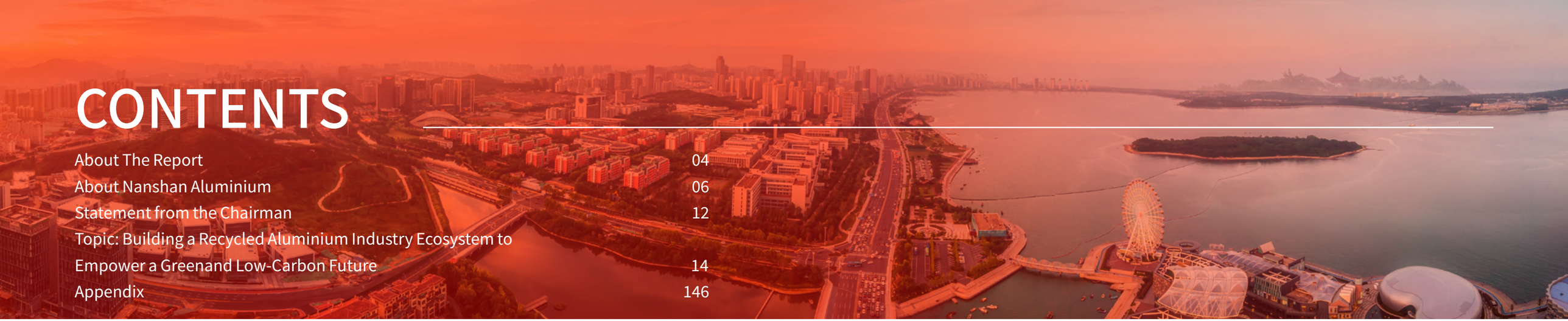
2025 Environmental, Social and Governance Report



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About The Report

Report Description

This Report is the full version of the 16th Environmental, Social and Governance Report (hereinafter referred to as "ESG Report" or "this Report") issued by Shandong Nanshan Aluminium Co., Ltd.,[1] which is an annual report focusing on the management, practice and performance of the Company in respect of environment, social and governance (ESG).

Organisational Scope of the Report

The Report is about Shandong Nanshan Aluminium Co., Ltd. and its subsidiaries, including Longkou Donghai Alumina Co., Ltd. (hereafter referred to as "Alumina Company"), Nanshan Aluminium Branch of Shandong Nanshan Aluminium Co., Ltd. (hereafter referred to as "Electrolytic Aluminium Company"), Longkou Nanshan Aluminium Rolling New Material Co., Ltd. (hereafter referred to as "Aluminium Rolling Company"), Medium-thick Plate Branch of Shandong Nanshan Aluminium Co., Ltd. (hereafter referred to as "Medium-thick Plate Company"), Yantai Donghai Aluminium Foil Co., Ltd. (hereafter referred to as "Aluminium Foil Company"), Aluminium Profile Plant of Nanshan Aluminium (hereafter referred to as "Aluminium Profile Plant"), Yantai Nanshan Aluminium New Material Co., Ltd. (hereafter referred to as "Aluminium New Material Company"), Longkou Nanshan Recycled Aluminium Co., Ltd. (hereafter referred to as "Recycled Aluminium Company"), Donghai Thermal Power Plant, American factory, and Indonesian factory. For details on the statistic scope of environmental data, please refer to the footnotes in each chapter. In this Report, "we", "the Company" and "Nanshan Aluminium" all refer to "Shandong Nanshan Aluminium Co., Ltd.". Unless otherwise specified, all currencies mentioned in this Report refer to RMB.

Report Time Horizon

The report covers the period from January 1st, 2025 to December 31st, 2025 (hereinafter referred to as the "report period"), some dating back to previous years and covering the first quarter of 2026.

Basis of Preparation

Prepared with reference to the *Guidelines No. 14 of Shanghai Stock Exchange for Self-regulation of Listed Companies - Sustainability Report (Trial)* and other relevant documents, this Report also considers the United Nations Sustainable Development Goals (UN SDGs), Morgan Stanley Capital International Environmental, Social, and Governance rating (MSCI ESG rating), and other rating indicators.

1: In 2025, in accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-regulation of Listed Companies-Sustainability Report (Trial)*, we renamed this Report to the "Environmental, Social and Governance Report" (ESG Report). Prior to 2024, we had already published ESG disclosures in the form of Environmental, Social and Governance Reports, Social Responsibility Reports, or Sustainability Reports. The 2025 edition thus marks the 16th ESG Report released by Nanshan Aluminium since its listing.

Data Source & Reliability Assurance

The information and data disclosed in this Report are from statistical reports and official documents of the Company and have been audited by relevant departments. The Company guarantees that this Report does not involve any false records and misleading statements and will be liable for the authenticity, accuracy and integrity of the contents. This Report is available in both Simplified Chinese and English versions for readers to consult. In instances where there may be confusion or differences in interpretation between the two texts, the Simplified Chinese version shall prevail.

Report Preparation Process

The preparation process of this Report covers establishment of work team, data collection, interviews with and questionnaire inquiry on stakeholders, framework determination, report preparation, report design, review by department and senior management, etc.

Confirmation and Approval

This Report was reviewed and approved by the Board of Directors and senior leadership of the Company on March 25th, 2026.

Report Acquisition

This Report may be accessed and downloaded from the Company's website at www.600219.com.cn.

For further inquiries or any comments and suggestions regarding this Report, please contact the Company through the following channels:

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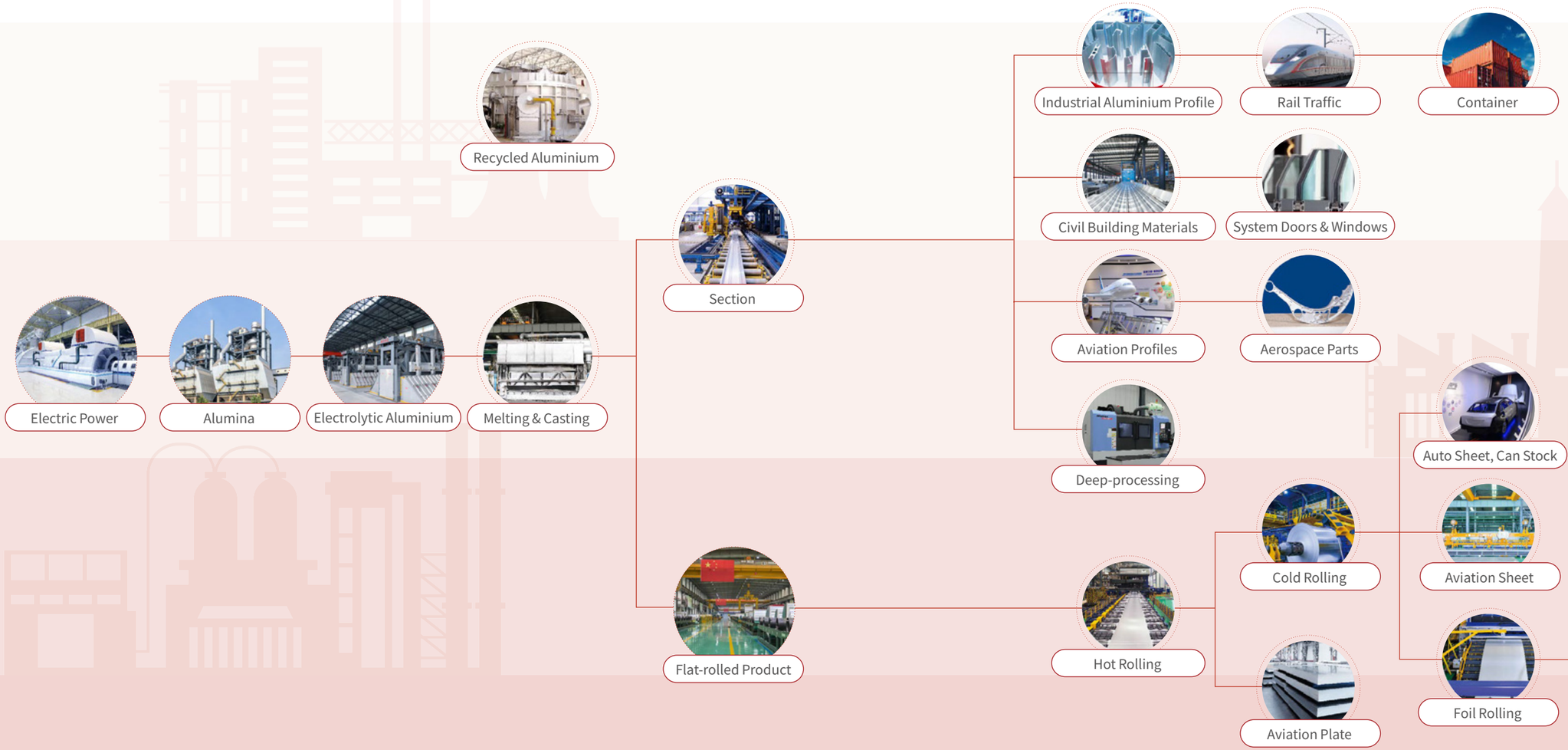
About Nanshan Aluminium

Since its establishment in 1993, Nanshan Aluminium has built a complete industrial chain spanning "thermal power - alumina - electrolytic aluminium - aluminium processing - recycled aluminium" and has become a leading manufacturer of aluminium products. The Company adheres to a development strategy driven by innovation and high-end manufacturing. By deepening collabouration across the entire industry chain and expanding its overseas production capacity layout, it has achieved a leap from exporting single products to implementing systematic overseas industrial projects. Through long-term development, the Company has established a leading position in high value-added aluminium products sectors such as aviation and automotive. Leveraging the synergistic advancement of domestic and international operations, it continues to demonstrate robust developmental resilience and significant long-term growth value.

Industrial Development

Nanshan Aluminium adheres to the development path of "premium positioning + integrated industrial chain", continuously deepening industrial synergy and value extension. The Company is dedicated to unlocking high-quality production capacity for premium products such as automotive and aviation sheets/plates while actively advancing the layout and construction of alumina, electrolytic aluminium, and downstream projects in Indonesia. These efforts enhance the resilience of the global supply chain and drive steady progress in high-end manufacturing operations.



Nanshan Aluminium Industry Chain Schematic Diagram

In 2025, under the strategic guidance of "Full-Chain Control, Innovation Breakthrough, and Green Foundation", Nanshan Aluminium achieved steady growth in operating performance. The Company has deepened its focus on the domestic high-end aluminium processing market. Sales and gross profit contributions from high value-added products such as automobile sheets and aviation sheets/plates have continued to increase, while the construction of production capacity for Phase III automobile sheets and other projects has been steadily advanced. Overseas, the Company has deepened its industrial chain layout by leveraging its Indonesia base. The third and fourth phases of the alumina project commenced production during the Reporting Period, successfully releasing an annual alumina capacity of 4 million metric tonnes. Furthermore, the Company is actively advancing downstream aluminium electrolysis projects to construct a more resilient integrated industrial structure in the future.

Our Premium Aluminium Products

Automotive Sheet

To align with the rapid market pace of the new energy vehicle industry, the Company continues to strengthen and optimize its core automobile sheet business. It is continuously improving its capacity layout and product portfolio while reinforcing full-chain guarantee capabilities spanning material R&D, part certification, and mass supply. Leveraging the synergistic advantages of the entire industry chain and a mature manufacturing system, we precisely capture the lightweighting needs of mainstream domestic and international automakers. This has enabled us to establish a flexible production system capable of rapidly responding to customers' differentiated and customized requirements, while steadily expanding market coverage and deepening client partnerships.

Aviation Sheets & Plates

In response to the core demands of the national strategy for aviation power, the Company has deeply integrated core resources including technological R&D, certifications, and production capacity assurance. By aligning with international regulations, the Company has forged high-end quality and core competitiveness for its aviation sheet & plate products, establishing a benchmark for domestic localization substitution in aviation aluminium materials. In the future, the Company will adhere to the development path of "technology as the foundation, quality as the safeguard, and innovation as the enabler". It will continue to deepen its core technological breakthroughs in aviation aluminium alloy materials, keep pace with the high-performance development trends of the aviation industry, strengthen product adaptability and supply capabilities, and inject strong momentum into the autonomous controllability and high-quality development of China's aviation industry.

Can Body & End stock

Deeply integrated into the core tier of global mainstream packaging supply chains, we have established new competitive advantages through product stability, supply reliability, and service precision, continuously leading the industry toward upgrades in high quality, green development, and high efficiency. In the future, the Company will continue to adhere to a customer-centric and market-oriented approach, continuously optimize its product structure, deepen cooperation with high-end clients, and refine full-chain supporting services to achieve a simultaneous leap in both market coverage breadth and the depth of client partnerships.

Recycled Aluminium Products

In an era where green development and the value of resource circulation are increasingly prominent, the Company focuses on the core directions of high-value and low-carbon transformation for recycled aluminium products. By forging strong partnerships with upstream and downstream entities, we have formed a critical synergy to build a closed-loop system for the closed-loop recycling system for scrap aluminium. This approach achieves precise complementarity between technical expertise and industrial resources, driving a positive ecological cycle within the aluminium industry. In the future, the Company will continue to strengthen R&D on recycled aluminium technology, expand recycling channels, and improve resource circular efficiency. We are dedicated to establishing a green benchmark for the recycled aluminium industry, actively fulfilling our responsibility for green development, and achieving synergistic win-win outcomes between ecological value and industrial value.

Aluminium foil products

Leveraging its complete industrial chain, the Company focuses on core customer requirements and differentiated missions. It emphasizes a win-win logic centered on stable supply and precise end-to-end delivery. Through the continuous provision of customized services in specialized sectors, the Company achieves efficient aggregation of product market recognition and share. After years of brand value accumulation and with a strong industry reputation, the Company has established long-term and stable cooperative ties with well-known domestic and international food enterprises and battery manufacturers.

Industrial Profiles

Benefiting from domestic infrastructure investment and the development of sectors such as automobiles, rail transit, and consumer electronics appliances, the application scope of industrial profiles continues to expand. The demand for medium- and high-strength aluminium profiles demonstrates a positive growth trend. The Company will continue to leverage its container and photovoltaic product foundations while prioritizing major transportation sectors such as aviation for expansion. By continuously harnessing resource integration advantages, the Company will advance the high-end development of its industrial structure, accelerate industrial transformation, and develop mid-to-high-end aluminium profile products tailored for high-end manufacturing sectors including aviation, high-speed rail, and automobiles.

Building Profiles

In recent years, due to the excellent characteristics of aluminium building materials such as lightweight properties, corrosion resistance, fire resistance, moisture resistance, sound insulation, and thermal insulation, the market continues to maintain a certain demand for them. As a well-known building materials enterprise, the Company leverages its comprehensive equipment configuration, excellent R&D team, and cost advantages across the entire industry chain to actively expand into the home decoration retail and system window and door markets, earning recognition and preference from high-quality downstream clients. In the future, the Company will continue to stabilize its engineering market while accelerating development in the retail and system door and window markets. It will continuously optimize its sales structure to gradually achieve the transformation of high value-added products towards terminalization and finished product status.

Alumina products

While consolidating its core competitive advantages in the domestic market, the Company leverages its long-term strategic perspective and industrial research experience to actively integrate into the global industrial division of labour system. Anchored by its Indonesia base, the Company integrates high-quality overseas resources and efficient production capacity, injecting diversified insights and wisdom into the Company's global industrial landscape. By building consensus through internal and external collabouration, exerting efforts in both directions, and advancing together, we continuously expand our growth potential. We proceed steadily and proactively at every development milestone, laying a solid foundation for the Company's sustainable development. During the Reporting Period, all of Indonesia's 4 million metric tonnes of alumina production capacity came into operation.

Nanshan Aluminium has established a production site layout covering the entire industry chain. Its main business entities include companies engaged in thermal power, alumina, electrolytic aluminium, aluminium rolling, medium and thick plates, extrusion profiles, and recycled aluminium. The Company maintains branches in multiple core cities across China and has established overseas branches in the United States, Australia, Singapore, Germany, and Indonesia, forming a service network that supports global operations.

Looking ahead, the Company will consolidate its domestic industrial chain advantages while actively advancing capacity layout in overseas markets, particularly in Indonesia. It will accelerate the extension and integration of the industrial chain to build a dual-circulation pattern of coordinated development between domestic and international markets, injecting new momentum into the Company's sustainable growth.

Corporate Strategy

Nanshan Aluminium has established a sustainable development strategy centered on high-end positioning, green transformation, and global expansion. On one hand, we consolidate our foundational strength in traditional can stock materials while prioritizing the expansion into high-end markets such as automotive lightweighting and aerospace aluminium applications to build a diversified, high value-added product matrix. On the other hand, we deeply integrate green concepts throughout the industrial chain; by strengthening strategic collabouration with downstream partners, we continuously drive the industry toward low-carbon and efficient transformation.

Furthermore, the Company has firmly advanced its overseas resource and capacity layout, establishing key growth drivers through projects such as alumina and electrolytic aluminium in Indonesia. This strategy builds an industrial landscape with synergies between domestic and international operations and sustained competitiveness, driving high-quality and sustainable long-term development.

Recognition

In 2025, Nanshan Aluminium drove innovation to deeply explore green transformation and sustainable development pathways in the aluminium industry. Through the systematic construction of green operations and governance mechanisms, the Company effectively fulfilled its ESG responsibilities, and its exceptional value has earned high praise from all sectors of society.

Best Practice Cases for the Board of Directors and Sustainable Development
China Association of Listed Companies

5A-level evaluation of the Company Secretary's performance
China Association of Listed Companies

Best and Excellent Practices for Annual Report Performance Briefing Sessions
China Association of Listed Companies

Grade A in Information Disclosure
Shanghai Stock Exchange

2025 Outstanding Export Reputation Listed Company Award
Daily Economic News

Best Board Secretary Award for Listed Companies on the Main Board
Daily Economic News

2025 Yantai Municipal (Basic Level) Intelligent Factory
Yantai Municipal Bureau of Industry and Information Technology

Yantai Doubling Plan Award
Yantai Municipal Party Committee and Municipal Government

Premium Brand Title for Alumina Products
China Nonferrous Metals Industry Association

Growth Value Golden Cow Award
China Securities Journal

Golden Horse Industry Leading Enterprise Award
Securities Daily

2025 China Listed Companies Yinghua Award
China Fund News

Top 500 Chinese Enterprises
Fortune Magazine

China Association of Listed Companies "2025 Best Practice Cases for Boards of Directors of Listed Companies"

China Association of Listed Companies "2025 Best Practice Cases for Sustainable Development of Listed Companies"

"5A-Level Performance Evaluation for Board Secretaries" by the Association of Listed Companies in China

Daily Economic News "Best Board Secretary of Main Board Listed Company Award"

Securities Daily "Golden Horse Industry Leading Enterprise Award"

Daily Economic News "2025 Outstanding Export Reputation Listed Company Award"

China Fund News "2025 China Listed Companies Yinghua Awards"

2025 Key Honors and Recognitions for Nanshan Aluminium

Statement from the Chairman

2025 marks the concluding year of China's 14th Five-Year Plan and a year of accelerated deepening in global green transformation and industrial chain restructuring. At Nanshan Aluminium, facing a complex and volatile external environment and industry challenges, we consistently adhere to the development strategy of "innovation-driven growth, high-end manufacturing, and intensive processing". Guided by the annual priorities of "full-chain control, breakthrough through innovation, and green foundation", we have achieved a systematic enhancement of our sustainable development capabilities. We not only consolidated our leading position in high value-added sectors such as aviation and automotive but also took solid steps in green low-carbon transformation and global layout, delivering solid high-quality development results.

Over the past year, we have made solid progress in our overseas expansion. As a pivotal component of our global strategy, the Indonesia site has successfully commissioned its 4 million metric ton alumina capacity. Supporting projects, including aluminium smelting and sodium hydroxide production, are advancing steadily, establishing a robust pattern characterized by "internal-external linkage and mutual support". At the same time, we work to achieve shared growth with our operating locations. Through implementing localized recruitment and training and investing in community infrastructure, we actively fulfill our corporate social responsibilities. We aim to establish the Indonesia site as a sustainable development model that integrates industrial cooperation, technology sharing, and mutual benefits for the community, thereby injecting long-term momentum into local economic and social development.

Deepen global layout and build a more resilient industrial structure:

We firmly advance the globalization strategy of "inernal-external linkage and mutual support". In China, we continue to deepen our presence in the high-end aluminium processing market. Sales and gross profit contributions from high value-added products such as automobile sheets and aviation sheets/plates have increased significantly. Overseas, the Indonesia site has increasingly emerged as a strategic pivot. The expansion project for annual alumina production of 4 million tonnes was successfully commissioned within the year, while the construction of Phase I electrolytic aluminium is being actively advanced. These initiatives have established a more resilient integrated global industrial structure for the Company and serve as a key driver for sustained performance growth.

Enhance the governance system to lead sustainable value creation:

We deeply integrate the concept of sustainable development into the Company's governance. During the Reporting Period, we further refined the three-tier governance structure comprising the Board of Directors, the Sustainability (ESG) Committee, and the ESG Working Groups to ensure the effective implementation of our ESG strategy. Through a systematic double materiality assessment, we identified 24 key sustainability issues and integrated ESG performance into executive evaluations to promote the alignment of responsibility and value. Our efforts have received widespread recognition from the capital markets, earning multiple authoritative honors including the China Association of Listed Companies "Best Practice Case for Board Governance", "Best Practice Case for Sustainable Development", and Grade A in SSE Information Disclosure Assessment .

Upholding craftsmanship and quality-driven manufacturing to drive breakthroughs in high-end innovation:

We regard quality as our lifeblood and leverage innovation as our engine. The Company continues to strengthen quality management across the entire product lifecycle. Multiple entities under its umbrella have obtained more than 20 international authoritative certifications, including dual certification for ASI Performance and Chain of Custody, IATF 16949, and AS 9100. We maintained high-intensity R&D investment, with annual R&D expenses reaching 1.311 billion yuan, accounting for 3.79% of operating revenue. We secured 29 newly authorized patents and led or participated in the revision of 23 national and industrial standards. In the field of aviation materials, our collabouration with international clients such as Airbus continues to deepen. In the automotive lightweighting sector, qualification work by multiple automakers has achieved breakthroughs, consolidating our market leadership through innovative capabilities.

Focusing on green transformation to establish a new benchmark for the secondary aluminium industry ecosystem:

In 2025, Nanshan Aluminium will place the secondary aluminium industry ecosystem at the core of its green transformation. We have established an annual capacity of 100,000 tonnes for closed-loop high-grade recycling utilization. The total volume of scrap aluminium processed throughout the year exceeded the target, with a comprehensive processing ratio reaching 46%. By overcoming the high-grade recycling technology, we successfully applied recycled aluminium to high-end fields such as automobile sheets and innovated a short-process "direct supply of molten aluminium", reducing carbon emissions per unit product by approximately 15%. Based on this, we have formulated a clear plan to actively transition from an industry practitioner to a standard setter, dedicated to contributing the benchmarking "Nanshan Solution" for carbon neutrality in the aluminium industry.

Upholding social responsibility and solidifying the foundation of people-centric development:

We firmly believe that talent is the Company's most valuable asset. The Company continues to refine its compensation and benefits system and employee care framework. It places high importance on occupational health and safety, striving to provide a safe, equal, and development-oriented working environment for every employee. At the same time, we actively fulfill our corporate responsibilities by giving back to society's trust and support through green operations and community co-construction.

Looking ahead to 2026, Nanshan Aluminium will stand at a new starting point for development and chart the future with an elevated strategic vision. We will unswervingly deepen our core strategy of "innovation-driven growth, high-end manufacturing, and intensive processing", internalizing green transformation and sustainable development as the fundamental driving force for the Company's growth. Guided by the "Dual Carbon" goals, we will comprehensively promote the scaling and high-end development of the recycled aluminium industry ecosystem, building a more resilient global resource circulation system. At the same time, we will continue to deepen industrial chain synergy and green operations at our Indonesia base, establishing it as a solid pillar of our global strategy to promote the internationalization of Chinese aluminium industry technology, standards, and management models. We firmly believe that through continuous technological innovation, deep industrial synergy, and responsible global operations, Nanshan Aluminium will undoubtedly deliver long-term value to society, create win-win opportunities for partners across the industry chain, and make an indispensable contribution to the green, low-carbon, and high-quality development of the aluminium industry in China and globally.

Topic:

Building a Recycled Aluminium Industry Ecosystem to Empower a Green and Low-Carbon Future

Under the continuous advancement of the "Dual Carbon" goals and the accelerated development of the circular economy, the recycled non-ferrous metal industry is seizing new opportunities for growth. As a recyclable metal material, aluminium features characteristics such as lightweight design, high strength, and corrosion resistance, and is widely applied in sectors including transportation, construction, packaging, and electronic products. Recycling and reusing scrap aluminium not only significantly reduces energy consumption and carbon emissions but also decreases reliance on primary aluminium ore resources. This is an important pathway for promoting the green transformation of the aluminium industry. Since 2019, Nanshan Aluminium has continuously deepened its commitment to the concept of a circular economy by leveraging its comprehensive aluminium industry chain foundation and integrating recycled aluminium into the Company's industrial development system. By promoting resource recycling and industrial chain synergy, we continuously enhance aluminium resource utilization efficiency to facilitate the industry's green low-carbon transformation. Driven by the growing demand for new energy vehicles, packaging materials, and lightweight manufacturing, global aluminium consumption continues to expand, accompanied by an increasing supply of recyclable scrap aluminium. Recycled aluminium has gradually become an important pathway for the aluminium industry to achieve green transformation and sustainable development by reducing energy consumption and carbon emissions in the primary aluminium smelting process.

Key Pathways for Green Transformation of the Aluminium Industry

Transforming waste into treasure, recycled aluminium, with its characteristics of lightweight design, low carbon emissions, high economic efficiency, and stability, injects new momentum into the sustainable development of the aluminium industry and has become an indispensable green engine for achieving the "Dual Carbon" goals. Recycled aluminium is an aluminium material produced by collecting and reprocessing scrap aluminium products and is widely referred to as "urban mineral". Compared with the production of primary aluminium, the recycling process does not require energy-intensive electrolysis, thereby significantly reducing energy consumption and carbon emissions. With significant advantages in energy conservation and emission reduction, as well as recyclability, recycled aluminium has become an important pathway for promoting the green and low-carbon development of the aluminium industry. Compared with primary aluminium production, recycled aluminium environmental benefits are mainly reflected in the following aspects:

Carbon emissions reduction

95%

Energy consumption reduction

70%

Recycling rate of

80–90%

Furthermore, according to industry research, the cumulative reduction in carbon dioxide emissions from recycled aluminium production in China between 2020 and 2024 was approximately 570 million metric tonnes. Leveraging its outstanding advantages in energy conservation and emission reduction, recycled aluminium is becoming a key force driving the aluminium industry toward green and low-carbon development, while also providing critical support for enterprises to build circular recycling and low-carbon production systems.

The production of recycled aluminium does not require the high-energy-consumption electrolysis process. Consequently, compared to primary aluminium, recycled aluminium demonstrates significant advantages in energy consumption and carbon emissions, while also achieving notable results in resource conservation and environmental protection.

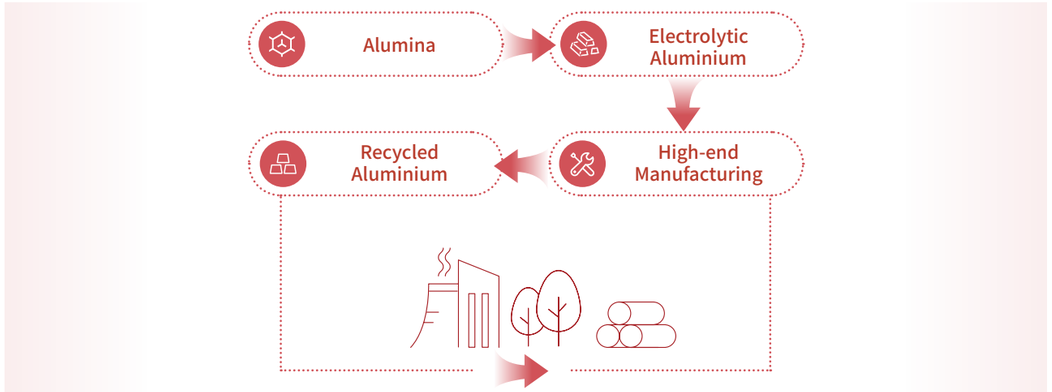
Given aluminium's excellent recyclability, recycled aluminium can theoretically undergo multiple recycling cycles without significantly compromising material performance. With a recycling rate reaching 80% – 90%, it is increasingly becoming a critical source of low-carbon materials in sectors such as automotive manufacturing, transportation, and packaging. Currently, the primary sources of recycled aluminium feedstock include scrap generated during production and processing, end-of-life automotive parts, and post-consumer waste such as used aluminium cans. As the global scale of aluminium consumption continues to expand and recyclable aluminium resources increase steadily, recycled aluminium is gradually becoming a significant source of raw materials for the aluminium industry.

Beyond energy conservation and emission reduction, recycled aluminium also holds significant value in enhancing industrial efficiency and strengthening supply chain resilience. Recycled aluminium can substitute approximately 30% –40% of primary aluminium demand, helping to alleviate resource constraints and reduce energy costs while enhancing the supply chain's risk resistance. Therefore, recycled aluminium is not only an important pathway for achieving carbon emission reductions but also a key pillar driving the green transformation of the aluminium industry, promoting circular economic development, and reducing the consumption of natural resources.

Continuously Promote the Construction of the Recycled Aluminium Industry

Aligning with the trend of green transformation in the aluminium industry, Nanshan Aluminium initiated the construction of recycled aluminium projects starting in 2019. The Company incorporated recycled aluminium business into its industrial development layout and gradually established a production system covering waste aluminium collection, pre-treatment, and recycling utilization. In accordance with the relevant policy requirements of the People's Republic of China's *Implementation Plan for High-Quality Development of the Aluminium Industry* and *Implementation Plan for Carbon Peaking in the Industrial Sector*, we continue to promote the resource recycling of recycled aluminium and the application of technology for keep grading recovery utilization. We have established and continuously implemented a complete closed-loop system spanning "alumina production – electrolytic aluminium – high-end manufacturing – recycled aluminium", significantly shortening the cycle for closed-loop reuse from new material delivery to waste recycling.

Closed-loop of recycled aluminium in the industrial chain



In terms of production system construction, the Company has established a recycled aluminium production line, gradually forming a complete production system covering waste aluminium recycling, pre-treatment, remelting, and circular utilization. As of the end of the Reporting Period, Nanshan Aluminium's capacity ceiling for recycled aluminium reached 100,000 metric tonnes per year, consistently ranking among the industry leaders for consecutive years.

Production Time	Production Line Equipment / Major Raw Materials
2023	Dual-chamber furnace: Market-recycled used beverage cans, self-generated scraps, etc. Pre-treatment equipment Decoater Kiln Equipment Side-fired furnace: Self-generated scraps such as scalping chips
2024	Multi-chamber furnace: Process scraps from downstream can making, color-coated aluminium, and self-generated process scraps.

Meanwhile, Nanshan Aluminium's Recycled Aluminium Company continued to optimize recycled aluminium remelting process. Through furnace type trials and production parameter optimization, it improved waste aluminium remelting efficiency and reduced burn-off rates, thereby further enhancing metal recovery efficiency. Additionally, through slag pressing processes, it recovered primary aluminium from aluminium slag, further improving the utilization rate of waste aluminium resources. During the Reporting Period, the Company processed a volume of scrap aluminium exceeding the annual target. Compared to the 28% target set for 2024, the actual processing volume in 2025 increased significantly by 18 percentage points, and the level of waste aluminium recycling has steadily improved year over year:

Recycled Aluminium Company Targets

Approximately **100,000** tonnes of waste aluminium were processed

achieving a completion rate of **104%**

The ratio[2] of comprehensive processing of pre-consumer and post-consumer[3] waste aluminium reached

46%

Furthermore, we focus on the "keep grading recovery[4]" model for recycled aluminium. This approach maximizes the retention of original material properties during the recycling process, enabling recycled aluminium to be re-applied in high-end wrought aluminium alloy products, such as automobile plates and packaging materials. Consequently, this achieves high-value utilization of recycled resources. Leveraging the complete industrial chain in the same region, we adopted short-process production models such as "direct aluminium liquid supply" to reduce energy consumption from repeated remelting, resulting in a carbon emission reduction of approximately 15% per unit of product compared to the industry average.

Nanshan Aluminium's Commitment:

We actively participate in the formulation and revision of industry and national standards for recycled aluminium. We are dedicated to establishing industry benchmarks and contributing our brand strength to the systematic construction of industrial standards as well as the upgrading and renewal of the industrial chain. We aim for "zero aluminium waste outflow" by establishing a full lifecycle carbon footprint management system to respond to government and development requirements, fulfill social responsibilities, and serve society and the environment.

2: The "Comprehensive Processing Ratio of Pre- and Post-Consumer Scrap Aluminium" refers to the proportion of comprehensive utilization of pre-consumer scrap (scrap generated during production and processing) and post-consumer scrap (aluminium waste formed from the recycling of end products) in the recycled aluminium production process. This indicator reflects the enterprise's comprehensive utilization level of waste aluminium resources from various sources and serves as a key metric for assessing its capability in recycling waste aluminium.

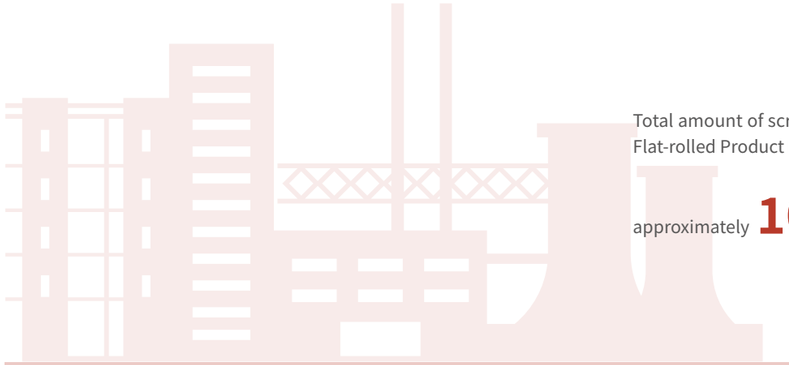
3: In accordance with the definition of ISO 14021, pre-consumer scrap aluminium refers to scrap generated during the manufacturing process that has not been sold to consumers and is directly recycled and remelted within the facility. Post-consumer scrap aluminium refers to waste from aluminium products discarded after consumer use.

4: "keep grading recovery" refers to the process in waste aluminium recovery and recycling where, through refined sorting, composition control, and advanced melting technologies, recycled aluminium maintains performance and quality levels as close as possible to those of the raw materials. This enables circular utilization of the material in products of the same or higher grades, thereby preventing downgrading.

Collabouration across the industrial chain promotes low-carbon development

In promoting the development of its recycled aluminium business, Nanshan Aluminium has continuously strengthened collabourative efforts with upstream and downstream enterprises across the industrial chain, gradually building a circular industry system that covers raw material recovery, recycling, and product manufacturing. We continue to advance the construction of a waste aluminium resource recovery system from upstream sources by collabourating with customers and partners on scrap recycling, thereby continuously expanding the scale of waste aluminium recovery.

During the Reporting Period, the annual recovery of scrap aluminium by Nanshan Aluminium's Flat-rolled Product Division was as follows:



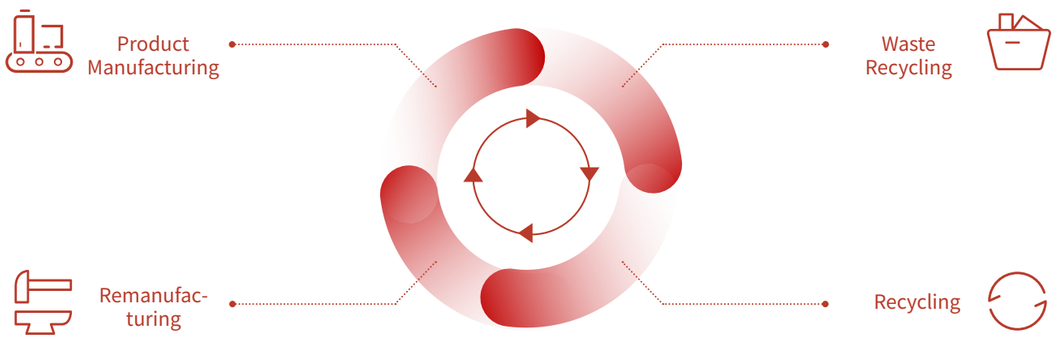
Total amount of scrap aluminium recovered by the Flat-rolled Product Division

approximately **100,000** metric tons

In terms of downstream applications, recycled aluminium materials have gradually been applied to product areas such as lightweight automotive components, packaging materials, and certain industrial materials. As of the end of the Reporting Period, we have established long-term and stable cooperative relationships with partners including well-known domestic and international original equipment manufacturers (OEMs), manufacturing clients, and food and beverage enterprise clients.

As the automotive industry undergoes transformation towards lightweighting and low-carbon development, the application of recycled aluminium in automobile manufacturing continues to increase. Studies indicate that increasing the proportion of recycled aluminium in automotive production can significantly reduce the full lifecycle carbon emissions of vehicles. For example, when the proportion of recycled aluminium in automotive materials reaches approximately 50%, carbon emissions can be reduced by about half compared to using primary aluminium, while maintaining material performance and lightweight advantages.

During the Reporting Period, we continue to advance the closed-loop recycling model for automobile body sheets:



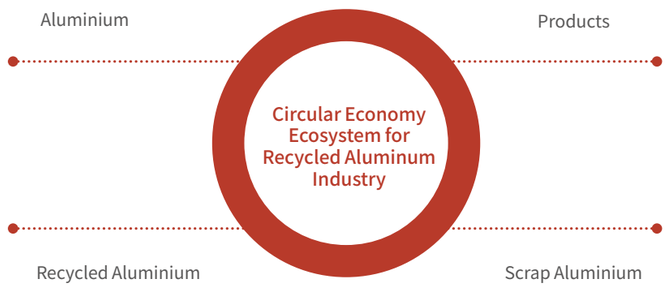
We actively respond to the increasingly growing demand for recycled aluminium in the automotive industry. Nanshan Aluminium has gradually established an industrial synergy model of "production – recycling – reuse" by promoting collabouration between recycled aluminium production and the downstream manufacturing processes of its customers. This model effectively enhances resource utilization efficiency and strengthens our competitiveness within the global green supply chain system. In addition, Nanshan Aluminium's subsidiaries (Medium-thick Plate Company, Aluminium Rolling Company, and Yantai Donghai Foil Company) have established a clear strategic plan for recycled aluminium development, implementing phased measures to enhance the capabilities of the recycled aluminium industry.

Nanshan Aluminium believes:

Recycled aluminium is not only an inevitable choice for resource strategy but also a core lever for the Company to seize the high ground of green competition. Through a phased implementation across three stages, the Company will achieve a leap from "follower" to "standard-setter", contributing the strength of a benchmark enterprise and brand to the carbon neutrality goals of the aluminium industry.

As a key component of "urban mineral", the development of the recycled aluminium industry is influenced by factors such as the supply of waste aluminium resources, the stability of raw material quality, and sorting technologies. In the future, Nanshan Aluminium will continue to promote the circular utilization of aluminium resources and contribute to the green and low-carbon development of the aluminium industry through key initiatives such as strengthening industrial chain synergy, improving the recycling system, and enhancing the technical level of cascading utilization of recycled aluminium.

Grounded in the present and looking toward the future, Nanshan Aluminium will remain true to its original aspiration. Upholding the sustainable development philosophy of "Green Manufacturing for a Bright Corporate Future", the Company aims to enhance environmental benefits and resource efficiency across multiple dimensions, including raw material extraction, production processes, downstream customers, and end-user consumption. We are dedicated to achieving goals of emission reduction in production, waste resource utilization, recycling, and recovery, thereby empowering green development throughout the entire industry chain.



01

Governing Enterprise with Wisdom

Forging Brilliance through Sustainable Development

Nanshan Aluminium integrates the concept of sustainable development into all aspects of corporate governance and business management, continuously improving our ESG management system. Through stakeholder engagement, the Company systematically identifies and manages ESG-related risks and opportunities, laying a solid foundation for its long-term stable development and guiding the Company toward green, low-carbon, and sustainable growth.

1.1 ESG Management System

Nanshan Aluminium has established a three-tier ESG governance structure comprising the Board of Directors, the Sustainability (ESG) Committee, and the ESG Working Groups. The respective management responsibilities at each level are clearly defined through the *Sustainability (ESG) Committee Operating Guidelines*.

The ESG Committee is chaired by the Chairman of the Board, with Vice-Chairpersons including Directors, Senior Executives, and Heads of the Control Center comprising heads of various departments and subsidiaries, bringing together professional expertise across multiple domains to ensure the scientific rigor of the Company's sustainable development strategic decisions and their effective implementation. The Company has established annual targets for each ESG issue and incorporated ESG-related performance metrics, including environmental protection, energy consumption, and product quality, into executive compensation and performance evaluations.

The ESG Committee continuously monitors work progress through a semi-annual communication mechanism and submits major ESG matters to the Board of Directors for deliberation. Meanwhile, the Company regularly invites third-party institutions to conduct specialized training on ESG trends, green products, and climate response to enhance the team's professional capabilities and management standards.

Nanshan Aluminium ESG Governance Structure

Board of Directors

- As the highest authority on ESG matters, it is responsible for formulating, reviewing, and approving ESG-related policies, strategies, and objectives

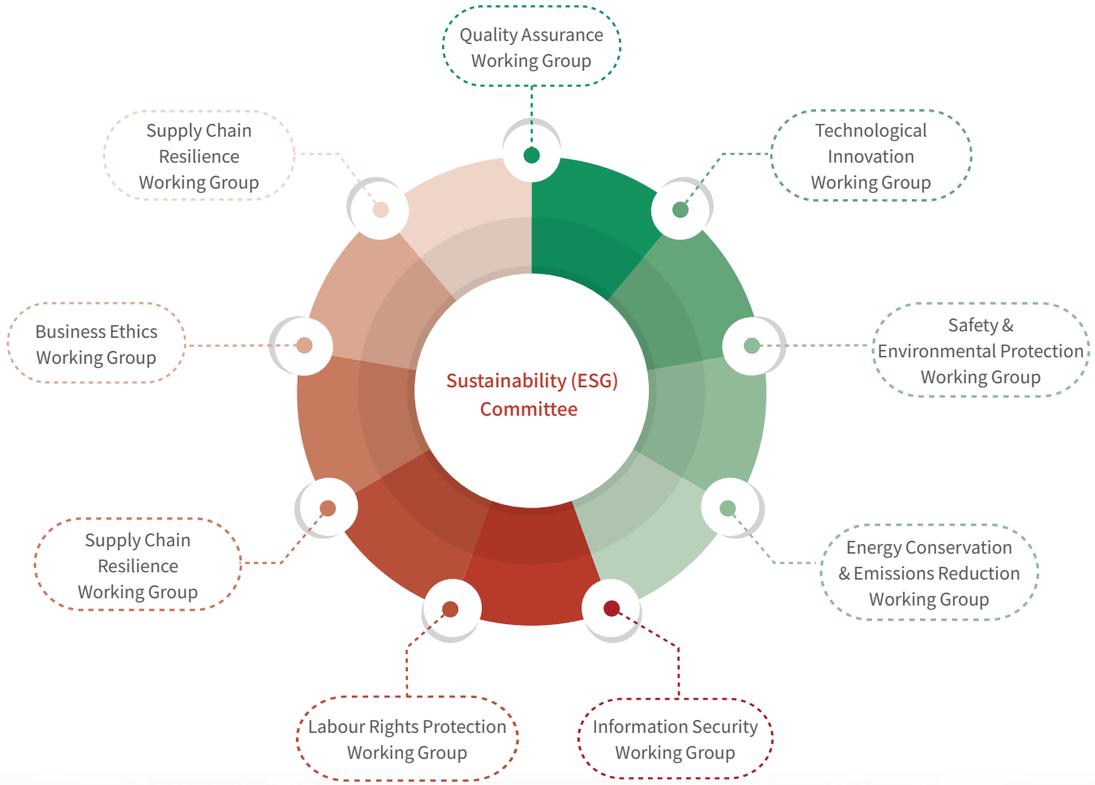
Sustainability (ESG) Committee

- To monitor ESG-related policies, regulations, standards, trends, and stakeholder demand
- To assesses material ESG issues and provides advisory recommendations to the Board for deliberation
- To oversee ESG implementation, strategic execution, and progress toward goals, proposing improvements for subsequent phases

ESG Working Groups

- Nine specialized groups: Quality Assurance, Technological Innovation, Labour Rights Protection, Safety & Environmental Protection, Energy Conservation & Emissions Reduction, Information Security, Supply Chain Resilience, Business Ethics, Capital Market Engagement
- Responsible for implementing the relevant resolutions of the Committee, regularly reviewing and updating the medium- and long-term planning milestones for the sustainable development of the management system, and effectively implementing various implementation plan

Nanshan Aluminium ESG Governance Structure



1.2 Stakeholder Engagement

Nanshan Aluminium maintains active and effective communication with all stakeholders. In accordance with relevant policies such as the *Information Exchange, Consultation and Communication Control Procedure*, the Company has established diversified communication channels. Upholding the principles of openness and transparency, we regularly disclose relevant information to all parties and promptly responds to the concerns of stakeholders. Meanwhile, stakeholders may also proactively communicate with the Company through corresponding channels.

Stakeholders, Issues of Concerns for Stakeholders, and Communication Methods

Stakeholders	Issues of Concerns for Stakeholders	Communication Methods
Government / Regulatory Authorities	• Compliance Operations • Business Ethics & Anti- Corruption • Fair Competition • Economic Growth & Social Development • Green & Low-Carbon Transition & Capacity Planning • Environmental Compliance Management • Pollutant & Waste Management • Biodiversity Protection	• Information Reporting • Official Document Exchange • Institutional Visits • Government Meetings • Regular Corporate Disclosures • Policy Briefing
Investors/Shareholders	• Compliant Operations • Revenue Performance • Corporate Governance & Risk Management • Business Ethics & Anti- Corruption • Stakeholder Engagement Product & Service Safety & Quality • Technological Innovation	• Shareholders' Meeting • Corporate Roadshows/ Reverse Roadshows • Periodic Reports & Earnings Briefings • Investor Hotline & Email • SSE (Shanghai Stock Exchange) Interactive Platform
Supplier	• Equitable Procurement & Cooperation Mechanism • Industry Standards & Technical Cooperation • Supply Chain Management & Risk Control • Sustainable Supply Chain	• R&D Capability Enhancement • Strengthening Supply Chain Management & Collaboration • Supplier Support Program • Industry Engagement
Customer	• Technological Innovation • Product & Service Safety & Quality • Data Security & Customer Privacy Protection • Green & Low-Carbon Transition & Capacity Planning • Renewable Energy • Supply Chain Management Developments	• Customer Feedback Collection • Customer Complaint Resolution • Customer Satisfaction Surveys
Research Institution	• Science & Technology Innovation • Industry Standard Setting • Green & Low-Carbon Transition & Capacity planning	• Industry-Academia-Research Cooperation
Society/Public	• Driving Economic Growth & Social Development • Social Contributions • Pollutant & Waste Management • Biodiversity Conservation	• Government & NGO Engagement • Public Complaint Email
Employees	• Employee Compensation & Benefits • Employee Development & Training • Occupational Health & Safety • Business Ethics & Anti-Corruption	• Staff Representative Meetings • Employee Training Programs • Employee Feedback Collection & Response • Internal Whistleblowing Channels

1.3 ESG Double Materiality Assessment

Nanshan Aluminium conducts regular double materiality assessments on ESG topics in accordance with relevant requirements and international standards, including the *Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 14 — Sustainability Reporting (Trial)*, the Compilation Guide for Sustainability Reports, and the Global Reporting Initiative's GRI Standards 2021. The Board of Directors discusses and approves the annual assessment results.

The Company's process for determining the significance of topics is as follows:

Nanshan Aluminium Materiality Issue Assessment Process

Identification of Material Issues

Based on business operations and changes in the internal and external environments, while referencing regulatory requirements, industry standards, and other relevant information, and consulting with stakeholders for their recommendations, potential material ESG issues are identified.

Assessment and Prioritization of Material Issues

Material issues identified were prioritized based on expert opinions, peer experiences, and feedback from management, investors, and employees.

Dimensions of Materiality Assessment

Impact Materiality:

- Definition: The significance of a positive impact depends on its magnitude, scope, and likelihood; the significance of a negative impact depends on its severity, scope, likelihood, and irreversibility.
- We established thresholds to assess the significance of impacts and prioritize significant issues.

Financial Materiality:

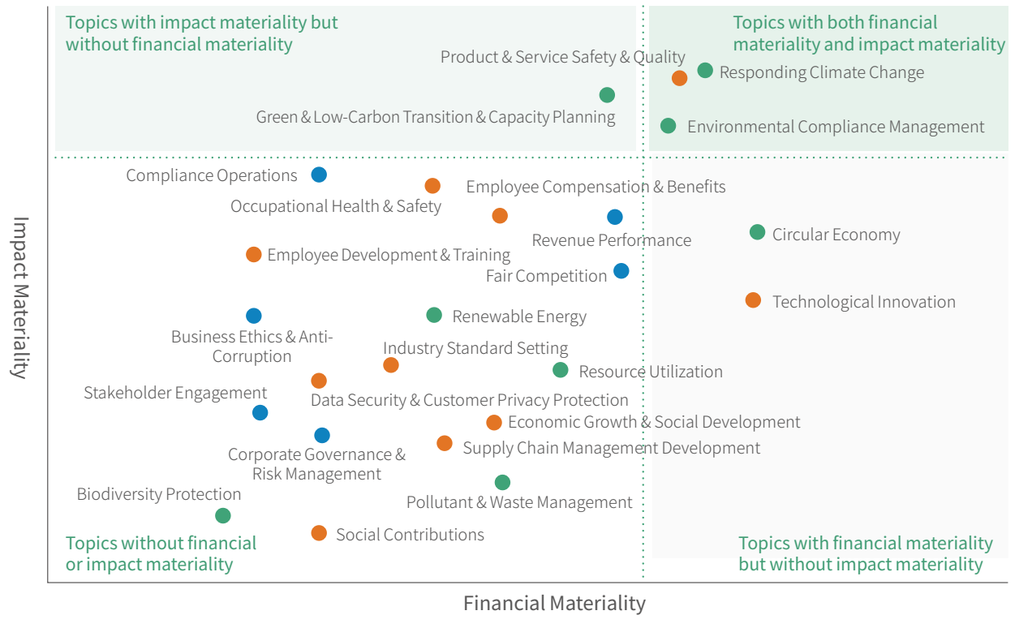
- Definition: The materiality of positive and negative financial impacts depends on the continuity of resource utilization and the dependency on sustained production and operations.
- We established thresholds to assess the significance of financial impacts and prioritize material issues.

In 2025, based on survey results from internal and external stakeholders including investors, customers, suppliers, employees, and regulatory bodies, and considering industry characteristics, development stages, our business model, and value chain dynamics, the Company identified 24 sustainability issues relevant to its operations. Among these, addressing climate change, product and service quality and safety, and environmental compliance management are considered from a double materiality perspective, circular economy and technological innovation are considered from financial materiality perspective, while green low-carbon transformation and capacity layout are considered from impact materiality perspective. For issues under financial materiality, we analyze and disclose the core content in this Reporting across four key aspects: Governance, Strategy, Impact, Risk and Opportunity Management, Metrics and Targets.

2025 Material Topics[7]

Topic Categories	Topic Names	Topic Categories	Topic Names
Corporate Governance	Compliance Operations	Social	Economic Growth & Social Development
	Fair Competition		Social Contributions[5]
	Revenue Performance		Industry Standard Setting
	Corporate Governance & Risk Management		Supply Chain Management Development[6]
	Business Ethics & Anti- Corruption	Environmental	Responding Climate Change
	Stakeholder Engagement		Renewable Energy
Social	Employee Compensation & Benefits		Green & Low-Carbon Transition & Capacity Planning
	Employee Development & Training		Environmental Compliance Management
	Occupational Health & Safety		Pollutant & Waste Management
	Technological Innovation		Biodiversity Protection
	Product & Service Safety & Quality		Resource Utilization
	Data Security & Customer Privacy Protection		Circular Economy

Nanshan Aluminium 2025 Materiality Issues Matrix



5: Social contribution topics encompass rural revitalization and public welfare philanthropy.
6: Supply chain management encompasses both supply chain security and the equal treatment of small and medium-sized enterprises.
7: In accordance with the topic-setting recommendations in the *Guidelines for Compiling Sustainability Reporting*, as the Company is not involved in technology ethics, there is no such materiality topic.

1.4 ESG Impact, Risk, and Opportunity Management

The Company integrates ESG Risk and opportunity management into its strategic decision-making and operational systems. Through systematic identification, assessment, and dynamic monitoring, it achieves synergistic growth between SDGs and financial value. Based on the principle of double materiality (financial materiality and impact materiality), combined with industry characteristics, policy directions, and stakeholder demands, we focus on high-priority issues such as climate change, circular economy, and data security. We quantitatively analyze the feasibility and extent of impact regarding ESG risks and opportunities across short-, medium-, and long-term horizons to define risk thresholds and formulate targeted response strategies.

[8]Regarding internal management mechanisms, the Company relies on the *Risk and Opportunity Control Procedures* to establish standardized processes that integrate ESG issues into daily operations and major decision-making.

ESG Risk and Opportunity Management Procedure

Review of Risks and Opportunities checklists

- Analyze ESG risks and opportunities based on domestic and international policy trends and industry peer practices.
- Engage in discussions with responsible departments regarding the identified ESG risks and opportunities.

Risk and Opportunity Analysis

- Define company- specific risks and opportunities through industry analysis and input from stakeholders and external experts.
- Develop management strategies and implementation plans to address these risks and opportunities.

Risk and Opportunity Management Evaluation

- Assess the likelihood, impact, adaptability, and resilience of identified risks and opportunities to prioritize management strategies.
- Conduct regular reviews to ensure alignment with the company's current situation.

8: The management of ESG issues' impacts, risks, and opportunities is detailed in Chapter 1.4 "ESG Impacts, Risks, and Opportunities Management" of the 2024 ESG Reporting.

1.5 Commitment to UN SDGs

Nanshan Aluminium is dedicated to integrating the UN SDGs with the Company's business development and material issues, promoting corporate sustainable development through concrete actions, and contributing to the realization of global sustainable development goals.

Nanshan Aluminium continues to implement *The Law of the People's Republic of China on Energy Conservation* and ISO 50001 energy management system requirements. The Company advances energy-saving technical upgrades, optimizes the energy structure, and manages green energy consumption. By utilizing recycled aluminium, Nanshan Aluminium reduces high-energy-consumption electrolysis processes and improves energy efficiency.

Nanshan Aluminium continues to advance water conservation and water resource recycling. Through measures such as concentrated water recovery, condensate recovery, and recycled water reuse, the Company enhances water utilization efficiency. Relying on its environmental management system, the Company strengthens wastewater management, promoting water conservation and compliant discharge. During the Reporting Period, Nanshan Aluminium received an A- rating in the CDP Water Questionnaire.

Nanshan Aluminium fully implements the principle of Equality across all stages of recruitment, hiring, compensation determination, and promotion development. The Company does not discriminate based on factors such as religious belief, gender, or ethnicity. It has established internal policies, including the *Protection of Female Employees Management Procedure*, and eliminates discriminatory factors related to gender in compensation formulation. This ensures that every employee receives fair and reasonable returns and shares in the results of enterprise development.

Nanshan Aluminium relies on a systematic training mechanism and an internal talent development system to conduct regular training sessions covering themes such as quality management, cybersecurity, ESG, and vocational skills. These initiatives continuously enhance employees' professional capabilities and management levels, supporting their growth and long-term development.

Nanshan Aluminium attaches great importance to employee occupational health and safety. The Company continuously improves its occupational health and safety management system, regularly conducts occupational health examinations, safety training, and emergency drills, and promotes accountability through assessments related to environment, health, and safety, thereby providing employees with a safe and healthy working environment.

Nanshan Aluminium adheres to the coordinated development of high-end manufacturing and globalization, driving industrial chain upgrades and regional economic growth. Simultaneously, it refines compensation and benefits, employee training, and career development systems to foster the synergistic progress of corporate development and employee growth.

Nanshan Aluminium adheres to the strategy of "innovation-driven, high-end manufacturing, and deep processing." Relying on a three-tier innovation governance structure comprising the Board of Directors, the Technical Innovation Working Group, and the Technology Management Department, the Company continues to increase R&D investment to drive breakthroughs in technologies related to high-end aluminium materials, keep grading recovery utilization of recycled aluminium, and green manufacturing. By continuously implementing internal policies such as the *Shandong Nanshan Aluminium Co., Ltd. Quality Management and Technical Innovation Project Incentive Measures*, we stimulate employees to develop new products.

Nanshan Aluminium emphasizes diversity, inclusion, and equitable development. In employee management, career development, and stakeholder engagement, the Company adheres to principles of equality, transparency, and accessibility. Furthermore, institutionalized communication mechanisms are established to ensure that diverse groups can reasonably express their demands and receive responses.

Nanshan Aluminium regards recycled aluminium as a critical component of "urban mines." The Company invested in establishing a recycled aluminium enterprise to prioritize the advancement of keep grading recovery comprehensive utilization projects for recycled aluminium. This initiative promotes waste aluminium collection, recycling and utilization, and the construction of a closed-loop industry chain, thereby enhancing the efficiency of resource circular use. Simultaneously, through industrial development, community co-construction, and localized overseas operations, Nanshan Aluminium actively serves regional sustainable development.

Nanshan Aluminium adheres to a responsible marketing philosophy. By integrating market environment changes and the actual conditions of various products, we regularly formulate and continuously optimize annual marketing plans and policies that align with the Company's development. By continuously implementing internal policies such as the *Integrity Management Procedures, Marketing Management System*, and *Salesperson Code of Conduct*, we standardize the conduct of relevant business personnel and require sales personnel to strictly adhere to the signed *Integrity Agreement* during business cooperation.

Nanshan Aluminium has integrated climate change into its ESG management system and risk management mechanism. Guided by internal policies such as the *Risk and Opportunity Control Procedures*, the Company continuously identifies, assesses, and addresses climate-related risks and opportunities. Through measures including energy conservation, consumption reduction, utilization of recycled aluminium, and development of low-carbon products, Nanshan Aluminium is promoting a green and low-carbon transformation.

02

Compliance as Foundation

for Sustainable Growth

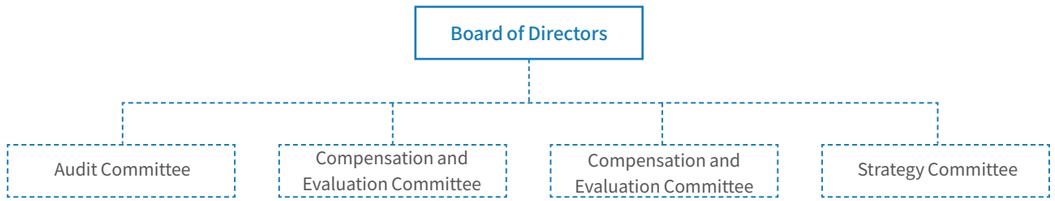
Nanshan Aluminium regards business ethics and compliant operations as a critical foundation for corporate governance. The Company strictly adheres to national laws and regulations as well as capital market regulatory requirements, while continuously refining its governance structure with clear responsibilities and standardized operations, alongside its internal control hierarchy. The Company adheres to management principles of integrity, transparency, compliance, and prudence, fulfills its responsibilities to shareholders, employees, customers, and other stakeholders, and provides institutional guarantees for achieving long-term stability and sustainable development.

2.1 Corporate Governance

Nanshan Aluminium has always regarded compliance governance as the foundation of sustainable corporate development, strictly adhering to national laws and regulations such as the *Company Law of the People's Republic of China* and the *Code of Corporate Governance for Listed Companies*, and fully implementing normative requirements including the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*. Building on this foundation, the Company has established a corporate governance system with clearly defined responsibilities and powers, transparent operations, and effective checks and balances. Through clear functional divisions and standardized decision-making procedures, the Company enhances strategic execution efficiency and strengthens operational risk control, providing institutional support for its long-term and steady development.

In 2025, the Company continued to refine its governance structure and decision-making mechanisms to ensure that shareholders and directors participate effectively and in accordance with the law in major corporate decisions. During the Reporting Period, we made a decision to abolish the Supervisory Board and replace it with the Audit Committee. Throughout the year, 3 Shareholders' General Meetings were convened, at which 18 proposals were deliberated and approved. Additionally, 9 Board of Directors meetings were held, achieving a 100% attendance rate for directors, during which 50 proposals were deliberated and approved.

Nanshan Aluminium Board and Committees



The Company places high importance on the diversity of backgrounds and perspectives among Board members, and is dedicated to building a decision-making system with a reasonable structure, complementary expertise, and diverse viewpoints. Board members possess solid professional experience in management, finance, technology, law, and sustainable development. Their composition maintains a relative balance across gender, age, and geography, fully embodying the governance philosophy of diversity and inclusion. We believe that a diverse board structure enables the Company to more comprehensively identify potential risks and development opportunities in a complex operating environment, thereby enhancing the scientific rigor, foresight, and stability of strategic decision-making. This approach allows the Company to respond more effectively to the reasonable concerns of shareholders and other stakeholders.

The Company regards the independence and standardization of its Board of Directors as the core of corporate governance. We strictly comply with the *Measures for the Administration of Independent Directors of Listed Companies*, continuously optimize the organizational structure, clarify the division of responsibilities and powers, and rigorously follow decision-making procedures. This ensures that the Board can make independent and prudent decisions based on sufficient information, free from any improper interference, thereby continuously enhancing the credibility and transparency of the Company's governance.

To ensure the effective performance of duties by the Board of Directors, particularly external Directors, the Company has established a systematic communication and support mechanism. Through regular information reporting, special briefings, and two-way communication, we ensure that directors are promptly informed of the Company's operational dynamics and maintain close communication with management on key issues. Simultaneously, the Company provides comprehensive information support to independent directors in fulfilling their duties. The Board of Directors, management, and relevant staff proactively provide detailed materials and explanations to facilitate their in-depth understanding of the Company's operations, laying a solid foundation for communication with small and medium investors.

In addition to attending board meetings, specialized committees, and shareholder meetings as required, independent directors further deepened their understanding of the Company's production and operations, project construction, internal control implementation, and resolution execution through on-site inspections and special reports. They continuously fulfilled their supervisory and strategic advisory responsibilities, effectively enhancing the scientific rigor of the Board's decision-making and the effectiveness of its oversight.

As of the end of the Reporting period, the Board of Directors of the Company comprised nine directors in total, including 1 female director and 3 independent directors. Independent directors accounted for 33% of the Board.

Board Diversity

The members of the Company's Board possess diverse professional backgrounds, ensuring the scientific rigor of decision-making through multiple perspectives.

Board Independence

Independent directors continuously fulfill their supervisory responsibilities through attending meetings, conducting on-site investigations, and reviewing special reports. They focus primarily on the Company's operations, internal controls, and the implementation of resolutions, thereby effectively enhancing the quality of the Board's decision-making and the effectiveness of supervision.

Compliance in Board Operations

The Board's operations adhere to the principles of independence and standardization. By continuously optimizing its structure, clarifying responsibilities and authorities, and strictly adhering to procedures, it ensures that decisions are based on sufficient information and remain free from interference, there by continuously enhancing the credibility of governance.

Nanshan Aluminium also utilized training programs for directors, supervisors, and senior executives organized by third-party institutions such as the Shanghai Stock Exchange and the Shandong Listed Companies Association to stay informed about the latest industry trends and legal regulations. This initiative continuously enhances the performance of directors and senior executives, laying a solid talent foundation for safeguarding the rights and interests of shareholders and investors, supporting the Company's stable development.

Information Disclosure & Investor Engagement

Nanshan Aluminium adheres to standardized governance and transparent communication as key principles for the Company's steady development. The Company strictly complies with relevant laws and regulations, including the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*. Aligning with its operational characteristics and regulatory requirements, the Company has formulated and implemented internal policies such as the *Investor Relations Management System* and the *Information Disclosure Management Methods*. It continuously refines its information disclosure processes and management mechanisms to ensure that all disclosures are truthful, accurate, complete, and timely. The Company promotes the standardized operation of disclosure work through institutional arrangements and continuously enhances governance transparency to solidify the foundation of trust in the capital market.

During the Reporting Period, the Company continued to improve its diversified and normalized investor communication mechanism. Through multiple channels including maintaining the official website, the Shanghai Stock Exchange designated information disclosure platform, SSE e-Interaction, new media matrix, telephone, fax, and email, the Company maintained timely and transparent two-way communication with investors. We actively participate in various investor engagement activities, including investor research visits, analyst meetings, and specialized roadshows. We systematically communicate the Company's strategy, operational progress, and governance philosophy to enhance market understanding and recognition of the Company. In 2025, the Company participated in the online collective reception day for investors of listed companies in Shandong. Centered on the theme "Communication Creates Value, Integrity Wins the Future", the Company provided real-time responses to investor inquiries regarding key issues such as business operations and development strategies, further enhancing the effectiveness and quality of communication and interaction. During the Reporting Period, the Company conducted over 160 online and offline research exchanges with investors and organized a total of 11 events, including analyst meetings and roadshows.

In 2025, Nanshan Aluminium received multiple authoritative recognitions in governance structure, disclosure, and capital market reputation. The Company was awarded the "Golden Bull Award" for "Outstanding Reputation Listed Company of 2025" and "Best Board Secretary of a Main Board Listed Company." It was continuously included in the *Fortune* China 500 list. In the evaluation by the Association of Listed Companies of China, it was recognized as a "Best Practice Case for Boards of Directors" and a "Best Practice Case for Sustainable Development ESG." The Board Secretary achieved the highest 5A rating in performance evaluation, and the Company's performance briefing was selected as an excellent practice case. Disclosure work has been rated at Level A consecutively. These achievements reflect that the Company's systematic practices in standardized governance, transparent communication, and sustainable development have received widespread recognition from capital markets and industry institutions.

During the reporting period

We organized institutional investor meetings (online and offline) **over 160**

A total of **11** events, including analyst meetings and roadshows

2.2 Ethical Operations

Nanshan Aluminium has always regarded integrity as a crucial cornerstone and core value orientation for enterprise development. Upholding business ethics standards, the Company establishes integrity, equity, and transparency as its core values for corporate governance and operational management. The Company not only strictly complies with domestic and international laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Monopoly Law of the People's Republic of China* but also actively benchmarks against Transparency International's *Corporate Guidelines on Anti-Corruption* and international standards including ASI and RBA 8.0, internalizing them into the Company's Institution and culture. We have formulated and refined internal policies such as the *Anti-Corruption Policy*, embedding ethics into key areas including strategic decision-making, daily operations, and supply chain management. We are dedicated to building a fair, integrity-driven, and sustainable business ecosystem in collabouration with our partners.

In terms of organizational support, the Company has established an Supervision and Inspection Committee under the Board of Directors to implement independent supervision over the Company's integrity in practice and compliance status. The Committee continuously monitors the performance of key positions and conducts irregular integrity investigations and compliance reviews with suppliers and partners. It investigates and handles violations in accordance with laws and regulations, effectively preventing risks such as corruption and bribery. To strengthen execution and establish a long-term mechanism, the Company has built a normalized operating mechanism covering compliance investigations, daily supervision, and integrity building. Through standardized investigation procedures, routine inspections of institutions and processes, and the continuous advancement of integrity culture construction and cadre performance evaluation, the Company steadily consolidates a compliant environment characterized by full staff participation and transparency. In 2025, the Company further strengthened the enforcement and supervision of policies to enhance internal oversight effectiveness, providing solid governance support for sustainable development.

Nanshan Aluminium continues to strengthen the Company's oversight and compliance governance system construction at the corporate level, deeply integrating internal supervision mechanisms into the overall framework of corporate governance, and gradually building and perfecting a normalized operational mechanism covering compliance investigations, daily supervision, and integrity building. The Company rigorously addresses violations and disciplinary breaches through independent and standardized investigation procedures. It regularly conducts supervision and inspections on the implementation of policies, business processes, and labour discipline, while continuously advancing integrity culture construction and the assessment of cadres' performance in their duties. In 2025, the Company further strengthened the enforcement of policies and the intensity of supervision and inspection. It continuously enhanced internal supervision effectiveness to foster a clean operational environment characterized by full staff participation, openness, transparency, and clear accountability. This provides robust support for the standardization of corporate governance and sustainable development.

During the Reporting Period, no dismissals, disciplinary actions, investigations, contract terminations, or non-renewals occurred due to commercial bribery, corruption, or similar misconduct by directors, senior management, or employees. No related litigation cases were involved, demonstrating the effective operation of the internal control system.

2025 Business Ethics Audit Conducted by Nanshan Aluminium

RBA [9] Code of Conduct Audits

- We regularly conduct internal audits of the RBA Code of Conduct at our plate processing subsidiary to monitor compliance with business ethics.

ASI [10] PS [11] Internal Audits

- We prioritize compliance across subsidiaries by conducting regular ASI PS internal audits covering our production of alumina, electrolytic aluminium, medium-thick plate, aluminium rolling, and aluminium foil subsidiaries. These audits systematically identify risks and drive corrective actions to ensure alignment with international sustainability benchmarks.

We place high importance on daily compliance management and continuously improve accessible and diverse feedback and complaint channels to encourage employees and internal and external stakeholders to express concerns and opinions in accordance with the law and compliance requirements. Through institutionalized, standardized, and transparent communication mechanisms, the Company systematically collects and attentively listens to various feedback from within the organization. This ensures that relevant matters are promptly received, verified, and addressed, thereby continuously improving management processes and governance practices while solidifying the foundation of corporate compliance culture and risk prevention.

The Company has established a rigorous and comprehensive whistleblower information protection mechanism. Personal information of whistleblowers is subject to full-process, tiered confidentiality management to firmly prevent any form of retaliation or risk of information leakage. Through clear institutional arrangements and a sustained culture of compliance, the Company encourages employees to proactively report potential non-compliance issues in a safe and protected environment. This initiative continuously fosters an open, transparent, and mutually trusting workplace, promoting the transformation of compliance awareness from institutional requirements into voluntary employee behavior, ultimately internalizing it as a shared code of conduct for all staff.

9: RBA: Responsible Business Alliance.
10: ASI: Aluminium Stewardship Initiative.
11: PS: Performance Standard.

Nanshan Aluminium Complaint Handling Process

Nanshan Aluminium continues to refine its business ethics and compliance training management system, integrating integrity and compliance requirements into the Company's daily management and operational processes. The Company conducts regular business ethics training for all employees and relevant partners, focusing on key areas such as integrity in practice and compliant operations to enhance staff understanding of and ability to execute compliance requirements. Meanwhile, the Company has clarified behavioral norms through institutional mechanisms and formulated and implemented internal management documents such as the *Integrity Self-Discipline Commitment*. Directors, senior executives, and employees in key positions are required to sign and confirm these documents. This strengthens accountability and behavioral constraints, promotes the effective implementation of business ethics requirements within the organization, and solidifies the institutional foundation for the Company's integrity and compliance management.

Supplier Business Ethics

Nanshan Aluminium extends compliance management throughout the entire supply chain by implementing standards such as ASI certification, RBA principles, and the *Supplier Code of Conduct* to systematically build a supplier compliance management system. The Company requires all suppliers to strictly comply with local laws and regulations, sign policy documents such as the *Supplier RBA Commitment* and *Adherence to Business Ethics Agreement*, and clearly define compliance and business ethics requirements. Building on this foundation, the Company has encouraged suppliers to establish internal anti-corruption and oversight mechanisms. Through regular audits and risk assessments, the Company continues to strengthen supply chain integrity governance, jointly building a business cooperation ecosystem that is honest, transparent, and sustainable.

Anti-Unfair Competition

Nanshan Aluminium has always adhered to the business principle of equity, strictly complied with relevant laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, and clearly opposed and actively prevented commercial bribery, false propaganda, theft of trade secrets, and other acts that disrupt market order. The Company requires all employees and partners to jointly adhere to integrity-based self-discipline competition norms. Through regular training and policy dissemination, the Company aims to enhance compliance awareness across the organization, actively prevent, and firmly resist market manipulation, commercial defamation, and improper related-party transactions. During the Reporting Period, the Company did not experience any litigation or regulatory penalties involving infringement of trade secrets, false advertising, non-compliant disclosure, or monopolistic practices.

2.3 Risk Management

Nanshan Aluminium continues to improve its risk management system and is committed to building a systematic, compliant, and efficient risk prevention and control mechanism. The Company proactively identifies internal and external potential risks and conducts dynamic monitoring and forward-looking assessments to effectively ensure the Company's stable operations and long-term sustainable development.

The Company systematically manages the identification, assessment, and response to various risks by formulating and continuously optimizing internal policies such as the *Risk and Opportunity Control Procedures*, ensuring that risk control measures are closely aligned with the pace of business development to support the stable operation of the enterprise. The Company has established a mature risk management architecture that integrates key functions including finance, supply chain, sales, assets, and budgeting. Through cross-departmental collabouration and resource integration, the Company comprehensively covers risk identification, assessment, and control across all business areas, continuously enhancing its overall risk resilience.

In addition, Nanshan Aluminium has established an internal control system covering key areas such as operations, markets, finance, and legal affairs, implementing differentiated control measures through hierarchical risk management. The internal control audit department assumes a supervisory function, regularly evaluating the implementation of policies and process compliance. It clarifies responsibility boundaries and promotes the formation of management closed loops across all business segments, thereby continuously enhancing the Company's overall risk prevention and control capabilities and management resilience.

Internal and External Risk Consideration Dimensions[12]

Key Internal Operational Risk Points		External Macro Potential Risks	
Production & Operations	Human Rights Protection	Customs	Technological Innovation
Employee Health & Safety	Cash Flow	Taxation	International Settlement & Foreign Exchange
Ecological Environment		Import & Export	

12: See Nanshan Aluminium's 2024 Annual Report for more details: Nanshan Aluminium's 2024 Annual Report.

2.4 Information Security & Privacy Protection

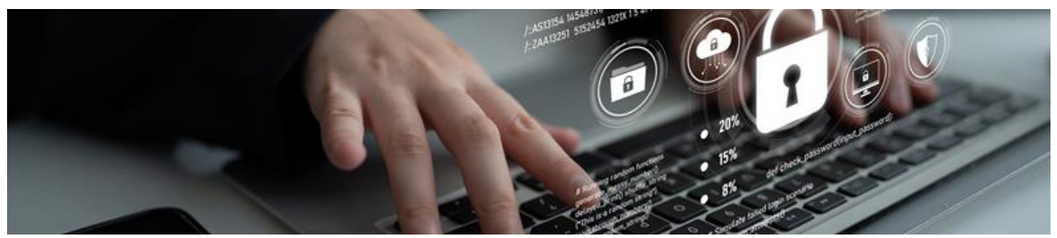
Nanshan Aluminium regards information security as a core guarantee for sustainable corporate development and continuously builds an overall protection system covering institutions, management, and technology. We strictly adhere to national laws and regulations such as the *Cybersecurity Law of the People's Republic of China* and the *Regulations on Network Data Security Management*. We have established internal policies including the *Data Security Management System,* the *Information Management System,* the *Implementation Details for Business Secret Management,* the *Network Information Management System* and the *Network Information Center Rules and Regulations*. A compliance control framework covering the entire data lifecycle has been built, providing a solid institutional foundation and security support for business operations and strategic development.

The Company has established a clear security organizational structure and a layered collabourative mechanism. The Network Information Center serves as the core for overall coordination, while the Cybersecurity Working Group is responsible for specialized execution. Through the regular convening of cybersecurity meetings and the review of security reports, we ensure the continuous advancement and dynamic optimization of information security work. This has established an efficient response mechanism and a continuously improving security protection capability, providing reliable assurance for the Company's digital operations.

Nanshan Aluminium Cybersecurity Management Structure

Network Information Center	Responsible for formulating, supervising, and managing the Company's overall cybersecurity strategy to ensure that the cybersecurity system construction aligns with the Company's business development strategy.
Cybersecurity Team	Composed of technical personnel from various units and the Information Department, it is responsible for the specific implementation, monitoring, and emergency response of cybersecurity. Identify and resolve potential security threats in a timely manner; respond swiftly and implement precise measures when cybersecurity incidents occur to effectively contain the spread of risk.

To enhance practical cybersecurity capabilities, Nanshan Aluminium proactively aligned with international mainstream security standard systems and systematically advanced specialized certifications and assessments in key areas. By continuously identifying vulnerabilities, implementing closed-loop remediation, and optimizing control measures, the Company is strengthening its security protection capabilities and advancing the cybersecurity framework toward a more standardized, robust, and resilient direction.



Network Information Security Related Certifications

ISO 27001 Certification

- The aluminium foil division completed the 2025 ISO 27001 recertification audit.

TISAX Certification

- Achieved the Trusted Information Security Assessment Exchange (TISAX) AL2 label.

ISO 27001 Certification

Network Information Security Prevention

Nanshan Aluminium has systematically built a comprehensive protection system covering networks, terminals, data, infrastructure, and compliance certifications through the dual drive of technology and management. In 2025, the Company focused on four key areas: hardware protection, software control, infrastructure security, and compliance with classified protection standards. We continued to optimize security capabilities and strengthen protective measures.

During the Reporting Period, the Company invested a total of 4.3875 million yuan in cybersecurity construction, primarily for upgrading core security facilities, deploying key protection tools, and ensuring information system operations and maintenance. These measures comprehensively enhanced the enterprise's cybersecurity protection level and risk coping capacity. In the future, Nanshan Aluminium will advance its information security system towards a more proactive, intelligent, and compliant direction, providing robust and reliable security assurance for business operations and core data assets.

Network Information Security Protection Measures

Strengthening hardware protection to build a robust security barrier at the network boundary.	• Deploy high-performance firewalls, web behavior audit systems, and network situational awareness platforms, while introducing next-generation application firewalls integrated with intrusion detection system (IDS) and intrusion prevention system (IPS) functions to achieve comprehensive monitoring and control of network traffic across all dimensions. • A new email security gateway for procurement has been deployed to filter malicious emails in real time and intercept phishing attacks. This effectively blocks external unauthorized access and malicious intrusion attempts, comprehensively safeguarding the stability and security of the Company's network architecture and core business data.
Upgrading software controls to solidify the foundation of terminal and data security.	• Procure and deploy endpoint antivirus software across all company endpoints. Through a dual mechanism of regular network-wide virus scanning and real-time protection, malicious programs such as viruses and trojans are precisely identified and eliminated to eliminate endpoint security risks. • Leveraging existing professional data encryption software, the Company implements full-link encryption for both storage and transmission of sensitive enterprise data. This technical measure prevents unauthorized theft and tampering of data, ensuring security throughout its entire lifecycle.

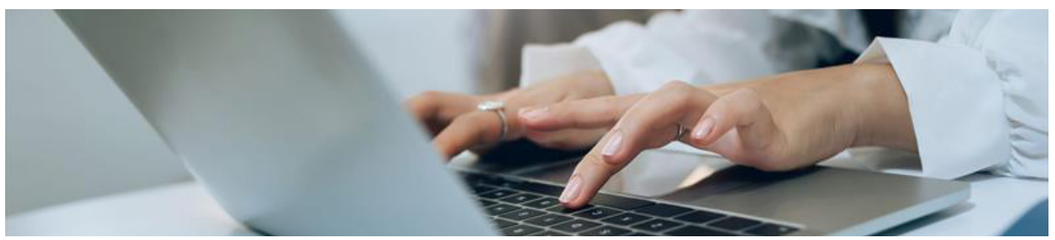
Network Information Security Prevention Measures

Infrastructure security inspection to eliminate physical environment risks	• On April 16, 2025, the Company focused on the security of core infrastructure in data centers and commissioned a third party to conduct a specialized inspection for power supply lightning protection. On-site testing confirmed that all grounding resistance values were below 4 ohms, complying with national regulatory standards and effectively mitigating safety threats to data center equipment and operating environments posed by natural factors such as lightning.
Construction of cybersecurity rating systems through authoritative assessment and certification.	• In 2025, the Company comprehensively advanced and completed the cybersecurity classification protection assessment for its key information systems. A total of six certifications were obtained, including four Level-2 assessments and two Level-3 assessments, covering core business platforms such as the Aluminium Industry Email System, BPM System, and Supply Chain System. The security protection capabilities of these core business systems have reached the national classification protection standards. • The Company actively collaborates with ecosystem partners to conduct cybersecurity classification protection assessments. During the year, it supported the completion of classification, construction, and assessment for two Level 3 systems and one Level 2 system. All relevant systems have successfully passed assessment and obtained the corresponding filings, demonstrating the Company's effectiveness in continuously delivering security capabilities within the collaborative ecosystem and assisting partners in enhancing their security protection levels.

Nanshan Aluminium has established a normalized cybersecurity inspection mechanism and a systematic confidentiality management system to continuously strengthen its internal information protection capabilities. The Company conducts monthly cybersecurity inspections and specialized governance initiatives such as "weak password checks." During the Reporting Period, a total of 125 issues, including weak passwords and system vulnerabilities, were identified and resolved. In terms of confidentiality management, the Company has established a comprehensive constraint system covering the entire business process by signing confidentiality agreements with external suppliers and obtaining confidentiality commitments from key internal employees, thereby effectively safeguarding core information and data security.

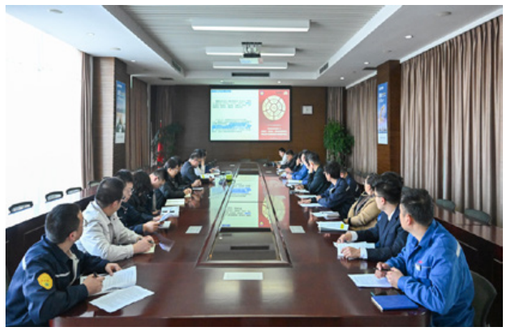
Cybersecurity Culture Promotion

Nanshan Aluminium continues to integrate cybersecurity awareness into employees' daily work routines and behavioral habits. During the Reporting Period, the Company organized 6 specialized training sessions for information technology heads across all units. The content covered interpretations of laws and regulations, reinforcement of information security awareness, and prevention of new viruses. Additionally, four types of promotional posters and explanatory documents were created to address typical risk scenarios and disseminated to all employees through multiple online and offline channels. Upon completion of the training, the Company encourages all internal organizations to sustain continuous learning, with a focus on disseminating email security knowledge. This initiative aims to comprehensively enhance employees' risk prevention capabilities and jointly fortify the Company's data and information security defense.



Cybersecurity Training and Culture Promotion

Legal Training and Promotion on the *Cybersecurity Law of the People's Republic of China*
Training on Network Security Management for Financial Systems
National Cryptography Security Training for the National Security Education Day
Security Awareness Training for Financial Personnel
Security Awareness Training on the "Silver Fox" Trojan Virus
Cybersecurity Awareness Training in the AI Era



Cybersecurity Training

Cybersecurity Emergency Response Drill

In 2025, the Company conducted four cybersecurity emergency drills covering key scenarios including primary-backup failover of internet exit load balancing, firewall failures, web behavior management system malfunctions, and emergency response for monitoring platforms. Prior to the drill, a detailed plan shall be formulated to clarify objectives, processes, responsibilities, and response measures. During the drill, various sudden cybersecurity incidents shall be simulated to ensure orderly emergency response and coordinated handling. Through a series of drills, the Company effectively verified the feasibility and effectiveness of its cybersecurity emergency response plan and enhanced the collabourative response capabilities of all departments in handling sudden security incidents.

Cybersecurity Culture and Activity

The Company actively participated in external cybersecurity practical competitions. During the Reporting Period, it distinguished itself among multiple participating teams in the cybersecurity CTF competition organized by the Company, winning the Second Prize for Teams and individual awards. This participation effectively validated and demonstrated the Company's professional capabilities in the field of cybersecurity. In the future, the Company will leverage this opportunity to further improve its routine learning and offensive/defensive drill mechanisms, strengthen professional talent development, and continuously enhance overall security protection levels.

Yantai City Cybersecurity Competition

03

Craftsmanship-Driven Quality

Manufacturing and Innovation-Powered Development

Nanshan Aluminium started from a high position and continuously improved product quality and services with a commitment to excellence. We continue to advance technological upgrades and process optimization, strengthen quality management throughout the entire process, and enhance product quality and brand competitiveness. The Company has established a comprehensive communication mechanism and a closed-loop feedback system to analyze customer needs, enhance the service experience, and create greater value for customers.

3.1 Product Quality

Nanshan Aluminium has always adhered to the quality philosophy of striving for perfection. The Company continuously improves its quality management system and establishes a scientific quantitative control mechanism covering the entire product lifecycle. Key quality indicators are clearly defined, while risks are regularly identified, assessed, and monitored throughout the process. This ensures refined management across all stages from raw material procurement to delivery, guaranteeing the stability and reliability of product quality. The Company continually enhances customer trust and brand value.

Governance

Nanshan Aluminium regards quality governance as a critical pillar of corporate sustainable development. The Company has established a three-tier vertical quality management architecture comprising the decision-making layer, management layer, and execution layer. This forms a governance system centered on a risk management pre-control mechanism, which is regularly evaluated to ensure alignment with market demands, applicable regulations, and strategic direction. We consistently delivering high-quality products to customers.

Hierarchy	Governance Body	Function	Reporting Method
Decision-making Layer	Board of Directors	• As the highest decision-making body, it establishes quality objectives and strategic development directions. • Identify and assess quality risks in the operational process. • Supervise the implementation of quality objectives	/
Management	Sustainability (ESG) Committee Quality Assurance Working Group	• Responsible for quality management throughout the product lifecycle. • Monitor market dynamics and demand to provide recommendations to the Board of Directors.	Every six months
Executive Layer	Nanshan Aluminium Quality Management Department	• Supervise the operation of the quality management system across all branch companies.	Monthly Report

During the product manufacturing process, Nanshan Aluminium management comprehensively considered management policies, project scale, and commercial value to translate strategic guidelines into specific quality management objectives and action plans. The Company promptly monitored plan completion status and reported feedback to the decision-making level. The executive layer strictly adheres to quality management objectives, continuously implements quality management initiatives, and monitors their effectiveness to ensure product quality and safety throughout the entire lifecycle.

Strategy

Nanshan Aluminium adopts a development strategy oriented by "innovation-driven, high-end manufacturing, and deep processing", focusing on building competitive advantages centered on quality. The Company ensures that every link from production to delivery meets quality requirements, providing customers with highly reliable products and services.

Analysis of Risks, Opportunities, and Their Impacts

Identification and Assessment of Potential Risks				
Risk	Risk Description	Time Period	Business Impact	Financial Impact
Regulations and Standards Changes	Changes in industry regulations and standards may require the Company to adjust production processes to ensure product quality and safety more rigorously before delivery to customers.	Short-, Medium-, and Long-term	If the Company fails to timely monitor changes in regulations and standards and adjust its product manufacturing accordingly, it may result in delayed customer deliveries or reduced orders.	Rising compliance costs Operating costs increased Decrease in operating revenue (if order delivery is not completed successfully)
Lack of timely technological innovation	Failure to adopt new technologies in a timely manner may result in production quality failing to meet market demands.	Short-, Medium-, and Long-term	It hinders the company's development and fails to meet market demands.	Revenue decreased
The supply chain management system is imperfect	An imperfect supply chain management system may hinder the Company from effectively identifying and controlling quality risks within the supply chain, resulting in non-compliant products entering the market.	Short-, Medium-, and Long-term	Non-compliant products entering the market affect the Company's reputation and public perception.	Revenue decreased
Changes in market demand	Downstream customers are continuously raising their requirements for product quality, necessitating ongoing optimization of production processes to maintain competitiveness.	Short-, Medium-, and Long-Term	Failure to timely identify changes in market demand and adjust the Company's products accordingly may lead to a reduction in product order volumes, thereby impacting revenue.	Revenue decreased

Identification and Assessment of Potential Opportunities				
Opportunities	Opportunity Description	Time Period	Business Impact	Financial Impact
Digital Transformation	By leveraging technologies such as IoT, big data, and AI, intelligent and digital management of product quality during the production process can be achieved.	Short-, Medium-, and Long-term	Intelligent and digital management can enhance the Company's production efficiency while ensuring product quality.	Increase operating revenue and reduce production costs.
Brand Building	Strengthen brand building, enhance the brand image of product quality and service, increase market share, and strengthen customer loyalty.	Short-, Medium-, and Long-Term	Increase product market share and enhance customer loyalty.	Increase operating revenue

Management Strategy

Nanshan Aluminium has fully identified and assessed potential risks and opportunities related to quality. The Company has deeply implemented the development plan of "Enhance Quality, Increase Efficiency, and Emphasize Returns", established a sound quality management system in accordance with the latest legal and regulatory requirements, advanced quality certification and audits, and provided high-quality, high value-added products to customers. Furthermore, we deeply integrate intelligent technologies with business scenarios to enhance operational efficiency, continuously deepen customer trust, and strengthen customer loyalty.

Quality Management Processes and Digital Empowerment

Nanshan Aluminium adheres to the requirements of the ISO 9001 quality management system, has established a comprehensive quality management process, and reduces potential quality risks. In addition, we introduced an advanced digital management system, including the BMS (Building Management System), PMS (Production Management System), and EMS (Environmental Management System). These initiatives enable refined management and real-time tracking of production processes while monitoring energy consumption and environmental emissions, thereby deeply integrating environmental management with quality management.

Product Quality Management System Management Process

General Manager	Vice General Manager of Production/ Management	Production Department / Production Plant Manager	Production Section	Laboratory	Commerce Department
Responsible for overall production quality objectives	Establish targets and plans for product output and quality	Coordinate with all branch factories to ensure the plans and targets are achieved	Responsible for the specific organization and implementation of targets and plans	Responsible for the testing and supervision of indicators	Coordinate with customers to collect product sales data and quality feedback

Driven by digital empowerment and leveraging the MES[13] (Manufacturing Execution System) and intelligent high-bay storages[14], the Company has achieved significant results in the field of intelligent manufacturing. We adopted RCCA (Root Cause Corrective Action), a tool designed to resolve quality issues, to achieve the "double zeroing" of processes and management, thereby ensuring the effectiveness of quality management.

13: MES (i.e., Manufacturing Execution System) is a software system used to monitor, control, and optimize manufacturing processes to achieve full-process management of product production.

14: An intelligent high-bay storage is a storage solution that utilizes automation technology and intelligent management systems to achieve efficient storage and retrieval of goods.

Quality System Certification

Nanshan Aluminium actively seized the new situation characterized by the continuous improvement of domestic economic operations and the sustained effectiveness of measures to stabilize foreign trade scale and optimize its structure. The Company deepened its focus on traditional aluminium products, continuously consolidated its market position in can body stock, can end stock, and packaging foil, and solidified strategic partnerships with customers. On the other hand, leveraging multi-system quality certifications, we advanced towards high-end industrial and architectural profiles, prioritizing the development of high-end products such as automobile sheets and aviation sheets/plates.

As an enterprise certified under both the ASI Performance Standard (PS) and Chain of Custody (CoC), Nanshan Aluminium[15] and its subsidiaries have obtained international authoritative quality management system certifications in multiple areas, including ISO 9001, IATF 16949, AS 9100, and ISO/TS 22163.

Quality System Certification

Quality Management System Certification	Nanshan Aluminium Certified Entity
ISO 9001 Quality Management System	Shandong Nanshan Aluminium Co., Ltd. and PT Bintan Alumina Indonesia
IATF 16949 Automotive Quality Management System	Shandong Nanshan Aluminium Co., Ltd (Flat-rolled Product Division), Yantai Donghai Aluminium Foil Co., Ltd., Aluminium ProfilePlant of Nanshan Aluminium
AS9100 Aerospace Management System	Shandong Nanshan Aluminium Co., Ltd (Flat-rolled Product Division), Aluminium Profile Plant of Nanshan Aluminium
ISO/TS 22163 Railway Industry Quality Management System	Aluminium Profile Plant of Nanshan Aluminium
GB/T 29490 Enterprise Intellectual Property Management System	Shandong Nanshan Aluminium Co., Ltd.
NADCAP Special Processes Certification for Aerospace Products	Shandong Nanshan Aluminium Co., Ltd (Flat-rolled Product Division), Aluminium Profile Plant of Nanshan Aluminium

As of the end of the Reporting Period, the Company holds more than 20 international authoritative certifications covering quality control across the entire industry chain.

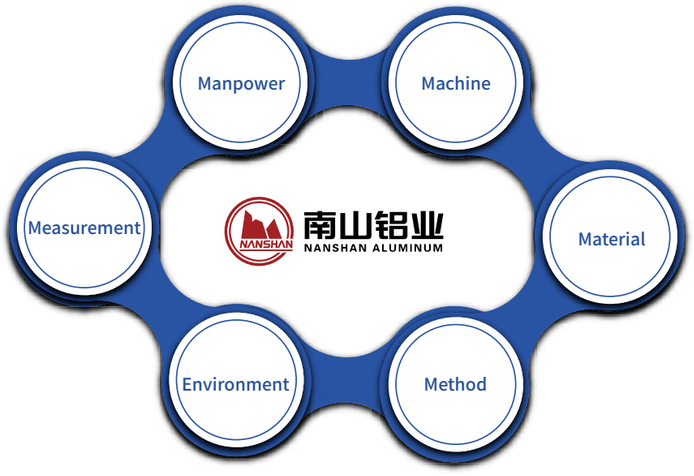
Joint Quality Review

Nanshan Aluminium adopts a dual approach of internal and external measures, regularly conducting joint reviews to ensure product quality and safety from multiple angles throughout the production process, thereby injecting sustained momentum into the Company's high-quality development. The Quality Joint Review Group is jointly composed of the Production Equipment Management Department, Quality Management Department, System Certification Department, Lean Management Department, and Metrology Testing Center. It conducts supervision and inspection on all aspects affecting quality—namely manpower, machinery, materials, methods, environment, and measurement—and organizes rectification for identified issues while tracking and verifying them.

15: The Company's subsidiary factory in Indonesia has obtained and maintains the ISO 9001 quality management system certification, significantly enhancing the market recognition of its products.

During the Reporting Period, Nanshan Aluminium conducted 12 joint quality reviews, identified 157 issues, organized relevant units to implement corrective actions, and completed closed-loop verification.

2025 Quality Review of Nanshan Aluminium		
Indicators	Unit	2025 Data
Number of Internal Quality Audits Conducted	Times	33
Number of Third-party Quality Audits Conducted	Times	58
Number of Customer Audits Conducted	Times	34
Cumulative Quality Improvement Items Rectified	Items	847



Quality Culture and Quality Training

Nanshan Aluminium adheres to quality culture construction, has established a quality management incentive institution, and built a normalized quality training system to continuously consolidate the foundation of the Company's quality culture.

During the Reporting Period, Nanshan Aluminium updated and issued the *Incentive Measures for Quality Management and Technological Innovation Projects*. This initiative covers quality improvement projects and conducts an integrated assessment across multiple dimensions, including the difficulty of enhancing product quality, the degree of improvement in customer satisfaction, and the market prospects of products. A three-tier cash reward mechanism has been established to fully stimulate employees' enthusiasm and creativity in participating in quality improvements.

The Company conducted quality-related training based on its current status and the training needs of various units, covering standard knowledge, quality awareness, skill tools, and policies. This initiative further deepened all levels of personnel's understanding of the Company's quality culture and effectively enhanced their professional quality capabilities.

During the Reporting Period, Nanshan Aluminium organized 53 company-level training sessions with a total of 1,217 participants.

On-site Quality Management Training

Management of Impacts, Risks, and Opportunities

Against the backdrop of accelerated green Transformation in the aluminium industry and intensifying global competition, Nanshan Aluminium has advanced quality management from traditional production to the entire Value chain, establishing a closed-loop quality system covering R&D, procurement, manufacturing, delivery, and service. The Company continues to deepen its quality risk pre-control mechanism and strengthen source control. We actively promote digital Transformation and widely apply error-proofing technologies to enhance traceability across the entire product lifecycle. This ensures transparent and traceable quality information, building a brand that customers can trust.

Metrics and Targets

The Company adheres to a core strategy of driving quality performance through quantifiable targets, providing guidance for the efficient implementation and optimization of corporate strategic objectives. We are committed to enhancing core metrics such as customer satisfaction and conducting annual comparisons against target implementation.

During the Reporting Period, the Company's quality management-related indicators were as follows:

Indicator	2025 Targets	Actual Achievement	Year-on-Year Change
Customer Satisfaction	⩾92	94.5	Flat
Percentage of employees who have received quality-related training	100%	100%	Flat
Number of Major Liability Incidents Related to Product and Service Safety and Quality	0	Achieved the Target	/

3.2 Innovation and R&D

The Company adheres to the dual-drive strategy of "technological innovation + industrial development", leveraging an integrated ecosystem for the production, sales, and research of aluminium alloy materials and components as a fulcrum to continuously unleash its innovation potential. We maintain high-intensity R&D investment to build a technological moat. We continuously break through international barriers. Multiple core technologies have achieved a leapfrog transition from following, running alongside, to leading.

Governance

We established a three-tier innovation-driven governance structure comprising the Board of Directors, the Technology Innovation Working Group, and the Science and Technology Management Department of the Control Center to ensure oversight, guidance, and support from the Board and management regarding relevant work.

Hierarchy	Governance Body	Function	Reporting Method
Decision-making Layer	Board of Directors	• As the highest decision-making body, it determines the strategic direction of innovation. • Innovation Risk Identification and Assessment • Resource Allocation Decision-Making • Supervise the implementation of the innovation strategy	/
Management	Sustainability (ESG) Committee Technology Innovation Working Group	• Responsible for technical research and development and innovation throughout the product lifecycle to enhance independent innovation capabilities and establish intellectual property rights for core technologies of key products. • End-to-end management of technology innovation projects, including project initiation, process management, and acceptance. • Monitor market dynamics and demand to provide recommendations to the Board of Directors.	Every six months
Executive Layer	Technology Management Department of the Control Center	• Resources are allocated reasonably based on project priorities. • Construction of the technology R&D team, personnel training, etc. • Address technical issues existing in research and development and production processes.	Monthly Report

Nanshan Aluminium adheres to the principle of "innovation-driven development with technology as the guide". By leveraging technological innovation, the Company fully utilizes R&D platforms such as the National Enterprise Technology Center, Academician Workstation, and Postdoctoral Workstation. It increases investment in key technical areas to build the Company's core technological strength. The Company's R&D team possesses extensive experience in R&D projects. It regularly organizes internal and external professional training sessions and actively participates in various industry exchange conferences to continuously uptake academic and cutting-edge industry information. The team actively shares R&D achievements of the Company to promote industry development.

The Company's decision-making and management layers comprehensively consider the scientific rigor, commercial value, return on investment, as well as the environmental impact and social value of innovation projects. They conduct R&D and intellectual property compliance management, introduce external databases for reference, and perform in-depth analysis of related risks and opportunities to reasonably balance inputs and outputs, thereby forming final decisions.

Strategy

Nanshan Aluminium continuously strengthens its R&D innovation management capabilities. To ensure the orderly execution of R&D projects and guarantee their success rate, Nanshan Aluminium identifies and assesses risks and opportunities in areas such as product innovation and intellectual property, considering both the external environment and the Company's strategic business direction. This process clarifies their impact on operations and associated financial implications, enabling the formulation of appropriate management strategies to optimize resource allocation and significantly enhance decision-making quality.

Analysis of Risks, Opportunities, and Their Impacts

Identification and Assessment of Potential Risks				
Risk	Risk Description	Time Period	Business Impact	Financial Impact
Product Innovation Risk	Industry technology iteration is accelerating. If R&D directions fail to align with mid-term market demands (such as low-carbon aluminium materials and lightweight trends), technical competitiveness may decline.	Medium- and Long-Term	Decline in market competitiveness	Revenue decreased
	Innovative products (such as new aluminium alloy materials) may face a long customer verification cycle and low market awareness in the short term.	Short-term	The R&D cycle has been extended.	R&D expenses increased
Intellectual Property Risk	The Company failed to effectively protect its intellectual property rights.	Short- and Medium-Term	Suffering from infringement by competitors	Operating revenue decreased
			Involved in intellectual property disputes subject to litigation and arbitration	Administrative expenses increased

Identification and Assessment of Potential Opportunities				
Opportunities	Opportunity Description	Time Period	Business Impact	Financial Impact
Market Competitiveness	Through the R&D of lightweight and high-strength new aluminium alloy materials (such as aluminium for automotive lightweighting), we rapidly respond to the urgent needs of industries including new energy vehicles and aerospace, thereby enhancing our short-term market share.	Short- and Medium-Term	New products directly capture new market share, enhancing the Company's brand value and core competitiveness.	Operating revenue increased
Lead the formulation of industry standards	Lead or participate in the formulation of technical standards for the aluminium industry (e.g., recycled aluminium standards) to enhance industry influence.	Long-term	Enterprises that master the authority to set standards are typically regarded as industry leaders. This significantly enhances their brand influence and customer trust, facilitating the acquisition of high value-added orders.	Products that comply with industry standards typically enjoy higher market acceptance, enabling premium pricing and improved gross margins.

Management Strategy

Nanshan Aluminium adheres to the development strategy of "Innovation-driven, High-end Manufacturing, and Deep Processing". The Company has improved and refined upstream production processes while researching and breaking through downstream product technologies. It is actively deploying key core technologies as well as disruptive, forward-looking, and breakthrough "three-characteristic" technologies. Centered on automotive lightweighting and the localization of aviation materials, we focus on addressing the production and application of high-end aluminium processing products, such as automobile sheets, aviation sheets/plates, and aviation profiles, thereby breaking the monopoly held by foreign entities on the supply of products like automotive exterior panels and long fuselage stringers for aircraft wings.

The Company adheres to the strategy of "Technological Innovation + Industrial Development". Focusing on aluminium alloy materials and components, it has established a collabourative innovation system covering research and development, production, and sales, continuously strengthening the supportive role of technological innovation in industrial development. We maintain a high proportion of R&D investment, focusing on breakthroughs in key materials and core process technologies. This drives technical advancements across multiple products, continuously enhancing the technological level and market competitiveness of our high-end aluminium products.

Innovation and R&D System

Nanshan Aluminium continues to establish and improve the R&D management system policies, accelerating the pace of scientific and technological innovation through internal research project initiation, "industry, teaching and research cooperation" projects, and collabourations with upstream and downstream sectors.

During the Reporting Period, the Company updated and issued the *Quality Management and Technical Innovation Project Incentive Measures of Shandong Nanshan Aluminium Co., Ltd.* to further stimulate employees' enthusiasm and creativity in new product development, certification, and quality improvement.

We adhere to technological innovation, increase R&D investment, and optimize products and services. The Company organized a high-quality R&D team and maintains close collabourations with universities and research institutions to advance industry progress. The Company built the only national-level engineering technology research center for aluminium alloy plastic working in China's aluminium processing industry, as well as R&D and testing platforms such as the aviation aluminium alloy material testing center.

As of the end of the Reporting Period, among the 30 technological innovation projects identified by Nanshan Aluminium at the beginning of 2025, 20 projects have been implemented according to schedule and achieved expected results, receiving approval from the review committee. Additionally, 9 projects have substantially completed their research content, with a review outcome of project completion.

Key Product Planning

Leveraging its advantages along the industrial chain, the Company continues to focus on the R&D of high-end aluminium materials and the upgrade of product structures. In 2025, it prioritized the development of aluminium for aviation applications and lightweight aluminium for automotive use. In the field of aviation materials, the Company leverages its rigorous quality management system to advance the research and development and large-scale production of aluminium alloys for aviation applications. By optimizing production processes and expanding the aviation support market, the Company provides stable and reliable material support for the localization of materials used in civil aircraft. In the automobile sheet metal sector, we have intensified efforts in new model development and product certification, continuously expanded market application scenarios, strengthened partnerships with core customers, and enhanced product competitiveness.

Aluminium for Aviation

During the Reporting Period, the Company made positive progress in the research and development qualification of aviation materials. We successfully completed product qualification and production for multiple models of aluminium alloy plates for aviation, further expanding its cooperation with Airbus. In the future, we will continue to advance the optimization and R&D of aluminium products for aviation applications. We will gradually achieve full coverage across all models and sizes, continuously enhance the technical level and market competitiveness of aviation aluminium alloy sheets/plates, and contribute to the localization process of aviation materials.

Aluminium for Automotive Lightweighting

During the Reporting Period, the Company has completed qualifications for inner and outer body parts from multiple automotive manufacturers as well as qualifications for parts made from recycled aluminium materials. The low-carbon material research and development reached the stage of practical application. We will continue to develop green and low-carbon automotive sheet products, strengthen our capacity for new material technology reserves, promote the application of lightweight materials for automobiles, and further enhance the Company's market competitiveness in the aluminium processing industry.

Intellectual Property Management

Nanshan Aluminium strictly complies with relevant laws and regulations such as the *Patent Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Management Specification for Intellectual Property Rights of Enterprises*, and the *Guidelines for Intellectual Property Management in Industrial Enterprises*. The Company has established an intellectual property protection policy manual and defined application processes for trademark and copyright protection. Based on business needs, Nanshan Aluminium conducts risk assessments and registrations for trademarks and copyrights, comprehensively advancing the creation, protection, utilization, and management of intellectual property rights.

During the Reporting Period, Nanshan Aluminium successfully passed the supervisory audit for its enterprise intellectual property management system in accordance with GB/T 29490.

Intellectual Property Management Measures

Preparation Phase

- Regularly monitor the market for intellectual property (IP) related to the company. Before engaging in international trade, investigate the IP laws, policies, and enforcement practices of the destination country. Understand relevant industry litigations, analyze potential disputes and their possible impact on the company, and develop preventive plans.

Contract Signing

- For outsourced business activities, sign written contracts that specify IP ownership and confidentiality clauses. The Company's legal department reviews and archives these contracts.

Interdepartmental Coordination

- During product procurement, sales, research and development, or other business processes, monitor for potential IP infringements. If issues are identified, report them to the IP department for handling. When necessary, the legal department may pursue administrative and judicial avenues to protect the Company's IP rights.

Proactive Monitoring

- Actively renew trademarks upon expiration and combat malicious trademark imitations. Proactively defend against market infringements.

Collaborative Management

- Coordinate with affiliated companies to clearly delineate ownership boundaries, reducing trademark conflicts and minimizing gaps in IP rights.

In 2025, Nanshan Aluminium further standardized the patent application process and introduced a fast-track pre-examination channel to accelerate the acceptance and authorization of high-value patents.

Nanshan Aluminium Patent Application Procedures

Patent Information Consultation

Prior to patent application, each enterprise conducts an internal verification of patent information, while the Technical Center is responsible for providing on-site guidance and responding to inquiries.

Patent Information Retrieval

Prior to patent application, the Technology Center is responsible for providing rapid retrieval support for new patent content and promptly notifying enterprises of the feasibility of patent drafting.

Patent Technology Disclosure Document

When filing a patent application, a technical disclosure document must be prepared. Upon approval, it shall be submitted via email to the Technical Center for revision and refinement, after which the patent application will be filed through an agency.

Patent Acceptance

The Technical Center follows up on the acceptance review of patents and coordinates with the Company to improve relevant materials in accordance with review requirements.

Patent Grant

The Technical Center is monitoring the application process with the China National Intellectual Property Administration. In accordance with audit requirements, coordinate with the agency to guide the Company in rectifying non-compliance items.

Patent Certificate

Upon grant of the patent, the Technology Center promptly completes registration, pays relevant fees, obtains the patent certificate, and establishes an archive for the patent certificates.

We provide employees with specialized training on intellectual property and incentives for patent applications to continuously enhance their intellectual property awareness and independent innovation capabilities. A reward of RMB 1,000 is granted upon acceptance of a patent application by an employee. If the patent is successfully authorized, a reward of RMB 9,000 is provided for each authorized patent.

The Company prioritizes to cultivate a culture of intellectual property management. During the Reporting Period, we conducted a total of 61 training sessions related to intellectual property. The Company invited patent agencies to conduct patent training activities and participated in an intellectual property lecture organized by the Longkou Market Supervision Administration.

Nanshan Aluminium Intellectual Property Specialized Training

During the Reporting Period, the Company invited a third-party expert team to Nanshan Aluminium to conduct specialized training on intellectual property. This training systematically covered the software copyright application process, methods for enhancing patent drafting quality, and intellectual property protection measures, providing robust support for safeguarding the Company's innovative achievements.

Intellectual Property Management Training

In April 2025, the Company's relevant intellectual property management employees participated in a special training session on the Longkou City "Standardizing Patent Application Behavior and Mobilizing for Improved Quality of Intellectual Property Creation and Utilization". This training further deepened our understanding of compliance requirements for patent applications and high-quality intellectual property layout.

Industry Collabouration and Co-construction

Nanshan Aluminium adheres to the development philosophy of open cooperation and mutual benefit. The Company actively participates in industry association construction and deeply engages in the formulation of industry standards. Furthermore, Nanshan Aluminium continues to advance collabourative innovation among industry, academia, and research institutions. By conducting technical exchanges and cooperative research with scientific research institutes, universities, and industry partners, the Company drives breakthroughs in key technologies and facilitates the implementation of researches. The Company continues to strengthen industrial synergy and experience sharing, working with all parties in the industry to jointly promote high-quality and sustainable development of the non-ferrous metal industry.

Name of Industry Association	Position held at the organization
China Nonferrous Metals Industry Association	Vice President Business
China Nonferrous Metals Fabrication Industry Association	Vice Director-General Business
Shandong Advanced Materials Industry Association	Vice President Business
Shandong Aluminium Industry Association	Vice President Business

Nanshan Aluminium actively participates in industry exchanges and green development seminars

During the Reporting Period, we actively participated in industry exchanges and policy seminars. The Company attended the Council Meeting of the China Nonferrous Metals Industry Association, the Shandong Green Low-Carbon High-Quality Development Conference, and the Second China Secondary Nonferrous Metals Technology Conference. It shared research findings on topics related to "Dual Carbon" goals, such as downcycling prevention in recycled aluminium applications, and engaged with industry partners to jointly explore green low-carbon transformation and high-quality development pathways for the nonferrous metals industry.

The Seventh Meeting of the Fourth Council and the Ninth Meeting of the Standing Committee of the China Nonferrous Metals Industry Association

2025 Shandong Green Low-Carbon High-Quality Development Conference

2025 (2nd) China Recycled Nonferrous Metals Technology Conference

Leaders of the China Nonferrous Metals Industry Association visited Nanshan Aluminium

During the Reporting Period, Fan Shunke, Deputy Secretary of the Party Committee of the China Nonferrous Metals Industry Association, led a delegation to Nanshan Aluminium for research and exchange. The team visited the aerospace materials 150MN extrusion production line and held discussions with the Company's management regarding the operational status of the aluminium industry, development trends, and current hot topics, jointly exploring pathways to promote high-quality development in the sector.

Nanshan Aluminium actively strengthens collabourative cooperation with government departments, industry enterprises, and university research institutions to promote industrial structure optimization and technological advancement, contributing to the high-quality sustainable development of the industry. The Company continues to build a collabourative innovation system integrating government, industry, academia, and research. It facilitates communication and cooperation channels between upstream and downstream segments of the industrial chain, promotes technical exchange and achievement transformation, and jointly drives green innovation and high-quality development in the non-ferrous metal industry with industry partners.

Collaborative breakthrough in key technologies for high-performance aluminium alloys through industry-academia-research integration

Nanshan Aluminium collaborated with universities such as Shandong University and Yantai Nanshan College to launch a university-industry-research cooperation project on "*High-Performance Aluminium Alloy Materials and Precision Forming Manufacturing Technology and Applications of Components*." The project focuses on the critical material requirements in the field of major national equipment manufacturing. We conducts joint research and development on key technologies involved in the manufacturing of high-performance aluminium alloy materials and components, promotes theoretical innovation and process breakthroughs, and establishes core technologies with independent intellectual property rights. Through joint patent applications, we successfully put the research into practice to serve the use in high-end equipment manufacturing sectors such as aerospace and China high-speed railway.

During the Reporting Period, the project was evaluated by an expert appraisal committee organized by the China Machinery Industry Federation. It successfully resolved critical technical bottlenecks in high-performance aluminium alloy materials and components within China's major equipment manufacturing sector, breaking through foreign technological blockades and product embargoes. The overall research achievement has reached a leading international standard.

Nanshan Aluminium collabourates with Nanshan University to conduct key technology research and development on ultra-thick plates of high-strength and high-toughness 7-series aluminium alloys

Nanshan Aluminium collabourated with Yantai Nanshan University to conduct the research project titled "Key Technology Development for Industrialization of High-Strength and High-Toughness 7-Series Aluminium Alloy Ultra-Thick Plates". Focusing on the demand for high-performance aluminium alloy materials in aviation equipment, the project systematically advanced key technological breakthroughs in alloy composition design, clean melting, fine-grain casting, and precision heat treatment.

During the Reporting Period, the project completed the development of melt composite purification and degassing, as well as impurity removal processes under industrial production conditions. Simultaneously, by introducing electromagnetic field regulation technology, sequential solidification and low segregation control of massive slabs were achieved, successfully developing high-performance clean fine-grained aluminium alloy slabs.

The project addresses the long-standing reliance on imports for ultra-thick high-strength and high-toughness 7-series aluminium alloy plates in China. It focuses on breaking through key technologies to advance the localization of high-performance aluminium alloy materials for aviation, thereby further enhancing China's R&D and industrialization capabilities in this sector.

Nanshan Aluminium, in collabouration with Harbin Institute of Technology (Weihai), has broken through key technologies for the manufacturing of large-sized 7000-series aluminium alloy ring components

Nanshan Aluminium collabourated with institutions such as Harbin Institute of Technology (Weihai) Innovation and Entrepreneurship Park Co., Ltd. to conduct research on the key technologies for high-performance precise manufacturing of massive 7000-series aluminium alloy ring components.

During the Reporting Period, the project completed research on multi-pass variable path forging and radial-axial ring rolling precision forming of large-sized aluminium alloy ring components. It established a stable process scheme for uniform microstructure refinement and precision forming, and successfully manufactured large-sized 7085 aluminium alloy ring components.

The project has broken through key technologies including multi-pass variable pathways forging, radial-axial ring rolling precision forming, and synergistic optimization of deformation heat treatment. It provides material support for lightweight manufacturing of high-end equipment and promotes the industrial application of high value-added aluminium alloy products.

Highlights of External Industry-Academia-Research Projects

The project Development and Industrialization of *Key Technologies for High-Quality Aluminium Intermediate Alloy Preparation* jointly submitted by Nanshan Aluminium and Beihang University among others, was awarded the First Prize in Science and Technology of the Nonferrous Metals Industry for 2025.

The project *Key Technologies and Industrial Application of Massive Ultra-High-Strength Aluminium Alloy Materials for Aviation* jointly submitted by Nanshan Aluminium, Yantai Nanshan University, the Institute of Materials Research of Shandong Academy of Sciences, and others, was awarded the Second Prize in Science and Technology of the Nonferrous Metals Industry for 2025.

Nanshan Aluminium, in collabouration with Yantai Nanshan University and Northeastern University, was awarded the Second Prize of the Nonferrous Metals Industry Science and Technology Award for 2025 for its project titled *Intelligent Collabourative Control and Application of Aircraft Aluminium Plate Production Processes Based on Industrial Big Data*.

Management of Impacts, Risks, and Opportunities

To ensure the effectiveness of our management strategies, we assess the feasibility and impact of R&D innovation risks and determine their management priorities based on the assessment results. At the same time, for high-priority risk items, we have established targeted management systems and workflows, and authorized dedicated teams to regularly monitor and record risk levels. In addition, we are simultaneously implementing risk management measures to minimize the impact of R&D innovation risks on internal and external stakeholders. For detailed content, please refer to "ESG Impact, Risk, and Opportunity Management".

Metrics and Targets

Nanshan Aluminium continues to stimulate its R&D innovation to ensure the effective implementation of R&D strategies and the achievement of R&D strategic objectives. The incentives of the Company's senior management is closely linked to the progress and outcomes of R&D projects to incentivize their focus on project advancement, ensure resource allocation for R&D initiatives, and encourage active participation in R&D work.

R&D Investment

In 2025, Nanshan Aluminium employed **2,001** R&D personnel, representing **12.37** % of the total workforce, with R&D investment reaching **1.311** billion Yuan, accounting for **3.79** % of revenue.

Launched **31** new product development initiatives and applied **19** new technologies.

Annual Patent Achievements

In 2025, Nanshan Aluminium was granted **29** new authorized patents, including **14** invention patents and **15** utility model patents.

A cumulative total of **125** invention patents and **202** utility model patents have been granted.

Formulation of National Standards and Industry Standards

In 2025, Nanshan Aluminium participated in the revision of **17** national standards and **6** industry standards, among which **2** industry standards were primarily drafted.

3.3 Customer Service

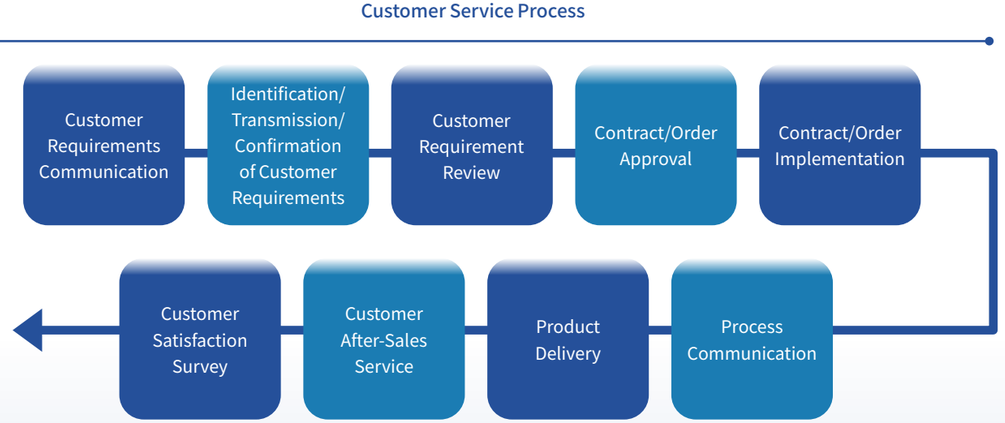
Nanshan Aluminium focuses on the customer-centric approach, continuously innovating service models and enhancing service quality to deliver efficient, professional, and attentive services to consistently improve customer experience and satisfaction. By maintaining effective communication channels and strengthening information security and privacy protection, we provide customers with more efficient and convenient service experiences.

Quality Service

Nanshan Aluminium strictly complies with relevant laws and regulations, including the *Consumer Rights Protection Law of the People's Republic of China*, and internal policies such as the *Control Procedures of Processes Related to Customers, After-Sales Service Control Procedures, Customer Satisfaction Measurement Procedures, and Product Service Management Regulations*, thereby continuously improve customer service management system to promote the standardized and normalized operation of customer service processes.

We have established and continuously improved diversified customer communication channels, including in-person visits, telephone calls, written correspondence, fax communications, video conferences, and emails. These channels enable us to maintain close interaction with customers and promptly understand and respond to their needs regarding order details, delivery progress, shipping schedules, and payment arrangements. We also conduct regular product recall stimulation drills for products such as can body stock, can end stock, and aluminium foil in accordance with food safety system management requirements. These efforts continuously enhance our product management capabilities and customer service quality, thereby sustaining improvements in customer satisfaction.

Customer Service Process



Customer Complaints

Nanshan Aluminium has established and continuously improved customer complaint management mechanism. We strictly implement internal policies such as the *Product Service Management Regulations* and *After-Sales Service Control Procedures* to ensure that customer issues are addressed in a timely and standardized manner. Through diversified communication channels including on-site visits, telephone calls, correspondence, fax communications, video conferences, and emails, the Company provides rapid responses within 24 hours to all quality concerns raised by customers throughout the entire product purchase and usage process, ensuring comprehensive quality assurance from pre-sales to after-sales services.

In 2025, the Company promptly addressed customer complaints regarding product quality, packaging quality, and logistics transportation, formulated improvement measures, promoted closed-loop management of issues, and prevented recurrence of similar problems. During the Reporting Period, the timeliness of complaint handling reached 100%.

Customer Complaint Service Process

Upon receiving customer feedback or complaints regarding product quality, the Company comprehensively gathers relevant information through telephone calls, emails, WeChat, and on-site visits. This includes the actual performance of the materials under complaint, patterns of issue occurrence, performance of materials from the same batch, and the status of materials from other suppliers during the same period, providing a basis for subsequent analysis.

After collecting relevant samples and photographs, they are promptly transferred to the production and technical departments for investigation and analysis. Subsequently, a handling plan is negotiated with the customer based on the findings of the investigation. Where necessary, the Company will arrange on-site tracking of the secondary use of materials to further investigate the cause or verify the solution.

Upon finalizing the disposal plan, the Company will formulate a disposal agreement, which shall be submitted to the customer for confirmation following internal approval. In cases involving returns or exchanges, the logistics and warehousing department will be notified simultaneously to arrange for return transportation. Upon return of the goods, quality control and warehouse personnel shall re-inspect the weight and relevant conditions, and process them in accordance with the agreement.

For other customer requirements, such as material performance optimization, specification adjustments, or new product development, sales personnel will relay the relevant requirements to the technical department. The Technical Department reviews requirements and, upon approval, organizes verification trials. The Sales Department collaborates with the Product Service Department to monitor material usage and improvement outcomes, submitting feedback to the Technical Department to further determine subsequent production plans.

Product Recall

Nanshan Aluminium adheres to the management concept of "prevention first, rapid response", continuously implementing and improving product recall and risk response mechanisms. The Company continuously monitors product quality to minimize potential quality risks. Upon identifying product issues, the Company promptly respond to customer feedback, timely confirm and trace the production batches and distribution pathways of relevant products, formulate clear solutions and compensation measures, and effectively safeguard consumer rights and brand reputation. During the Reporting Period, Nanshan Aluminium did not experience any product recalls due to product quality issues or customer complaints.

Satisfaction Survey

In accordance with the *Customer Satisfaction Measurement Procedure*, we conduct annual customer satisfaction surveys covering product quality, delivery timeliness, service levels, price competitiveness, packaging design, and logistics transportation. For projects with low satisfaction scores identified during the investigation, the Company collaborates with relevant departments to formulate improvement measures and continuously tracks rectification outcomes. This approach drives the resolution of issues at source and steadily enhances customer satisfaction.

2025 Customer Satisfaction Survey Results

Flat-rolled Product Division: Customer satisfaction survey score of **99.26** points.

Civil Materials Division: Customer Satisfaction Survey Score of **98.35** points.

Responsible Marketing

Nanshan Aluminium adheres to responsible marketing concept. By integrating market environment changes and the actual conditions of various products, we regularly formulate and continuously optimize annual marketing plans and policies that align with the Company's development. Meanwhile, the Company actively promotes marketing culture and works with customers and all stakeholders to foster a fair and transparent marketing environment.

Responsible Marketing Management Initiatives

Responsible Marketing Training	The Company conducts specialized training for all marketing personnel on a monthly basis, with a focus on enhancing the professional capabilities and comprehensive literacy of the marketing team in product knowledge, project management, customer management, institutional policies, and business etiquette.
Responsible Marketing Auditing	During business operations, the Company conducts internal audits and inspections focusing on the implementation of marketing policies, management policies, sales contracts, and codes of conduct, promptly correcting identified risks.

To further strengthen marketing compliance management, we continue to implement policies such as the *Integrity Management Procedures, Marketing Management System,* and *Salesperson Code of Conduct* to regulate the conduct of relevant business personnel. The subsidiaries continue to enhance the standardization of marketing management through internal self-inspection and self-correction, while cooperating with the Company's audit department to conduct supervision and inspection. The Company requires sales personnel to strictly adhere to and sign *Integrity Agreement* during business cooperation. For any violation or disciplinary breach, relevant responsibilities shall be investigated and pursued in accordance with applicable laws and regulations based on the severity of the circumstances.

In addition, the Company has established and implemented a marketing training program, organizing specialized training for marketing personnel on a monthly basis to continuously enhance the professional ethics and capabilities of the sales team.

Harmonizing with Nature

Co-creating a New Chapter for the Ecosystem

Nanshan Aluminium has internalized the concept of “harmonious coexistence, safeguarding clear waters and green mountains” as a core corporate strategy, steadfastly advancing the Company's low-carbon transformation. We continuously enhance our environmental management capabilities through measures such as reducing energy consumption and lowering GHG emissions. In our domestic and international operational layout, we strictly comply with local environmental protection laws and regulations, proactively align with and respond to international climate action initiatives, and strive to achieve synergy and balanced development between production operations and the natural ecosystem. We are committed to becoming a model for green development in the aluminium industry.

4.1 Responding Climate Change

Nanshan Aluminium fully recognizes that systematically identifying and effectively addressing the risks and opportunities arising from climate change constitutes a critical foundation for supporting the Company's global development strategy and enhancing its long-term competitiveness. We actively align with the global low-carbon transformation trend. Referencing the relevant requirements of *China's National Climate Change Adaptation Strategy 2035*, we integrate climate change issues into the Company's governance structure and strategic planning, continuously improving the climate-related management system and action mechanisms. As a member of the Aluminium Stewardship Initiative (ASI), Nanshan Aluminium is dedicated to promoting green and low-carbon development, actively serving a demonstration role in the industry, and facilitating high-quality sustainable transformation of China's non-ferrous metal sector.

Governance

Nanshan Aluminium has established a three-tier climate governance structure comprising the Board of Directors, the Sustainability Committee, and the Control Center to ensure that the Board and management provide supervision, guidance, and resource support for relevant work.

We continue to implement a regular reporting mechanism to ensure that the Sustainability Committee and its Energy Conservation and Carbon Reduction Working Group are promptly informed of the latest progress in the Company's climate governance and low-carbon transformation. We also submit the climate strategy, carbon reduction targets, and the advancement of key initiatives to the Board of Directors for review as appropriate, ensuring that relevant major matters receive sufficient discussion and decision-making support.

To advance the implementation of climate-related initiatives, under the overall management of the Control Center, we have incorporated the achievement of energy conservation and carbon reduction targets into the performance appraisal system. These targets are linked to the performance evaluations of senior management within the Energy Conservation and Carbon Reduction Working Group and the heads of all subsidiaries, thereby strengthening accountability and execution.

Nanshan Aluminium's Organizational Structure for Responding Climate Change

Governance Hierarchy	Governance Body	Functions	Reporting Frequency
Decision-Making Level	Board of Directors	• The highest ESG decision-making body reviews and approves the climate change strategy and major targets. • Identification and Assessment Results of Climate Risks, Impacts, and Opportunities • Decision-making on the allocation of key resources and major investment directions • Oversight of the implementation of climate change response and carbon reduction initiatives	/
Management Level	Sustainability (ESG) Committee Energy Conservation and Carbon Reduction Working Group	• Supervise all subordinate units and organize the implementation of the ISO 50001 Energy Management System, ISO 14064 Greenhouse Gas (GHG) Emission Standard, and ISO 14067 Product Carbon Footprint Standard. • Oversee work related to production safety management, occupational health, "three wastes" emissions, and green manufacturing. • Responsible for implementing various measures to address climate change and achieve energy conservation and carbon reduction.	Semi-annually
Executive Level	Control Center	• Execute daily management and on-site inspections for climate change mitigation and energy conservation. • Establish and implement phased targets while conducting periodic supervision and assessment of relevant work across all units. • Organize data collection, ledger management, and compliance verification to ensure adherence to ISO 50001 and ISO 14064 requirements. • Assist in carrying out carbon inventory, carbon accounting, and carbon footprint-related work.	Monthly

Strategy

Nanshan Aluminium regularly conducts climate risk and opportunity identification and continuously optimizes development strategy and risk management measures. Against the backdrop of green transformation and the need to address climate change, we actively implement energy-saving and carbon-reduction management measures to advance sustainable development.

Risk, Opportunity, and Impact Analysis

As an energy-intensive industry, aluminium processing and manufacturing face profound impacts from climate change on sector development and the Company's operations. To enhance capacity to address climate change, Nanshan Aluminium continues to conduct assessments of climate-related risks and opportunities, gradually integrating the identified key risk factors and development opportunities into the Company's long-term strategic planning.

Nanshan Aluminium Climate Change Risk Identification & Response Measures

Nanshan Aluminium Climate Risk List

Climate Risks	Risk Description	Time Horizon	Business Impact	Financial Impact	Risk Response Measures
Severe Natural Factors (e.g., Typhoons, Tsunamis, Extreme Heat, Extreme Cold, Wildfires)	Extreme weather such as typhoons and snowstorms may affect our business operations in specific regions or globally, and may also impact our suppliers, leading to operational disruptions.	Long - term	Extreme weather may cause equipment damage or disrupt production and the supply chain; Extreme heat may cause heatstroke and affect employee safety.	Asset impairment Increased operational costs	• Fulfill environmental protection responsibilities and minimize adverse impacts on ecology and climate. • Establish an emergency response command center and develop emergency plans, conduct regular drills, and equip all plants with flood bags and non-slip sandbags. • Dynamically set up safety stock and strengthen emergency supply capabilities of suppliers.
Laws & Regulations	With countries continually strengthening environmental regulations, the aluminium industry faces increased pressure from environmental protection and carbon tariffs (CBAM).	Short - term, Medium - term, Long - term	The Donghai Thermal Power Plant is included in the government's carbon quota management; The electrolytic aluminium industry also faces stricter carbon emission limits.	Fines risk Increased operating costs	• We follow ISO 14001 Environmental Management System and ISO 50001 Energy Management System to systematically manage and advance greenhouse gas emission targets and implementation plans, increasing the proportion of clean energy. • Pay attention to changes in laws and regulations in various countries and respond promptly.
Market Demand for Carbon Footprint	Customers in automotive sheet and packaging materials require the company to conduct product lifecycle assessments.	Medium - term, Long - term	We need to carry out carbon footprint assessments and lifecycle analysis for key products.	Increased operating costs Decreased revenue (if products lack relevant certifications and lose orders)	• Based on continuous carbon footprint certification for core products, the company collaborate with upstream and downstream partners to develop carbon reduction plans covering the entire product lifecycle.

Nanshan Aluminium Climate Change Opportunity Identification & Response Measures

Nanshan Aluminium Climate Opportunity List

Climate Opportunities	Opportunity Description	Time Horizon	Business Impact	Financial Impact	Opportunity Response Measures
Development of Low-Emission Products	Increasingly, downstream customers will require low-carbon aluminium processing products.	Medium - term, Long - term	Low-carbon products will attract high- quality customers who focus on sustainability.	Increased R&D expenditure Higher operating costs Increased revenue (if successful in developing low-carbon products, will capture market share)	• We have been certified through ASI performance standards and supply chain monitoring to ensure that our products in China meet COC requirements from raw materials to finished products, offering aluminium that complies with ASI standards. • Continuously reduce CO_2 emissions in the aluminium casting process.
Resource Recycling & Utilisation	Emphasis on resource recycling will drive the company to carry out equipment modifications and actively promote recycling.	Long - term	Resource recycling will reduce reliance on raw materials and improve resource utilisation efficiency.	Increased investment Decreased operating costs (once recycling technology for scrap aluminium matures, it may reduce raw material procurement costs)	• We actively communicate with downstream customers to recycle external scrap for smelting. The 100,000-ton recycled aluminium project has been successfully completed and put into use. • Simultaneously, 100% of internal scrap is recycled, and all waste generated in the production of aluminium sheets and foils is recycled and re-melted back into the furnace.
Energy Saving & Emission Reduction	Energy-saving and emission reduction renovations will improve our energy efficiency.	Long - term	We continue to carry out process improvements and increase the proportion of new energy.	Increased investment Reduced operating costs (in the long term, after technological improvements, energy procurement expenses will decrease)	• We actively explore new technologies, new equipment, new materials, and new processes for energy management, increasing the proportion of green electricity. • Transparently disclose our progress towards achieving greenhouse gas emission reduction targets.

Management Strategy

Through systematic assessment and in-depth analysis, Nanshan Aluminium continues to identify and evaluate the potential impacts of climate change-related risks and opportunities on its operations. Through conducting GHG inventories and product carbon footprint management, we understand the status of our Company's GHG emission management and continue to advance decarbonization actions in conjunction with low-carbon development planning. At the same time, Nanshan Aluminium has reduced energy consumption and carbon emissions during production by advancing energy-saving technology upgrades and optimizing energy management, while actively seizing development opportunities brought about by low-carbon transformation.

Carbon Footprint Accounting & Product Carbon Footprint

Nanshan Aluminium annually engages professional institutions to assist in conducting greenhouse gas inventories. In accordance with the *Management Policy for Greenhouse Gas Inventory*, the Company systematically assesses the carbon emission status of its subsidiaries. Furthermore, in compliance with the disclosure requirements set forth by the ASI, Nanshan Aluminium regularly discloses information regarding greenhouse gas emissions and energy consumption. Furthermore, the Company strengthens carbon emission management and the implementation of emission reduction measures through data organization and a continuous tracking and verification mechanism, ensuring the effective execution of greenhouse gas management plans and decarbonization mechanisms. During the Reporting Period, we continued to implement ISO 14064 organizational carbon verification. The verification boundary is as follows:

- Alumina Company
- Electrolytic Aluminium Company
- Medium-thick Plate Company
- Donghai Thermal Power Plant
- Aluminium Rolling Company
- Aluminium Foil Company
- Aluminium Profile Plant

Nanshan Aluminium ISO 14064
Organizational Carbon Emission Assessment

Nanshan Aluminium actively responds to the global trend of GHG emission reduction and the demand from downstream customers for low-carbon products, continuously advancing carbon emission management at the product level. The Company engaged a third-party organization to conduct carbon footprint accounting and verification for multiple products. In 2025, the Company completed carbon footprint verification for a total of 24 products. New verifications covered recycled aluminium and other products, providing strong support for the development of low-carbon aluminium products and the construction of a green supply chain.

Subject of Certification	ISO 14067 Product Certification
Electrolytic Aluminium Company	Electrolytic aluminium liquid; Aluminium ingots for remelting
Aluminium Rolling Company	Beverage can body stock, can end stock, aluminium foil stock, hot rolled coil, Heineken beverage can body stock, Heineken beverage can end stock
Aluminium Foil Company	Packaging Foil, Battery Foil, QUALITYFOIL Packaging Foil, SIG Combibloc Packaging Foil, Huhtamaki Packaging Foil
Medium-thick Plate Company	5-Series aluminium automobile sheet, 6-Series aluminium automobile sheet, aluminium aerospace sheet/plate, recycled aluminium, aluminium aerospace profiles
Aluminium Profile Plant	Aluminium alloy architectural profiles, aluminium alloy industrial profiles, European-style greenhouses, Norwegian tents, Norwegian tents (new), offshore platforms

Nanshan Aluminium ISO 14067 Product
Carbon Footprint Certificate

Nanshan Aluminium continues to advance GHG emission reduction efforts in accordance with its internal *Greenhouse Gas Emissions Targets and Implementation Plan*, while continuously enhancing its capacity to address Climate change Risk. We have targeted specific measures focusing on carbon reduction in electricity, direct emission cuts, and resource recycling, integrating these emission reduction initiatives into every stage of production and operations. By increasing the proportion of renewable energy usage and implementing energy-saving technical transformation measures, we are committed to advancing the achievement of GHG emission control targets.

Carbon Reduction Implementation Plan

Given that electricity is the primary energy source for Nanshan Aluminium's production and operations, we continue to advance energy-saving retrofits of power equipment and optimize production processes, committed to reducing energy consumption and related carbon emissions during production. Meanwhile, the Company focuses on green power procurement and renewable energy application to continuously advance the low-carbon transformation of electricity. While ensuring production efficiency and operational stability, we continuously optimize our energy structure and explore more environmentally friendly and sustainable energy supply models to provide strong support for the Company's green and low-carbon development.

Green Electricity Procurement

In accordance with industry and government requirements, we actively enhance the proportion of green electricity in our production processes by purchasing Green Electricity Certificates. This initiative accelerates the absorption of renewable energy within the local grid and increases the utilization rate of clean energy. During the Reporting Period, the electrolytic aluminium company successfully acquired 100,000 green certificates representing 100 million kilowatt-hours of green electricity. In addition, we will procure 2.25 million Green Energy Certificates (GEC) for the 2025 fiscal year, of which 2.1 million GECs will be utilized in the production of electrolytic aluminium products.

Green Electricity Certificate

Renewable Energy Generation

Nanshan Aluminium continues to advance photovoltaic projects and gradually increase the proportion of renewable energy generation. During the Reporting Period, we utilized idle parking lot space to construct photovoltaic carports without acquiring new land, achieving a multifunctional integration of parking, power generation, and sun and rain protection. In 2025, we continued to advance photovoltaic deployment across all production sites, installing 101.6 MW photovoltaic power generation equipment. The cumulative installed capacity increased by 5.6 MW compared to the previous year. During the Reporting Period, the photovoltaic system generated a cumulative total of 116 million kilowatt-hours for the year. This is expected to save approximately 41,700 tonnes of standard coal and reduce CO_2e emissions by approximately 115,600 tonnes.


Donghai Thermal Power


Aluminium Profile Plant


Nanshan Park

Energy Equipment Management

Nanshan Aluminium strictly complies with the *Energy Conservation Law* and the ISO 50001 energy management system standards. The Production Equipment Management Department centrally coordinates and supervises energy conservation management across all subordinate units to ensure the effective implementation of energy-saving and emission-reduction measures in every production stage. During the Reporting Period, core production and operational units, including Donghai Thermal Power Plant and the Alumina Company, successfully passed external audits of ISO 50001 and have obtained relevant certification.

- Nanshan Aluminium Production Equipment Management Department
- All subordinate production and operation units' energy conservation team leader and deputy leader
- Heads of all functional departments and workshops

ISO 50001 Energy Management System Certificate

Denitrification dilution air heat exchange retrofit and precise ammonia injection retrofit projects at Donghai Thermal Power Plant

To enhance the operational efficiency of the denitrification system and reduce energy consumption, our Donghai Thermal Power Plant implemented systematic technical upgrades for Units #1 and #2. Key measures included optimizing the original electric heating method to utilize flue gas waste heat and advancing precise ammonia injection control. By optimizing heating Pathways and ammonia injection strategies, the overall operational efficiency of the system was effectively improved.

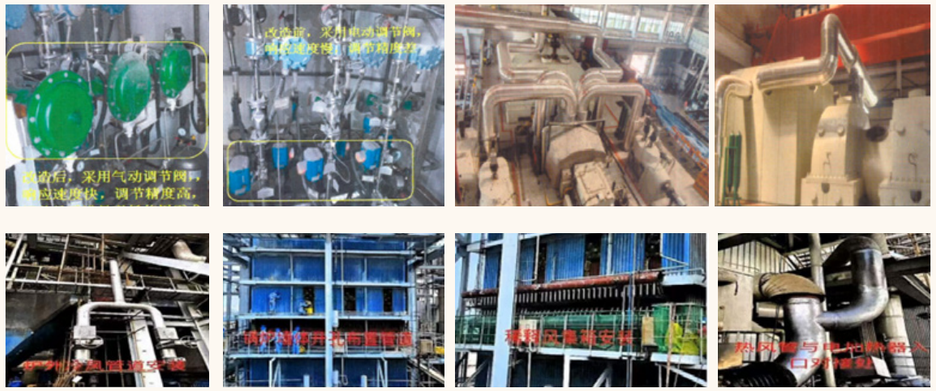
Upon completion of the retrofit, the project achieved significant results in energy conservation, consumption reduction, and operational optimization:

- By replacing electric heating with waste heat recovery from flue gas, annual electricity consumption is reduced by approximately 2.7 million kilowatt-hours.
- Through precise ammonia injection control, annual urea consumption is reduced by over 40 tonnes.

On this basis, the system operating efficiency has been further improved. The fan load decreased significantly, and the combined current of the induced draft and forced draft fans dropped by approximately 30A:

- Annual electricity consumption savings of approximately 2 million kWh.
- The maximum evaporation rate has been increased from 375 tonnes/hour to 410 tonnes/hour.

Through the aforementioned measures, we further achieved synergistic optimization of energy conservation, emission reduction, pollution control, and equipment operational efficiency during the Reporting Period, providing strong support for the Company's advancement in clean production and green low-carbon Transformation.



Donghai Thermal Power Plant Unit #2 Backpressure Modification Project

In accordance with the *Shandong Province Coal-fired Power Industry Transformation and Upgrading Action Plan* (Lu Zheng Ban Zi [2023] No. 102), by 2025, coal-fired units below 300,000 kW will be largely phased out across the province, ensuring stable power and heat supply, except for back-pressure heating units. To prevent the shutdown of the 150,000 kW unit at Donghai Power Plant, which would impact the Company's downstream industries' electricity and steam demand, we plan to retrofit the 150,000 kW unit at Donghai Power Plant for back-pressure operation. The total investment for this project is RMB 9.23 million.

Renovation Objectives

- Enhance steam supply capacity
- Ensure steam supply for alumina production

Results of Retrofitting

- Steam supply capacity +170 T/h
- Total steam supply increased by 700,000 tonnes

Increased Efficiency

- Steam supply benefit + RMB 35.08 million
- Coal saving benefit: + RMB 20.57 million

Overall Benefit

- The annual net income is approximately RMB 26.05 million

Heat Exchange Process Optimization and Technical Transformation Project

To further enhance energy efficiency and reduce steam consumption, Nanshan Aluminium's Finishing Workshop No. 1 systematically upgraded the heat exchange methods for the #2, #3, and #4 tension leveling lines and the cleaning section of the degreasing line. The project replaced the original external plate heat exchanger with an internal heating tube configuration. By arranging rows of heating tubes within the tank, steam directly heats the tank solution, effectively reducing heat transfer losses and significantly improving heat exchange efficiency.

Upon completion of the retrofit, steam utilization efficiency was significantly improved. Based on the cumulative production of 83,565 tonnes from three tension leveling lines and one degreasing line from January to September 2025, approximately 0.07 tonnes of steam are saved per ton of coil. The project is expected to save approximately RMB 1.78 million in steam costs annually. Combined with optimizations in labour and material costs, the three tension leveling lines and one degreasing line will achieve a total annual cost saving of approximately RMB 2.86 million.

In 2025, Nanshan Aluminium conducted a total of 31 energy conservation and emission reduction training sessions for employees, including *Energy Laws and Regulations Training and Energy Target and Indicator Training*. The training content covers energy laws and regulations, target-setting methodologies, management of energy metering instruments, and techniques for daily energy consumption control. It aims to enhance employees' energy management capabilities and ensure the successful achievement of energy conservation and emission reduction targets.

Energy Conservation and Emission Reduction Training

Honours and Recognition

As of the end of this reporting period, we have actively participated in and completed the climate change questionnaire disclosure for the Carbon Disclosure Project (CDP) for four consecutive years. In the 2025 evaluation, the Company received a B-level rating. In the future, we will continue to benchmark against industry-leading practices and use disclosure requirements from international mainstream frameworks such as CDP as key guidance to further enhance Nanshan Aluminium's core competitiveness in the fields of green low-carbon development and sustainable development.

Impacts, Risks, and Opportunities Management

Nanshan Aluminium has integrated climate change into corporate risk management system and strengthened climate management by referring to internal risk control policies such as the *Risk and Opportunity Control Procedures*. Through a refined process for identifying, monitoring, and managing climate change risks and opportunities, we comprehensively identify potential climate-related risks and implement targeted measures to mitigate their specific impacts on the Company's operations. These measures include obtaining product carbon footprint certification, improving accident emergency response policies, and launching energy conservation and consumption reduction projects. In addition, we strive to seize climate-related opportunities by developing high-quality cascading utilization projects for recycled aluminium and actively applying clean energy. We are committed to positioning the Company as a green benchmark enterprise in the aluminium processing industry and contributing to the sustainable development of the global aluminium sector.

Metrics and Targets

Greenhouse Gas Metrics and Targets

Based on a comprehensive analysis of the Company's overall emission status and extensive professional consultation, Nanshan Aluminium continues to implement *Greenhouse Gas Emission Targets and Implementation Plan*. This plan establishes annual emission reduction targets for alumina, aluminium rolling, medium and thick plates, and aluminium foil, defines carbon footprint reduction goals across the full lifecycle of electrolytic aluminium products, and details specific pathways and measures to achieve the established targets.

Furthermore, during the Reporting Period, Donghai Thermal Power Plant fulfilled its obligations by settling 7.2 million tonnes of carbon allowances in accordance with the requirements of the pilot carbon market on schedule and completed 0.48 million tonnes of carbon trading by the end of the Reporting Period. The Company did not participate in carbon credit transactions for China Certified Emission Reductions (CCER).

Emission Targets	
Achieve Carbon Peaking by 2030	Achieve Carbon Neutrality by 2050

Product Emission Intensity Target (Domestic)				
Unit	2023 Target Emissions (tCO_2e/t Product)	2024 Target Emissions (tCO_2e/t Product)	2025 Target Emissions (tCO_2e/t Product)	2026 Target Emissions (tCO_2e/t Product)
Alumina Company	1.85	1.83	1.81	1.80
Aluminium Foil Company	1.07	1.06	1.05	1.04
Aluminium Rolling Company	0.78	0.77	0.76	0.75
Medium-thick Plate Company	1.89	1.88	1.87	1.86

Carbon Footprint of Electrolytic Aluminium Products (Domestic)				
Indicator	2023 Target Emissions (tCO_2e/t Product)	2024 Target Emissions (tCO_2e/t Product)	2025 Target Emissions (tCO_2e/t Product)	2026 Target Emissions (tCO_2e/t Product)
Product Carbon Footprint from Bauxite to Electrolytic Aluminium	16.64	16.44	16.24	15.99

Emission Indicators[16]	Unit	2023	2024	2025
GHG Emission Indicators (Aluminium Products)				
Total GHG emissions (Scope 1 + Scope 2)	tCO_2e	9,087,064	8,455,178	5,224,467
GHG Emissions (Scope 1)	tCO_2e	1,534,661	1,517,431	983,587
GHG Emissions (Scope 2)	tCO_2e	7,552,403	6,937,747	4,240,880
Carbon Emission Intensity				
Alumina Company	tCO_2e/t Product	1.90	2.01	1.70
Aluminium Rolling Company	tCO_2e/t Product	0.79	0.74	0.76
Medium-thick Plate Company	tCO_2e/t Product	1.89	1.63	1.72
Electrolytic Aluminium Company	tCO_2e/t Product	16.64	15.99	7.75
Aluminium Foil Company	tCO_2e/t Product	1.09	1.07	0.95
GHG Emission Indicators (Electricity)				
GHG Emissions of Donghai Thermal Power Plant (Approximate)	tCO_2e	9,656,270	8,060,000	7,616,432
GHG Emission Indicators (Overseas Factories)				
Total GHG Emissions				
U.S. Plant Factory	tCO_2e	34,559	36,839	30,689
Indonesia Plant Factory	tCO_2e	1,909,740	2,070,320	2,636,004
Carbon Emission Intensity				
U.S. Plant Factory	tCO_2e/t Product	0.45	0.46	0.45
Indonesia Plant Factory	tCO_2e/t Product	1.01[17]	0.98	1.01

16: The data scope covers the Company's Electrolytic Aluminium Company, Alumina Company, Aluminium Rolling Company, Aluminium Foil Company, and Medium-thick Plate Company. Carbon emissions related to the power industry and those from overseas factories are presented separately in the table below.

17: In 2023, the Indonesian factory reviewed and expanded the scope of total GHG emissions and emission intensity statistics based on actual production and operational conditions. For the first time, emission sources such as coal-to-gas were comprehensively included in GHG and energy statistics and management. The Company will continue to conduct GHG and energy management work based on this scope.

In 2025, the achievement status of emission reduction targets for GHG emissions per unit of product across all branches of Nanshan Aluminium is as follows:

Subsidiary	Expected Carbon Emission Reduction Target for 2025 ($\leqslant tCO_2e/t$ product)	Actual Performance in 2025 (tCO_2e/t product)	Progress Completion
Alumina Company	1.81	1.70	Achieved
Aluminium Rolling Company	0.76	0.76	Achieved
Medium-thick Plate Company	1.87	1.72	Achieved
Aluminium Foil Company	1.05	0.95	Achieved
Electrolytic Aluminium Company	12.55	7.75	Achieved

In 2025, the completion status of Nanshan Aluminium's carbon footprint reduction targets for electrolytic aluminium products is as follows:

Subsidiary	Expected Carbon Emission Reduction Target for 2025 ($\leqslant tCO_2e/t$ product)	Actual Performance in 2025 (tCO_2e/t product)	Progress Completion
Product Carbon Footprint from Bauxite to Electrolytic Aluminium	16.24	10.98	Achieved

Energy Management Metrics and Targets

As of the end of the Reporting Period,
The ISO 50001 Energy Management System coverage rate for our manufacturing subsidiaries, excluding the newly established Recycled Aluminium Company, is **100%**.[18]

18: This data scope currently includes only our subsidiary operating locations in Chinese Mainland. We will continue to strengthen the operation and management of our overseas subsidiaries, promote energy management strictly in accordance with the ISO 50001 Energy Management System, and timely include the coverage rate of their energy systems within the scope of the Company's internal data statistics.

Energy Consumption				
Energy Consumption Indicators[19]	Unit	2023	2024	2025
Indirect Energy Consumption				
Purchased Electricity	Kilowatt-hour	2,127,629,400	2,195,841,200	2,545,829,400
Purchased Steam	Million kilojoules	-	-	-
Direct Energy Consumption				
Diesel	Tonnes	4,011	4,728	2,957
Raw Coal	Tonnes	5,050,233	4,084,426	3,873,473
Natural Gas	10,000 cubic meters	27,163	29,356	13,697
Comprehensive Energy Consumption[20]	Ton of standard coal	3,789,111	3,541,851	4,529,679
Procurement of Green Electricity Energy	Kilowatt-hour	20,000,000	200,000,000	225,000,000
Self-generated and self-consumed solar power energy	Kilowatt-hour	69,542,205	107,000,000	120,000,000

19: The data scope covers the Company's major production facilities in China, including Donghai Thermal Power Plant, Nanshan Electrolytic Aluminium Company, Aluminium Profile Plant, Alumina Company, Aluminium Rolling Company, Aluminium Foil Company, Aluminium New Material Company, and Medium-thick Plate Company.

20: Based on the ISO 50001 energy management system, we calculated the Company's total annual energy consumption (unit: tonnes of standard coal).

4.2 Environmental Management

Nanshan Aluminium continues to refine its environmental management system. Relying on a full-process pollutant control mechanism, the Company has established standards covering wastewater treatment, flue gas purification, solid waste classification, and hazardous waste management. These measures ensure that all operational stages comply with local regulations, thereby minimizing the environmental impact of production.

Governance

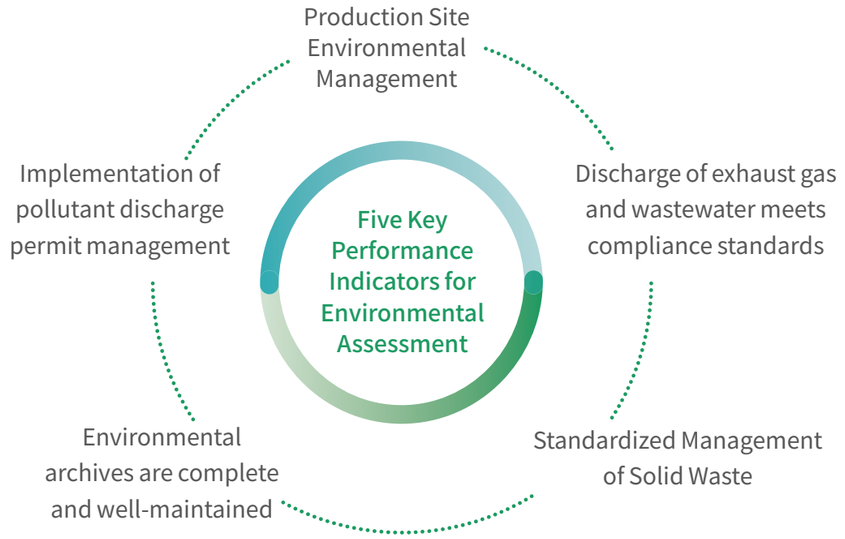
Nanshan Aluminium has established a broad environmental management system. We strictly comply with environmental management laws and regulations in operational jurisdictions and have established a series of internal policies, including the *Environmental Protection Management Measures and the Nanshan Alumunium Environmental Information Statutory Disclosure Policy*, to guide Nanshan Aluminium's environmental management work.

We have established a three-tier governance structure with an ESG Committee, composed of the Chairman and senior management, serving as the highest decision-making body responsible for the overall planning and decision-making regarding environmental management matters. The ESG Committee has established a Safety and Environmental Protection Working Group to specifically undertake the execution and supervision of relevant work, ensuring that all environmental protection measures are effectively implemented.

Nanshan Aluminium Environmental Management Structure

Hierarchy	Governance Body	Function	Reporting Frequency
Decision Making	Board of Directors	• As the highest decision-making body, it determines the environmental management development strategy. • Resource Allocation Decision • Oversee the implementation of environmental management initiatives	/
Management	Sustainability (ESG) Committee Safety and Environmental Protection Working Group	• Review environmental policies, regulations, standards, trends, and stakeholder requirements; propose environmental management objectives to the Board of Directors and formulate an environmental management policy. • Supervise and guide all units in the management of three-waste emissions, life cycle assessment, and green manufacturing, while implementing ISO 14001 environmental system management.	Twice a year
Executive	Department of Emergency Management	• Supervise all units and lead the management of waste discharge (three wastes), life cycle assessment, and green manufacturing. • Implement ISO 14001 environmental management system • Decompose management objectives and supervise relevant work of production units through assessments conducted over different cycles.	Weekly Report

Nanshan Aluminium conducts environmental management work in accordance with the *Environmental Protection Management Measures* focusing on eight core management contents and five key performance indicators. The Company regularly carries out detailed on-site inspections and integrated assessments of all its subsidiaries. The relevant assessment results are linked with the senior management performance appraisal system to promote the implementation of environmental management responsibilities.



Strategy

To continuously enhance its environmental management capabilities, Nanshan Aluminium systematically identifies and assesses environmental-related risks and opportunities, thoroughly analyzes the potential impacts on operations and financial performance, and formulates targeted management measures based on findings. Such measures further strengthen environmental management capabilities and provide support for the steady development and sustainable operations of the Company.

Analysis of Risks, Opportunities, and Their Impacts

Nanshan Aluminium Environmental Management Risk List					
Environmental Management Risk	Risk Description	Time Period	Business Impact	Financial Impact	Risk Response Measures
Compliance	Globally, stricter environmental regulations may lead to increased costs or production stoppages for rectification.	Short-, Medium-, and Long-term	Compliance and performance costs have risen; non-compliant emissions may result in production interruptions.	• Environmental fines • Increase in Renovation Costs	• Establish a dynamic regulatory monitoring mechanism • Implement management measures in response to compliance requirements • Conduct environmental regulation training for all employees. • Proactively and continuously reduce emissions
Environmental Litigation	The Company faces a class-action lawsuit initiated by the surrounding community of its operational locations due to potential environmental pollution.	Short-, Medium-, and Long-Term	Legal disputes have resulted in work stoppages for rectification or necessitated compensation expenditures.	• Litigation Expenses • Compensation Expenditure for Surrounding Residents	• Install online monitoring equipment • Establish a communication mechanism with surrounding communities.

Nanshan Aluminium Environmental Management Opportunity List					
Environmental Management Opportunities	Opportunity Description	Time Period	Business Impact	Financial Impact	Opportunities and Risks Mitigation Measures
Brand Reputation	Recognition of environmental awards from the government or acknowledgment from customers due to outstanding environmental management practices.	Short-, Medium-, and Long-Term	We focus on environmental policies and innovations in environmental technology to enhance environmental performance, earning recognition from customers for our brand reputation and securing government financial support.	• Revenue growth driven by an increase in orders • Obtain tax incentives or government environmental protection funding support	• Regularly disclose information through ESG Reporting and official website public disclosure to enhance the Company's environmental information disclosure and strengthen the ESG brand image. • Actively respond to environmental policies and promote green production and sustainable operations.

Management Strategy

Nanshan Aluminium continuously refines its environmental management framework based on the ISO 14001 environmental management system and regularly engages third-party professional institutions to conduct environmental management audits and provide guidance, ensuring the effectiveness of environmental management work. Concurrently, the Company conducted environmental management training and emergency drills for employees to continuously enhance their environmental awareness and emergency response capabilities, ensuring the effective implementation of all environmental management measures in daily operations.

Environmental Management System

Nanshan Aluminium adheres to the environmental management policy of "complying with regulations, protecting the environment, saving energy and reducing consumption, and continuous improvement", and strictly fulfills its environmental management responsibilities. We refer to the ISO 14001 environmental management system and clarify its eight dimensions to conduct strict internal management.

During the Reporting Period, we successfully passed the external audit for our ISO 14001 environmental management system certification and completed the certificate renewal process. Currently, the Company's environmental management system coverage rate is 87.5%.

Normalized Environmental Management

Nanshan Aluminium emphasizes ecological environmental protection. We regularly conduct detailed inspections of pollution control facilities and online monitoring equipment in each workshop to ensure the effective collection and compliant disposal of pollutants, thereby fully guaranteeing the implementation of environmental requirements.

During the Reporting Period, our key initiatives regarding emissions and waste, water resource management, and ecosystem protection are detailed in the "Protecting Nature" section.

We are dedicated to addressing the impact of pollutant emissions on local communities and residents. For any concern that community members raise, we will promptly establish a dedicated task force to conduct an in-depth investigation. Upon confirmation of any non-compliance, corrective measures will be implemented immediately, and relevant information will be dynamically communicated to the residents. During the Reporting Period, no significant adverse impacts on local community members and other groups caused by pollutant emissions occurred. All feedback regarding environmental protection was effectively and promptly addressed.

The Company regularly engages professional third-party institutions as environmental stewards to conduct detail on-site environmental audits of its subsidiaries—including the Alumina Company, Electrolytic Aluminium Company, Aluminium Rolling Company, Medium-thick Plate Company, Aluminium Foil Company, Aluminium Profile Plant, Aluminium New Material Company and Recycled Aluminium Company — based strictly on applicable laws and regulations at their operational locations. These audits are performed at weekly, monthly, quarterly, and annual frequencies.

The Electrolytic Aluminium Company is advancing the creation of Level A environmental performance

The Electrolytic Aluminium Company is actively advancing the creation of Class A environmental performance for electrolytic aluminium enterprises. During the Reporting Period, the Company invited the Yantai Municipal Ecology and Environment Bureau and industry experts to conduct verification and assessment of the production site in accordance with the Grade A enterprise evaluation criteria, and provided rectification recommendations. Currently, the Company is advancing process optimization and equipment upgrades based on assessment recommendations and plans to apply for Level A environmental performance enterprise certification in 2026.

Emergency Management System

To effectively respond to sudden environmental incidents, the Company has established a structured environmental emergency management system. During the Reporting Period, each plant site prepared and implemented emergency plans for sudden environmental incidents. Currently, all relevant plans have been filed and are being continuously executed.

Nanshan Aluminium regularly conducts environmental emergency drills to enhance risk disposal capabilities

Nanshan Aluminium organizes environmental emergency drills monthly for its subsidiaries, including the Aluminium Profile Plant, the Electrolytic Aluminium Company, and Donghai Thermal Power Plant. During the Reporting Period, we conducted 12 drills covering scenarios such as hazardous waste leaks, fires, and malfunctions of pollution control facilities. Prior to the drill, the Company formulated a detailed plan based on production process characteristics and potential environmental risks. A review and assessment were conducted to develop improvement measures, continuously refining the environmental emergency management system and enhancing employees' emergency response capabilities.

Environmental Protection Training

Nanshan Aluminium continues to conduct specialized environmental training and emergency drills, continuously enhancing the Company environmental management capabilities. The Company is committed to implementing environmental principles and strengthening employees' sense of responsibility for environmental protection, ensuring that relevant groups carry out environmental work in accordance with applicable regulations.

Nanshan Aluminium Conducted Environmental Protection Training

During the Reporting Period, Nanshan Aluminium organized 12 environmental protection training sessions monthly for its subsidiaries, including the Aluminium Profile Plant, the Electrolytic Aluminium Company, Flat-Rolled Product Division, and the Alumina Company. The training covered environmental laws and regulations, standardized management of hazardous waste, submission of pollution discharge permit execution reports, and operation management of environmental facilities.

Honours and Recognition

Nanshan Aluminium has joined the Shandong Province "Zero-Waste City" initiative to continuously reduce waste discharge levels and is committed to establishing itself as a model enterprise for waste management in Shandong Province. During the Reporting Period, the Electrolytic Aluminium Company and the Aluminium New Material Company were recognized as "Yantai Municipal Zero-Waste Cells" due to their effective waste management performance.

Management of Impacts, Risks, and Opportunities

Nanshan Aluminium attaches great importance to environmental risk management and strictly complies with all applicable laws and regulations in the locations where it operates. The Company regularly conducts environmental risk identification and assessment. We have established a responding and rectification mechanism for identified risks. Key risks are subject to continuous monitoring and dynamic control to ensure that all environmental risks remain within controllable limits, thereby effectively fulfilling the enterprise environmental protection responsibilities.

During the project application, initiation, and R&D phases, we concurrently conduct environmental and social impact assessments. These assessments focus on energy conservation and emission reduction, resource utilization efficiency, environmental impacts, and regulatory compliance. Considering the influence of relevant stakeholders, we strive to ensure that projects achieve economic benefits while balancing environmental and social value, thereby promoting sustainable development for the Company.

Environmental Risk Assessment and Management Dimension

Compliance with Environmental Regulations

Ensure that the project complies with national and local environmental regulations and standards to avoid legal risks and costs arising from violations of environmental protection regulations.

Environmental Impact Assessment

During the project application and initiation phases, an environmental impact assessment will be conducted to analyze the potential environmental impacts of the project and develop corresponding prevention and response measures.

Resource Utilization

Assess the efficiency and sustainability of the project's use of natural resources. By optimizing resource usage, reducing resource waste, and ensuring that the project's resource consumption meets the requirements of sustainable development.

Energy Conservation and Emission Reduction

In the design and implementation phases of the project, special attention will be given to the application and promotion of energy-saving and emission-reduction technologies. Using energy-efficient equipment and processes, energy consumption and carbon emissions will be reduced to minimize environmental impact.

Metrics and Targets

Nanshan Aluminium strictly complies with the regulatory requirements for pollutant emissions imposed by authorities in its domestic and international operating locations. In accordance with the ISO 14001 environmental management system, the Company implements standardized management of exhaust gas, wastewater, and solid waste, while continuously advancing pollution prevention and control efforts across all production stages. The Company adheres to the principles of clean production and sustainable development. Implementing measures such as source reduction and resource recycling and ensuring compliance with emission standards, the Company continuously reduces its environmental impact.

During the Reporting Period, the Company did not experience any environmental pollution incidents or violations of environmental protection regulations, nor was it subject to any related environmental penalties.

As of the end of the Reporting Period,
The coverage rate of the ISO 14001 environmental management system for Nanshan Aluminium's manufacturing subsidiaries reached **87.5%** [21]

21: This data scope currently includes only our subsidiaries operating locations in China. We will continue to strengthen the operation and management of our overseas subsidiaries, promote strict adherence to ISO 14001 environmental management systems for environmental governance, and timely incorporate the coverage rate of their environmental systems into the Company's internal data statistics.

Environmental Management Objectives[22]

Particulate matter, nitrogen oxides, sulfur dioxide, and other atmospheric pollutants

With 2021 as the baseline, we aim to reduce 2% atmospheric pollutant emissions by 2026.

Solid Waste

Solid waste is disposed of in full compliance with regulations. Aluminium chips and pieces are recovered through measures such as remelting and recycling, while aluminium slags are comprehensively utilized to produce aluminium ingots, thereby advancing the reduction of solid waste.

Wastewater Treatment

Wastewater discharge meets 100% compliance standards, while the reuse rate of treated wastewater is increased to reduce consumption of fresh water sources.

The Company's Long-term Environmental Management Objectives

Beyond achieving short-term goals, with upgrades and renovations of environmental protection facilities for wastewater and exhaust gas, Nanshan Aluminium has basically achieved ultra-low emissions of exhaust gas in its subsidiaries and "zero discharge, full recycling" of wastewater.

The Company's internal policy *Environmental Protection Management Measures of Shandong Nanshan Aluminium Co., Ltd.* clearly stipulates management and assessment requirements for circumstances such as the discharge of pollutants exceeding standards and the non-standard disposal of solid waste. We have established a mechanism for accountability tracing and performance assessment to manage and evaluate responsible entities, thereby strengthening environmental compliance management.

In 2025, we have fully achieved our environmental management objectives, with exhaust gas, wastewater, and solid waste all achieving 100% compliance in emissions. At the same time, we are progressively advancing the Company's long-term environmental management objectives and implementing various emission reduction measures to reduce pollutant discharges. Please refer to the section "Protecting Nature" for details.

22: The environmental management objectives of Nanshan Aluminium's Indonesia branch are detailed in the '2025 Nanshan Aluminium International Environmental, Social and Governance Reporting'.

4.3 Protecting Nature

Nanshan Aluminium continues to advance environmental management work, committed to reducing the impact of production and operations on the environment. The Company strictly controls ecological impacts during the production process, ensuring that wastewater, exhaust gas, solid waste, and hazardous waste are disposed of in a standardized manner while improving the efficiency of water resource recycling. We actively participate in ecological conservation initiatives to support the construction of an environmentally friendly society.

Emissions and Waste

The major pollutants of Nanshan Aluminium include atmospheric pollutants such as nitrogen oxides, sulfur dioxide, and particulate matter, water pollutants including COD, ammonia nitrogen, total phosphorus, and total nitrogen, and solid wastes such as scrap aluminium and discarded packaging materials. We have established a structured environmental monitoring plan in accordance with the types and frequency requirements stipulated for environmental impact assessment approvals and pollutant discharge permits.

During the Reporting Period, the Company identified no significant deficiencies in environmental monitoring plans or risk management measures, and no cases occurred wherein the Company received major administrative penalties or was held criminally liable due to pollutant emissions.

Exhaust Gas Management

Nanshan Aluminium strictly complies with the laws and regulations of its operating bases and has formulated and implemented the *Atmosphere Pollutant Emission Control Procedure* to guide domestic and international units to steadily carry out exhaust gas management work, ensuring comprehensive compliance.

All subsidiaries of the Company have installed online monitoring systems to conduct continuous monitoring and dynamic assessment of pollutant emissions, ensuring that exhaust gas emissions remain consistently compliant with standards. The Company has strengthened the management and monitoring of unorganized emission points in the production process, standardized material collection and recovery procedures to prevent secondary pollution caused by material spillage, and continuously improved its pollution prevention and control management ability.

Nanshan Aluminium continues to be committed to reducing emissions of harmful exhaust gases such as volatile organic compounds (VOCs), particulate matter, nitrogen oxides, and sulfur dioxide. The Company has installed exhaust gas treatment facilities including dust collectors, dry powder injection systems, zeolite rotary concentrators, activated carbon adsorption units, SCR[23] denitrification systems, pulse bag filters, RTO[24] , RCO[25] , and DTO[26] to continuously reduce exhaust gas emissions. The Indonesia factory has installed monitoring equipment for carbon dioxide and mercury content. Leveraging Internet of Things (IoT) technology, it tracks emission levels in real time and implements corresponding process adjustments based on these readings.

23: SCR Denitrification: Selective Catalytic Reduction.

24: RTO:Regenerative Thermal Oxidizer

25: RCO:Regenerative Catalytic Oxidizer

26: DTO:Direct Thermal Oxidizer

Upgrading desulfurization facilities to enhance exhaust gas governance effectiveness

During the Reporting Period, Nanshan Aluminium's electrolytic aluminium company constructed a new limestone-gypsum desulfurization tower. The treatment capacity was significantly enhanced compared to the original facilities, enabling the processing of larger volumes of exhaust gas. After the facility commenced operations, the removal efficiency of sulfur dioxide improved significantly. According to online monitoring data, the sulfur dioxide emission concentration decreased from an average of 27 mg/m³ before the retrofit to 15.7 mg/m³, effectively enhancing the level of exhaust gas governance.

During the Reporting Period, the Company's exhaust gas emissions fully complied with regulatory requirements. Our exhaust gas emission indicators are presented on the table below:

Exhaust gas Emission Indicators[27]

Emission Indicators	Unit	2023	2024	2025
Nitrogen Oxides	Tonnes	3,698	3,707	4,648
Sulfur Dioxide	Tonnes	6,386	1,407[28]	1,421
Non-methane total hydrocarbons	Tonnes	59	47	46
Particulate matter from calciner flue gas	Tonnes	342[29]	316	409
Particulate Matter	Tonnes	419	349	362

27: The data scope includes Donghai Thermal Power Plant, Electrolytic Aluminium Company, Aluminium Profile Plant, Alumina Company, Aluminium Rolling Company, Aluminium Foil Company, Aluminium New Material Company, Medium-thick Plate Company, as well as major operating facilities in Indonesia and the United States.

28: In 2024, the Indonesia plant continued to increase investment in environmental management and pollutant reduction. As our mass production expands, the power plant at our Indonesia facility has enhanced the precision of sulfur dioxide emission measurements through the standardized and stable operation of desulfurization equipment and real-time online data monitoring. In 2022 and 2023, our sulfur dioxide emissions were estimated values based on reference guidelines rather than actual measurements; consequently, in 2024, sulfur dioxide emissions decreased significantly.

29: Particulate matter in the flue gas from the calciner primarily originates from the calciner at the Indonesia plant. In 2024, we calculated the particulate matter emissions from calcination furnace flue gas based on actual production hours and simultaneously revised the 2023 emission figures. Due to our continuous capacity expansion at the Indonesia facility, the relevant data for both 2023 and 2024 showed a slight increase compared to 2022.

Solid Waste Management

Nanshan Aluminium strictly complies with environmental protection requirements in its domestic and overseas operating locations and has established internal policies such as the *Nanshan Aluminium Solid Waste Standardized Management Measures*. We uphold the core environmental protection philosophy of source reduction, intermediate control, end-of-pipe treatment, and recycling, adhering to the basic principles of "reduction, resource utilization, and harmless disposal" to implement precise classification of solid waste and ensure compliant handling.

We actively promote the recycling and circular utilization of harmless waste. Aluminium shavings, aluminium blocks, aluminium dross, and externally collected waste cans are smelted and recycled into valuable ingots of recycled aluminium. This approach reduces solid waste generation at the source. For details, see 'Special Topic on Recycled Aluminium'.

General Waste

Waste aluminium chips, desulfurization gypsum, red mud, etc.

- Recycling aluminium chips and scrap through the melting furnace
- Dry stacking of red mud shall be implemented at the red mud storage facility.

Hazardous Waste

Aluminium ash and slag, waste lubricating oil, emulsion-containing waste, waste diatomite, etc.

- Pre-treatment of hazardous waste capable of comprehensive utilization or emission reduction disposal.
- The remaining hazardous waste is entrusted to qualified entities for compliant disposal.

Household waste

- Regularly collected and classified for disposal by the sanitation department.

In 2025, our solid waste emission indicators are presented in the table below:

Generation and Utilization of Solid Waste[30]

Indicator	Unit	2023	2024	2025
Total Solid Waste	Tonnes	3,886,574[31]	3,351,212	3,307,238
Generation of general solid waste	Tonnes	3,800,439	3,238,201	3,136,551
Total Volume of General Solid Waste Recycling and Utilization	Tonnes	3,792,642	3,180,447	3,059,792
Generation of Hazardous Waste	Tonnes	86,221	170,702[32]	170,687
Total Volume of Hazardous Waste Recycling and Utilization	Tonnes	86,315[33]	170,846	169,692

Wastewater Discharge Management

Nanshan Aluminium strictly complies with all relevant laws and regulations regarding wastewater discharge in its operating locations and has established *Wastewater Discharge Control Procedure*. All production units of the Company have established internal wastewater treatment facilities in accordance with product manufacturing processes to ensure compliant discharge of wastewater.

Building upon our standard treatment of conventional pollutants such as ammonia nitrogen, COD, and BOD, we have implemented advanced technologies including activated carbon filtration and multi-media filtration to conduct in-depth processing of special pollutants like heavy metals and waste oil. These measures effectively reduce the concentration of pollutants in discharged effluent.

30: The data scope includes Donghai Thermal Power Plant, Electrolytic Aluminium Company, Aluminium Profile Plant, Alumina Company, Aluminium Rolling Company, Aluminium Foil Company, Aluminium New Material Company, Medium-thick Plate Company, as well as major operating facilities in Indonesia and the United States.

31: In accordance with the laws and regulations of the jurisdictions in which we operate, we conduct bauxite residue disposal in compliance. The generation of bauxite residue is currently excluded from the total solid waste statistics. Based on this principle, we adjusted the Company's total solid waste for 2023.

32: In 2024, the increase in the Company's hazardous waste generation was due to: (1) We disposed of part of the waste emulsion from the enclosed construction park as hazardous waste; and (2) The Company introduced process technology to increase the concentration of vanadium compounds contained in bauxite and discharged them into the red mud reservoir, thereby better achieving a reduction in red mud emissions.

33: The volume of hazardous waste recycled exceeded the volume generated in 2023 due to the recycling of surplus hazardous waste carried over from 2022.

We have established "zero discharge and full reuse" as our wastewater management objective. While ensuring compliant discharge of wastewater, we are committed to enhancing its recycling rate.

As the number of plants in the Donghai Industrial Park continues to increase, the demand for wastewater treatment within the park is rising. To ensure compliant treatment of wastewater from new and ongoing projects within the industrial park, Nanshan Aluminium invested in and constructed the Donghai Aviation Materials Park Wastewater Treatment Station, with a designed treatment capacity of 6,500 m^3/day. During the Reporting Period, the sewage treatment station has completed construction and obtained the discharge permit, entering the trial operation phase. Relevant legal work is underway, and project acceptance and formal commissioning are expected to be completed by March 2026.

While continuously enhancing its sewage treatment capacity, Nanshan Aluminium has optimized wastewater governance processes and upgraded existing treatment facilities and technical routes. These measures have steadily improved pollutant removal efficiency and further strengthened the level of refined wastewater management.

Fluoride Removal Process Retrofit

During the Reporting Period, Nanshan Aluminium carried out a process upgrade for fluoride removal in the wastewater treatment system of the three zones of Plant No. 1 of its aluminium company. Building upon the existing treatment process that meets the fluoride discharge requirement of 20 mg/L, an additional sedimentation tank was added after the inclined tube settler. New defluorination agents and coagulants were introduced to optimize the wastewater treatment process. By adjusting the pH value and adding calcium chloride along with a new type of composite defluorinating agent, fluorides are effectively removed in the form of precipitates. The concentration of fluorides in wastewater is controlled to a target level of 1 mg/L, significantly enhancing wastewater governance capabilities.

During the Reporting Period, Nanshan Aluminium achieved 100% compliance in wastewater discharge. The relevant indicators are shown in the table below:

Wastewater Discharge Status[34]

Emissions	Unit	2023	2024	2025
Wastewater discharge volume	10,000 metric tonnes	87	81	76
Pressed water	10,000 metric tonnes	518	699[35]	541
Volume of recycled wastewater	10,000 metric tonnes	456	476	552
COD	Kilograms	23,953	21,719	22,875
Ammonia Nitrogen	Kilograms	807	761	869

34: The data scope includes Donghai Thermal Power Plant, Electrolytic Aluminium Company, Aluminium Profile Plant, Alumina Company, Aluminium Rolling Company, Aluminium Foil Company, Aluminium New Material Company, Medium-thick Plate Company, as well as major operating facilities in Indonesia and the United States.

35: The Company's increase in alumina production led to a significant rise in filtrate water.

Water Resource Management

Water resources are a critical element ensuring the operational continuity of aluminium processing production. Their scientific allocation and standardized management hold significant importance for the Company's stable operations. Nanshan Aluminium complies with relevant laws and regulations, including the *Water Law of the People's Republic of China and the Regulations on the Administration of Water Abstraction Permits and Collection of Water Resource Fees*. The Company incorporates water resource risk management into its key management areas. Improving policies and strengthening management measures, the Company effectively prevents potential risks to production and operations posed by water resources.

Water Resource Risk Management

Nanshan Aluminium regularly conducts water resource risk assessments for its subsidiaries. The assessment dimensions include the probability of occurrence, hazard level, and risk rating. The scope covers Nanshan Industrial Park and Donghai Industrial Park.

During the Reporting Period, the Company engaged a third party to conduct water balance tests for its subsidiaries and submitted the resulting water balance report to the Longkou Water Affairs Bureau for filing. In addition, the Company participated in a survey meeting on industry water quota standards organized by the Provincial Water Resources Research Institute and commissioned by the Shandong Provincial Department of Water Resources.

Key Focus Areas for Water Resource Management: Pre-, In-, and Post-Event

Pre-Event

- Issue advance water resource risk warnings and announcements
- Conduct transparent and compliant potential water resource risk assessments and research.

In-Event

- Continuously monitor water discharge and water quality, and control the probability of potential water resource risks through proactive water resource risk management measures.

Post-Event

- Regularly disclose water pollution discharge monitoring results and emission reduction plans to achieve transparent management of water resource risks.

PT Bintan Alumina Indonesia conducts daily testing of water quality indicators and engages a third-party unit to perform monthly water quality testing. It continuously monitors water conditions to ensure that the park water quality remains within specified requirements. The water plant supplies water via two routes that serve as backups for each other, significantly reducing the risk of water supply interruption in the park. The American Factory primarily utilizes municipal water supply. Following a prudent assessment by the expert team, no water resource risks have been identified.

Water Consumption

Nanshan Aluminium complies with all applicable laws and regulations in the jurisdictions where it operates. Integrating rational utilization and standardized management of water resources, the Company continues to advance the implementation of water conservation and efficient water use concepts throughout its production processes. The Company's production water primarily originates from municipal supply, rainwater harvesting, and wastewater recycling channels. We adopt diversified water source utilization methods to enhance water resource efficiency.

During the Reporting Period

The Company received an A- rating in the CDP Water Questionnaire.

Nanshan Aluminium sets annual water usage targets and sets specific water reduction goals for different products. These targets guide the Aluminium Profile Plant, Electrolytic Aluminium Company, Alumina Company, and Donghai Thermal Power Plant to meticulously break down their monthly water intake and usage plans. The Company continuously reduces its consumption of fresh water resources and enhances its overall water efficiency.

In terms of water conservation and recycling, Nanshan Aluminium continues to implement comprehensive strategies, steadfastly adhering to the principles of "multiple uses of a single water source, graded utilization, and cascaded usage". The Company promotes the rational utilization of water resources through simultaneous technical upgrades and recycling initiatives.

Water Conservation

Nanshan Aluminium has developed alternative water sources such as seawater desalination and condensate return water to enhance water security, reduce reliance on conventional freshwater resources, and promote water conservation and sustainable utilization.

The Company actively introduced seawater desalination equipment at the Donghai Thermal Power Plant, effectively alleviating the water pressure on the local water supply network. During the Reporting Period, the seawater desalination equipment at Donghai Thermal Power Plant operated for a cumulative total of 8,760 hours. Approximately 3.313 million tonnes of fresh water were successfully produced, accounting for 59.45% of total water consumption, with a capacity utilization rate of approximately 27.41%.

The chemical workshop in the Donghai Thermal Power Plant utilizes alumina steam condensate return water as an alternative water source. During the Reporting Period, the total volume of steam condensate return water used by the chemical workshop of Donghai Thermal Power Plant was approximately 2.07 million tonnes, accounting for 27% of the total water consumption. In addition, the Donghai Thermal Power Plant upgraded hydraulic slag removal system to a wind-cooled dry slag removal system on 330 MW unit to further reduce water consumption.

Nanshan Power Plant Heat Exchange Station Condensate Utilization Project

Nanshan Power Plant implemented a project to recover and recycle condensate from heat exchange stations. The pipeline installation and system commissioning have been completed. Condensate generated during the heating season is now transported via newly installed pipelines to the power plant's clean circulating water pool for replenishing the circulating cooling water system. The project effectively recycles condensate water, reduces raw water consumption, improves circulating water quality, and lowers electrical conductivity.

Water Reuse and Recycling

The Company continues to optimize wastewater treatment processes and improve the reclaimed water reuse system. Treated water meeting standards is recycled into production processes, enhancing the level of water resource circulation. This approach reduces wastewater discharge while lowering raw water consumption.

Donghai Thermal Power Plant Wastewater Recycling and Reuse

Donghai Thermal Power Plant implements a graded recycling and utilization system for ultrafiltration backwash wastewater. The wastewater is primarily used for makeup water in the ash water system and desulfurization workshop, limestone slurry preparation, mist eliminator blade rinsing, as well as pump and pipeline flushing.

During the Reporting Period, the Donghai Thermal Power Plant's Chemical Workshop generated approximately 248.3 thousands tonnes of wastewater, with a wastewater utilization rate of 100%.

The Flat-rolled Product Division implemented deep recycling and reuse of wastewater.

During the Reporting Period, the Donghai Production Site of the Flat-rolled Product Division implemented wastewater recycling. The wastewater underwent mechanical acceleration clarification, activated carbon filtration, quartz sand filtration, ultrafiltration, and two-stage reverse osmosis processes before entering the deionization system to produce pure water. From January to November 2025, approximately 180 thousands cubic meters of wastewater were recovered. The recovery rate at the deionization station was approximately 70%. The treated reclaimed water is primarily used for rinsing in the aluminium plate, sheet and strip production process, effectively reducing raw water consumption and enhancing the level of water resource recycling.

Donghai Aviation Materials Park Wastewater Recycling and Utilization

The Company plans to advance the reclaimed water recycling project at the Donghai Aviation Materials Park sewage treatment station in 2026. At the initial stage of project implementation, the estimated daily water recovery volume is approximately 1,000 m^3, with a recovery ratio of about 15.4%. As the wastewater volume in the park increases, subsequent optimization of recovery facilities will enhance the recovery capacity to 3,500 m^3/d.

Rainwater recovery from the settling pond at the Indonesian mine site

Nanshan Aluminium's Indonesia facility installed rainwater collection equipment at the local bauxite ore mine, enabling the annual collection and utilization of approximately 100,000 cubic meters of rainwater.

During the Reporting Period, Nanshan Aluminium's water resource consumption indicators are as shown in the table below:

Water Consumption Metrics[36]

Indicator	Unit	2023	2024	2025
Total Water Withdrawal	10,000 m^3	737	715	634
Total Water Consumption	10,000 m^3	760	745	688
Total volume of recycled and reused water	10,000 m^3	23	30	54

Ecosystem Protection

Nanshan Aluminium strictly complies with the *Wildlife Protection Law of the People's Republic of China* and, referencing policy guidelines such as the *White Paper on Biodiversity Conservation in China*, has established the *Nanshan Aluminium Biodiversity Conservation Management Procedure*. This procedure standardizes production operations and employee living activities to minimize impacts on ecosystems and protect regional biodiversity. The Company continues to strengthen ecological protection awareness, actively fulfills its responsibility for biodiversity conservation, and contributes to the maintenance of the ecological environment.

As of the end of the Reporting Period, the Company did not conduct production and business activities or construct related facilities within ecological protection red lines, nature reserves, or other areas with important ecological functions or ecologically sensitive and fragile environments.

Nanshan Aluminium conducts biodiversity risk assessment annually, evaluates the scope of affected areas, and formulates corresponding prevention and control measures. The Company provides proactive warnings and prevents potential risks to continuously protect the ecological environment in the region.

36: The data scope includes Donghai Thermal Power Plant, Electrolytic Aluminium Company, Aluminium Profile Plant, Alumina Company, Aluminium Rolling Company, Aluminium Foil Company, Aluminium New Material Company, Medium-thick Plate Company, as well as major operating facilities in Indonesia and the United States. The indicators for water consumption in Indonesia are detailed in the "Nanshan International 2025 ESG Reporting". The Company's total water withdrawal does not include surface water and groundwater withdrawals.

During the Reporting Period, we conducted biodiversity risk analyses for the Medium-thick Plate Company, the Aluminium Rolling Company, and Aluminium Foil Company. The Company's overall biodiversity risk is assessed as "Low Risk".

In the planning and construction of new projects, we strictly comply with government laws and regulations regarding ecosystem protection. Through biodiversity assessments, we fully consider the living environments of surrounding organisms and issues such as wildlife corridors. In daily operations, we strictly control the discharge of relevant exhaust gases and wastewater to ensure compliance with standards. We actively guide employees to enhance their awareness of biodiversity protection, prohibiting the hunting of wild animals and reducing human interference such as fishing, grazing, and logging.

Nanshan Aluminium Biodiversity Management Procedure

- All construction projects of Nanshan Aluminium must be entrusted to qualified entities to conduct environmental impact assessments and identify substantive impacts on Biodiversity.
- Procedures for the management of wastewater, exhaust gas, noise, solid waste, oils, and chemicals have been established to mitigate negative impacts on Biodiversity
- Develop a Biodiversity Action Plan, publish it publicly, update it regularly, and share it with stakeholders.
- For non-native species inadvertently introduced through operational activities, the Company's Safety and Environmental Department shall assess the Risk and implement controls, and prepare a Biodiversity Reporting

4.4 Circular Economy

Against the backdrop of the continuous advancement of China's national dual-carbon goals, green and low-carbon development has become a key direction for the non-ferrous metals industry. As a green energy-intensive metal, aluminium serves as a critical foundational material for achieving energy conservation and emission reduction across society and supporting the low-carbon economic transformation. As the first enterprise in China to obtain ASI certification for the aluminium value chain, Nanshan Aluminium attaches great importance to the application and practice of circular economy concepts within the aluminium industry. We have established and continuously optimized the circular economy governance structure to comprehensively identify opportunities and potential challenges arising from circular economy development, while promoting the construction of an efficient aluminium industry chain through a series of innovative initiatives. By continuously optimizing resource allocation and enhancing resource utilization efficiency, Nanshan Aluminium is committed to advancing the level of resource recycling and contributing to sustainable development within the industry.

Governance

Nanshan Aluminium has established a circular economy governance structure comprising the Board of Directors, the management of the Recycled Aluminium Company, and its subordinate departments. We clearly define responsibilities across all levels to ensure the Board and management provide oversight, guidance, and support for circular economy-related initiatives.

To effectively respond to national policies including *14th Five-Year Plan for Circular Economy Development* and the "Dual Carbon" goals, and to promote the efficient recovery and recycling of aluminium resources, we established the Recycled Aluminium Company in 2021. We are focusing on advancing projects for the keep grading recovery comprehensive utilization of recycled aluminium. This project utilizes process scraps from the production of can body, ends, and automobile sheets, along with recycled UBCs from the market, as primary sources for recycling, supplemented by aluminium scalping chips from aviation materials park. The project aims to achieve efficient circular utilization of aluminium resources and promote green and low-carbon development of the aluminium industry chain.

Nanshan Aluminium Circular Economy Governance Structure

Governance Hierarchy	Functions	Reporting Methods and Frequency
Decision-making Level: Board of Directors	• As the highest decision-making body, it is responsible for clarifying the Company's circular economy strategic direction and reviewing and approving strategic decisions. • Systematically identify and assess various risks related to the circular economy. • Deliberate and approve major resource allocation and investment decisions	/
Management Level: Management Team of the Recycled Aluminium Company	• As the core manager of circular economy activities, we have established an internal team for technical transformation and breakthroughs to enhance the core competitiveness of recycled aluminium products. • Develop a strategic action plan for the circular economy and supervise and follow up on its overall implementation and key performance achievement. • Resources are allocated and coordinated reasonably based on project priorities. • Monitor and conduct in-depth analysis of market dynamics, technological trends, and policy changes, providing regular decision-making recommendations to the Board.	• Annual planning is conducted semi-annually. • Project progress is updated monthly. • The rapid improvement project is planned quarterly.
Executive Level: Production Department of Recycled Aluminium Company	• As a core executor of circular economy activities, responsible for the comprehensive management of the recycled aluminium workshop. • Prepare and refine the process technical standard documents for the recycled aluminium plant. • Improve the internal economic responsibility assessment policy and enhance economic efficiency.	• Monthly Report

In addition, Nanshan Aluminium possesses a core team with profound professional backgrounds and extensive technical experience. The members' expertise spans multiple fields, including materials science, metallurgical engineering, and environmental engineering, as the Company continues to focus on the research, development, and innovative breakthroughs of cutting-edge industry technologies. Simultaneously, we actively engage in deep cooperation with universities and research institutions to explore the integrated development of technology for 'waste aluminium - pre-treatment - recycled aluminium - re-alloying - high-end aluminium alloy products'. We continuously advance green circular primary recycling technologies for high-end aluminium alloy materials, thereby consolidating the Company's core technological advantages in the field of sustainable materials.

Strategy

To continuously strengthen Nanshan Aluminium's core competitiveness in the circular economy and ensure the effective implementation of relevant strategic initiatives, we have conducted risk identification and assessment work. This initiative aims to comprehensively identify market, technological, operational, and compliance risks that may arise during the circular economy transformation. It seeks to scientifically assess their potential impact on the Company's business operations and financial performance. Based on these assessments, targeted risk response and management strategies will be formulated to provide effective support for strategic advancement.

Analysis Results of Risks, Opportunities, and Their Impacts

Nanshan Aluminium Circular Economy Risk List

Circular Economy Risk	Risk Description	Time Horizon	Business Impact	Financial Impact	Risk Response Measures
Supply Chain Adjustment Risk	Reliance on external scrap aluminium recycling channels may lead to supply instability, particularly in markets where the scrap aluminium recycling system is not yet mature, resulting in a higher risk of raw material shortages or price fluctuations. Furthermore, the Company must rapidly establish cooperation mechanisms with recyclers and consumers; coordinating costs and time may exceed expectations.	Short	Fluctuations in the scrap aluminium recycling channels may lead to raw material shortages or surpluses, disrupting production schedules and affecting delivery cycles and customer satisfaction.	• In markets where recycling systems are immature, the costs of procuring, sorting, transporting, and storing scrap aluminium may exceed those of primary aluminium, potentially increasing operating costs in the short term. • The price of scrap aluminium is significantly influenced by market supply and demand, policies (such as recycling subsidies), and international commodity prices, which may lead to profit volatility.	• While establishing its own recycling network, the Company has also established long-term cooperative relationships with multiple waste aluminium suppliers to diversify supply risk. • Closely monitor policy developments (such as recycling subsidies and carbon emission policies) and adjust supply chain strategies in advance. • Establish close cooperation with downstream customers (e.g., automotive and packaging industries) to ensure alignment between market demand and supply capacity.
Policy and Regulatory Risks	The government may raise mandatory recycling rate targets or carbon emission standards; if the Company fails to prepare in advance, it may face fines or restrictions on market access. Furthermore, 'carbon barrier' policies in international trade (such as the EU Carbon Border Adjustment Mechanism) may impact Nanshan Aluminium's export-oriented business.	Short	If policy mandates an increase in the recycling rate of aluminium products, the Company may need to expand its recycling network or increase technical investment, which could be difficult to achieve in the short term.	• If policies mandate the establishment of a recycling system, the Company must invest significant capital to build recycling networks and sorting facilities.	• Establish a dedicated policy research team to closely monitor domestic and international policy trends (such as carbon emission policies and recycling regulations) and formulate response strategies in advance. • Accelerate the transformation to recycled aluminium business, reduce reliance on primary aluminium production, and mitigate the impact of carbon emission policies.

Nanshan Aluminium Circular Economy Risk List

Circular Economy Risk	Risk Description	Time Horizon	Business Impact	Financial Impact	Risk Response Measures
Technology Risk	If purification technologies for recycled aluminium cannot be breakthroughed, the development of high value-added products may be constrained. Specifically, the multiple recycling of aluminium may lead to the complexification of alloy composition, potentially facing a technical ceiling of 'downcycling' (unusable for high-end applications) in the long term.	Long	If downstream customers raise their performance requirements for recycled aluminium, the Company may need to reposition its products, potentially facing an adaptation period or causing customers to shift to competitors.	• If the downcycling pro-cess results in recycled aluminium failing to meet performance requirements for high-end sectors (such as aerospace and automotive lightweighting), the Company may increasingly rely on low value-added products, thereby compressing profit margins.	• Invest in advanced purification and alloy separation technologies to mitigate the impact of downcycling cycles, enhance the performance of recycled aluminium, and expand into high-end application fields. • Establish a refined waste aluminium sorting and classification system to reduce impurity accumulation and delay down grading cycles.

Nanshan Aluminium Circular Economy Opportunity List

Opportunities in the Circular Economy	Opportunity Description	Time Horizon	Business Impact	Financial Impact
Seizing the Green Market Advantage	Demand for low-carbon aluminium in downstream industries (e.g., automotive, packaging) is growing rapidly. Early investment in recycled aluminium enables the Company to capture market share in 'green procurement'.	Short- to Medium-Term	• Attract high-quality customers who prioritize sustainable development, optimize the customer structure, and reduce reliance on traditional low-margin markets. • By providing low-carbon or zero-carbon aluminium, the Company can distinguish itself in a homogenized competitive landscape and establish a unique market positioning.	• Increase Business Revenue: When customers place high trust in the environmental performance of Nanshan Aluminium's recycled aluminium products, they are more willing to select Nanshan Aluminium as a partner, thereby increasing the Company's business revenue. This trust is not only reflected in individual transportation contracts but may also evolve into long-term partnerships, providing the Company with a stable revenue stream. • Enhancing Bargaining Power: As customer trust increases, Nanshan Aluminium may possess stronger bargaining power in negotiations with clients. This enables us to secure more favorable contract terms and pricing while maintaining service quality, thereby further enhancing financial returns.
Reducing Raw Material Dependency	Substituting primary aluminium with recycled aluminium reduces reliance on bauxite imports and enhances resource autonomy and controllability. Furthermore, under the global trend of carbon neutrality, the circular economy model can mitigate trade barriers such as 'carbon tariffs', ensuring long-term export competitiveness.	Medium-to-Long Term	• By substituting primary aluminium with recycled aluminium, the Company reduces its reliance on bauxite imports and mitigates the impact of international market price fluctuations and geopolitical risks on the supply chain.	• The resource sovereignty practice aligns with the global carbon-neutral trend, helping to mitigate the impact of future policy changes (e.g., carbon tariffs, resource export restrictions) on the business. This reduces the risk of increased sales costs due to policy shifts.

Comprehensive Reuse Model

We are working to build a closed-loop aluminium industry chain centered on the concept of the circular economy, achieving efficient recycling of aluminium resources across the entire value chain and throughout product life cycles. Through technological innovation and optimized resource allocation, we focus on enhancing the recycling efficiency of aluminium alloys, committed to maximizing resource value throughout the entire lifecycle—from raw material acquisition and manufacturing to product use and end-of-life recovery. At the same time, we actively leverage our industry leadership by sharing technology and promoting models to collabourate with supply chain partners in driving the aluminium industry's transformation towards a green, low-carbon, and sustainable direction, contributing professional strength to the in-depth practice of the circular economy and the positive improvement of the social environment.

Technological Innovation

Nanshan Aluminium continues to invest in research and development, dedicated to exploring more efficient aluminium recycling and reuse technologies to enhance the level of resource circular utilization. During the Reporting Period, the Recycled Aluminium Company completed the construction and commenced operations of 100,000-ton keep grading recovery project for recycled aluminium. This project adopts an advanced waste aluminium remelting process to achieve high-quality aluminium recycling while effectively reducing emissions of solid waste, wastewater, and slag, thereby promoting the coordinated development of efficient resource utilization and environmental protection. Details regarding the remelted aluminium smelting process are provided in the special section.

Resource Integration

Nanshan Aluminium continues to refine the raw material recycled aluminium procurement system. By deepening cooperation with customers such as downstream can-making enterprises and automotive manufacturers, the Company has established a multi-channel raw material supply network to ensure a stable source of materials for recycled aluminium production. Simultaneously, the Company has established deep collabourations with multiple partners across the industrial chain to jointly develop green products and low-carbon solutions. These efforts promote resource synergy and recycling between upstream and downstream segments of the aluminium industry, thereby supporting the development of a circular economy within the sector. For more information on upstream and downstream supply chain cooperation models, please refer to the Special Section.

Improve the traceability system for the recycling process of secondary aluminium.

Enhance the traceability and transparency of recycled aluminium to ensure the efficiency and environmental sustainability of the entire recycling and reuse process.

Deeply explore alloy design and testing

By collabourating with customers to explore innovative alloy designs, we can better meet market demands while enhancing the quality and performance of recycled aluminium products.

Completed the pilot program for targeted recycling and full closed-loop commercialization.

Effectively enhance resource recovery rates while creating greater economic value for our partners and promoting sustainable development across the entire industry.

Industry Leadership Contributions

Nanshan Aluminium actively participates in the formulation of industry standards for recycled aluminium and related fields, continuously promoting the transformation of the aluminium industry to a circular economy model. During the Reporting Period, as the primary drafting unit, the Company participated in the formulation of the series of standards titled "Aluminium Alloy Bending Profiles for Aviation", which covers "Part 1: Al-Zn-Mg-Cu Series Profiles" and "Part 2: Al-Cu-Mg Series Profiles", providing technical support for the improvement of the standard system. Furthermore, based on our continued contributions to the development of national standards for recycled aluminium, as of the end of the Reporting Period, the Company has received multiple industry recognitions, demonstrating our leading position in industry technological innovation and standardization construction:

Nanshan Aluminium participated in drafting Part 1 of the *Aluminium Alloy Bending Profiles for Aviation* (Al-Zn-Mg-Cu Series) and received the First Prize in the Excellent Technical Standard Award from the National Nonferrous Metals Standardization Technical Committee in 2025.

The subsidiary Hangxin received the Third Prize in the Excellent Technical Standard Award from the National Nonferrous Metals Standardization Technical Committee for its work on 'Failure Analysis of Aluminium Alloy Products: Scanning Electron Microscopy Method' in 2025.

The subsidiary Hangxin (Chemical Analysis Methods for Magnesium and Magnesium Alloys) received the Second Prize in the Excellent Award for Technical Standards from the National Non-ferrous Metals Standardization Technical Committee of 2025.

Leaders of the China Non-ferrous Metals Industry Association Visited Nanshan Aluminium, Forging a New Chapter in the Development of the Aluminium Industry

On April 25, 2025, Fan Shunke, Deputy Secretary of the Party Committee of the China Nonferrous Metals Industry Association, and his delegation visited Nanshan Aluminium for research and guidance. They conducted an on-site inspection of key production facilities, including the 150MN extrusion production line for aerospace materials at Nanshan Aluminium, and held a symposium with senior management of the Company, including SONG Changming, Director of Nanshan Holdings, and LYU Zhengfeng, Chairman and General Manager of Nanshan Aluminium. Both parties exchanged views on the operational status of the aluminium industry, corporate production and operations, and future development directions for the sector. In-depth discussions on industry hotspots and challenges are also conducted, as well as collabouration with the Association's work, jointly planning new pathways for high-quality development of the aluminium industry.

Participated in the 2025 China Recyled Non-ferrous Metals Technology Conference

To deepen the comprehensive utilization of recycled non-ferrous metal resources, establish a shared platform for technical exchange and industrial upgrading, enhance the strategic position of the recycled non-ferrous metal industry in safeguarding national economic, environmental, and resource security, and promote the implementation of the "Dual Carbon" goals, the Nonferrous Metals Society of China convened the "2025 (2nd) China Conference on Science and Technology of Recycled Non-Ferrous Metals" from June 13 to 15, 2025, in Nanchang, Jiangxi. Nanshan Aluminium was invited to attend the inaugural conference as the first organizing entity and delivered a special report on the theme "Trends and Prospects for Keep Grading Recovery Applications of Recycled Aluminium under the Dual Carbon Context," sharing the company's technical explorations and industry insights regarding the keep grading recovery utilization of recycled aluminium. The conference aims to establish an academic exchange platform for experts, scholars, and scientific and technological workers engaged in the scientific research, development, and industrialization of recycled non-ferrous metals in China, as well as for leaders and management personnel from relevant government departments, entrepreneurs, and other related stakeholders. It seeks to enhance the status and role of the recycled non-ferrous metals industry within China's national economic and social development.

Invited to participate in the 2025 China Recycled Non-ferrous Metals Science and Technology Conference

Management of Impacts, Risks, and Opportunities

To ensure the effective implementation of management strategies, Nanshan Aluminium systematically assessed the likelihood and potential impact of risks related to the circular economy and established a prioritization sequence for risk management based on the assessment results. For high-priority risks, we have established targeted management mechanisms and standardized workflows, and authorized a dedicated team to regularly monitor and record the risk status. On this basis, we are simultaneously implementing risk response measures to continuously mitigate the potential impact of circular economy risks on internal and external stakeholders.

Metrics and Targets

Nanshan Aluminium is committed to promoting the green transformation of the aluminium industry chain and has established two key quantitative targets: first, to increase the volume of waste aluminium directly recycled through secondary aluminium; second, to enhance the proportion of pre-consumer and post-consumer scrap aluminium in the total processed volume. We aim to achieve continuous breakthroughs in the scale and utilization efficiency of renewable aluminium resources through these initiatives, contributing to the circular economy development of the global aluminium industry.

Circular Economy Targets	Completion Status of 2025 Circular Economy Targets
Quantity of waste aluminium subjected to direct recycling via secondary aluminium (excluding UBC ingots for remelting)[37]	100,000 Tonnes
Percentage of pre-consumer/post-consumer scrap aluminium in total comprehensive processing volume	40%

37: UBC ingots are aluminium ingots produced by recycling used beverage cans and remelting them.

05

People-Oriented

Building an Inclusive Workplace

While creating economic benefits, Nanshan Aluminium places high importance on employee well-being and long-term development. We are committed to building an environment of equality and mutual respect, providing competitive compensation and benefits, and continuously enhancing employee well-being. We firmly believe that mutual promotion between employee growth and company development is essential to achieving sustainable development for both individuals and the organization.

5.1 Eager to Attract Talent

Nanshan Aluminium will actively expand talent recruitment channels to attract professionals from diverse regions and backgrounds, continuously enriching its talent structure. We are working to build a fair, transparent, and inclusive work environment, respecting and safeguarding the legitimate rights and interests of every employee, and providing solid guarantees for talent development.

Equal Employment

Based on laws and regulations such as the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*, as well as requirements from International Labour Organization (ILO) conventions, Nanshan Aluminium has established a sound and comprehensive human resources management system and platform. The Company has integrated relevant regulations into its internal policies and established multiple internal systems, including the *Non-Discrimination Management Procedure, Protection of Minor Workers Management Procedure, Prohibition of Forced Labour Management Procedure, Protection of Female Employees Management Procedure, Prohibition of Child Labour and Remedial Measures Management Procedure, and Management Procedure on Rights to Organize Trade Unions and Collective Bargaining*. These are regularly updated to provide a clear basis for compliant labour governance, ensuring that all human resources work operates in a standardized and orderly manner, thereby effectively safeguarding the legitimate rights and interests of employees.

We strictly adhere to the bottom line of legal employment and maintain a firm stance against child labour and forced labour. Upon hiring, we rigorously verify basic identification documents such as ID cards and diplomas, while simultaneously digitizing employee personal information by entering it into the EHR system for management. In daily management, we adhere to a people-oriented approach. Through systematic and process-driven management mechanisms, we fundamentally prevent illegal activities such as child labour and forced labour, thereby effectively safeguarding the legitimate rights and interests and human dignity of every employee.

Nanshan Aluminium fully implements the principle of equality across all stages of recruitment, hiring, compensation determination, and promotion and development, without discrimination based on factors such as religious belief, gender, or ethnicity. In the implementation of compensation and benefits, occupational health protection, and other institutional policies, the Company adheres to unified standards and standardized execution. Strictly complying with national laws, regulations, and internal rules, the Company employs institutional measures to ensure equity and inclusivity for its diverse workforce.

To address workplace discrimination and harassment, we have established policies such as the *Non-Discrimination Management Procedure* and the *Non-Emotional and Physical Abuse Management Procedure* , clearly prohibiting any form of discrimination, insult, abuse, or harassment. During daily meetings, training sessions, and symposiums, the Company implements institutional requirements to standardize employee conduct, strengthen consensus on behavior across all staff, and foster a civilized, equal, and healthy work environment.

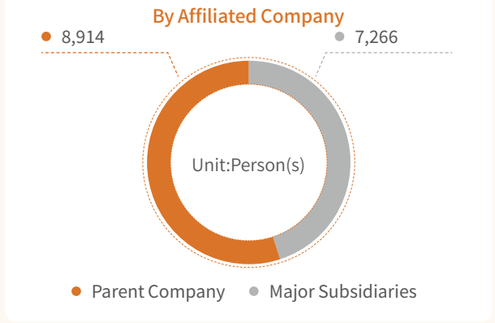
As of the end of the Reporting Period, Nanshan Aluminium had 16,180 employees, with the distribution of employees across different categories as follows:

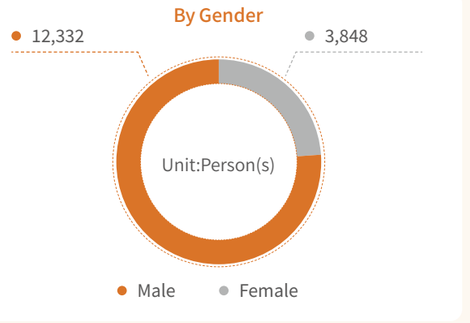
Nanshan Aluminium had

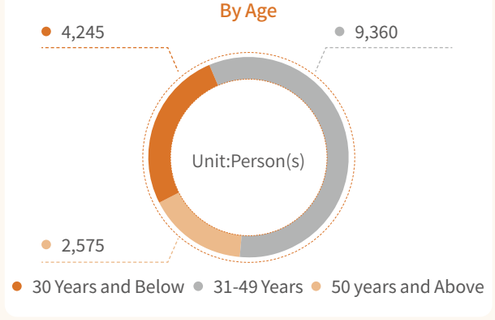
16,180 employees

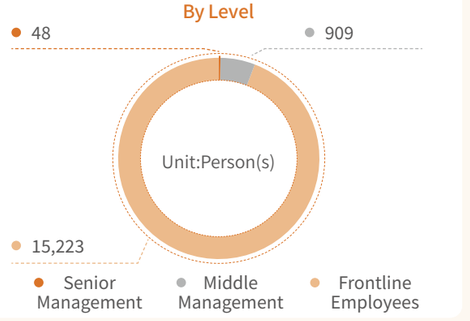
Nanshan Aluminium 2025 Employee Composition[38]

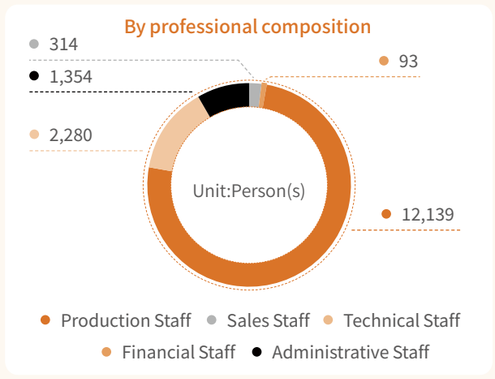
Indicator	Unit	2025 Data
Total number of employees	Person(s)	16,180

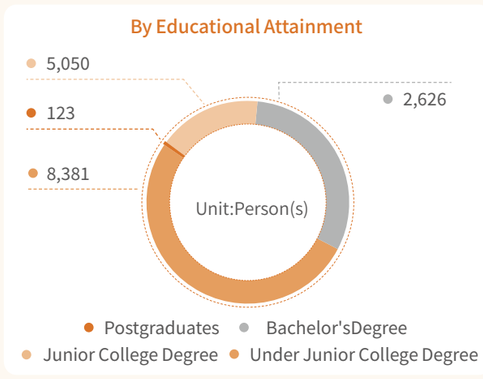












38: The scope of the following statistics refers to our Chinese employees (including overseas factories).

Talent Attraction

Talent is the core driver and strategic resource for the Company's long-term stable development. During the Reporting Period, we systematically advanced talent acquisition efforts to meet business development needs. We actively expanded recruitment channels and optimized selection processes while continuously strengthening our talent pipeline, thereby providing a solid human resource foundation for the Company's sustainable development.

We have established a standardized and transparent recruitment process that covers the entire workflow from requisition submission and job posting to multi-round interview assessments, culminating in final hiring and onboarding. The Human Resources Department and the hiring departments collabourated throughout this process to jointly advance it. The Personnel Organization Department implemented supervision to ensure recruitment was open, fair, and compliant, thereby guaranteeing an efficient and transparent process.

We explore diverse recruitment channels and actively conduct online and offline hiring activities to attract talent from all sectors of society. In 2025, we focused on building a core talent pipeline. We implemented targeted recruitment for mid-to-senior management positions and technical sequences in R&D and equipment. By constructing a three-dimensional recruitment system integrating "online + offline + all-staff", we continuously updated job postings on online platforms and established an employee referral reward mechanism offline to encourage participation from all staff.

In campus recruitment, we actively recruited outstanding graduates based on a strategic layout: Centered on universities in Shandong Province, supplemented by key majors at other prominent domestic institutions. The recruitment completion rate for the year reached **142.51%**, effectively strengthening talent reserves. Among them, approximately **6%** hold a master's degree or higher, and approximately **42%** hold a bachelor's degree. The personnel structure has been further optimized, timely supplementing key young talent to support the Company's business development.

Building on existing partnerships with academic institutions, in 2025 we further expanded our collabouration with universities in central and western China, adding more than 10 new institutions including Xinxiang Institute of Engineering and Shanxi College of Technology. Through specialized recruitment events and campus presentations, we continued to broaden channels for recruiting recent college graduates. Simultaneously, the Company optimized recruitment resource allocation by prioritizing partnerships with prominent vocational colleges for the alumina business segment. This initiative established stable collabourations between the Alumina Company and institutions such as Shandong Huayu University of Technology, Shandong Vocational College of Science and Technology, and Shandong Chemical Engineering & Vocational College, thereby effectively ensuring talent supply in relevant business areas.

Campus Presentation Site

The Company has established and continuously refined its employee compensation and performance appraisal system. It has built a policy framework that includes the *Table of Post Wage Rates* and the *Salary Adjustment Methods* . Strictly adhering to the principle of "equal pay for equal work", the Company eliminates discrimination factors such as gender, race, and age in compensation formulation, ensuring that every employee receives fair and reasonable returns and shares in the company's development outcomes and share in the Company's development achievements.

We have established a compensation structure comprising base salary, performance-based salary, and various allowances. Taking into account the actual operating conditions of each unit and benchmarking against external market compensation levels, while comprehensively considering relevant factors, we have implemented a moderate salary increase for key personnel who play a vital role in critical areas such as production, technology, and management. This measure aims to strengthen incentives, stabilize our core talent pool, and maintain both competitiveness within the industry and equity within the Company. In addition, we provide employees with various supplementary compensation and benefits, including seniority allowance, expatriate allowance, transportation subsidy, high-temperature allowance, night shift pays, and perfect attendance award. These measures further enrich the structure of employee income and enhance both the incentive value and caring nature of the overall compensation package and share in the Company's development achievements.

Nanshan Aluminium Salary Structure

Basic Salary

Determined based on job value, competency, and performance accumulation, it reflects the scientific nature and equity of the compensation system.

Performance-based Salary

Based on the base salary and adjusted according to performance appraisal results, a differentiated floating mechanism is implemented to align compensation with contributions.

Various subsidies

Including seniority allowance, expatriate allowance, transportation subsidy, high-temperature allowance, night shift pays, and perfect attendance award.

We continuously refine our performance appraisal system, leveraging it as a critical management tool to drive organizational development and employee growth. This mechanism maintains a dynamic alignment with the Company's production and operational status: We regularly assess business priorities and capacity changes, adjusting assessment dimensions and indicator weights accordingly to ensure that performance goals are highly aligned with actual work requirements.

During the Reporting Period, the Company systematically reconstructed and upgraded its performance appraisal system:

Senior management assessments were closely aligned with strategic objectives, establishing more challenging and incentive-driven target values.

Performance appraisal schemes for all units were refined: a three-dimensional evaluation system was implemented for executive leaders, while non-executive personnel assessments focused on organizational effectiveness and controllable incentives.

Simultaneously, the Company standardized the assessment criteria and management processes for externally hired personnel. Overall, by strengthening the precise linkage of assessments and the application of results, we promoted closed-loop management of incentives and constraints, thereby enhancing organizational effectiveness and the systematic nature of talent management.

We place high importance on the stability of our workforce and regard employee retention rate as one of the key indicators for measuring the effectiveness of human resources work, incorporating it into the performance assessment system of department heads. During the Reporting Period, we continuously optimized the compensation allocation mechanism, improved the performance management system, and enhanced employee welfare levels, effectively reducing talent turnover. During the Reporting Period, the Company's overall turnover rate was 12.21%[39].

39: Employee turnover rate = (Number of employees who left during the year) / (Number of employees at the beginning of the year + Number of new hires during the year) * 100%.

Nanshan Aluminium 2025 Employee Turnover Data

Employee Turnover Rate

12.21%

By Gender Unit:%

Male	12.28
Female	11.44

By Age Unit:%

30 Years and Below	14.27
31-49 Years	10.57
50 Years and Above	14.26

By Job Level Unit:%

Senior Management	2.17
Middle Management	3.54
Frontline Employees	12.68

Talent Development

Nanshan Aluminium places high importance on talent development and the construction of organizational learning capabilities. The Company is dedicated to building a learning-oriented enterprise by establishing a training system and promotion channels aligned with talent development. It continuously supports the comprehensive improvement of employees' capabilities, ensuring dynamic matching between talent growth and positions as well as compensation, thereby laying a solid talent foundation for the Company's sustainable development.

Employee Training

The Company has integrated talent development and capability building into its strategic planning. By systematically integrating internal and external resources, it has established a diversified and systematic training support framework. This initiative supports employees in achieving self-growth while enabling them to deeply understand and embody the Company's values. By closely aligning employee career development with organizational goals, we are committed to cultivating a highly skilled talent pool that is strategically aligned with the Company's objectives, thereby achieving mutual growth for individuals and the enterprise.

During the Reporting Period, the Company leveraged the Nanshan Training Academy to conduct multi-level professional training programs, including training for middle and senior executives, sales enablement, the "Nanshan Star" University Student Training Program, and human resources special improvement initiatives. These efforts comprehensively enhanced the overall quality of employees. Training methods integrate apprenticeship, specialized lectures, case studies, and knowledge competitions, while actively expanding external cooperation. In collabouration with the Longkou Human Resources and Social Security Bureau, we conducted enterprise-led assessments, trained 62 senior workers, and secured government skill subsidies for qualified employees; additionally, 31 electrician technicians were trained, all of whom passed certification. Jointly with the China Non-ferrous Metals Industry Association, annual professional title reviews were completed, with 33 individuals obtaining qualifications as assistant engineers or engineers.

Employee Training Site

Shandong Province Metallurgical Industry Team Leader Comprehensive Management Skills Competition

In September 2025, Nanshan Aluminium selected outstanding team leaders and section chiefs to form two teams to participate in the Comprehensive Management Skills Competition for Team Leaders in the Metallurgical Industry of Shandong Province. Participants demonstrated outstanding performance in the theoretical examination and various practical projects, including equipment management and on-site improvement, fully showcasing their solid professional expertise and team collabouration capabilities. Ultimately, both teams were awarded the "Third Prize for Groups", and the Company was also presented with the "Excellent Organization Award".

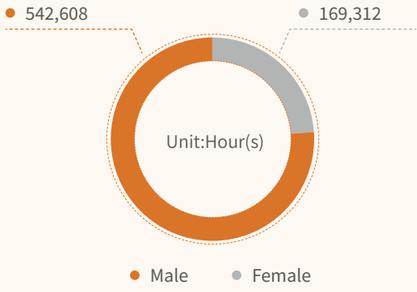
National Marine Engineering Equipment Industry Employee Vocational Skills Competition

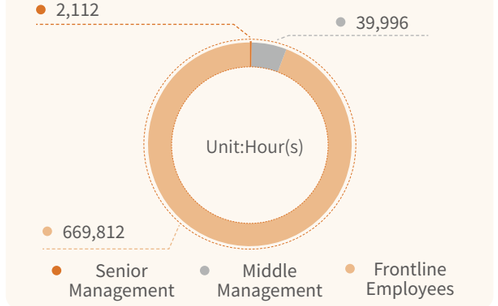
In June 2025, Nanshan Aluminium selected two outstanding employees to participate in the National Marine Engineering Equipment Industry Welding Skills Competition. The contestants demonstrated outstanding performance in the comprehensive assessment covering theory, practical skills, and professional ethics. Relying on precise operations and standardized process control, both were ultimately awarded the "Individual Excellence Award".

During the Reporting Period, Nanshan Aluminium conducted a total of 5,944 training sessions for all employees. The total number of employee training hours reached 711,920 hours, with an average of 44 hours per employee.

Nanshan Aluminium 2025 Employee Training Overview

Annual Training Expenditure	Total Number of Training Sessions	Total Employee Training	Employee Training Coverage Rate
RMB 181 10,000	5,944 Time(s)	711,920 Hour(s)	100 %





Employee Promotion

Nanshan Aluminium regards employee growth as a core driver of organizational development and is committed to providing clear and systematic career development support for every employee. The Company has established career development pathways covering six major sequences: operational, functional, managerial, logistics, marketing, and technical , forming a dual-track growth path that combines vertical promotion with horizontal development. Building on this foundation, the Company further refined and categorized 45 job roles, defining the responsibilities and competency requirements for each. This initiative enables employees to clearly understand their positioning and development pathways within an open and equitable environment, ensuring that individual career growth advances in tandem with organizational development.

In 2025, the Company established a closed-loop mechanism covering inventory, selection, and appointment based on its "Two Pools and One Team" talent management system. Throughout the year, 191 management personnel were promoted, 349 core operational and technical staff were internally elevated, and 54 reserve university graduates successfully completed their development programs to assume key positions. These actions further strengthened the depth and vitality of the Company's talent pipeline.

5.2 Employee Care

Nanshan Aluminium continues to explore new Pathways for the synergistic development of employees and the Company, consistently adhering to a talent-centric approach by systematically building an integrated employee development ecosystem that encompasses multi-dimensional support, deep care, and long-term communication. The Company has established a smooth and agile feedback mechanism to sincerely listen to employee voices, embedding the enhancement of employee sense of gain, happiness, and growth opportunities into its corporate development goals.

Welfare Care

Nanshan Aluminium has always placed the growth and well-being of its employees at a critical position in corporate development. Through a systematic support framework and a continuously optimized organizational environment, the Company provides comprehensive care for its employees. We focus on building a work environment that fosters a sense of belonging and cohesion. We are working to establish a sustainable synergy between individual employee development and the Company's long-term goals, ensuring that every employee feels respected, supported, and able to realize their value while working with peace of mind.

Nanshan Aluminium Welfare Contents

Statutory Benefits

- Paid annual leave and sick leave
- Bereavement leave, marriage leave, etc.

Supplemental Benefits

- Welfare subsidies: seniority subsidy, overseas assignment subsidy, transportation subsidy, high-temperature subsidy, health care subsidy, holiday welfare, birthday welfare, night shift allowance, perfect attendance reward, meal subsidy, Yantai union card supplementary medical insurance
- Performance rewards: overproduction bonus, project award, excellence award
- Welfare housing: Free dormitory and utilities for out-of-town employees, gym, sports facilities, library, and entertainment venues for employees
- High-temperature protection: Distribution of heatstroke prevention and cooling supplies, including Huoxiang Zhengqi Oral Liquid, watermelon, ice cream, and chilled water.
- Free travel: Internal employees can visit the AAAAA-level Nanshan tourist attraction for free
- Employee Activities: Free concerts, etc.

In the process of advancing the employee care system construction, the Company has consistently prioritized female employees and those facing difficulties as key focus groups. By combining institutional guarantees with humanized support, the Company systematically implements rights protection and practical assistance for these special groups. Regarding the care of female employees, the Company strictly implements the *Management Procedure on Protection of Female Employees*, fully guarantees statutory rights and benefits such as paid maternity leave and nursing breaks, and equips all factory sites with rest areas for pregnant women, mother-and-child rooms, and standardized medical clinics to provide convenience and safety assurance from a hardware environment perspective. Concurrently, the Company organized diverse appreciation activities aligned with key milestones such as International Women's Day, distributing holiday gifts and care packages to consistently convey respect for and support of female employees.

In supporting employees facing difficulties, the Company relies on a mutual aid fund mechanism involving all staff to establish a dynamic identification and tiered assistance system for such employees. Through regular visits, special subsidies, and holiday greetings, the Company promptly responds to actual employee needs, demonstrating organizational care in subtle details while continuously strengthening employees' sense of belonging and corporate cohesion.

Assistance and Support Visits for Employees Facing Difficulties

Democratic Communication

Nanshan Aluminium continuously optimizes its methods for democratic management and supervision by establishing and regularly revising internal policies such as the *Employee Complaint (Appeal) Management Procedure, Employee Representative Management Procedure,* and *Information Communication, Consultation, and Control Procedure*, fully respecting employees' rights to freedom of speech and freedom of association. To ensure the effective implementation of the Institution, we have established open channels for democratic communication. Through various forms such as employee representative congresses, pre- and post-shift meetings, symposiums, and face-to-face interviews with leaders, we collect employees' opinions and suggestions regarding the Company. We promptly convey the Company's strategy and development dynamics to achieve efficient information flow within the organization.

To foster an open and transparent communication culture, the Company has established multiple anonymous feedback channels, including suggestion boxes, dedicated email addresses, and confidential hotlines, while strictly safeguarding the personal information of all respondents. The Company encourages employees to actively voice their opinions and truthfully reflect deficiencies in operations and management. Every suggestion is ensured to be heard, and every piece of feedback receives serious handling, driving continuous organizational improvement and enhancement.

During the Reporting Period

The collective agreement signing rate for employees was

100%

The coverage of employee representatives reached

100%

Nanshan Aluminium leverages its employee satisfaction survey system to identify employee needs and proactively collect feedback. The Company is committed to implementing continuous improvements in key areas to foster a more cohesive and dynamic work environment. The Company and its branch offices conduct regular employee satisfaction surveys annually, systematically analyzing feedback data to support management decision-making and the implementation of improvement measures.

In 2025, the Company's overall employee satisfaction rate reached 91.95%, an increase of 2.05%[40] compared to the previous year. Survey results indicate that employees highly recognize the team atmosphere, humanistic environment, and job security, while expressing further expectations regarding logistical services, career development pathways, and income levels. The Company has implemented targeted optimizations in relevant areas based on actual conditions to continuously enhance employee satisfaction and organizational belonging, fostering the mutual growth of the enterprise and its employees.

5.3 Safety Production

Nanshan Aluminium has always prioritized employee safety in its business operations. By continuously improving the safety and health system, the Company has established a safety responsibility system covering all production stages and a risk prevention and control network. The Company is committed to cultivating a culture: Safety in all actions, safety in all matters, safety at all times. This initiative aims to internalize safety awareness and externalize it into action, thereby solidifying the safety foundation for the Company's sustainable development.

Safety Management

Nanshan Aluminium strictly complies with national laws and regulations such as the *Work Safety Law of the People's Republic of China* to ensure that all safety management work is carried out in accordance with laws and regulations. On this basis, the Company established an internal policy system including the *Safety Management Standards Policy* and the *Employee Safety Production Responsibility System* which covers all employees and extends to contractors and other relevant parties, forming an integrated safety management network. We continuously integrate the Company's actual circumstances to carry out safety governance practices with distinct characteristics. Through institutionalization, systematization, and full staff participation, we have solidified the foundation for safe production within the Company.

The Company has established a systematic and clearly hierarchical safety management system. The Company's Board of Directors oversees overall safety management, the Safety Production Committee supervises the implementation of safety responsibilities across all departments, and each subsidiary executes safety policies and measures. This structure establishes a comprehensive safety production responsibility network characterized by "Clear responsibilities at every level, shared by everyone, and upheld by each individual." The Company ensures the continuous improvement of the effectiveness and adaptability of its safety management system through regular audits, performance evaluations, and dynamic optimization.

Nanshan Aluminium Safety Management Structure

Director	Safety Production Committee	All Departments
Responsible for the overall coordination and deployment of safety work.	Responsible for supervising the implementation of primary safety production responsibilities and the execution of responsibility systems across all units.	Responsible for carrying out daily safety management and safety inspection work. This system ensures that safety management is fully implemented from top to bottom, with responsibilities assigned to specific individuals and execution guaranteed.

40: Nanshan Aluminium's overall employee satisfaction rate in 2024 is 89.90%.

The Safety Production Committee serves as the Company's dedicated governance body responsible for production and workplace safety. It fully assumes functions including the deliberation and formulation of safety policies, the overall coordination of major safety matters, and the supervision and evaluation of the operation of the safety management system. Furthermore, it fulfills its duties to provide guidance and oversight on the Company's overall safety production work.

Nanshan Aluminium's safety management system continues to undergo verification and optimization in actual operations. We have obtained the National Work Safety Standardization Level 2 Certification and simultaneously acquired international certifications including ISO 45001 Occupational Health and Safety Management System and OHSAS 18001. This fully demonstrates the Company's systematic, standardized, and internationalized level of safety management.

Nanshan Aluminium sets clear safety management goals annually and incorporates the achievement of these goals into the performance appraisal system for senior executives of each department. To ensure the systematic advancement and effective implementation of safety work, we have established a comprehensive list of safety production responsibilities for all employees, ensuring that safety duties are assigned to specific positions and individuals. At the same time, a multi-dimensional supervision mechanism is regularly implemented, encompassing hazard identification inspections, routine and special inspections, as well as seasonal and holiday oversight. Through continuous safety training, emergency drills, and thematic publicity campaigns, employee safety capabilities and awareness are comprehensively enhanced, promoting full-process integration of safety management from institutional design to execution.

In 2025, the Company had no fatalities, fires, explosions, or incidents of occupational diseases. A total of 10 work-related injury accidents occurred throughout the year, all of which were properly handled and resolved. The work-related injury accident rate was 0.77‰, below the target of 1.5‰ set at the beginning of the year.

During the Reporting Period, we established the following safety objectives and achieved all of them.

1. No fatalities or injuries.
2. No fire or explosion incidents.
3. No occupational disease incidents involving two or more employees from the same unit occurring at the same time.
4. Injury accident rate below 1.5‰.

Safety Risk Prevention and Control

Nanshan Aluminium has established a safety risk prevention and control mechanism covering the entire process. We employ a systematic approach to identify and assess various risks in production operations. Based on risk levels, we implement differentiated control measures. By integrating routine inspections, monitoring and early warning systems, and emergency preparedness, we establish a management closed-loop centered on prevention. The Company is committed to effectively preventing and controlling safety risks by continuously optimizing control measures and strengthening process supervision.

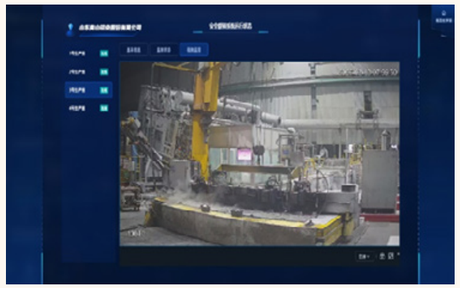
The Company has established an integrated internal and external risk control mechanism for continuous improvement. We engage third-party professional agencies annually to conduct comprehensive safety diagnostics, identify high-risk segments in production and operations, and formulate response measures through seminars and simulations. Simultaneously, the Company regularly reviews and updates its risk prevention and control mechanisms. Leveraging the dual-layer prevention mechanism, emerging risks are dynamically integrated into existing control processes, achieving synchronized enhancement across the full lifecycle from risk identification and measure formulation to closed-loop management.

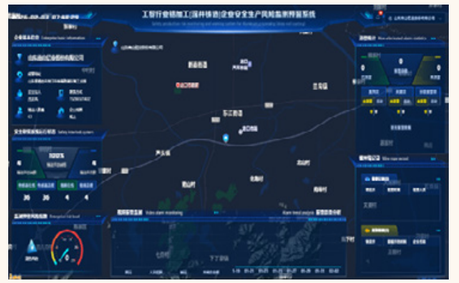
Intelligent Upgrade of the Natural Gas Leak Detection and Alarm System

To enhance the inherent safety level of gas usage, the Company deployed an IoT-based natural gas leak detection and alarm system in key areas during the Reporting Period. The system is capable of monitoring leakage concentration and location in real time. Upon triggering local audio-visual alarms, it simultaneously transmits information to the natural gas company's dispatch platform and the enterprise safety officer. This establishes a multi-level linkage response mechanism involving "on-site operations - enterprise - gas supplier - responsible person", significantly shortening the response time from warning to disposal and effectively strengthening the prevention, control, and emergency response capabilities regarding gas safety risks.

Construction of Risk Monitoring and Early Warning System for Deep Pit Casting Unit

For high-risk process links such as deep-pit casting, the Company has deployed a safety production risk monitoring and early warning system. The system utilizes video intelligent analysis technology to identify unsafe personnel behaviors in real time and simultaneously monitors key process parameters. Upon detecting any anomalies, it immediately triggers an alert, achieving dual monitoring of "behavior + parameters" and effectively enhancing intrinsic safety levels.





Visualization Supervision of Hazardous Operations

For high-risk operations such as special hazardous work and major inspection and maintenance activities, portable law enforcement recorders are deployed at the work site to monitor the entire process. Regular playback reviews are conducted to alert employees against non-compliant operations. Through the sustained implementation of this measure, significant effectiveness has been achieved in preventing violations during high-risk operations, inspection and maintenance activities, and special hazardous work.

The Company has established a systematic safety inspection mechanism and conducts routine seasonal safety inspections. These include specialized inspections for natural gas and electricity in spring and autumn, the "Four-Prevention" inspection in summer, and comprehensive safety inspections in winter. Additionally, special security assurance measures are organized during major holidays and critical periods, such as the National "Two Sessions", New Year's Day, Spring Festival, Labour Day, and National Day. In addition, the Company regularly implements special inspections on natural gas, fire safety, outsourced construction, and hazardous operations, supplemented by daily safety patrols, to establish a comprehensive safety monitoring system with a clear focus on key areas.

Internal and External Safety Inspections

In terms of accident prevention and control, the Company has established a multi-dimensional safety management and risk prevention system. In terms of system construction and diagnosis, the Company introduced a deep-well casting safety production risk monitoring and early warning system and commissioned a third-party professional institution to conduct a systematic safety diagnosis and an assessment of the current safety status in high-risk industries, thereby establishing an evaluation mechanism that combines technical prevention with human defense.

In terms of risk identification and control, all units conducted a comprehensive inspection of the 2025 production processes, equipment facilities, chemical storage, and upgrades to protective devices. This identified 114 significant risk points, which were subjected to scientific grading assessment and control. The Company has established a hierarchical control ledger and implemented a fixed-point inspection and check-in system for leading cadres to ensure that risks are controlled and hidden dangers are closed-loop managed.

In terms of process optimization, the Company replaced liquid ammonia with liquid nitrogen in the mold heat treatment process to substitute high-toxicity substances with low-toxicity ones, achieving source substitution for hazardous chemicals and enhancing the inherent safety level of production.

Safety Culture Promotion

Nanshan Aluminium integrates safety culture into every aspect of its corporate operations, promoting the implementation of a culture where "safety is a habit and responsibility is self-awareness" through pragmatic actions. We have established a normalized and scenario-based safety training mechanism. Combining actual job requirements, accident cases, and operating procedures, we utilize methods such as on-site instruction and simulation drills to strengthen employees' ability to identify risks and handle emergency situations. Simultaneously, the Company continuously disseminates safety concepts through multiple channels, including internal meetings and themed activities. It encourages employees to participate in hazard identification and submit improvement suggestions, fostering a benign atmosphere of collabourative safety governance. This approach embeds safety culture into daily operations, transforming it into an intrinsic driving force that supports the Company's steady development. As of the end of the Reporting Period, the Company had conducted a cumulative total of 3,227 safety training sessions, with a total participation of 132,000 person-times.

First Aid Knowledge Training

Accident Warning Educatio and Emergency Training

Monthly Routine Training

Contractor Safety Management

While strengthening its internal security defenses, Nanshan Aluminium extends its commitment to employee life and health to contractors and supply chain partners, striving to build a shared-responsibility ecosystem for supply chain safety. In accordance with the relevant standards of ASI (Aluminium Stewardship Initiative), the Company has established the *Contractor (Outsourced Construction) Safety Management System*. Both parties are required to sign a *Safety Management Agreement* that clarifies safety production responsibilities, management areas, personnel qualifications, emergency response measures, and assessment mechanisms. Furthermore, through methods such as safety deposits, process supervision and inspection, and performance evaluation, a safety collabourative management mechanism covering the entire process from access to operation and acceptance has been constructed.

During the Reporting Period, the Company further strengthened safety management for contractors. It explicitly required all business units to proactively respond and assist partners in resolving difficulties encountered in work safety. Additionally, a mechanism for conducting safety inspections at least once per month was implemented to timely track and urge rectification of any identified accident hazards. In 2025, the Company introduced *Key Elements for Developing Safety Management Agreements* to provide a standardized basis for signing clear and effective safety agreements.

During the cooperation process, the Company systematically focused on all aspects of supplier safety, including strict approval and management of hazardous operations, standardized provision and use of labour protective equipment, enhanced safety supervision at construction sites, implementation of pre-entry safety training and briefings, and strengthened control over fire and electricity usage as well as high-risk operations. Through the aforementioned measures, the Company has effectively integrated safety management requirements throughout the entire cooperation process and safeguarded the safety of every worker with concrete actions.

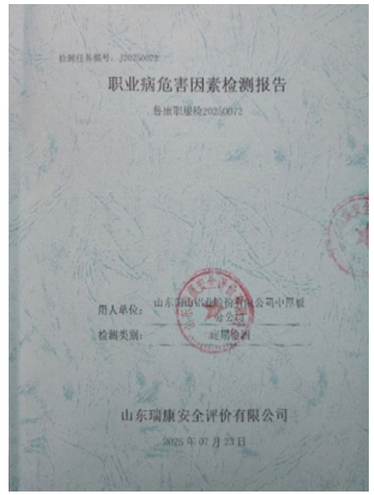
Contractor Safety Management Measures

Contractor Tendering	• All approved contractors must fully comply with ASI's safety management requirements. • Contractors must sign a safety management agreement with the company, clearly defining the responsibilities and obligations of both parties in safety production management, ensuring that both adhere to safety regulations during construction and maintain a safe working environment.
Contractor Daily Management	• Contractors must comply with all safety management regulations in the operating location and actively integrate into and follow local safety management standards. • They must actively cooperate with Nanshan Aluminium in safety hazard identification and on-site audits, working together to identify and eliminate potential safety hazards to ensure a safe and harmless working environment. • Regular on-site inspections should be conducted to ensure that all safety measures are effectively implemented, thereby minimizing accident risks. • Strict adherence to the work approval system must be emphasized, with any work requiring thorough approval processes. Work can only be carried out after assessing risks and developing appropriate protective measures.
Contractor Training	• Contractors are required to continuously train construction personnel, ensuring that only those who have passed the training are permitted to enter the construction site.

Occupational Health

Upholding the safety management strategy of 'Safety First, Prevention-Oriented, and Comprehensive Governance', Nanshan Aluminium is committed to providing a solid occupational health and safety guarantee for all employees. Through routine risk screening and emergency response mechanisms, the Company has established a closed-loop system centered on prevention, involving all staff, and focused on continuous improvement. This approach effectively safeguards employees' safety rights and occupational well-being, promoting synchronized development between employees and the Company.

We strictly comply with occupational safety laws and regulations such as the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases and Workplace Occupational Health Supervision Regulations*, establish and improve internal policies including the *Occupational Health Management System*, and strive to build a scientific and rigorous system for occupational disease management and prevention. We systematically advance the identification, assessment, and graded control of occupational hazard risks. Based on risk levels, we develop specialized prevention and control plans to strengthen our capacity for timely intervention in early abnormal situations. In addition, we annually engage qualified third-party professional agencies to conduct comprehensive testing and evaluation of occupational hazard factors in the workplace. We incorporate newly established positions into a dynamic identification and monitoring system to ensure that occupational health management fully covers and permeates all links of production and operation.



Nanshan Aluminium Occupational Hazard Factor Evaluation

Regarding employee health protection, Nanshan Aluminium has established a multi-level guarantee system: work-related injury and accident insurance is purchased for all employees, while work safety liability insurance achieves 100% coverage for high-risk positions (with an investment of 411,100 RMB during the Reporting Period covering 5,992 individuals), thereby constructing a risk protection network. In addition, the Company has established a systematic employee health management system by organizing annual health examinations for all employees and conducting specialized screenings for key risk areas such as cardiac health and blood pressure to systematically identify populations with health risks. Based on the screening results, we implemented a tiered tracking and management mechanism. For personnel in key positions and those with abnormal indicators, we enforced daily monitoring by work teams and blood pressure checks for each shift, establishing a complete health management closed loop from screening to early warning and intervention.

During the Reporting Period, to enhance emergency response capabilities, Nanshan Aluminium plans to collaborate with the Red Cross and relevant medical institutions to conduct systematic first aid training. This initiative aims to cultivate professionally certified first aid personnel across all teams, ensuring that the **"Golden Rescue Hours"** can be secured during unexpected incidents, thereby effectively safeguarding employee health and the safe operation of the Company.

In the construction of occupational health and safety culture, the Company continues to integrate core concepts into daily operations. Through monthly routine safety training and annual thematic campaigns—such as "Safety Production Month", "119 Fire Safety Promotion Day", and "Occupational Disease Prevention and Control Publicity Week"—the Company strengthens employees' risk awareness and protective capabilities. This initiative aims to internalize the concept of occupational health and safety in minds and externalize it in actions, making it an integral part of employees' daily behavioral habits.

Nanshan Aluminium Occupational Health & Safety Protection Measures

Occupational Disease Hazard Identification and Control

- Establish the *Safety Production Risk Classification and Control Management System* and *Special Operations Personnel Management System*, clearly defining the standards and basis for risk assessment.
- Continuously advance the classification and control of occupational disease hazards, hazard identification and rectification, risk assessment, and control, achieving regular management of occupational hazard risks.
- Regularly engage third-party testing agencies to conduct occupational hazard detection in the workplace.
- Regularly inspect special equipment.

Regular Employee Health Checks

- Conduct physical health screenings for employees, and issue health risk notifications to employees with high occupational disease risks.

Nanshan Aluminium Occupational Health & Safety Protection Measures

Improving the Working Environment

- Provide free protective equipment to employees based on front-line business needs.
- Install air conditioning in high-temperature workshops.
- Distribute anti-heat medicines, food, etc., during the summer high- temperature season.
- Conduct on-site occupational hazard factor testing, and strengthen on-site protective facility management based on test data.

Implementing Safety Culture Promotion

- Regularly conduct occupational disease prevention training, occupational health awareness weeks, and other cultural promotion activities.
- Distribute standard operating procedure manuals to positions with potential occupational disease risks.

Occupational Health Training

Special Inspection on Occupational Health Protection

Occupational Health Promotion and Dissemination

06

Symbiotic Supply Chain

Building a New Ecosystem Together

Nanshan Aluminium adheres to the development concept of win-win cooperation and shared responsibility, and is working to establish fair, transparent, and mutually beneficial partnerships with suppliers. The Company continues to strengthen supplier management, standardize raw material procurement processes, and work with suppliers to implement ESG responsibilities. While advancing the construction of a responsible supply chain, the Company actively focuses on social development and public welfare in its operating locations. Through various means, it participates in community building to achieve mutual benefit and integration with the community, promoting coordinated development between the enterprise and society.

6.1 Responsible Supply Chain

Nanshan Aluminium has established and perfected a full-lifecycle management mechanism covering supplier access, evaluation, cooperation, and exit. Through rigorous screening and evaluation processes, the Company ensures that suppliers comply with its sustainability requirements in areas such as environmental management, occupational health and safety, business ethics, and human rights protection, thereby continuously fostering an integrity-driven, transparent, and sustainable procurement environment. At the same time, the Company continuously optimizes its supply chain management and layout, establishes a mechanism for identifying and responding to supply chain risks, enhances supply chain resilience, and ensures the stability of production operations.

Supplier Management

Nanshan Aluminium strictly complies with relevant laws and regulations such as the *Civil Code of the People's Republic of China* and the *Bidding and Tendering Law of the People's Republic of China*. The Company continuously implements internal policies including the *Supplier Management Procedures* and the *ASI Management Procedure for Suppliers (Contractors and Service Providers)*, thereby clarifying supplier management standards and requirements. The Company requires its cooperative suppliers to comply with applicable laws and regulations in China and the locations of their operations regarding environmental protection, procurement compliance, and human rights protection, ensuring that procurement activities are conducted in accordance with the law. During the Reporting Period, the Company updated its policies to include requirements for paid-in capital and mandated that suppliers sign the Environmental Protection Agreement, thereby further strengthening integrity and compliance management within the supply chain and ensuring the quality of procurement and bidding processes.

In 2025, Nanshan Aluminium continued to advance the digital transformation of supply chain and further optimized the Supplier Digital System (NC System). The system integrates core functions such as purchase order management and supplier information management to achieve digitalization and efficient management of the entire supplier lifecycle, further enhancing supply chain management efficiency and transparency.

Supplier Full Process Management

Supplier Admission
- Open Tendering on Online Platform
- Self-Nomination is Allowed
- Supplier Classification
- Signing of ASI Social Responsibility Commitment

Supplier Evaluation
- On-Site Inspection
- Supplier Performance Scoring
- Adjusting Supplier Procurement Rating

Supplier Communication and Collaboration
- Supplier Training
- Regular Communication
- Industry Exhibitions and Annual Conferences

Supplier Exit
- Eliminate Unqualified Suppliers Based on Performance Scores

Supplier Admission

Nanshan Aluminium has established a dynamic assessment mechanism covering the entire lifecycle within its supplier management system. Through a three-tier screening process of "pre-qualification review—sample verification—on-site audit", the Company conducts systematic assessments and layered management of suppliers' qualifications, capabilities, technical processes, and quality stability. During the Reporting Period, the Company further optimized its supplier admission model. By strictly ensuring technical specifications and compliance requirements, it effectively shortened the approval cycle, thereby enhancing admission efficiency and supply chain responsiveness.

By establishing an online intelligent bidding platform, we have achieved full-process digitalization and transparent management covering demand publication, competitive bidding, and performance evaluation. Tender information is simultaneously published through channels such as the "Nanshan Official Website" and the "China Bidding Network". A dedicated email address for disciplinary inspection and supervision has been established to facilitate reporting channels, strengthen multi-party oversight mechanisms, and continuously foster a procurement environment characterized by openness, equity, and fairness. In 2025, the Company onboarded more than 90 new cooperative suppliers, covering emerging fields such as green materials and intelligent equipment, thereby providing support for supply chain structural optimization and high-quality business development.

Nanshan Aluminium Supplier Admission Process

Qualification Review
- Supplier submission of information
- The Supply Department reviews the business license, three-year financial statements, cooperation contracts, and account opening permissions, etc.
- Supplier and supply information archiving
- Initial review of supplier qualifications
- Small-scale trial run

On-site Investigation
- The Supply Department prepares the investigation plan in advance
- Investigate the supplier's operational status according to the plan
- Regular on-site investigations of successful suppliers
- Completion of the Supplier Admission Evaluation Form

Approved for entry into the system
- If assessment is passed, the supplier is added to the list of qualified suppliers

Nanshan Aluminium has established and continuously improved its supplier classification management system. Based on the significance of supplied materials to product processing and production, we categorize suppliers into Category I, Category II, and Category III. We have established differentiated bidding management and daily supervision mechanisms for each supplier category to enhance the precision and effectiveness of supply chain management.

Three Categories of Suppliers for Nanshan Aluminium

Category I Suppliers (20%)

Category I suppliers primarily include raw and auxiliary material suppliers who directly participate in the product processing process and have a critical impact on final product quality. This category also encompasses certain Category II material suppliers. Although their supplied products are not used as primary raw or auxiliary materials, they are included in Category I for key management due to their high consumption volume, direct impact on product quality, and the potential for significant quality risks or economic losses should non-conformities occur.

Category II Suppliers (40%)

Category II suppliers primarily refer to those that have a significant impact on the quality of the final product but have relatively low safety performance requirements. The Company further classified Category II suppliers into Key Category II Suppliers and Important Category II Suppliers, implementing differentiated management based on the level of Risk.

Category III suppliers (40%)

Category III suppliers primarily include material suppliers who have direct contact with the final product but exert minimal influence on product quality and are not subject to safety performance requirements.

Supplier Evaluation

We have established a comprehensive supplier performance evaluation system. The Procurement Department and Quality Department jointly conduct monthly supplier assessments, evaluating suppliers across multiple dimensions including delivery efficiency, product quality, service responsiveness, and price reasonableness. Comprehensive scores are compiled to generate annual supplier evaluation results at the end of the year. Simultaneously, the Company conducts regular on-site audits and field inspections, implementing differentiated management and dynamic assessments based on supplier categories to promptly identify and disqualify suppliers that do not meet requirements. Based on the assessment results, the Company categorizes suppliers into four tiers and prioritizes collaboration with high-performing suppliers in higher tiers to continuously optimize supplier structure and cooperation quality.

Supplier Performance Evaluation, Rating, and On-Site Audit Frequency

Category I Key Suppliers

Monthly performance evaluation, annual performance rating, supplier on-site audit (once every three years, or as required by the client)

Category II Key and Important Suppliers

Monthly performance evaluation, annual performance rating for those with continuous performance over six months, Category II key supplier on-site audit (once every three years, or as required by the client)

Category III General Suppliers

Monthly performance evaluation, annual performance rating for suppliers with continuous performance over twelve months

Supplier Classification Mechanism

For assessment results of 90 points or above (inclusive):

The supplier is classified as a Level I supplier and shall be given priority for procurement cooperation.

For assessment results ranging from 80 to 90 points (inclusive of 80 points):

The supplier is classified as a Level II Supplier. An annual on-site audit for supervision shall be conducted, and the supplier shall be assisted in rectification with ongoing supervision.

For assessment results ranging from 70 to 80 points (inclusive of 70 points):

The supplier is classified as a Level III supplier. An annual on-site audit for supervision shall be conducted, and the supplier shall be assisted in rectification with ongoing supervision.

For assessment results below 70 points:

If other suppliers providing the same products/processes/services can fully guarantee supply, procurement from them shall be terminated, and their status as qualified suppliers shall be revoked.

Supplier Elimination

Nanshan Aluminium implements a dynamic management mechanism for suppliers and establishes corresponding supplier elimination regulations. For suppliers whose product quality fails to meet standards over the long term, who fail to implement rectification measures effectively or refuse to cooperate with improvements, and those engaging in violations of business ethics and integrity compliance, the Company will promptly take measures such as restricting cooperation or terminating cooperation in accordance with relevant policies, and include them in the supplier exit management procedure. By continuously optimizing the supplier structure, the Company ensures long-term partnerships with partners who are honest, compliant, stable in quality, and reliable in performance, jointly promoting sustainable supply chain development.

Nanshan Aluminium Supplier Elimination Policy

The Assessment Score is Unacceptably Low

For suppliers with an annual assessment score below 70 points, if alternative suppliers exist in the market that can provide similar products, processes, or services and meet the Company's supply assurance requirements, the Company will terminate its procurement cooperation with them and revoke their status as qualified suppliers.

The Cooperation Process is Impeded

Suppliers that refuse to cooperate with improvement or rectify issues regarding quality, delivery schedules, or after-sales service discovered during the collaboration process will be eliminated and exit.

Violation of Business Ethics

For suppliers who violate business ethics and integrity compliance requirements during the cooperation process, the Company adheres to a 'zero tolerance' principle and will take measures such as terminating cooperation and blacklisting them in accordance with laws and regulations. Non-compliant circumstances include, but are not limited to, bid rigging, collusive bidding, rotating winning bids, fictitious transactions, establishment of shell companies, falsification of information, and forgery of qualifications.

Supply Chain Risk Management

Nanshan Aluminium continues to refine supply chain resilience management system. Through intelligent inventory management, strategic supplier collaboration, and risk warning mechanisms, the Company consistently identifies and manages potential supply chain risks. This ensures the stable supply of key raw and auxiliary materials as well as production support materials, enhances the supply chain's ability to withstand risks and emergency response capabilities, and supports the continuity and stability of the Company's production operations.

Nanshan Aluminium Supply Chain Risk Management Measures

Initiatives	Specific Measures
Safety Inventory Management and Emergency Incident Response	• Regularly organize emergency drills for interruptions in the supply of raw and auxiliary materials to enhance supply assurance capabilities during unexpected incidents and ensure the continuity of production operations. • Dynamically monitor safety stock levels to ensure adequate inventory and alternative supply capabilities for critical materials, thereby enhancing rapid response capabilities.
Strengthen strategic supplier partnership management	• We continue to implement the *Supplier Whitelist Management* policy, deepen strategic partnerships with high-quality suppliers, and ensure the delivery cycle, price stability, and quality controllability of material supplies. • For bulk materials and other production critical resources, work closely with 2-3 long-term strategic suppliers. For routine material categories, establish stable relationships with at least five suppliers.
Enhance suppliers' ESG practice capabilities	• Monthly evaluations to understand suppliers' operations, incorporating human rights and social responsibility factors into the assessment, and conducting on-site audits when necessary. • Enhance suppliers' ESG management capabilities through supplier training, assistance, and initiatives, reducing potential compliance risks.

To continuously enhance the capabilities of procurement personnel, Nanshan Aluminium regularly organizes training sessions. The content covers the Company's procurement process policies, operational methods for the NC system, relevant laws and regulations governing procurement, as well as professional courses in the CPPM series [41]. In 2025, we conducted 6 procurement training sessions and examinations to ensure that employees fully master the skills required for procurement work.

Sustainable Supply Chain

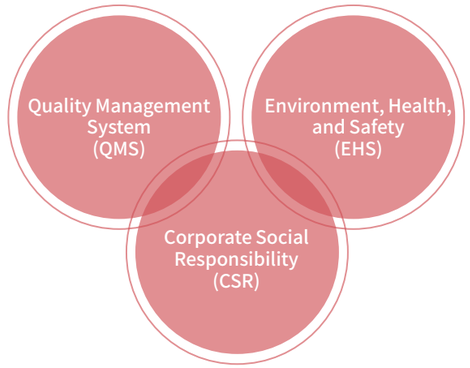
To further build a responsible and sustainable supply chain, Nanshan Aluminium continues to promote suppliers in jointly fulfilling their sustainability responsibilities. The Company incorporates suppliers' performance in environmental protection, occupational health and safety, labour and human rights, and business ethics into its supplier assessment system and issues improvement recommendations and rectification requirements based on the evaluation results. For suppliers failing to meet sustainability-related assessment criteria, the Company will implement management measures ranging from warnings and cooperation restrictions to reduced procurement allocations and termination of cooperation, depending on the severity of the circumstances. These actions aim to continuously enhance the overall compliance level and sustainable management capabilities of the supply chain.

Sustainable Supply Chain Management

Nanshan Aluminium implements a classified and graded management system for suppliers and strengthens supervision and evaluation of suppliers regarding quality, environmental protection, occupational health and safety, and labour human rights based on the grading results. In 2025, the Company conducted a total of 240 on-site audits related to ESG and social responsibility for suppliers. The Company regularly organized internal and external audits within the ASI and RBA frameworks to continuously monitor and ensure compliance with labour rights and human rights management throughout the supply chain. During the Reporting Period, the Company conducted on-site audits of 6 core raw material and auxiliary material suppliers and carried out questionnaire surveys for 3 suppliers. No major violations were found.

41: The Certified Professional Purchasing Manager (CPPM) series of courses, also known as the Registered Professional Purchasing Manager series.

Supplier On-Site Audit Assessment Criteria[42]



Nanshan Aluminium Supplier Sustainable Development Evaluation Dimensions

Evaluation Dimension	Assessment Content
ASI Guidelines Requirements	• Integrating ASI requirements into routine management, requiring relevant suppliers to sign the ASI Social Responsibility Commitment, and ensuring compliance with product quality, environmental protection, health and safety, business ethics, human rights, and other related clauses. Additionally, collect procurement information for additional minerals including aluminium, copper, chromium, lithium, natural graphite, nickel, silver, and zinc. • Regularly conducting on-site audits and assessments of core raw material suppliers, evaluating their QMS, EHS, and CSR practices.
Environment, Safety, Labour, and Human Rights	• Compliance with national and local environmental laws and regulations. • Prioritizing cooperation with suppliers of green electricity aluminium raw materials, and encouraging suppliers to use clean energy and green packaging. • Conducting regular environmental monitoring and inspections of suppliers to ensure compliance and promoting suppliers' active environmental protection efforts to reduce toxic emissions in the supply chain. • Ensuring safe production practices and safeguarding employees' occupational health and safety. • Prohibiting the employment of child labour, forced labour, or any work that harms physical health.
Business Ethics and Integrity	• Compliance with national and local environmental laws and regulations • All cooperating suppliers are required to sign documents of integrity constraints, including the *Sunshine Commitment, Integrity Commitment*, and *ASI/RBA Social Responsibility Acknowledgment*. • If any violations occur, we reserve the right to terminate the cooperation or refer the case to judicial authorities
Conflict Minerals	• All core suppliers have signed the *Commitment to Not Use Conflict Minerals* and provided the *Conflict-Free Mineral Investigation Report*.

42: The on-site audit primarily covers the following areas: 1) QMS: Conducting relevant audits focused on the Quality Management System; 2) EHS: Conducting relevant audits centered on system management, occupational health, occupational safety, working at heights, chemicals, and emergency preparedness; 3) CSR: Conducting relevant audits addressing labour rights, human rights, compensation and benefits, fair trade, anti-corruption, responsible sourcing, supplier management, and management systems.

The Company actively aligns with the ASI international sustainable aluminium standard, incorporating key ESG elements such as conflict minerals control and carbon footprint traceability into supplier access and management requirements. Through a compliance review mechanism, the Company strengthens raw material source traceability management to ensure that supply chain raw material tracing complies with the Company's relevant regulations. In 2025, the Company required ingot suppliers to incorporate ASI certification requirements into routine management. The Company organized internal ASI training and gap analyses, while providing guidance and support to address challenges encountered by suppliers during the certification process. These efforts aim to drive continuous improvement in their management practices and performance regarding labour rights and human rights. In addition, we conducted investigations to determine whether additional mineral resources such as gold, tantalum, tin, tungsten, cobalt, and aluminium originate from conflict-affected areas, and subsequently compiled the *Conflict-Free Mineral Investigation Report*.

Supply Chain Integrity

We continue to strengthen integrity and compliance management within our supply chain. We require suppliers to sign the ASI/RBA Social Responsibility Commitment Receipt, Integrity Commitment Letter, and Sunshine Commitment Letter, clearly defining their responsibilities and commitments regarding social responsibility, business ethics, and integrity compliance. During the Reporting Period, no integrity violations or disciplinary incidents involving suppliers and procurement personnel occurred within the Company.

Excerpt from the Sunshine Commitment

- Commit to and ensure strict compliance with relevant laws and regulations in all business activities with Nanshan Aluminium, adhering to principles of openness, fairness, justice, and integrity, not seeking improper benefits or trading opportunities, and refraining from engaging in improper transactions.
- Commit to and ensure possession of all licenses, qualifications, approvals, permits, certificates, and any other documents required for related business, and that the goods provided meet the technical requirements specified by Nanshan Aluminium, in compliance with relevant laws and regulations.
- Commit to and ensure no discrimination in pricing or sales policies towards Nanshan Aluminium, with transaction prices and sales policies not exceeding those offered to any third party in the market.
- Commit that our company and representatives will keep any commercial information and secrets related to Nanshan Aluminium confidential during the bidding process.

Green Supply Chain

Nanshan Aluminium actively responds to the national "Dual Carbon" strategy and requirements for green low-carbon development, continuously advancing decarbonization management within its supply chain to meet downstream customers' demand for green products and low-carbon materials. The Company is committed to addressing carbon emissions at the source by monitoring the full lifecycle carbon performance of its products. It encourages suppliers to implement energy conservation and emission reduction measures, develop green products, and prioritize the adoption of clean energy sources such as solar, wind, and hydro power. At the same time, the Company encourages packaging reduction and advocates that suppliers promote the use of renewable and biodegradable green materials in their production and operations, actively apply green processes, technologies, and equipment, jointly enhance the low-carbon transformation capability of the supply chain, and build a more sustainable green supply chain system.

During the Reporting Period, we signed an *Environmental Protection Agreement* with all suppliers. The agreement explicitly stipulates that suppliers must strictly comply with national and local environmental protection laws and regulations throughout the entire process of product and service provision, and actively adopt effective measures to prevent and reduce environmental pollution. At the same time, Nanshan Aluminium requires suppliers to ensure that their products fully comply with the environmental restricted substance standards stipulated in the Company's policy titled *Procedures for Prohibited or Restricted Environmental Management Substances*, and meet the latest requirements of the EU *RoHS Directive* and *REACH Regulation*. This ensures that hazardous substance concentrations are controlled within prescribed safety thresholds, thereby promoting sustainable development across the entire value chain.

Conflict Minerals Management

Nanshan Aluminium has established and continuously improved its mineral procurement management system, strictly adhering to the Organisation for Economic Co-operation and Development (OECD) Guidelines for Responsible Supply Chain Due Diligence of Minerals from Conflict-Affected and High-Risk Areas, and constructed a mineral traceability and due diligence mechanism covering the supply chain. We require core suppliers to sign the Commitment to Not Use Conflict Minerals and submit a Conflict-Free Mineral Investigation Report, along with supporting documents such as certificates of origin and inspection certificates, to ensure that the mineral sources of our procured products are clear and traceable. The Company firmly opposes and prohibits the procurement of any metal raw materials sourced from armed conflict zones, illegal mining operations, or environments characterized by substandard working conditions.

Nanshan Aluminium's Commitment:

The Company firmly does not support or use any metals originating from armed conflict zones, illegal mining activities, or conditions of severe labour exploitation, commonly referred to as 'conflict minerals'. Suppliers shall conduct source investigations for metals such as Gold (Au), Tantalum (Ta), Tin (Sn), Tungsten (W), and Aluminium (Al) contained in their products and verify the legality and compliance of these metal sources in accordance with the OECD *Guidance for Responsible Supply Chains Due Diligence of Minerals from Conflict-Affected and High-Risk Areas*[43].

Supplier Support and Communication

Nanshan Aluminium has established and continuously improved the supplier assistance mechanism. This initiative targets suppliers with substandard after-sales quality performance, those posing potential risks in new business development, and strategic partners, conducting specialized assistance and capability enhancement activities lasting several months. The Company assists suppliers in enhancing product quality, production efficiency, and operational management levels through specialized training, on-site guidance, and management improvement recommendations. By providing technical support aligned with the Company's product requirements, the Company drives suppliers to develop high-performance products and foster innovation. For suppliers that have not experienced recurring issues for three consecutive months during the support period, we will evaluate their improvement outcomes and exit the special support management program.

Nanshan Aluminium continues to deepen collaborative cooperation with suppliers. Through technical exchanges, on-site trials, and process optimization, the Company assists suppliers in enhancing product performance and production efficiency, thereby promoting improvements in overall supply chain quality and sustainable development levels. In 2025, the Company implemented multiple supplier support initiatives focused on key production materials and equipment, achieving positive results in enhancing product quality, reducing resource consumption, and optimizing production efficiency.

Furthermore, we continuously refine our communication and feedback mechanisms and actively conduct supplier engagement activities to strengthen mutual understanding and consensus regarding industry trends, key collaboration priorities, and management requirements, thereby fostering long-term and stable cooperation. Suppliers may provide feedback regarding any issues encountered or suggestions made during the cooperation process through the Company's public channel: Supplier Complaint Email (group-gysts@nanshan.com.cn). The Company has assigned dedicated personnel to receive and follow up on matters, respond promptly, and coordinate with relevant departments for resolution, ensuring closed-loop problem solving and maintaining the smoothness and stability of cooperation.

43: Due Diligence - Organisation for Economic Co-operation and Development

6.2 Giving Back to Society

Nanshan Aluminium has always upheld corporate responsibility and commitment, actively giving back to society, and fulfilling its pledges to public welfare, charity, and community protection through concrete actions. We are fully committed to safeguarding the community environment and actively building communication channels. We strive to foster a harmonious ecosystem where the community and society coexist in symbiosis, working hand in hand with all sectors of society to create a better future together.

Community Protection

In natural resource development and project operations, Nanshan Aluminium strictly adheres to internal policies such as the *Management Procedures for the Protection of Indigenous Peoples'Rights to Self-determination, Prior and Informed Consent* while conducting activities based on respect for indigenous rights. We have established dedicated communication and grievance channels and systematically advanced work around issues such as labour rights, gender Equality, and land expropriation to safeguard the legitimate rights and interests of indigenous peoples.

Simultaneously, in accordance with the *Local Community Impact Control Procedure*, we prioritize collabouration with indigenous peoples and local institutions at all project stages, continuously assessing the social and environmental impacts of our operations on the community. For identified potential risks, we have established a rapid response and adjustment mechanism to strive for protecting community traditional culture and the environment while promoting development, thereby achieving long-term harmonious coexistence between operations and the community.

Nanshan Aluminium's Commitment:

The Company fully respect the fundamental rights of indigenous peoples, including but not limited to the right to survival, the right to development, the right to use natural resources (such as mines, land, and scenic areas), the right to benefit sharing, and the right to free, prior, and informed consent. The Company commits that during the implementation of new construction, reconstruction, expansion, closure, decommissioning, divestment, or expropriation of natural resources for projects, it will never collude with local governments and will strictly provide compensation or resettlement in accordance with laws and regulations following the expropriation of natural resources. The Company further commits to conducting communication in advance and treating indigenous peoples fairly and equitably regarding recruitment, job assignments, remuneration, and career advancement, thereby eliminating any form of discrimination.

During the project implementation phase, Nanshan Aluminium strictly adhered to the professional guidance of the cultural relics administrative department and carried out relevant work in accordance with the *Regulations on the Protection of Cultural Relics and Religious Sites*. We consistently incorporate environmental, social, and economic benefits into the Integrated assessment. For cultural sites and religious sanctuaries involved, we adopt a prudent strategy prioritizing avoidance and protection, with necessary Migration as a secondary measure. If a project is identified as potentially impacting local cultural heritage, we immediately implement corrective measures to fully ensure the integrity and safety of the cultural heritage.

Nanshan Aluminium's Commitment:

The Company fully respects freedom of religious belief in the locations where we operate, and we are dedicated to carrying out protection work for cultural sites and religious sanctuaries in compliance with applicable laws and regulations during daily operations.

Philanthropic Care

Nanshan Aluminium integrates community co-construction into corporate development trajectory and fulfills our responsibility to the local society through concrete actions. Through initiatives such as supporting education, conducting holiday care programs, and organizing volunteer services, we continuously infuse warmth and vitality into the community. We firmly believe that corporate growth is inextricably linked to community prosperity. We are committed to fostering goodwill and building consensus at every stage of development, working together with the community toward a more sustainable future. In 2025, Nanshan Aluminium donated milk and other food items to the Xufu Street Nursing Home to extend greetings to the elderly in the community.

Nanshan Aluminium's Commitment:

The Company strictly complies with national laws and regulations, actively communicates with local communities, and strives to mitigate adverse impacts of its operations on these communities. The Company is fully committed to safeguarding the legal and traditional rights of local communities regarding their land, livelihoods, and use of natural resources, while making unremitting efforts to promote community development.

Shandong Rural Revitalization

Nanshan Aluminium actively leverages our industrial chain advantages to deeply participate in rural revitalization in China through industrial assistance. In places including Zhaoyuan, Shandong, the Company has effectively revitalized the rural economy by driving the development of supporting aluminium processing industries. The annual income of the assisted village collective has exceeded RMB 10 million. Meanwhile, stable local employment opportunities have been created, and skills training programs have been launched. This has established a long-term mechanism of "promoting development through industry and driving income growth through employment", demonstrating the Company's concrete actions in advancing common prosperity.

Warm Ramadan Visits, Conveying Holiday Care

During the Ramadan period in 2025, management and employee representatives of Nanshan Aluminium's Indonesia factory conducted pre-holiday outreach activities at local orphanages, nursing homes, and communities. A total of over 3,000 packages of essential living supplies, including rice, flour, and cooking oil, were distributed, while sincere blessings were conveyed to residents. This event continued the Company's long-standing tradition of being deeply rooted in the local community and celebrating important festivals together with residents, reflecting humanistic care in a cross-cultural context.

Appendix

ESG Policies and Key Institutions

ESG Governance

Work System of the Sustainability (ESG) Committee of Shandong Nanshan Aluminium Co., Ltd.

Environment	
• Environmental Protection Management Policy	• Management Policy for Greenhouse Gas Inventory
• Nanshan Aluminium Environmental Information Mandatory Disclosure Policy	• Emergency Response Plan of Shandong Nanshan Aluminium Co., Ltd.
• Risk and Opportunity Control Procedures	• Nanshan Aluminium Biodiversity Conservation Management Procedure
• Greenhouse Gas Emission Targets and Implementation Plan	• Sewage Discharge Control Procedure
• Regulations on the Management Procedures and Requirements for Hazardous and Toxic Waste	• Atmospheric Pollutant Emission Control Procedure
• Nanshan Aluminium Solid Waste Standardized Management Measures	

Social	
• Occupational Health and Safety in the Working Environment	• Management Procedures for Protection of Women Employees
• Workplace Occupational Injury First Aid	• Safety Production Responsibility System for All Employees
• Safety Production Responsibility System	• Safety Management Agreement
• Safety Production Inspection Policy	• Key Elements for Developing Safety Management Agreements
• Intellectual Property Protection Management Policy Manual	• Occupational Health Management System
• After-Sales Service Control Procedures	• Supplier Management Regulations
• Control Procedures of Processes Related to Customers	• Management Procedures for Implementation of ASI by Suppliers (Contractors and Service Providers)
• Customer Satisfaction Measurement Control Procedure	• Management Procedure for Prohibiting the Use of Minerals from Conflict-Affected Areas
• Product Service Management Regulations	• Information Exchange, Consultation, and Communication Control Procedure
• Integrity Management Procedures	• Employee Complaint (Appeal) Management Procedure
• Marketing Management System	• Employee Representative Management Procedure
• Salesperson Code of Conduct	• Safety Management Standard Policy
• Customer Satisfaction Measurement Procedures	• Policy on Hazard Investigation and Governance
• Production Process Control Procedure	• Contractor (Outsourced Construction) Safety Management System
• Non-Discrimination Management Procedure	• Institution for Infrastructure and Working Environment
• Non-Emotional and Physical Abuse Management Procedure	• Safety Production Risk Classification and Control Management System
• Protection of Minor Workers Management Procedure	• Special Operations Personnel Management System
• Prohibition of Forced Labour Management Procedure	• Supplier Whitelist Management
• Prohibition of Child Labour and Remedial Measures Management Procedure	• Management Procedures for the Protection ofIndigenous Peoples' Rights to Self-determination, Prior andInformed Consent
• Management Procedure on Rights to Organize Trade Unions and Collective Bargaining	• Control Procedures for Local Community Impact
• Table of Post Wage Rates	• ISO 9001 Quality Management Manual
• Salary Adjustment Methods	

Corporate Governance	
• Investor Relations Management System	• Risk and Opportunity Control Procedures
• Information Disclosure Management Methods	• Data Security Management System
• Anti-Corruption Policy	• Information Management System
• Supplier Code of Conduct	• Implementation Details for Business Secret Management
• Integrity Self-Discipline Commitment	• Network Information Management System
• Supplier RBA Commitment	• Network Information Center Rules and Regulation
• Business Ethics Agreement	

Index of Indicators

Index of *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*

Disclosure Requirements	The corresponding chapter of this Reporting (If the relevant issues are not disclosed, provide a full explanation in accordance with Article 7 of the Guidelines.)
Addressing Climate Change	Responding Climate Change
Pollutant Emissions	Protecting Nature
Waste Disposal	Protecting Nature
Ecosystem and Biodiversity Conservation	Environmental Management
Environmental Compliance Management	Environmental Management
Energy Utilization	Responding Climate Change
Water Resource Utilization	Protecting Nature
Circular Economy	Circular Economy
Rural Revitalization	Giving Back to Society
Social Contribution	Giving Back to Society
Innovation-Driven	Innovation and R&D
Technology Ethics	Innovation and R&D
Supply Chain Security	Responsible Supply Chain
Treat SMEs equally	Responsible Supply Chain No overdue payments to SMEs exceeding the agreed terms.
Safety and Quality of Products and Services	Product Quality
Data Security and Customer Privacy Protection	Information Security and Privacy Protection
Employees	Eager to Attract Talent Employee Care Safety Production
Due Diligence	Responsible Supply Chain
Stakeholder Engagement	Stakeholder Engagement
Anti-Bribery and Anti-Corruption	Ethical Operations
Anti-Unfair Competition	Ethical Operations
Voluntarily Disclosed Topics	/

Reader Feedback Form

Dear Reader:

Thank you very much for your attention to and support of Nanshan Aluminium's ESG work. To provide you with more professional and valuable environmental, social, and governance information, and to further enhance the quality of Nanshan Aluminium's ESG Reporting, we welcome your responses to the relevant questions in the reader feedback form.

1. Are you satisfied with the Reporting? Please provide your evaluation.

2. Do you believe that our fulfillment of social responsibilities has been fully disclosed?

3. Is the information you wish to know fully disclosed in the Reporting?

4. What suggestions do you have for improving the Reporting?

Your Information:

Name

Work Unit

Position

Fax

Contact Telephone Number

E-mail