



**CHINA EXIM BANK**  
THE EXPORT-IMPORT BANK OF CHINA

# CEXIM Shanshan Baotou ESDD

Shanshan Baotou Project

02 December 2022

## EXECUTIVE SUMMARY

As one of the green on-lending projects between the Export-Import Bank of China (“CEXIM”) and the Asian Infrastructure Investment Bank (“AIIB”), CEXIM plans to use AIIB funds to provide loans to Inner Mongolia Shanshan Technology Co., Ltd. (the “Company”). Inner Mongolia Shanshan Technology Co., Ltd. is a manufacturer of anode materials for lithium-ion batteries, which is located in Baotou City, Inner Mongolia Autonomous Region, established in September 2017, and is a subsidiary of Ningbo Shanshan Co., Ltd. The Company has established two production sites in Baotou City, Inner Mongolia Autonomous Region, China, including the Baotou Jiuyuan Industrial Park (“Jiuyuan Site”) and the Baotou Equipment Manufacture Industrial Park in Qingshan District (“Qingshan Site”). The Jiuyuan Site produces and supplies upstream materials for the Qingshan Site.

Specific information on the two sites is summarized as follows:

- Baotou Equipment Manufacture Industrial Park (the “Qingshan Site”) with a current annual production capacity of 60,000-tons graphite anode materials for lithium batteries (Phase I), which will expand to 100,000 tons per year after Phase II development; and
- Baotou Jiuyuan Industrial Park (the “Jiuyuan Site”) with a current annual production of 30,000-tons graphitized products (Phase I), which will expand to 50,000 tons per year after Phase II development.

Prior to granting the loan, CEXIM engaged a third-party consultant to conduct environmental and social due diligence on the operation of both the Qingshan Site and the Jiuyuan Site (the “Project”), in accordance with the applicable Chinese environmental and social laws, regulations and standards, and the Asian Infrastructure Investment Bank Environmental and Social Policy (AIIB ESP). The main environmental and social impact issues involved in the Project included wastewater, air emission, noise and other pollutant emissions and management, occupational health and safety, community health and safety, and greenhouse gas emissions. Given the nature and scale of the Project, the potential environmental and social impacts of the Project (no significant environmental and social impacts) and the degree of sensitivity of its surrounding area, the Project was classified as Category B.

The due diligence was conducted through literature review, management interviews and virtual site visit. The due diligence identified several areas for improvement, such as the Company's working hours, development of the Company's environmental and social management system, the hazardous waste management and supply chain management of the Project, etc. Third-party consultant formulated Environment and Social Action Plan for the identified issues and corresponding correction recommendations.

Should you have more questions about the Project or the environmental and social impacts of the Project, you may contact the Inner Mongolia Shanshan Technology Co., Ltd. at 0472-6189686-8900.