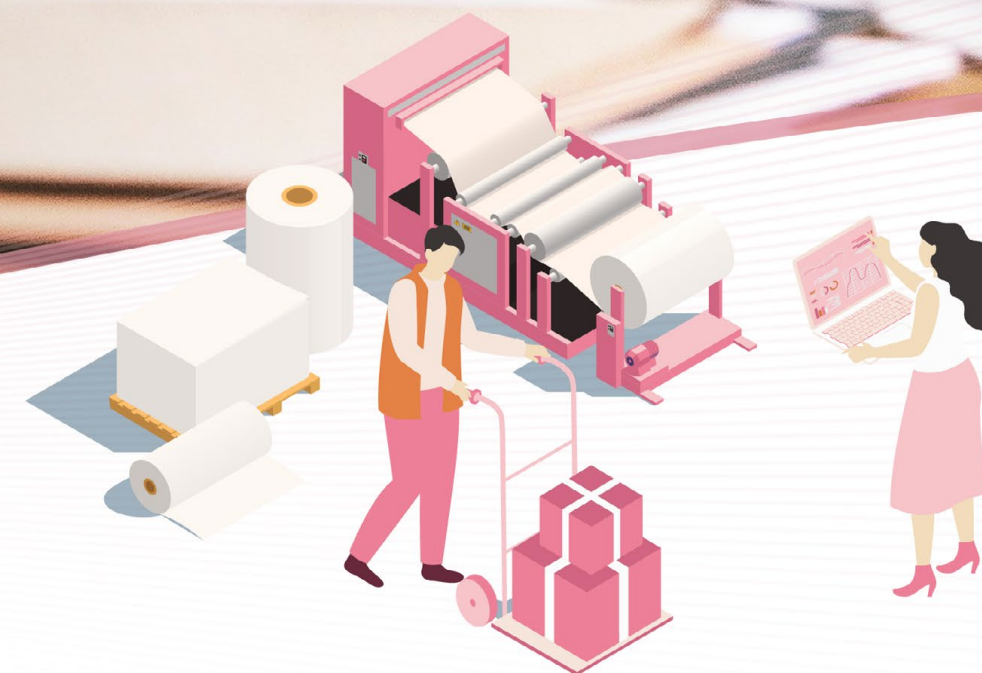


# 03

## Excellence in Operations Ensuring Quality and Safety

### Material Topics in This Section

- Occupational Health and Safety
- Product Quality and Safety
- Customer Service
- Chemical Safety



### Response to United Nations Sustainable Development Goals (SDGs)





# Occupational health and safety

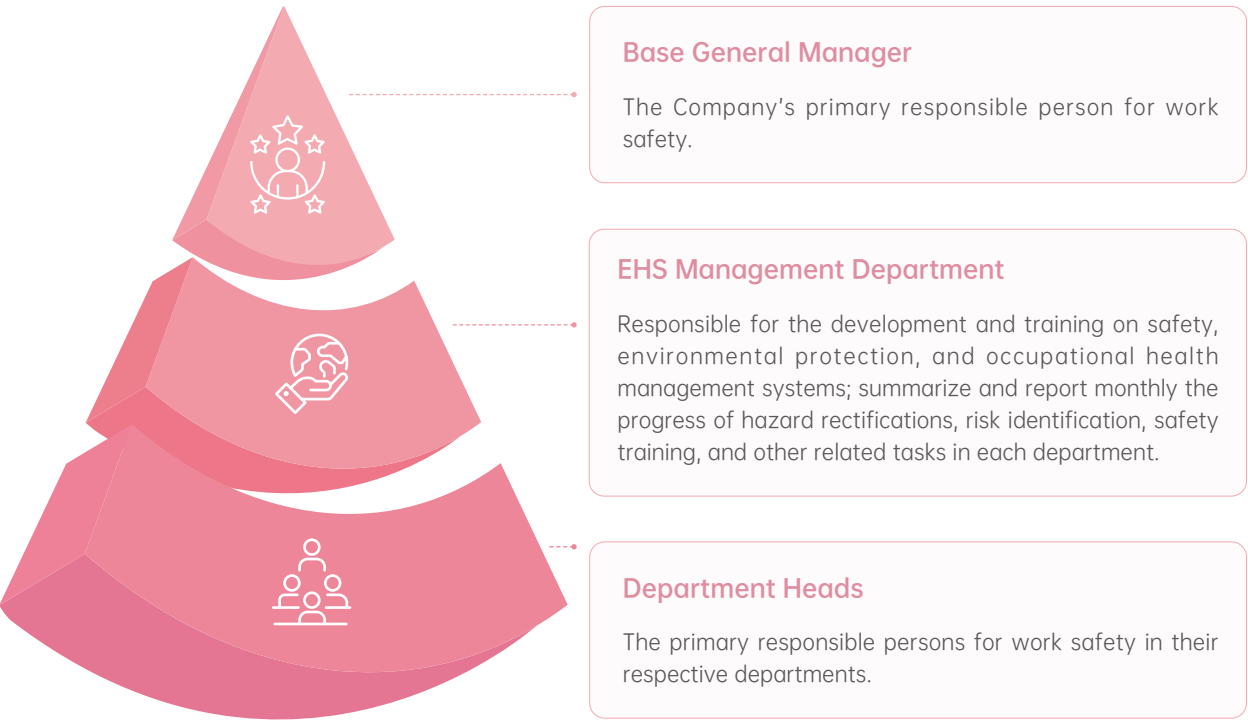
## Management philosophy

The Company adheres to the principle of "Safety First, Prevention Prioritized, Comprehensive Management, Full Participation, and Continuous Improvement," with the goal of achieving "Zero Accidents, Zero Fires, Zero Occupational Diseases, and Zero Serious Injuries." We maintain a people-oriented approach and emphasize the importance of primary responsibility implementation. By focusing on hazard identification and management, we continuously enhance work safety, eliminate safety hazards, encourage all employees to actively participate in safety practices, and establish a robust defense line for production safety.

## Management policies

The Company complies with national and local laws and regulations and has developed and implemented several systems, including the *Work Safety Responsibility System*, *Safety*, the *Environmental Protection*, *Fire Safety*, and *Occupational Health Reward and Punishment Management System*, the *Hazard Treatment and Control Procedures*, and the *Occupational Health Management System*. We have also established a Work Safety Committee responsible for developing annual work plans, reward and punishment mechanisms, and overseeing their implementation. Regular work safety meetings are held to ensure effective management.

A three-tier management structure has been established: Base General Manager - EHS Management Department - Department and Workshop Heads. This structure clarifies the occupational health protection responsibilities at each level to ensure accountability.



## Management practices

### Work safety management

Senior places great emphasis on work safety and employees' occupational health and safety. Both the headquarter and subsidiaries fully implement the work safety policy, continuously improving risk prevention and accident response capabilities to ensure the health, safety, and well-being of employees, while minimizing the impact of accidents on people, property, and the environment. The Company standardizes management processes across four key areas: safety risk management, emergency management, hazard identification, and safety training, fulfilling its responsibilities to ensure safe and orderly production and operations.

The Company has established quarterly and annual safety awards, implemented an accident responsibility penalty and performance deduction system, and linked major environmental protection and work safety incidents to management performance evaluations. A "one-vote veto" system is enforced for work safety accidents. These measures aim to strengthen standardized management practices and enhance employee safety awareness.

Senior has also established a long-term mechanism for identifying and rectifying accident hazards. Each base and relevant department conducts hazard identification, risk assessment, and environmental factor identification. Hazards are classified as either general or major, with regular company-level and workshop-level hazard inspections conducted. The *Safety Hazard Inspection Form* and the *Risk Identification and Control Checklist* are completed to ensure hazards are promptly identified and rectified. In compliance with national laws and regulations, the Company has developed the *Work Safety Accident Reporting and Handling System*, which standardizes processes for comprehensive emergency plans, special emergency plans, and on-site disposal procedures. This system enhances the overall safety emergency capabilities and ensures the continuous improvement of work safety practices.



Senior's Work Safety Management Measures

Safety hazard inspections

The Company systematically conducts EHS inspections, focusing on identifying risks and hazards in areas such as workplace safety, personal protective equipment, chemical handling, and emergency preparedness. Hazards are assessed, and corrective measures are implemented. During inspections, Company management personnel and EHS representatives oversee on-site compliance throughout the process, promoting continuous improvement in safety conditions.

Risk source identification and hierarchical control

In accordance with the *Risk Source Identification and Hierarchical Control Procedures*, the Company regularly conducts risk identification and assessments. Based on factors such as likelihood, exposure level, and severity, risks are categorized into four levels: low risk, general risk, major risk, and severe risk. Targeted control measures are then developed for each risk level.

Critical hazard source control

For critical hazard sources, the Company establishes specific targets, operational control plans, and emergency response measures to ensure effective risk management.

Emergency response management

The Company has prepared and regularly revises special emergency plans, including the *Special Emergency Plan for Security Hazard Prevention for Chemicals That Can Be Used to Produce Explosives*, the *Natural Disaster Prevention Management Measures*, the *Infectious Disease Emergency Response Plan*, and the *Comprehensive Emergency Response Plan for Work Safety Accidents*. These plans clearly define the responsibilities of emergency response organizations, the prevention and early warning mechanisms, emergency response processes, post-incident disposal plans, and supervisory management requirements, thereby comprehensively enhancing emergency response capabilities.



On-Site Safety Inspections



On-Site Safety Inspections



Safety Warning Signs



Safety Warning Signs

Occupational health management

The Company has established the *Occupational Health Management System*, which regulates pre-employment, on-the-job, and departure health check-ups for high-risk positions. New employees are required to undergo comprehensive health check-ups. Health monitoring records are maintained for all employees, and annual occupational disease hazard factor testing and status evaluations are conducted. By setting up a work-related injury ledger, the Company prepares documents such as the *Occupational Disease Hazard Notification* and the *Occupational Disease Hazard Control Effectiveness Evaluation Report*, which comprehensively analyze employees' occupational disease status to ensure their health and safety.

The Company strictly adheres to occupational health standards. Workshops are equipped with efficient ventilation, lighting systems, and dust- and toxin-prevention facilities. Adequate personal protective equipment is provided to employees who may be exposed to potential occupational disease hazards, including dust masks, gas masks, earplugs, safety helmets, and protective shoes. We continuously monitor environmental conditions and take timely measures to eliminate risks, such as installing gas alarm devices in key work areas and ensuring proper ventilation. Occupational hazard notification cards are posted at the entrances and exits of all workshops, clearly indicating hazard information to ensure that employees take appropriate protective measures and maintain safety during operations.

Employee safety education and training

The Company designs comprehensive safety education and training programs tailored to employees in different positions and regularly organizes emergency response training and drills. These programs cover a wide range of topics, including work safety, fire safety, environmental safety, and occupational health, with the aim of enhancing employees' safety awareness across all aspects. Additionally, the Company follows the *Training Management Standards* and implements a three-tier training mechanism for new employees, incorporating work safety content into the training. New employees must undergo the three-tier safety education, delivered by instructors from the EHS management department, and must pass assessments before they are allowed to begin working.

Work safety training

- Confined space special training
- Special operations safety training
- Anti-violation (three violations) training
- Safety of special equipment and regulations for special equipment operators

Position-specific training

- Safety incident case warning education
- Special training on the storage, use, and protection of hazardous chemicals
- Special fire safety training

Senior Nantong's Work Safety Management Practices

In 2024, Senior Nantong established a digital work safety management platform and organized employees to participate in safety training programs on topics such as fire prevention, confined spaces, special operations, and violations prevention. A total of 5,477 people were trained online and offline. Additionally, 2,840 new employees completed the three-tier safety training, ensuring full participation and compliance with assessment standards. The total annual investment in safety amounted to RMB5,847,700.

To further implement work safety management, Senior Nantong set the following work safety goals for 2024: Eliminate fires, explosions, environmental leaks, serious injuries and fatalities, and occupational disease accidents; ensure no accidents occur; achieve a 100% completion rate for hazard identification and rectification, emergency rescue drills, training qualification for key persons responsible for work safety, and certification for personnel engaged in special operations and special equipment operators.



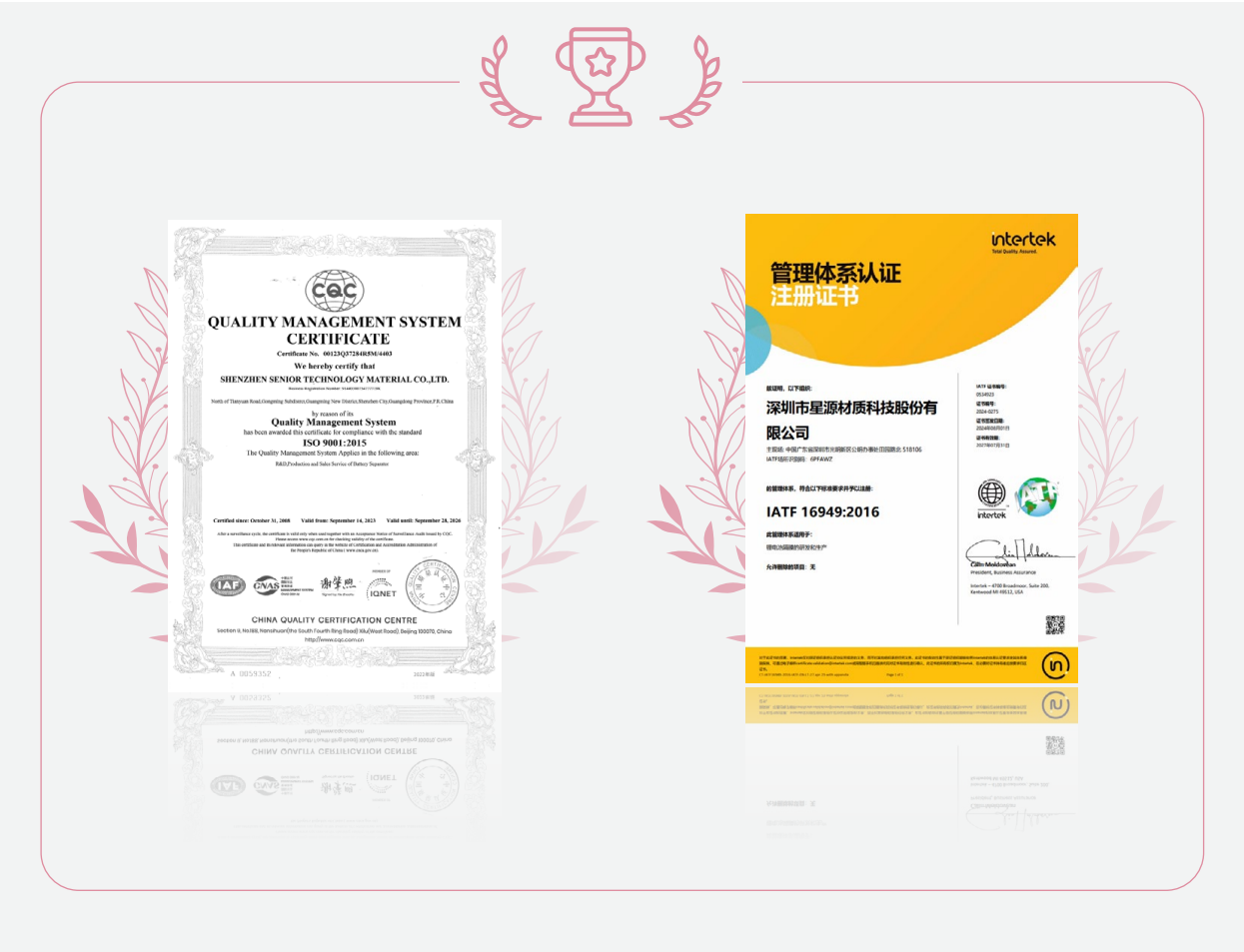
Product quality and safety

Management philosophy

We are committed to the quality policy of "Quality First, Pursuit of Excellence, Customer Satisfaction, and Continuous Improvement". Through technological innovation, we drive quality advancements. Simultaneously, we ensure the excellence of our products and services by optimizing standardized management and quality systems and continuously monitoring and enhancing system effectiveness, which in turn strengthens the market competitiveness of our products.

Management policies

Senior has established and continually refined its product quality management systems, including the *Quality Manual*, the *Product Monitoring and Measurement Control Procedures*, the *Non-Conforming Product Control Procedures*, and the *Product Recall Management Specifications*. We regularly audit the quality management system through our *Internal Audit Control Procedures* to ensure its ongoing effectiveness. Our commitment to continuous improvement is demonstrated by our achievement of ISO 9001:2015 Quality Management Systems Certification, IATF 16949:2016 Automotive Quality Management System Certification, and others. These certifications are audited and updated on an annual basis.



Management practices

Product quality management

The Company has implemented a comprehensive quality measurement and monitoring system that rigorously oversees the quality of raw materials, the production process, and both pre-delivery and post-delivery products. This system is structured around four critical stages: incoming inspection, in-process inspection, finished product inspection, and outgoing inspection, ensuring a 100% shipment pass rate.

In line with the *Quality Management System: Requirements* (QMS), the Company conducts risk analysis and identifies opportunities at critical stages, including contract review, product production, delivery, customer feedback, and quality cost control. Based on this analysis, the Company formulates corresponding mitigation measures. Additionally, a performance evaluation mechanism has been established in accordance with the *Quality Manual*, incorporating key metrics such as customer audit pass rates, customer complaints, and return rates into management performance assessments. This approach fosters an interconnected quality management responsibility system that drives the effective execution of quality objectives.

The Company also organizes regular "Quality Month" activities, sets annual quality goals, and develops management plans that cover various dimensions, including production, quality, equipment, and planning. These plans are consistently monitored for progress, and projects not meeting targets are analyzed and improved to ensure a 100% compliance rate.

Product Monitoring and Measurement Control Process





Senior Shenzhen's Quality Control Measures

In 2024, Senior Shenzhen implemented a comprehensive plan to strengthen quality management, systematically enhancing our overall quality management capabilities. The Company developed the *Design Failure Mode and Effects Analysis* (DFMEA) document, bolstered employee skill training across all stages of production, and focused on the quality inspection of dry, wet, and coated process separators. It established a risk identification mechanism, optimized internal audit processes, and improved the quality inspection system (IQC/LQC/OQC). Additionally, it implemented a "Zero Defects" management approach for defective products and created an emergency response system for quality anomalies, significantly enhancing product reliability.

To address key quality metrics, the Company established dedicated improvement teams:

- 1. **Foreign Object Control Team:** This team systematically analyzes the entire process—from raw material procurement to shipment—to identify sources of metallic foreign objects. Targeted protective measures have led to a significant reduction in foreign object quantity.
- 2. **Customer Quality Assurance Team:** This team has established a rapid response mechanism, achieving the goal of zero customer complaints for the year. It has also reduced the return rate to 0.15%, exceeding the annual metrics.

We have also implemented a standardized product recall process, which clearly defines the roles of the Marketing Center, Quality Control Center, and Technology Center. This process has improved customer communication, cause analysis, and corrective actions. Utilizing the batch traceability system, we can accurately locate and quickly recall problematic products, preventing reoccurrences of the same issue. The recall timeline standards are as follows:

**Serious Defects** Recall information is issued within one hour, and the recall is completed within three days.

**General Defects** Recall information is issued before the end of day, and the recall is completed within seven days.



During the Reporting Period, the Company achieved **100%** coverage in its quality management system certification, experiencing no product recalls related to safety or health issues and effectively ensuring the product quality and safety.

Chemical safety management

The Company has established and adheres to the *Chemical Management System* and the *Hazardous Chemicals Management Specifications*, prepares a *Chemical Inventory List*, and implements tiered and classified management.

01  
Daily management mechanism

- Safety warning signs, Material Safety Data Sheets (MSDS), and safety awareness cards are displayed in areas where chemicals are used.
- Chemical requisition, storage, use, and supervision registration processes are strictly followed.
- The supplier admission process requires the provision of business licenses, safety permits, MSDS, and safety labels.

02  
Key chemical control

- The Company has formulated the *Regulations for the Management of Precursor Chemicals* and the *Management Measures for Security Control of Hazardous Chemicals That Can Be Used to Produce Explosives*. For controlled chemicals such as nitric acid, hydrogen peroxide, and sulfuric acid, the Company has established specialized management regulations and implemented a "dedicated personnel and warehouse" system to standardize the entire process of procurement, warehousing, storage, usage, and disposal.

03  
Risk prevention and control system

- Daily inspections and regular hazard inspections are conducted.
- Chemical safety education training and leak emergency response drills are organized.
- A chemical substitution evaluation mechanism is in place, prioritizing the elimination of carcinogenic, mutagenic, and reprotoxic (CMR) substances and high-risk chemicals identified in the PRIO database.

04  
Digital management

- Senior Europe uses the EcoOnline-Chemical Manager platform for digital chemical management, ensuring regular updates in line with regulatory requirements. Chemical management strictly adheres to EU regulations, such as the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and Classification, Labelling and Packaging (CLP) regulations. A comprehensive risk assessment system has been established, and all chemical activities are risk-assessed, with special control plans in place for hazardous substances such as CMR chemicals. Additionally, Senior Europe maintains a high-risk chemical exposure registry, retaining records for 40 years to monitor potential occupational health impacts.



Integration of the Philosophy of Green Chemistry into Product R&D and Production

The Company actively responds to the *European Green Deal* and the *Carbon Border Adjustment Mechanism (CBAM)* requirements, striving to create an environmentally friendly production system. We incorporate the green chemistry philosophy throughout the R&D and production processes to ensure our products comply with REACH, Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS), and halogen-free standards.

Raw material optimization and green development

The Research Institute uses new material modification technologies to partially replace traditional raw materials, significantly reducing material usage while improving material performance.

Raw material optimization and green development

To optimize resource utilization, the Research Institute collaborates with local suppliers to develop recycling and regeneration solutions for coated process separator and base separator waste. By recycling and reprocessing discarded base separators and coating materials, we have successfully converted them into reusable raw materials.

Customer service

Senior is committed to being customer-oriented, focusing on developing and providing high-performance, safe, and reliable separator products. The Company has built a localized service network and professional technical support teams, fostering long-term and stable strategic partnerships with collaborators to achieve mutually beneficial development goals. At the same time, we continually improve product quality to ensure customer satisfaction and support sustainable development.

Management policies

Senior has established a comprehensive customer service system, implementing management frameworks such as the *Customer Satisfaction Control Procedures*, the *Customer Complaint and Return Handling Procedures*, and the *Process Control Procedures*. Through standardized processes and timely responses to customer demands, we effectively address complaints and return/exchange issues, ensuring customer rights are protected.



Management practices

Customer service system

The Company has implemented a cross-departmental customer complaint handling system and developed standardized management processes that clearly define the responsibilities of each department. For every customer complaint, we follow a structured process for quick response, from receipt to initial handling, ensuring each step is efficient and organized. Additionally, we prioritize identifying the root cause of issues, developing practical solutions, and utilizing a closed-loop management system to track the implementation of corrective actions. This approach continually optimizes the customer experience, ensuring and enhancing overall customer satisfaction.

Departments' Responsibilities Regarding Customer Complaints



Customer satisfaction

The Company adopts a systematic approach to customer satisfaction management, with the goal of continuously enhancing the customer experience and achieving mutually beneficial outcomes. To this end, we conduct customer satisfaction surveys twice a year, with a target satisfaction rate of no less than 85%. Through comprehensive analysis of survey data, we prepare detailed review reports to identify key factors influencing customer satisfaction. We also assess potential customer needs, evaluate the strengths and areas for improvement in our current services, and develop targeted service quality improvement plans based on these insights. We ensure the effective implementation of these plans, striving to continually optimize the customer experience and drive ongoing improvements in service quality.





# Privacy and data security

Senior has established a comprehensive information security management system, ensuring the effective implementation of information security policies and control measures. This includes the development of systematic strategies, the deployment of multi-layered protections, and regular training initiatives. These efforts safeguard information assets, ensure business continuity, and enhance the Company's core competitiveness.

## | Management policies

The Company places a high priority on information security and has developed a robust information security management system. This includes the *Information Security Strategy Management Procedures* and various other regulations governing information security. We implement multiple layers of protective mechanisms—spanning technical, management, and process safeguards—to ensure the stable operation of the Company and to maintain the confidentiality, integrity, and availability of data.

### Senior's Specialized Management of Information Security

|                   |   |
|-------------------|---|
| Virus defense     | The central virus server is upgraded weekly, and comprehensive terminal device scans are conducted regularly to effectively prevent malware invasions.            |
| Password security | A one-to-one account-password management system is implemented, with real-time locking of abnormal behaviors to prevent unauthorized access.                      |
| Remote access     | Strict controls are applied to public device access, with an authorization approval mechanism in place to mitigate security risks.                                |
| Document security | A comprehensive document encryption management system is established, covering storage, transmission, and usage, to ensure the security of sensitive information. |

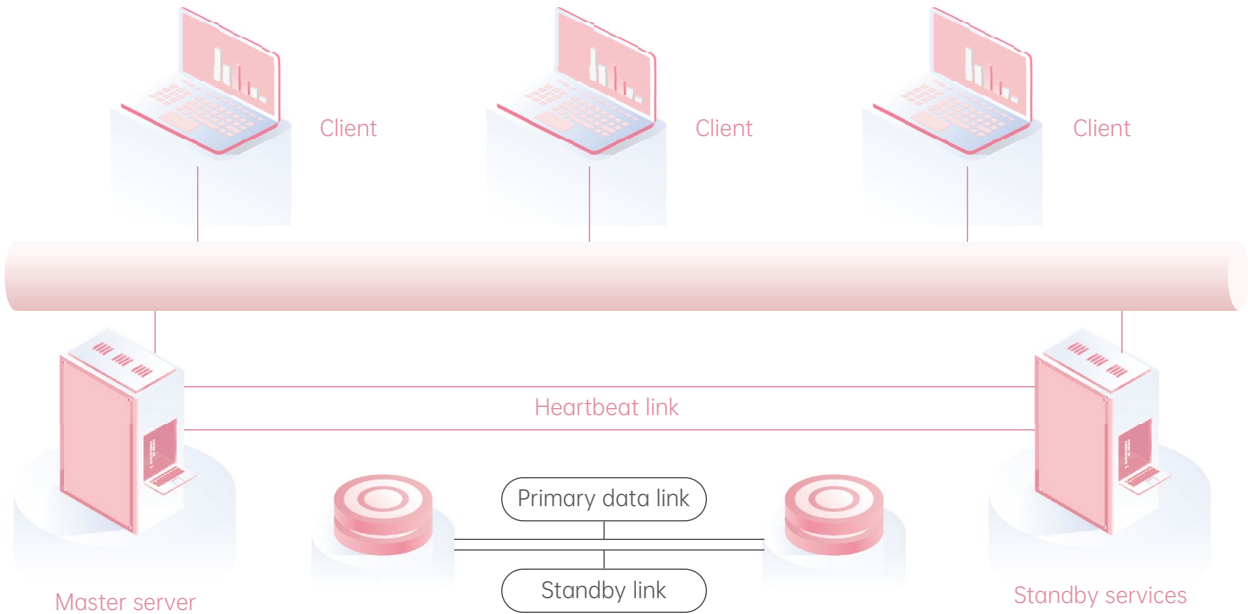


## | Management practices

### Information security emergency response

Senior has established a comprehensive information security emergency response mechanism, which includes dedicated emergency support teams and threat handling teams. The Company monitors information security in real-time to ensure a prompt response to any security incidents. In emergency situations, the Company strictly adheres to standardized operating procedures, from the initial reporting to subsequent actions, ensuring that each step follows established protocols. Through timely feedback and decisive measures, we are able to swiftly contain the situation, minimizing the scope of impact and potential damage from security incidents.

In terms of hardware resource support, the Company requires core business information systems to be equipped with essential backup devices and cables, ensuring compatibility with existing equipment. Furthermore, antivirus system services are mandated to be provided with double hot standby. We regularly inspect the operation of hot standby servers and conduct automatic switch-over tests to ensure seamless operation in the event of failure, thereby safeguarding business continuity.



### Information security training

To enhance employees' information security awareness and skills, and to mitigate information security risks, the Company conducts regular information security training for all employees. The training covers key areas such as information security awareness, network security, and risk prevention. We design diverse training materials and formats tailored to different levels and job requirements, ensuring the relevance and effectiveness of the training. This strengthens employees' information security management capabilities and provides strong support for the Company's overall information security efforts.



# 04

## Innovation-Driven Development Injecting New Vitality into Industry Progress

### Material Topics in This Section

- Technological Innovation
- Intellectual Property Protection

### Response to United Nations Sustainable Development Goals (SDGs)





R&D and innovation

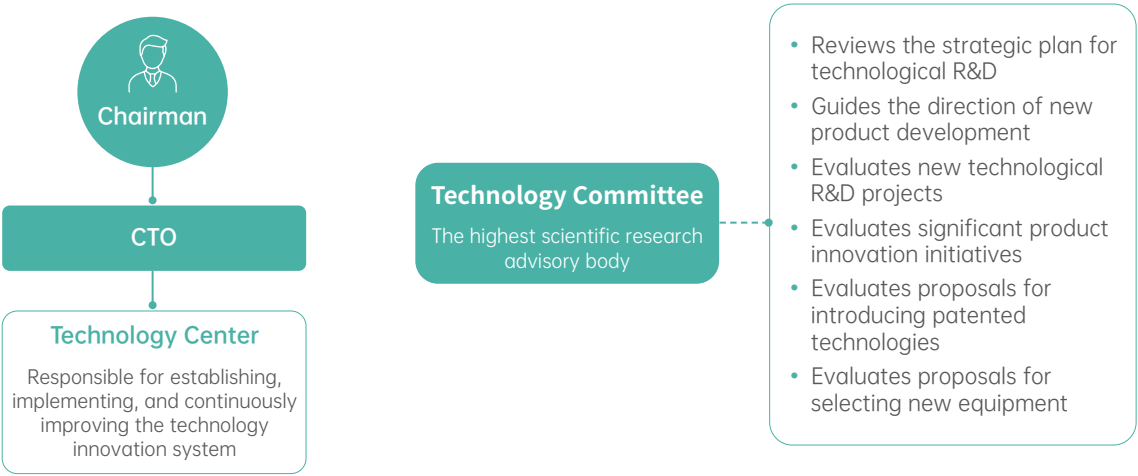
Management philosophy

Senior adheres to the philosophy of "Innovation-Driven Development, and Technology Leading the Future", with a corporate spirit centered around "Innovation, inclusion, flexible, sharing." We view technological innovation as the core driver of sustainable development. We have established a comprehensive innovation management system that covers key areas such as strategic planning, R&D implementation, resource support, and performance evaluation. This system continuously improves the systematic and forward-looking nature of technological innovation. We also ensure that the Company maintains a leading position in the industry by deepening industry-university-institute cooperation, strengthening technological synergies and resource sharing, and promoting the efficient transformation of scientific research outcomes.

Management structure

The Company has built a robust organizational structure to support steady technological R&D efforts. The Technology Center serves as the core of R&D, led by the Chief Technology Officer (CTO), who reports directly to the Chairman. To ensure high alignment of technological innovation with the Company's strategy, we have established a Technology Committee, the highest decision-making body for scientific research and development matters. This committee is responsible for reviewing R&D strategies, setting directions for new product development, evaluating key projects, and driving technological innovation.

Additionally, Senior Material Europe Technology Center, an integral part of our global innovation platform, operates alongside the Shenzhen headquarter. It undertakes critical functions such as product R&D, material development, process equipment development, analysis, testing, and intellectual property planning. The technology center is staffed with a professional team of 19 technical personnel, including five Ph.D. holders and five Master's degree holders, providing solid technical support for our environmental protection and technological innovation initiatives.



Management practices

Science and technology R&D system

We have established a comprehensive innovation platform and a digital management platform to foster a culture of innovation. Our technological R&D and innovation system follows a "concept, pre-research, research, development, and application" technological innovation pathway, forming a systematic R&D process.

R&D Investment and Resource Support

To ensure the continuous innovation and development of technological R&D, Senior invests heavily in R&D, with annual R&D investment accounting for 7% of the Company's revenue. We have developed multifunctional laboratories with complete facilities, covering everything from material selection to final validation. We are continually optimizing the allocation of R&D resources and providing strong support for the smooth progression of innovation projects.

In terms of talent, 20% of the Company's workforce is dedicated to R&D. Through strategic partnerships with renowned domestic and international universities, we continue to attract and cultivate high-level R&D talent to enhance our innovation capabilities.

Innovation Incentives and Assessment

Senior places great emphasis on establishing incentive mechanisms, including equity incentives, to fully stimulate employee innovation and motivation. In the field of technological R&D, we ensure innovation efforts are supported and recognized through a scientific and fair incentive mechanism.

We have also established a technological innovation assessment system, which breaks down tasks based on strategic goals and sets key performance indicators (KPIs) such as new product development completion rates and customer sample development success rates. Through monthly, quarterly, and annual assessments, we ensure that innovation goals are effectively achieved.

Technological R&D achievements

Senior is committed to enhancing product competitiveness and promoting sustainable development through technological innovation. Our R&D efforts focus on product quality improvement, process innovation, differentiated product development, and research into cutting-edge technologies and products. Through technological breakthroughs, we have strengthened our core competitiveness in the lithium battery separator field, driving products toward higher efficiency and more environmentally friendly directions. We have achieved significant breakthroughs in several key areas:

- High-Performance Wet-Process Lithium Battery Composite Separator Technology:** We have made significant progress in industrial applications and have been awarded the Guangdong Provincial Science and Technology Progress Award.
- High-Performance PEI/PI Coated Lithium Battery Separator Technology:** This technology has been selected as a provincial key project, reflecting our industry leadership.
- New Solid Electrolyte Membrane Formation Process and Key Equipment Development Project:** This project has obtained strong support from various government and industry competent authorities.



Our technological R&D achievements have also received high recognition from the industry:



- The project "Preparation of High-Performance Lithium-Ion Battery Separators Based on Polyolefin Condensed Structure Control" has been recognized as internationally leading and won the First Prize of the National Science and Technology Progress Award.
- The Company received the Second Prize of the Guangdong Provincial Science and Technology Awards for its "Key Technology for High-Performance Wet-Process Lithium Battery Composite Separator."
- The Company has won the China Petroleum and Chemical Industry Association Technology Invention Award multiple times and has been recognized as a National Intellectual Property Demonstration Enterprise.

Senior Was Awarded the First Prize of the National Science and Technology Progress Award, Leading Global Separator Manufacturing

In the 2023 National Science and Technology Awards announced in June 2024, "Preparation of High-Performance Lithium-Ion Battery Separators Based on Polyolefin Condensed Structure Control", a joint research project between Senior and Sichuan University, was awarded the First Prize of the National Science and Technology Progress Award.

As a key core material in lithium batteries, polyolefin separators were primarily imported into China before 2008. By partnering with Sichuan University, we developed the polyolefin structuring processing methodology, innovatively designing a complete set of separator manufacturing technologies and equipment. This allowed us to successfully produce domestically manufactured ultra-thin, high-safety, and high-performance separators, breaking foreign technology monopolies and helping China become the world's largest separator manufacturer.



Certificate of the First Prize of the National Science and Technology Progress Award

Industry-university-institute cooperation and external exchange

To accelerate technological breakthroughs and maintain industry leadership, we continue to deepen our industry-university-institute cooperation with universities and research institutes. By establishing strategic partnerships with universities such as Sichuan University and Guangdong University of Technology, we promote the integration of industry, universities, and research institutes, facilitating the development and industrialization of key technologies. Additionally, we work closely with leading domestic universities, including South China University of Technology and Huazhong University of Science and Technology, to co-build engineering technology centers, creating a joint venture and resource-sharing technological innovation system.

The Company also actively expands cooperation with renowned domestic and international academic institutions and research institutes, advancing the global application of our technological achievements. Through external exchange and collaboration, we introduce global advanced technologies, further enhancing the sustainability and progress of our technological innovations.

Senior Promoted Deep Integration of Industry, Universities, and Research Institutes

In the 2024 19th "Challenge Cup" National Undergraduate Extracurricular Academic Science and Technology Works Competition, Senior, as the organizer and sponsor, launched the "Renewable Electrolytic Hydrogen Production" innovation research direction. This initiative attracted 30 teams from over ten universities across 13 provinces.

Since 2022, the Company has conducted research on electrolytic hydrogen production materials, leading to the successful launch of the KXAM500+ series hydrogen evolution materials. These materials exhibit excellent alkaline stability, electrolyte permeability, and gas-tightness, providing an innovative solution to improve hydrogen production efficiency. Several university teams have prepared experimental samples based on this direction, demonstrating groundbreaking research outcomes.

Looking ahead, Senior will continue to deepen industry-university-institute cooperation, accelerate the transformation of scientific research achievements, and promote the application of high-performance, long-lifetime, and high-efficiency hydrogen evolution materials, thus supporting the achievement of the "carbon peaking and carbon neutrality" goal.



19th "Challenge Cup" Competition

The Co-Founded Shenzhen Lithium Battery Industry College Supports Talent Development in the Industry

In February 2023, Senior, together with Shenzhen Polytechnic University, the Shenzhen Battery Industry Association, and leading lithium battery companies, co-founded the Shenzhen Lithium Battery Industry College, a specialized institution focused on the new energy sector.

Over the next five years, the academy aims to build a comprehensive platform for talent development, technology research, and professional training, serving Shenzhen while extending its influence nationwide to drive innovation in the lithium battery industry. As a leader in the separator industry, Senior has been deeply committed to collaboration with universities and the integration of education and industry. By fostering a four-way partnership among government, universities, industry, and the Company, we aim to cultivate top-tier talent tailored to the new energy sector, providing vital expertise and workforce support for the industry's high-quality growth.



Inauguration Ceremony of the Shenzhen Lithium Battery Industry College



# Intellectual property protection

## | Management philosophy

Senior follows the management philosophy of “transforming Senior’s separator technology through innovation and flexibility, and creating new energy wealth through intellectual property protection,” recognizing intellectual property protection as a key strategy to enhance core competitiveness. The Company continuously improves its management system, strengthens patent strategy and technology protection, and promotes the standardized management of intellectual property throughout its lifecycle—from creation and management to rights protection. At the same time, we accelerate the development of a strong intellectual property framework, raise awareness around the use and protection of intellectual property, and build a healthy, dynamic ecosystem that supports technological innovation and sustainable development.

## | Management policies

Senior strictly adheres to relevant intellectual property laws and regulations, including the *Patent Law of the People’s Republic of China*, the *Trademark Law of the People’s Republic of China*, and the *Copyright Law of the People’s Republic of China*. In alignment with the China National Intellectual Property Administration’s *Plan for the Intellectual Property Strategy During the 14th Five-Year Plan Period*, the Company has developed the *Intellectual Property Management Manual* and the *Patent Management Measures*. These guidelines cover areas such as patent application evaluation, talent training, inventor rights protection, and patent evaluation, ensuring comprehensive intellectual property management throughout its lifecycle.



## Management practices

### Protecting our own intellectual property

The Company has established a dedicated Intellectual Property Department, comprising a multidisciplinary team responsible for planning, strategy, and implementation of intellectual property protection. Since 2017, Senior has been certified under GB/T 29490-2013 *Enterprise Intellectual Property Management* and has completed a revision to GB/T 29490-2023 *Enterprise Intellectual Property Compliance Management System* in 2024.

To encourage innovation, the Company has implemented a patent application reward mechanism that incentivizes departments with outstanding patent application performance. Additionally, performance assessments are carried out to ensure the achievement of intellectual property goals. The Company also optimizes patent lifecycle management by systematically tracking and evaluating patents, maximizing their strategic value.

Furthermore, to continuously enhance intellectual property protection awareness among employees, the Company promotes intellectual property knowledge in routine operations and organizes regular training sessions on intellectual property protection. This ensures that all employees fully understand and recognize the materiality of intellectual property protection.

As of December 31, 2024, the Company

|                    |   |                          |   |
|--------------------|---|--------------------------|---|
| Applied for over   | including                                   | and holds                | including                               |
| <b>820</b> patents | <b>204</b> applications for foreign patents | <b>368</b> valid patents | <b>174</b> authorized invention patents |

These patents cover critical technological areas such as dry-process separators, wet-process separators, and coated-process separators, providing strong support for the Company’s technological R&D and market expansion.

### Respecting others’ intellectual property rights

Senior is committed to respecting and protecting the intellectual property rights of others, strictly adhering to industry regulations. Before engaging in activities such as procurement, financing, and overseas market expansion, the Company conducts thorough intellectual property searches and verifications to mitigate infringement risks. During the Reporting Period, the Company did not face any penalties by the competent authorities related to violations of intellectual property laws and regulations.



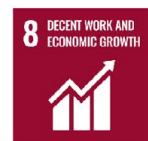
# 05

## People-Centered Growing Together with Employees

### Material Topics in This Section

- Employee Rights and Welfare
- Employee Training and Development

### Response to United Nations Sustainable Development Goals (SDGs)





# Employee rights and welfare

## | Management philosophy

Senior is committed to creating a fair, safe, and inclusive working environment based on the “Happy Work, Content Remuneration, and Comfortable Life” philosophy. The Company ensures the protection of employees’ legal rights and strictly enforces an equal employment policy, guaranteeing that employees are not discriminated against based on race, gender, age, religion, or any other factors. In terms of compensation and benefits, we have established a competitive system that provides fair returns for employees’ labor through annual salary adjustments and performance incentives. At the same time, the Company places significant emphasis on employees’ physical and mental health and quality of life, offering various benefits to enhance employees’ sense of belonging and satisfaction.

## | Management policies

We strictly comply with the *Labor Law of the People’s Republic of China*, the *Labor Contract Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Protection of Minors*, the *Law of the People’s Republic of China on the Protection of Rights and Interests of Women*, the *Trade Union Law of the People’s Republic of China*, and other relevant laws and regulations. Additionally, we adhere to internationally recognized human rights standards, including the United Nations’ *Universal Declaration of Human Rights* and *Declaration on the Protection of Human Rights*. We prohibit child labor, forced labor, workplace harassment, and bullying. Furthermore, we have implemented the *Employee Handbook*, the *Corporate Culture Handbook*, and other internal regulations. Each base has established management procedures such as the *Management Procedures for Prohibition of Child Labor*, the *Protection of Minors and Female Workers*, the *Equity, Diversity, and Anti-Discrimination Policy*, and the *Anti-Discrimination, Anti-Bullying, and Anti-Sexual Harassment Policy*, effectively ensuring the protection of employees’ legal rights and welfare.

## | Management practices

### Employee rights protection

We are committed to adhering to the core conventions of the International Labor Organization, eliminating child labor, human trafficking, and forced labor, and opposing workplace harassment and bullying. We conduct strict pre-employment background checks to prevent the hiring of child or forced labor, respect employees’ right to freely form associations, and foster a culture of labor-management cooperation. We ensure equal pay for equal work, providing fair compensation and career development opportunities regardless of gender, age, or other factors. The Company promotes a harassment- and discrimination-free work environment, ensuring fair opportunities for recruitment and employment.



#### Prohibition of Child Labor

Before hiring, we strictly verify personnel information, review employment records, and check identification documents to ensure no child labor is employed.



#### Prohibition of Forced Labor

We prohibit all forms of forced labor, ensuring employees have the freedom to enter and leave dormitories and living areas, and that no labor is coerced through threats or force.



#### Equal Pay for Equal Work

We guarantee equal pay for equal work, ensuring fair compensation and career development opportunities for all employees, free from discrimination based on gender, age, or other factors.



#### Anti-Bullying and Harassment

We provide a harassment- and discrimination-free work environment, prohibiting violence, sexual harassment, bullying or other forms of mistreatment. We ensure fair recruitment and employment opportunities for all.




During the Reporting Period, Senior did **not** violate any laws or regulations related to child labor or forced labor.




A diverse and inclusive work environment

We are dedicated to fostering a culture of diversity and inclusion, where every employee feels a sense of belonging. We recognize that employees' individual differences, life experiences, knowledge, creativity, and unique abilities all contribute to the Company's success and reputation. We value and respect diversity at all levels of the organization, including age, race, color, disability, ethnicity, family status, gender identity, language, religion, and sexual orientation. To promote an inclusive work environment, we appreciate and nurture each employee's unique characteristics, creating a vibrant, collaborative, and productive workplace.


Our diversity initiatives, based on the "One Senior" values, encompass all roles, functions, business, and projects. These initiatives include recruitment, selection, compensation and benefits, professional development and training, promotions, transfers, and social and recreational activities. We are committed to fostering an environment grounded in fairness and equality by encouraging the following principles:




Mutual respect in communication and collaboration among all employees;




Teamwork and employee involvement to ensure all groups and voices are adequately represented;




Flexible work schedules to balance work and life and meet employees' diverse needs;



Contributions from both employers and employees to serve the community, fostering understanding and respect for local diversity.

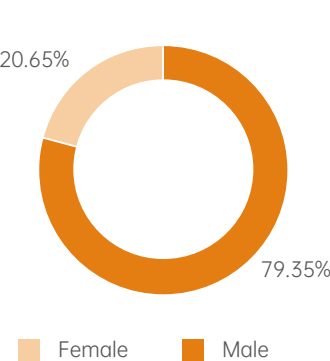


As of December 31, 2024, the Company had  
**4,634** employees

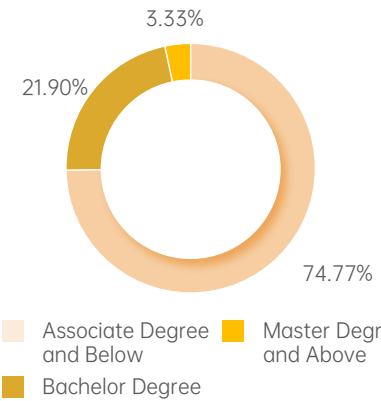


With female employees representing approximately  
**20.65%** of the total workforce

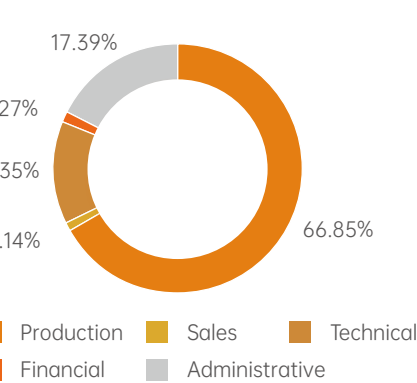
Employee Distribution by Gender (Percentage)



Employee Distribution by Educational Background (Percentage)



Employee Distribution by Job Type (Percentage)



Compensation and performance management

Senior employs a hybrid compensation model that combines job position, performance, and capabilities to encourage employees to continuously improve their job performance, work results, and personal contributions. At the same time, the Company ensures that compensation aligns with its strategic goals and is closely linked to employees' actual performance through a flexible salary adjustment mechanism.

**Compensation Structure and Components**

- Base Salary**  
Calculated based on national laws and the Company's specific situation, serving as the basis for overtime pay.
- Post wage**  
Divided according to employees' post ranks, consisting of a base post wage and a performance-based post wage. The performance-based post wage is allocated based on individual performance evaluations.
- Allowances**  
Including seniority allowance, attendance allowance, high-temperature allowance, night shift allowance, and others, which are determined based on the employee's position and work conditions.
- Bonuses**  
Comprising individual rewards and year-end performance bonuses.

**Compensation Adjustment Mechanism**

- Annual adjustments are made based on the Company's economic performance, labor costs, and strategic planning, as well as considering employees' job positions, performance, and development potential. Immediate adjustments are made for employees based on work performance, position changes, and personal contributions.

**Performance Evaluation and Incentive Mechanism**

- Employees' compensation is closely tied to their individual performance, post rank, and contributions. The Company rewards outstanding employees through individual rewards and year-end performance bonuses.





Diverse welfare and employee care

The Company enhances employee benefits by making timely contributions to the pension insurance, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance, as well as the housing provident fund. Senior has established a labor union responsible for employee welfare and organizing holiday activities, improving employee satisfaction and a sense of belonging to the Company. Additionally, we manage employee benefits in compliance with national regulations, focusing on employees' physical and mental health, and paying special attention to the well-being of female employees and those facing family challenges. We are committed to continuously improving employees' work and living conditions.



Basic social security

- Pension insurance
- Medical insurance
- Unemployment insurance
- Work-related injury insurance
- Maternity insurance
- Housing provident fund

Rest and holidays

- Statutory holidays
- Paid annual leave
- Sick leave, bereavement leave, marriage leave, maternity checkup leave, (male) paternity leave, etc.

Additional allowances

- High-temperature allowance

Health care

- Employee health checkups

Housing and relocation support

- Household registration transfer to Shenzhen Special Economic Zone
- Public rental housing for talent

Culture and team building

- Sports activities
- Team building cultural activities
- Holiday gifts



Chinese New Year Employee Care Action by the Labor Union



International Women's Day "Charming Women, Embracing Blossoms" Flower Arrangement Event



"Passion in Bloom, Share with You" Badminton Team Tournament



Basketball Game



Female Tech Engineer Competition



Female Technology Open Day



Employee communication and expression

We firmly believe that a strong employee communication and expression mechanism is the cornerstone for the sustainable development of the Company. Through diverse communication channels and efficient feedback systems, we ensure that every employee feels their voice is heard and valued.

Open Communication Channels

The Company fosters an "open-door" management philosophy, encouraging employees to communicate directly with management to share ideas and raise concerns. By establishing diverse communication channels and mechanisms, we have created an open and inclusive work environment.

Manager "open-door" policy

Employee relations position and dedicated email address

Work interviews

Work discussions and meetings

Employee Relations Management Mechanism

The Company's Human Resources Center has established an employee relations position and provided a dedicated employee relations email address, serving as the official channel for employees to express their opinions, suggestions, and concerns. The employee relations position is responsible for receiving and addressing employee feedback, ensuring that employees' voices are given timely attention and response. Additionally, the Company has set up a grievance channel to offer employees more convenient and efficient communication options.

Employee Satisfaction Survey and Feedback Mechanism

To better understand employees' needs and sentiments, the Company conducts an annual employee satisfaction survey via questionnaires. This survey serves as a self-assessment of the organization's performance at the corporate level, while also providing deeper insights into employees' needs and expectations. The survey results help the Company define areas for improvement and create a "diagnosis - improvement - re-diagnosis - re-improvement" closed-loop management system, continuously optimizing organizational effectiveness.

Furthermore, the Company collects employee opinions and suggestions through offline channels, such as anonymous feedback boxes. All feedback is processed through a structured procedure: information is gathered at fixed intervals each month and forwarded to the relevant business departments, time-limited corrective actions are implemented, and progress is tracked by designated personnel to ensure all feedback is fully addressed.

Talent attraction and retention

Management philosophy

Senior follows the philosophy of "Uniting people with a shared mission, bonding them with compassion, motivating them with effective mechanisms, and inspiring them through growth," recognizing talent as the Company's most valuable asset. We are committed to building a professional, diverse, and dynamic talent team. The Company actively attracts and retains exceptional talent to meet business development needs, offering broad career development platforms and growth opportunities. Through a comprehensive training system, clear career advancement channels, and incentive mechanisms, we help employees achieve personal growth and value creation, ensuring mutual development alongside the Company.

Management policies

Senior and all of its bases have established and implemented internal management systems, such as the *Training Management Standards* and the *Human Resources Management Handbook*, strengthening employee recruitment processes and providing clear development channels for employees. We adhere to the principles of full participation, systematic planning, comprehensive content, a focus on effectiveness, and practical application in building a comprehensive and diverse employee training system to enhance employee quality and capabilities.



Management practices

Attracting talent

We are committed to attracting outstanding talent that aligns with the Company's culture and vision. To this end, we standardize the recruitment and selection process, expand recruitment channels, and enhance the quality of talent selection. This ensures that hired individuals meet the Company's principles and requirements, while also attracting professionals eager to contribute to the new energy and new materials industries.

Senior, in line with its strategic needs, continuously explores and identifies quality recruitment channels to acquire top talent.

Internal Recruitment Channels

- Internal Referral:** Encourage existing employees to refer candidates who meet job requirements.
- Rehiring:** Offer former employees who left but performed well an opportunity to rejoin the Company.

Online Recruitment Channels

- Professional Recruitment Websites:** Use platforms such as Zhaopin and 51Job to post job openings and attract professional talent.
- Social Media Recruitment:** Post job information on social media platforms, such as WeChat official accounts.



Short Video Recruitment Channels

- **Douyin Video:** Create short recruitment videos to showcase the Company's culture and work environment, attracting young and dynamic candidates.
- **Douyin Live Streaming:** Interact in real time through live streaming to answer job seekers' questions.

Campus-Enterprise Cooperation Channels

- **Campus Recruitment Presentations:** Hold recruitment presentations at universities to engage with potential graduates and introduce the Company and job opportunities.
- **Intern Recruitment:** Partner with universities to offer internship opportunities and cultivate future full-time employees.

Offline Recruitment Channels

- **Physical Advertisements:** Place recruitment ads in the Company's vicinity to attract local job seekers.
- **Recruitment Fairs:** Participate in or host in-person recruitment fairs for face-to-face communication with job seekers.

Senior Attracted Top International Talent through Precise Matching

As a global leader in the lithium battery separator industry, Senior is increasingly in need of top talent. In 2024, our campus recruitment program extended to the top 100 global universities ranked in the QS rankings, as well as prestigious 985 and 211 universities in China. Our executive team visited 16 top domestic universities, including Shanghai Jiao Tong University, Huazhong University of Science and Technology, and Sichuan University, to hold recruitment presentations, engage in on-site communication, and conduct interviews. Students recognized the Company's technological breakthroughs in addressing lithium battery challenges and its potential as a "hidden champion," expressing a strong desire to join and contribute to our growth.

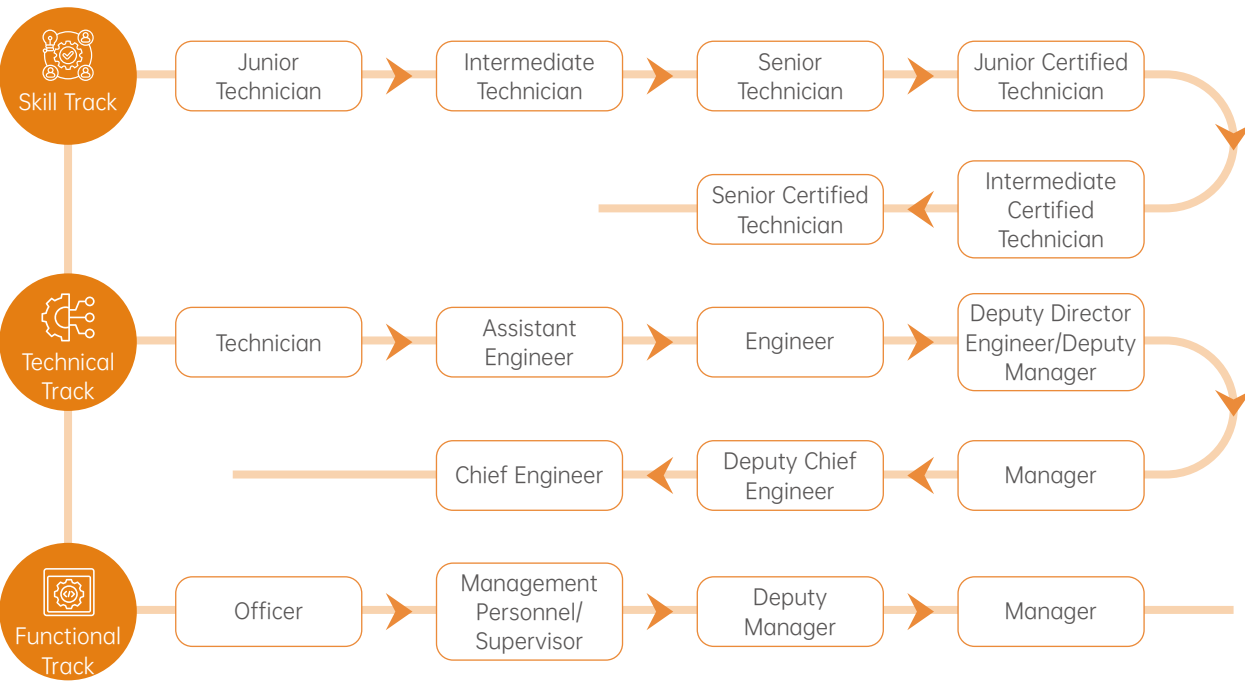


Recruitment Fair at Shanghai Jiao Tong University

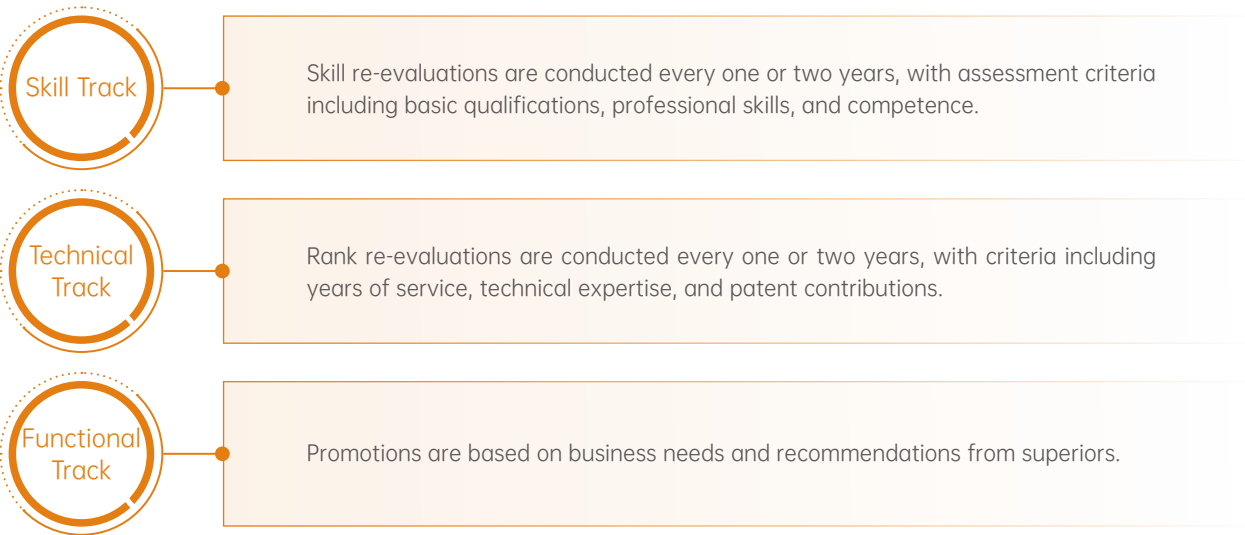
In 2024, we recruited 60 new graduates, 51 of whom held a Master's degree or above, all from top-tier universities.

Employee promotion and development

Senior emphasizes employees' career development and promotion pathways by providing a clear career trajectory and a fair promotion mechanism, ensuring their growth and advancement within the Company. The Company has designed the following promotion paths based on employees' job attributes:



To ensure fairness and transparency in promotions, the Company conducts regular evaluations and assessments:



Additionally, the Company employs the "360-Degree Personnel Review" system to comprehensively assess management, technical, and key personnel. This includes core competency evaluations, personnel evaluation relationship charts, surveys, and interviews. Based on these assessments, talent review reports are created to identify key talent, strengthen the organizational structure, and provide clear directions for employees' career development.



Employee training system

Senior is committed to establishing a comprehensive, systematic, and tiered employee training system that supports the continuous development of employees throughout their careers. The Company has created the Human Resources Center - Senior Training Camp, which coordinates and builds a robust training and development framework aligned with the human resource development plan. This system promotes the creation of a strong talent pipeline. The training content encompasses pre-job training, professional skills development, overall quality improvement, academic education, and technical title evaluations, addressing the development needs of employees at various stages of their careers.

In addition, the Company has developed five key training categories based on job characteristics and employees' growth paths: induction training, post-specific training, departmental training, recommended training, and specialized training. These categories ensure that the training content is both systematic and targeted. By utilizing a scientific training management model and fostering a positive learning atmosphere, we continuously enhance employees' professional abilities, stimulate learning enthusiasm, and lay a solid foundation for the Company's talent development and organizational vitality.

We have designed targeted personnel development plans for different job levels and types:

Star Project

This project recruits outstanding graduates from "Double First-Class" universities through campus recruitment channels. We offer specialized training for new graduates, enhancing their overall quality and job competency through concentrated training sessions, expansion exercises, and professional mentoring. A periodic evaluation and assessment mechanism is in place to track their progress, accelerating the growth of high-potential talent and building a strong talent pipeline for the Company.

Eagle Project

A tailored learning and development project designed for middle-level managers and key employees. The goal is to enhance leadership and overall capabilities. The program includes face-to-face courses, online learning, and experiential training activities, focusing on three dimensions: external skill enhancement, core perspective transformation, and internal self-awareness.

Spark Project

Targeting frontline management personnel across different bases, this project enhances their overall management capabilities through systematic selection and training. Participants are required to identify and execute workplace improvement projects, which are reviewed and approved by leadership as part of their graduation criteria. Successful candidates gain access to promotion pathways, ensuring a professional and efficient frontline management team.

Degree Improvement Support Project

This project supports employees in the production system by offering opportunities for further education, such as associate to bachelor's degree programs. The Company covers part of the tuition fees to encourage employees to pursue self-growth.



The Company has offered a total of **68,732.40** hours of training.



The average training duration per employee is approximately **16.40** hours.

"Eagle Project" Supported the All-Round Growth of Middle Management and Key Employees

In February 2023, the Graduation Project Presentation and Graduation Ceremony of "Eagle Project" Phase II themed "Learning with Diligence, Thinking with Depth, and Acting with Perseverance to Go Far" was successfully held at Senior Changzhou. The "Eagle Project" is a tailored learning and development initiative for mid-level managers and key employees, designed based on the "Senior Leadership Competency" system. Phase II introduced a comprehensive upgrade from the first phase, with a stronger emphasis on practical application and leadership enhancement.

During the training, participants were encouraged to transform their learning into practical reflection. Each group conducted research on work improvements based on the course material and presented their findings at the graduation ceremony. During the ceremony, exemplary student representatives shared their learning experiences. They highlighted the importance of "encouraging learning" within their teams, stating that in addition to their own growth, they were motivated to help their subordinates grow and actively engage them in training, collectively driving the Company's development.



Outstanding Participants from the "Eagle Project"





# 06

## Collaborative Win-Win Building a Responsible Ecosystem

### Material Topics in This Section

- Community Investment
- Supply Chain Management

### Response to United Nations Sustainable Development Goals (SDGs)





# Sustainable supply chain

## | Management philosophy

Senior is dedicated to building a responsible supply chain system. The Company is progressively integrating ESG standards throughout the supply chain management process by implementing mechanisms such as supplier admission assessments and performance monitoring. We aim to steadily advance our goals related to cost, efficiency, quality, and sustainability, working collaboratively with our partners to create an efficient and transparent value chain.

## | Management policies

Senior adheres to international standards, including SA8000 (Social Accountability Standard), the *Universal Declaration of Human Rights*, ISO 45001 (Occupational Health and Safety Management Systems), ISO 14001 (Environmental Management Systems), and the Responsible Business Alliance (RBA) Code of Conduct. We have developed and implemented the *Senior Supply Chain ESG Management Policy* to audit, assess, and manage suppliers, ensuring compliance with requirements in human rights protection, labor rights, occupational health and safety, environmental protection, and other key areas.



## | Management practices

### Full lifecycle supply chain management

Senior promotes full lifecycle supply chain management, establishing a closed-loop system that spans “supplier admission and assessment — daily management — annual evaluation — ESG assessment and capacity building.” We incorporate ESG factors into supply chain management by conducting supplier ESG evaluations, on-site audits, and specialized training, thereby enhancing partners’ awareness of sustainability and their management capabilities. As of the end of the Reporting Period, 100% of Senior’s suppliers had signed the *Supplier Code of Conduct*.

### Supplier admission and assessment

The Company’s Procurement and Logistics Center conducts an initial qualification screening of suppliers. After passing this screening, we organize relevant departments, such as quality and technology, to perform on-site inspections, sample testing, and management system audits. Based on the results, we determine supplier eligibility and sign procurement framework contracts, sunshine agreements, and confidentiality agreements to clearly define mutual rights and obligations.

### Routine supplier management

The Company maintains detailed supplier profiles and communicates regularly with suppliers to understand their production, inventory, and other conditions. We offer solutions as needed and develop procurement plans based on production schedules, placing orders and tracking execution to ensure 100% on-time delivery.

## Annual supplier evaluation and assessment

We have established a comprehensive supplier evaluation metrics system and assessment mechanism. Each year, we conduct an annual evaluation of our suppliers based on key criteria such as product quality, on-time delivery rate, pricing, after-sales service, responsiveness, innovation capability, and sustainability. Based on these assessments, suppliers are ranked accordingly and rewarded or penalized as appropriate.

## Supply chain ESG management

The Company continuously monitors suppliers’ ESG management performance. Based on the *Supplier Code of Conduct*, we evaluate suppliers regularly on issues such as environmental protection, employee rights, social support, intellectual property, business ethics, and occupational health and safety. Specialized training is also provided to suppliers to improve their ESG practices.



Suppliers are encouraged to complete GHG inventories and verifications (referencing ISO 14064 and/or ISO 14067 standards), set carbon reduction goals, prioritize clean energy and low-carbon technology, and implement rigorous environmental protection measures, particularly for managing wastewater, exhaust, and solid waste, as well as promoting resource recycling.



Suppliers are required to adhere to a people-oriented approach, ensuring the basic rights of employees are protected. We explicitly prohibit child labor and forced labor, prevent any form of discrimination or abuse, and require compliance with labor time regulations and minimum wage laws, ensuring fair compensation and fostering a working environment rooted in equity and respect.



We regularly audit suppliers’ production environments to assess safety facilities, employee health protection, and safety management systems, ensuring the health and safety of employees in the supply chain.




Suppliers are required to comply with the *Senior Supplier Business Ethics Policy*. We promote transparency in procurement by enforcing agreement constraints and conducting integrity training for suppliers, ensuring both the Company and its partners uphold ethical practices in sourcing.

**Agreement Constraints:** The sunshine agreement includes anti-corruption clauses that clearly prohibit bribery, kickbacks, and corruption.


**Integrity Training:** The Company regularly organizes anti-corruption training for procurement personnel and suppliers, communicating the Company’s anti-corruption policies and requirements.




As of the end of the Reporting Period,

 **100%** of Senior suppliers have signed the *Supplier Code of Conduct*.

In 2024, the Company

 held **1** anti-corruption and sustainable procurement training session,

 with **60%** of suppliers and **100%** of procurement department employees participating.

Conflict minerals and traceability management

Senior recognizes the significant risks associated with mining, transportation, trade, processing, and storage in conflict-affected and high-risk areas. We are committed to not sourcing raw materials from conflict regions or those linked to conflicts. To uphold this commitment, we conduct regular supplier audits to verify the origin of minerals, proactively identifying and mitigating the risk of conflict minerals entering our supply chain.

Community charity

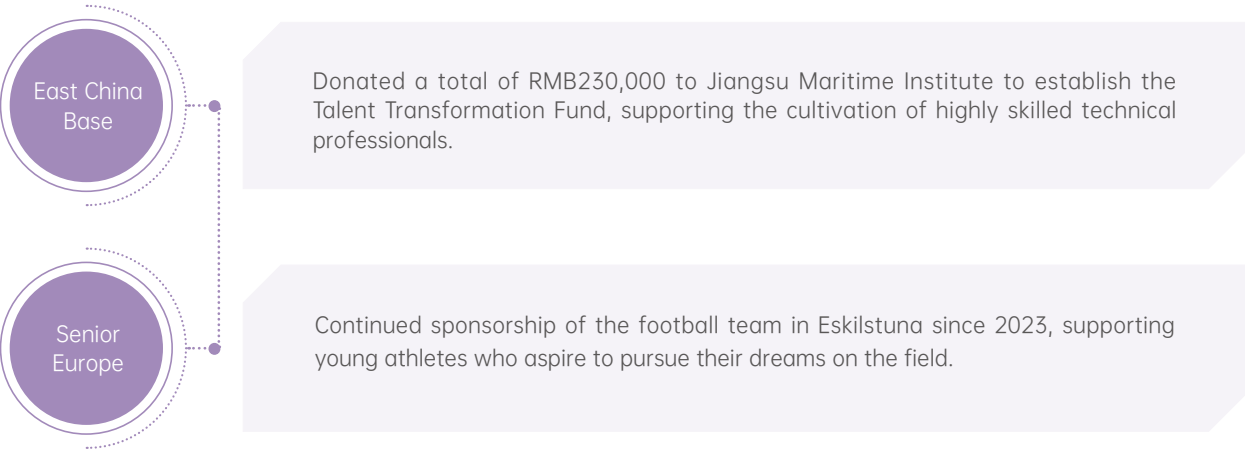
| Management philosophy

Senior actively responds to national calls. While achieving rapid development and continuous business expansion, we adhere to the philosophy of co-creating and sharing with the community. We carry out community charity activities to foster harmony and integration between the Company and the communities in which we operate.

| Management practices

Social charity actions

Senior consistently fulfills its social responsibilities by actively engaging in charitable and public welfare initiatives. The Company supports community development and gives back to society by making charitable donations to local communities at each of its production sites and implementing a variety of public welfare projects.



As a proposer and supporting organization, Senior participated in the "Challenge Cup" National Undergraduate Extracurricular Academic Science and Technology Works Competition (Special Track: "Mission-Oriented Project") by donating prize funds. The Company contributed a total of RMB52,000 in prize money to shortlisted teams to encourage continued scientific research and achievement transformation, providing financial support for one challenger, four special prize winners, three first prize winners, and six second prize winners.





Appendix

| Appendix I - Key ESG Performance Data

Economic Performance

| ESG Metrics Category | Unit      | 2023       | 2024       |
|----------------------|-----------|------------|------------|
| Revenue              | RMB10,000 | 301,323.38 | 354,110.66 |
| Net profit           | RMB10,000 | 59,369.45  | 37,070.86  |

Environmental Performance<sup>2</sup>

| ESG Metrics Category   |   | Unit   | 2023       | 2024       |
|------------------------|---|--|------------|------------|
| Emissions <sup>3</sup> | Total GHG emissions                               | tCO <sub>2</sub> e                             | 203,166.96 | 264,398.54 |
|                        | GHG emissions density                             | tCO <sub>2</sub> e/ RMB10,000 in total revenue | 0.67       | 0.75       |
|                        | Direct GHG emissions (Scope 1)                    | tCO <sub>2</sub> e                             | 54,881.37  | 81,042.99  |
|                        | Indirect GHG emissions (Scope 2)                  | tCO <sub>2</sub> e                             | 148,285.59 | 183,355.55 |
|                        | Total exhaust emissions                           | Ton  | 2.61       | 18.74      |
|                        | Exhaust emissions intensity                       | kg/ RMB10,000 in total revenue                 | 0.0087     | 0.0529     |
|                        | Nitrogen oxides (NO <sub>x</sub> ) emissions      | Ton  | 0.89       | 9.07       |
|                        | Sulfur oxides (SO <sub>x</sub> ) emissions        | Ton  | 0.61       | 1.42       |
|                        | Volatile organic compounds (VOCs) emissions       | Ton  | 0.95       | 6.56       |
|                        | Hazardous air pollutants (HAPs) emissions         | Ton  | 0.01       | 0.62       |
|                        | Particulate matter (PM <sub>2.5</sub> ) emissions | Ton  | 0.15       | 1.07       |

<sup>2</sup> The data calculation scope includes the resource consumption and pollutant emissions from both office and production areas of the Group's headquarter and subsidiaries, including Senior Changzhou, Senior Hefei, Senior Jiangsu, Senior Nantong, Senior Shenzhen, and Senior Europe.

<sup>3</sup> Disclosed GHG emissions are based on the consumption of gasoline, diesel, natural gas, purchased electricity, and purchased thermal energy. Scope 1 GHG emissions derive from gasoline, diesel, and natural gas, while Scope 2 emissions are based on purchased electricity and purchased thermal energy. Emission factors for gasoline, diesel, natural gas, and purchased thermal energy are calculated with reference to the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions by Enterprises in Other Industrial Sectors (Trial)* issued by the General Office of the National Development and Reform Commission of China. The emission factor for the electricity grid in the Chinese Mainland is based on the *Announcement on the Release of the 2022 Grid Carbon Dioxide Emission Factors* issued by the Ministry of Ecology and Environment.

| ESG Metrics Category                |  | Unit  | 2023       | 2024         |
|-------------------------------------|--|---|------------|--------------|
| Emissions <sup>3</sup>              | Industrial wastewater discharge                      | m <sup>3</sup>                              | 97,027.20  | 218,960.98   |
|                                     | General waste recycled                               | Ton   | 17,320.16  | 7,585.24     |
|                                     | Hazardous waste disposed of                          | Ton   | 1,920.83   | 3,023.35     |
| Water Resources                     | Total water consumption                              | m <sup>3</sup>                              | 878,185.82 | 1,264,356.13 |
|                                     | Water consumption intensity                          | m <sup>3</sup> / RMB10,000 in total revenue | 2.91       | 3.57         |
|                                     | Recycled water consumption                           | m <sup>3</sup>                              | 41,029.10  | 47,282.20    |
| Materials <sup>4</sup>              | Total consumption of packaging materials             | Ton   | 8,657.92   | 12,858.54    |
|                                     | Total consumption of paper-based packaging materials | Ton   | 8,588.31   | 12,691.63    |
|                                     | Total consumption of plastic packaging materials     | Ton   | 68.99      | 165.07       |
|                                     | Total consumption of other packaging materials       | Ton   | 0.61       | 1.83         |
|                                     | Total recycled packaging materials                   | Ton   | 3,463.17   | 6,300.68     |
|                                     | Packaging material recycling rate                    | %   | 40         | 49           |
| Energy <sup>5</sup>                 | Comprehensive energy consumption                     | MWh   | 570,546.09 | 780,643.84   |
|                                     | Comprehensive energy consumption intensity           | MWh/ RMB10,000 in total revenue             | 1.89       | 2.20         |
|                                     | Direct energy consumption                            | MWh   | 274,588.80 | 405,535.33   |
|                                     | Indirect energy consumption                          | MWh   | 295,957.29 | 375,108.51   |
|                                     | Purchased electricity consumption                    | MWh   | 276,328.13 | 341,396.03   |
|                                     | Purchased heat power consumption                     | MWh   | 20.00      | 410.19       |
|                                     | Renewable energy consumption                         | MWh   | 19,609.17  | 33,302.28    |
|                                     | Gasoline consumption                                 | Liters                                      | 16,014.81  | 13,046.81    |
|                                     | Diesel consumption                                   | Liters                                      | 16,993.00  | 17,064.00    |
|                                     | Natural gas consumption                              | 10,000 m <sup>3</sup>                       | 2,534.50   | 3,744.76     |
| Environmental Protection Investment | Total investment in environmental protection         | RMB10,000                                   | 3,597      | 3,960        |

<sup>4</sup> The data of total consumption of packaging materials (including paper, plastic, and other materials) are converted from pieces (pcs) to tons, based on estimated weight per piece.

<sup>5</sup> The data of comprehensive energy consumption are converted into standard coal equivalent (tce) in accordance with the Chinese national standard GB/T 2589-2020 General rules for calculation of the comprehensive energy consumption.



Social Performance

| ESG Metrics Category |   | Unit   | 2023  | 2024  |
|----------------------|---|--------|-------|-------|
| Employment           | Total number of employees and number of employees by gender |        |       |       |
|                      | Total number of employees                                   | Person | 3,988 | 4,634 |
|                      | Male  | Person | 3,095 | 3,677 |
|                      | Female  | Person | 893   | 957   |
|                      | Number of employees by educational background               |        |       |       |
|                      | Associate degree and below                                  | Person | 2,989 | 3,465 |
|                      | Bachelor degree   | Person | 887   | 1,015 |
|                      | Master degree or above                                      | Person | 112   | 154   |
|                      | Number of employees by age                                  |        |       |       |
|                      | Aged 30 and below   | Person | 1,743 | 2,063 |
|                      | Aged 31 to 50   | Person | 2,114 | 2,395 |
|                      | Aged 51 and above   | Person | 131   | 176   |
|                      | Number of employees by region                               |        |       |       |
|                      | Chinese Mainland  | Person | 3,856 | 4,425 |
|                      | Overseas  | Person | 132   | 209   |
|                      | Proportion of employees by specialty                        |        |       |       |
|                      | Production  | %      | 64.99 | 66.85 |
|                      | Sales   | %      | 1.00  | 1.14  |
|                      | Technical   | %      | 14.42 | 13.35 |
|                      | Financial   | %      | 1.13  | 1.27  |
|                      | Administrative  | %      | 18.46 | 17.39 |

| ESG Metrics Category   |  | Unit      | 2023      | 2024      |
|------------------------|--|-----------|-----------|-----------|
| Turnover               | Employee turnover rate                                   | %         | 5.00      | 5.10      |
| Training and Education | Total number of employees trained by gender and category |           |           |           |
|                        | Total number of employees trained                        | Person    | 3,656     | 4,191     |
|                        | Male employees trained                                   | Person    | 2,909     | 3,362     |
|                        | Female employees trained                                 | Person    | 747       | 829       |
|                        | Primary-level employees trained                          | Person    | 3,033     | 3,431     |
|                        | Mid-level management employees trained                   | Person    | 544       | 696       |
|                        | Senior management employees trained                      | Person    | 79        | 64        |
|                        | Total training hours for employees                       | Hour      | 67,453.30 | 68,732.40 |
|                        | Training hours for male employees                        | Hour      | 53,671.10 | 55,136.80 |
|                        | Training hours for female employees                      | Hour      | 13,782.20 | 13,595.60 |
|                        | Training hours for primary-level employees               | Hour      | 55,958.85 | 56,268.40 |
|                        | Training hours for mid-level management                  | Hour      | 10,036.80 | 11,414.40 |
|                        | Training hours for senior management                     | Hour      | 1,457.55  | 1,049.60  |
| Innovation and R&D     | R&D investment   | RMB10,000 | 24,246.35 | 24,802.43 |
|                        | R&D investment as a percentage of revenue                | %         | 8.05      | 7.00      |
| Intellectual Property  | Patents applied for                                      | Item      | 558       | 820       |
|                        | Total number of valid patents held                       | Item      | 285       | 368       |
|                        | Total number of authorized invention patents held        | Item      | 122       | 174       |
|                        | Total number of authorized utility model patents         | Item      | 163       | 194       |



Governance Performance

| ESG Metrics Category             |   | Unit   | 2023  | 2024 |
|----------------------------------|---|--------|-------|------|
| Diversity of the Governance Body | Number of male directors  | Person | 6     | 6    |
|                                  | Number of female directors  | Person | 1     | 1    |
|                                  | Number of independent directors   | Person | 3     | 3    |
|                                  | Number of non-independent directors   | Person | 4     | 4    |
|                                  | Number of senior management members   | Person | 79    | 63   |
|                                  | Number of female senior management members  | Person | 12    | 7    |
| Corporate Governance             | Number of disclosure reports  | Item   | 209   | 145  |
|                                  | General Meetings of Shareholders held   | \      | 6     | 3    |
|                                  | Board of Directors meetings held  | \      | 12    | 9    |
|                                  | Board of Supervisors meetings held  | \      | 12    | 7    |
|                                  | Strategy Committee meetings held  | \      | 1     | 0    |
|                                  | Audit Committee meetings held   | \      | 6     | 7    |
|                                  | Nomination Committee meetings held  | \      | 1     | 3    |
|                                  | Remuneration and Appraisal Committee meetings held                                | \      | 4     | 3    |
| Anti-corruption                  | Number of concluded corruption lawsuits filed against the issuer or its employees | \      | 0     | 0    |
|                                  | Number of internal corruption reports   | \      | 0     | 0    |
|                                  | Number of employees trained on anti-corruption and anti-bribery                   | Person | 1,100 | 646  |
|                                  | Training hours of employees on anti-corruption and anti-bribery                   | Hour   | 550   | 323  |

| Appendix II - Index Table

GRI Standards index

| General Standard Disclosures    |   | Report Section              |
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| 2-2                             | Entities included in the organization's sustainability reporting            | About This Report           |
| 2-3                             | Reporting period, frequency, and contact point                              | About This Report           |
| 2-4                             | Restatements of information   | N/A                         |
| 2-5                             | External assurance  | N/A                         |
| 2-6                             | Activities, value chain and other business relationships                    | About Senior                |
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| 2-13                            | Delegation of responsibility for managing impacts                           | ESG management              |
| 2-14                            | Role of the highest governance body in sustainability reporting             | ESG management              |
| 2-15                            | Conflicts of interest   | See 2024 Annual Report      |
| 2-16                            | Communication of critical concerns  | ESG management              |
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| 2-27                                    | Compliance with laws and regulations   | Corporate governance                           |
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| 2-29                                    | Approach to stakeholder engagement   | ESG management                                 |
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| GRI 3: Material Topics 2021             |  |  |
| 3-1                                     | Process to determine material topics   | ESG management                                 |
| 3-2                                     | List of material topics  | ESG management                                 |
| 3-3                                     | Management of material topics  | ESG management                                 |
| GRI 201: Economic Performance 2016      |  |  |
| 201-1                                   | Direct economic value generated and distributed                                | See 2024 Annual Report                         |
| 201-2                                   | Financial implications and other risks and opportunities due to climate change | Climate change response                        |
| 201-3                                   | Defined benefit plan obligations and other retirement plans                    | Employee rights and welfare                    |
| 201-4                                   | Financial assistance received from government                                  | N/A  |
| GRI 202: Market Presence 2016           |  |  |
| 202-2                                   | Proportion of senior management hired from the local community                 | Key ESG Performance Data                       |
| GRI 203: Indirect Economic Impacts 2016 |  |  |
| 203-1                                   | Infrastructure investments and services supported                              | Community charity                              |
| 203-2                                   | Significant indirect economic impacts  | Community charity                              |
| GRI 204: Procurement Practices 2016     |  |  |
| 204-1                                   | Proportion of spending on local suppliers                                      | Key ESG Performance Data                       |

| General Standard Disclosures            |   | Report Section  |
|---|---|---|
| GRI 205: Anti-corruption 2016           |   |   |
| 205-1                                   | Operations assessed for risks related to corruption                             | Business ethics   |
| 205-2                                   | Communication and training about anti-corruption policies and procedures        | Business ethics   |
| 205-3                                   | Confirmed incidents of corruption and actions taken                             | Business ethics   |
| GRI 206: Anti-competitive Behavior 2016 |   |   |
| 206-1                                   | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | None  |
| GRI 301: Materials 2016                 |   |   |
| 301-1                                   | Materials used by weight or volume  | Improving resource efficiency<br>Key ESG Performance Data |
| 301-2                                   | Recycled input materials used   | Improving resource efficiency<br>Key ESG Performance Data |
| 301-3                                   | Reclaimed products and their packaging materials                                | Improving resource efficiency<br>Key ESG Performance Data |
| GRI 302: Energy 2016                    |   |   |
| 302-1                                   | Energy consumption within the organization                                      | Improving resource efficiency<br>Key ESG Performance Data |
| 302-2                                   | Energy consumption outside of the organization                                  | Improving resource efficiency<br>Key ESG Performance Data |
| 302-3                                   | Energy intensity  | Improving resource efficiency<br>Key ESG Performance Data |
| 302-4                                   | Reduction of energy consumption   | Improving resource efficiency<br>Key ESG Performance Data |
| 302-5                                   | Reductions in energy requirements of products and services                      | Improving resource efficiency<br>Key ESG Performance Data |
| GRI 303: Water and Effluents 2018       |   |   |
| 303-1                                   | Interactions with water as a shared resource                                    | N/A   |
| 303-2                                   | Management of water discharge-related impacts                                   | Improving resource efficiency                             |



| General Standard Disclosures |   | Report Section  |
|------------------------------|---|---|
| 303-3                        | Water withdrawal  | Improving resource efficiency                             |
| 303-4                        | Water discharge   | Emissions and waste management                            |
| 303-5                        | Water consumption   | Improving resource efficiency                             |
| GRI 304: Biodiversity 2016   |   |   |
| 304-1                        | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | N/A   |
| 304-2                        | Significant impacts of activities, products and services on biodiversity  | N/A   |
| 304-3                        | Habitats protected or restored  | N/A   |
| 304-4                        | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | N/A   |
| GRI 305: Emissions 2016      |   |   |
| 305-1                        | Direct (Scope 1) GHG emissions  | Improving resource efficiency<br>Key ESG Performance Data |
| 305-2                        | Energy indirect (Scope 2) GHG emissions   | Improving resource efficiency<br>Key ESG Performance Data |
| 305-4                        | GHG emissions intensity   | Improving resource efficiency<br>Key ESG Performance Data |
| 305-5                        | Reduction of GHG emissions  | Improving resource efficiency                             |
| 305-6                        | Emissions of ozone-depleting substances (ODS)   | Emissions and waste management                            |
| 305-7                        | Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions                                 | Emissions and waste management                            |
| GRI 306: Waste 2020          |   |   |
| 306-1                        | Waste generation and significant waste-related impacts  | Emissions and waste management                            |
| 306-2                        | Management of significant waste-related impacts   | Emissions and waste management                            |
| 306-3                        | Waste generated   | Emissions and waste management                            |
| 306-4                        | Waste diverted from disposal  | Emissions and waste management                            |
| 306-5                        | Waste directed to disposal  | Emissions and waste management                            |

| General Standard Disclosures                    |   | Report Section  |
|---|---|---|
| GRI 308: Supplier Environmental Assessment 2016 |   |   |
| 308-1   | New suppliers that were screened using environmental criteria   | Sustainable supply chain                                    |
| 308-2   | Negative environmental impacts in the supply chain and actions taken  | Sustainable supply chain                                    |
| GRI 401: Employment 2016                        |   |   |
| 401-1   | New employee hires and employee turnover  | Talent attraction and retention<br>Key ESG Performance Data |
| 401-2   | Benefits provided to full-time employees that are not provided to temporary or part-time employees            | Employee rights and welfare                                 |
| 401-3   | Parental leave  | Employee rights and welfare                                 |
| GRI 403: Occupational Health and Safety 2018    |   |   |
| 403-1   | Occupational health and safety management system  | Occupational health and safety                              |
| 403-2   | Hazard identification, risk assessment, and incident investigation  | Occupational health and safety                              |
| 403-3   | Occupational health services  | Occupational health and safety                              |
| 403-4   | Worker participation, consultation, and communication on occupational health and safety                       | Occupational health and safety                              |
| 403-5   | Worker training on occupational health and safety   | Occupational health and safety                              |
| 403-6   | Promotion of worker health  | Occupational health and safety                              |
| 403-7   | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Occupational health and safety                              |
| 403-8   | Workers covered by an occupational health and safety management system  | Occupational health and safety                              |
| 403-9   | Work-related injuries   | Occupational health and safety                              |
| 403-10  | Work-related ill health   | Occupational health and safety                              |
| GRI 404: Training and Education 2016            |   |   |
| 404-1   | Average hours of training per year per employee   | Talent attraction and retention<br>Key ESG Performance Data |
| 404-2   | Programs for upgrading employee skills and transition assistance programs                                     | Talent attraction and retention                             |
| 404-3   | Percentage of employees receiving regular performance and career development reviews                          | Talent attraction and retention                             |



| General Standard Disclosures                                   |  | Report Section              |
|--|--|-----------------------------|
| GRI 405: Diversity and Equal Opportunity 2016                  |  |                             |
| 405-1  | Diversity of governance bodies and employees   | Employee rights and welfare |
| GRI 406: Anti-discrimination 2016                              |  |                             |
| 406-1  | Incidents of discrimination and corrective actions taken   | Employee rights and welfare |
| GRI 407: Freedom of Association and Collective Bargaining 2016 |  |                             |
| 407-1  | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | N/A                         |
| GRI 408: Child Labor 2016                                      |  |                             |
| 408-1  | Operations and suppliers at significant risk for incidents of child labor                                      | N/A                         |
| GRI 409: Forced or Compulsory Labor 2016                       |  |                             |
| 409-1  | Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | N/A                         |
| GRI 411: Rights of Indigenous Peoples 2016                     |  |                             |
| 411-1  | Incidents of violations involving rights of indigenous peoples   | N/A                         |
| GRI 413: Local Communities 2016                                |  |                             |
| 413-1  | Operations with local community engagement, impact assessments, and development programs                       | Community charity           |
| 413-2  | Operations with significant actual and potential negative impacts on local communities                         | N/A                         |
| GRI 414: Supplier Social Assessment 2016                       |  |                             |
| 414-1  | New suppliers that were screened using social criteria   | Sustainable supply chain    |
| 414-2  | Negative social impacts in the supply chain and actions taken  | Sustainable supply chain    |
| GRI 415: Public Policy 2016                                    |  |                             |
| 415-1  | Political contributions  | N/A                         |
| GRI 416: Customer Health and Safety 2016                       |  |                             |
| 416-1  | Assessment of the health and safety impacts of product and service categories                                  | Product quality and safety  |
| 416-2  | Incidents of non-compliance concerning the health and safety impacts of products and services                  | None                        |

| General Standard Disclosures         |  | Report Section |
|--------------------------------------|--|----------------|
| GRI 417: Marketing and Labeling 2016 |  |                |
| 417-1                                | Requirements for product and service information and labeling                                | N/A            |
| 417-2                                | Incidents of non-compliance concerning product and service information and labeling          | None           |
| 417-3                                | Incidents of non-compliance concerning marketing communications                              | None           |
| GRI 418: Customer Privacy 2016       |  |                |
| 418-1                                | Substantiated complaints concerning breaches of customer privacy and losses of customer data | None           |



Appendix III - Report Reader Feedback Form

Dear reader,

Thank you for taking the time to review *Senior's Environmental, Social, and Governance (ESG) Report*. We genuinely appreciate your attention to this report and invite you to share any feedback or suggestions that could help us enhance future editions.

Should you have any comments or recommendations, please do not hesitate to reach out to the Company using the following contact methods:

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Address: Tianyuan Road, Gongming Town, Guangming District, Shenzhen, Guangdong, China

Your information

Name:

Company:

Position:

Mobile:

Email:

Which part of the report are you most interested in?

What additional information would you recommend including in this report?

Do you have any suggestions for the Company to improve future reports?

Please rate this report by marking it with an ✓ in the appropriate box:

| Question   | Excellent                | Good                     | Average                  | Poor                     | Don't Know               |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Do you believe this report effectively highlights the key environmental, social, and governance aspects of Senior? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you find the information and metrics disclosed in this report to be clear, accurate, and comprehensive?         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| How would you evaluate the content organization and design style of this report in terms of readability?           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| How do you assess Senior's performance in serving customers and safeguarding their interests?                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |





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