

Human Rights Policy of CNGR

Stand 2024



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Content

1 Introduction	3
2 Applicable Scope.....	3
3 Policy Commitments	3
4 Due Diligence in Human Rights.....	5
5 Appeal Mechanism.....	5
6 Policy Review and Revision.....	6

1 Introduction

Established in September 2014, CNGR Advanced Materials Co., Ltd. (CNGR 300919.SZ) is a holding subsidiary and listed entity of Hunan CNGR Holding Group Co., Ltd. It is a professional comprehensive service provider of lithium battery new energy materials. With the mission of devoting itself to the development of new energy and building a better life for mankind, CNGR is determined to become the most valuable comprehensive service provider of new energy materials in the world.

This Human Rights Policy outlines CNGR's fundamental approach and practices in respecting human rights. CNGR formulates corresponding policies, standards, and procedures in alignment with the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the principles of the United Nations Global Compact.

The company has established a comprehensive human rights protection system and governance structure. The Board Strategy and ESG Committee is responsible for the overall leadership and oversight of human rights matters, while the Sustainable Development Office regularly reviews the implementation of the company's human rights policies to ensure alignment with international standards and legal requirements. CNGR also assigns relevant daily management responsibilities to designated personnel or departments and provides sufficient resources and support to ensure that human rights issues are effectively managed and addressed in a timely manner. All relevant personnel receive regular human rights training to ensure they possess the necessary knowledge and competencies to implement the company's human rights policy.

To continuously monitor and evaluate the effectiveness of the human rights policy, the company conducts regular internal audits, external assessments, and gathers employee feedback to ensure effective implementation. CNGR has set clear human rights goals of zero child labor, zero discrimination, and zero human rights litigation, and regularly reports progress in its ESG reports and due diligence management reports to measure the achievement of these goals. We are committed to continuously improving our policies and human rights objectives, and to advancing the development of our human rights management system.

2 Applicable Scope

This policy is applicable to all contractors, employees, directors and management personnel at the operating places and subsidiaries of CNGR worldwide and at the industrial facilities directly or indirectly controlled or operated by CNGR worldwide. CNGR commits to exerting influence over joint ventures in which it does not hold a controlling interest, as well as over suppliers¹ and partners, requiring and urging them to comply with the relevant provisions of this policy.

3 Policy Commitments

CNGR is committed to respecting human rights in accordance with the United Nations Guiding Principles on Business and Human Rights:

- Avoid adverse effects on human rights;
- Prevent or mitigate adverse human rights impacts that are directly linked to our operations, products, or services through business relationships;
- Contribute positively to the promotion of human rights for all, including vulnerable groups. If we cause or contribute to adverse human rights impacts, we will provide or cooperate in the provision of appropriate remedies through proper procedures;
- Prohibit all forms of unlawful discrimination, including but not limited to discrimination based on race, nationality, gender, social or regional background, caste, origin, religion, disability, sexual orientation, family responsibilities, marital status, union membership, political opinion, or age. The company strictly prohibits bias or unfair treatment in recruitment, promotion, retirement, dismissal, training, compensation, or any other work-related decisions on these grounds;
- Intolerant of any offensive or abusive harassment or behavior, including that based on race, color, gender, religion, national origin, sexual orientation, gender identity or expression, disability, or age;
- Provide employees with opportunities for personal capability and skill development, support continuous learning and growth, and help enhance their professional competitiveness—promoting the shared development of individuals and the company. The company also provides time and financial support for employees to improve their skills, allowing them to participate in degree programs or obtain job-related certifications through tuition reimbursement and leave policies;
- Uphold the right of employees and contractors to a safe workplace. The company is committed to identifying, assessing, and controlling occupational health and safety risks to prevent workplace injuries and fatalities;
- Respect employees' freedom of association and right to collective bargaining, and promote transparent and cooperative labor relations;
- Do not tolerate child labor, human trafficking, or any other form of modern slavery, and actively take measures to identify and eliminate such practices within the supply chain;
- CNGR follows the International Labor Organization's definitions and standards on forced labor, and strictly prohibits all forms of forced labor, including taking advantage of vulnerability, deception, restriction of movement, isolation, physical violence, intimidation and threats, retention of identity documents, wage withholding, debt bondage, poor working and living conditions, and excessive overtime;
- The company practices the principle of fair employment, ensuring that all employees work voluntarily, receive fair compensation, and enjoy reasonable working hours and rest periods. In addition, all general and technical staff are eligible to receive variable performance-based wages or bonuses;
- CNGR has established clear and fair policies for employees affected by restructuring or layoffs, ensuring adequate support during the transition period. Based on employees' tenure and roles, the company provides severance pay and necessary economic compensation. CNGR also assists with job placement, re-employment recommendations, or vocational retraining to help employees transition smoothly to new opportunities;

- The company actively supports community development. Without compromising operations or business, CNGR prioritizes the employment of disadvantaged groups from local communities-especially those from impoverished backgrounds or with low social status-to help improve their living conditions;
- CNGR complies with local laws and regulations regarding working hours and overtime, ensuring that employees’ work schedules meet legal requirements. The company is committed to reducing excessive overtime, arranging work hours reasonably, and protecting employees’ rest and well-being;
- All employee wages meet or exceed the local legal minimum standards and are sufficient to cover basic living needs;
- The company adheres to the principle of equal pay for equal work, ensuring that all employees performing the same or similar duties receive fair compensation regardless of gender, age, race, or other factors;
- CNGR is committed to the strict adherence of anti-violence and anti-conflict principles across all business operations. Any form of violence or conflict within the supply chain or company operations is strictly prohibited. CNGR aims to build peaceful, harmonious relationships with partners, suppliers, and employees globally, actively promoting human rights and social responsibility. For more details, please refer to the “Due Diligence Policy for a Responsible Global Supply Chain of Mineral”;
- CNGR has established a comprehensive Code of Business Conduct applicable to all security service providers. The code requires providers to uphold the company’s business ethics, including respecting human rights, ensuring safety, and maintaining integrity. To ensure effective implementation of this policy, CNGR conducts regular external audits of security service providers to assess compliance with ethical requirements and takes corrective actions based on audit findings to ensure all security activities align with the company’s ethical and legal standards.

CNGR is committed to communicating the labor and human rights standards outlined in this policy globally, ensuring that all employees are aware of and comply with the company’s labor and human rights protection policies.

4 Due Diligence in Human Rights

CNGR will carry out due diligence investigations on human rights, regularly assess actual and possible human rights impacts, and prevent and mitigate human rights risks. The effectiveness of countermeasures is tracked using internal and external feedback (including the feedback from affected stakeholders) based on appropriate quantitative and qualitative indicators, and human rights impacts are publicly eliminated. For events that have caused or aggravated adverse effects, remedial measures will be adopted through legal procedures to avoid similar events.

We will disclose our efforts to control human rights risks through regular public reports (e.g. ESG reports, Reports on Due Diligence Management of Minerals Supply Chains, etc.).

5 Appeal Mechanism

Any appeal against the human rights performance of CNGR or any application for obtaining a remedy can be made in the following confidential ways:

Internal appeal: suggestion box, superior leaders of each department, Human Resources Department, General Manager Office, President's Office or directly report to senior leaders of the Company

External appeal: E-mail of CNGR Sustainable Development Office: cngrcsr@cngrgf.com.cn
For details, please refer to the Management Process of Appeal against Social Responsibility.

6 Policy Review and Revision

This policy was revised by the Sustainability Office in 2024 and reviewed and approved by the Board Strategy and ESG Committee, coming into effect on December 26, 2024. Should any changes be required due to company needs or evolving ESG trends, such changes shall be submitted to the Board Strategy and ESG Committee for review, and the policy shall be presented to the Committee for approval at least once every three years.

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