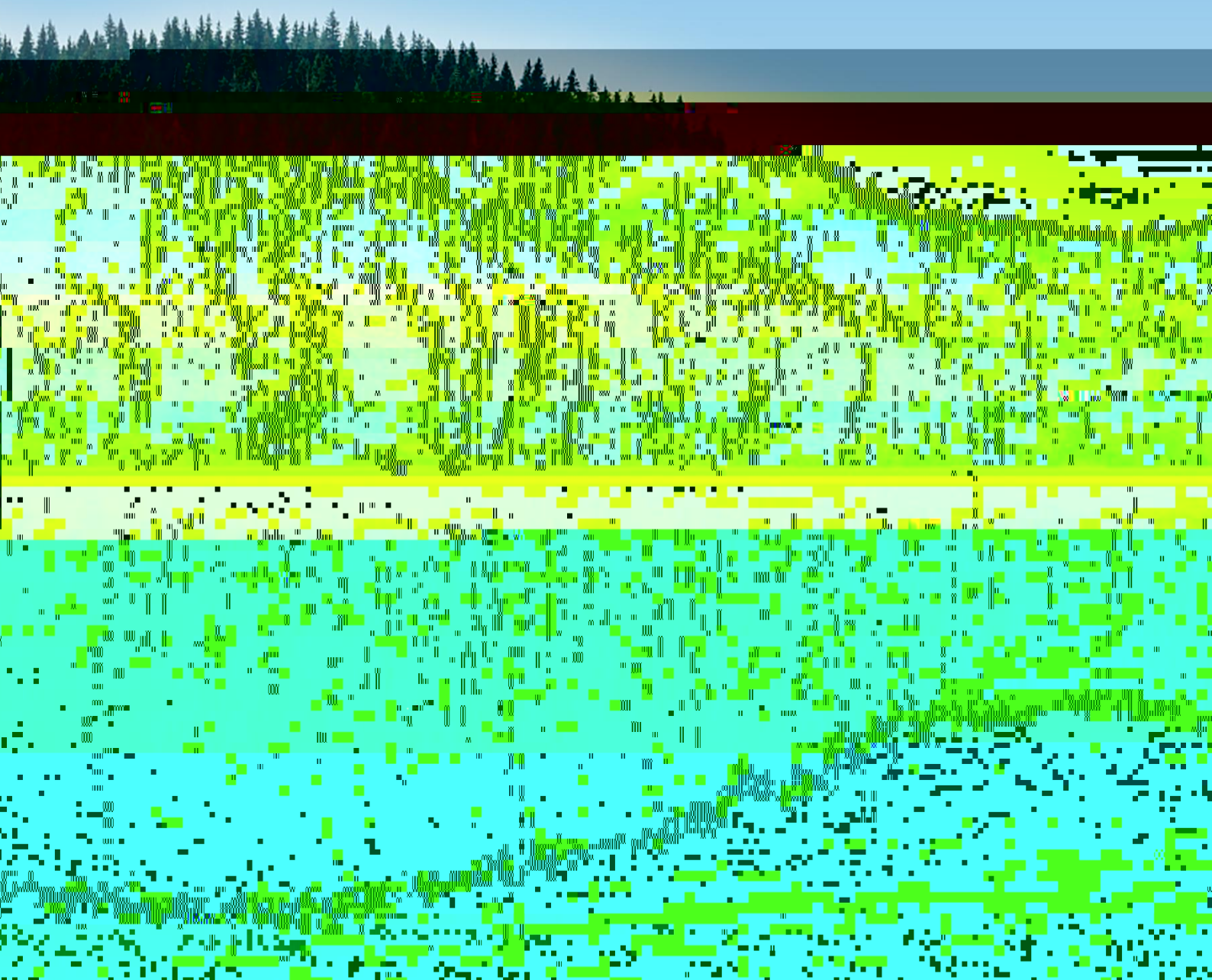




Corporate Document of CNGR	Title: ESG ESG Policy of CNGR		
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Content

.....	4
1 Introduction	4
2	5
2 Scope of Application	5
3	5
3 Policy Commitments	5
3.1	5
3.1 Environment	5
3.1.1	5
3.1.1 Climate Change and Energy Management	5
3.1.2	7
3.1.2 Environmental and Resoure	

3.2.6	18
3.2.6 Responsible Supply Chain	18
3.2.7	21
3.2.7 Tailings Management	21
3.2.8	22
3.2.8 Community Communication and Rural Revitalization	22
3.2.9	23
3.2.9 Cultural Heritage	23
3.3	24
3.3 Governance	24
3.3.1	24
3.3.1 Information Security	24
3.3.2	26
3.3.2 Business Ethics and Anti-corruption Management	26
3.3.3	27
3.3.3 Diversity and Independence of the Board of Directors	27
3.3.4	28
3.3.4 Remuneration and Performance	28
3.3.5	31
3.3.5 Risks and Compliance Management	31
3.3.6	32
3.3.6 Responsible Artificial Intelligence	32
4	34
4 Organizational Leadership	34
5	35
5 Policy Review and Revision	35

1 Introduction

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Established in September 2014, CNGR Advanced Materials Co., Ltd. (CNGR, or the Company for short, 300919.SZ, 02579. HK) is a holding subsidiary of Hunan CNGR Holding Group Co., Ltd. It is a professional comprehensive service provider of lithium battery new energy materials. In the field of advanced materials and new energy within the national strategic emerging industries, CNGR has won numerous national honors, such as National Enterprise Technology Center, National Technological Innovation Demonstration Enterprise, National Intelligent Manufacturing Factory, and National Green Factory for its demonstration projects. With the mission of Materials to Perfection, CNGR is committed to developing itself into a world-leading science company in advanced materials. It believes that sustainability is the future trend of this industry, a key solution to address global energy structure transition and climate change risks. Sustainability is also a vital concept and measure to implement China's scientific outlook on development. Based on its quality and goals in the industry, CNGR is dedicated to creating value for all partners and the development of human society. It also aims to enhance its ESG performance in its business by strengthening management in this regard.

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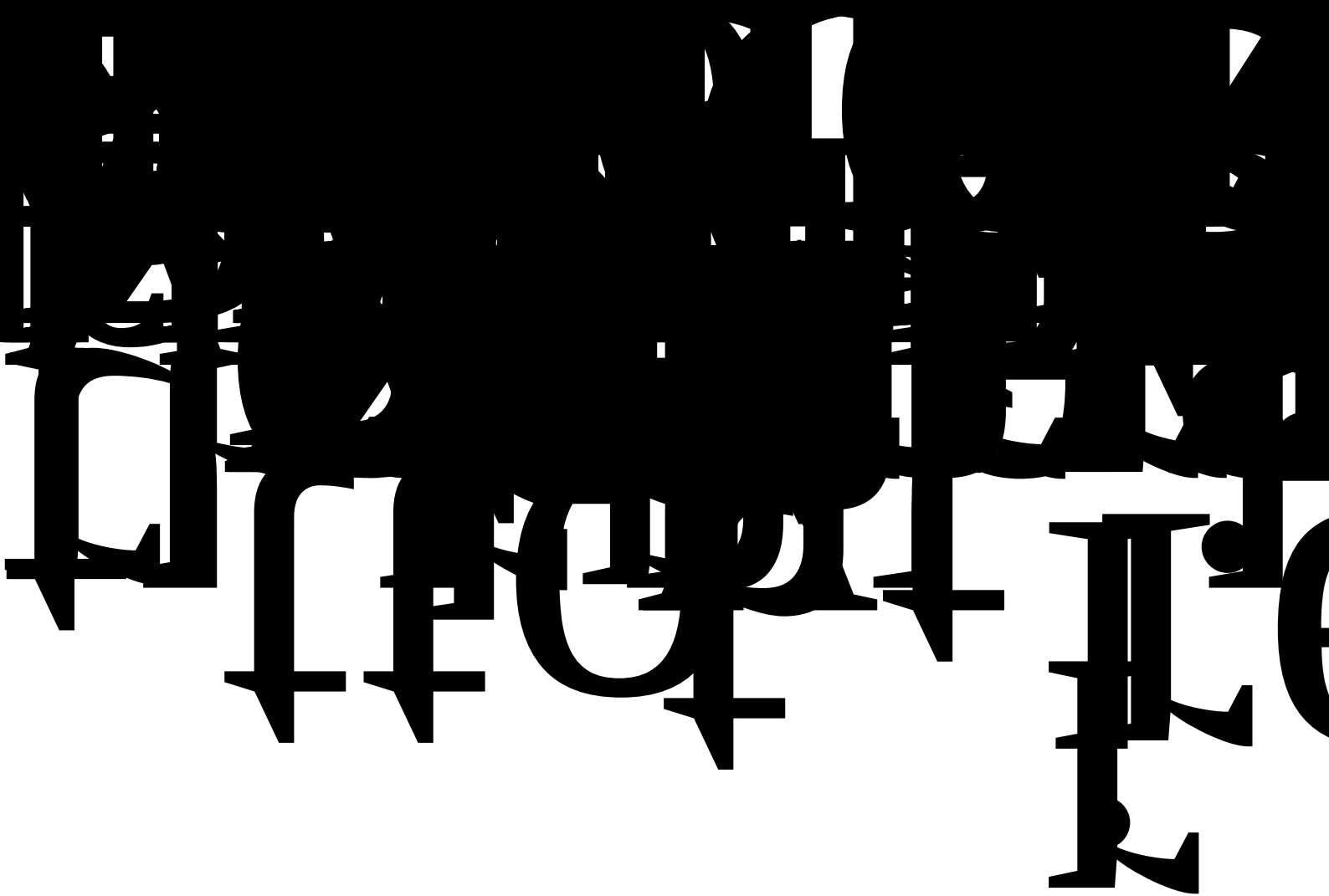
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To this end, CNGR has articulated three core ESG operational philosophies of "harmonious ecology, excellence and win-win, practicality and self-discipline" to deliver sustainability in areas such as fostering a friendly relationship with nature, advancing together with various partners, and enhancing corporate governance. CNGR combines its business characteristics with the best domestic and international practices to engage in comprehensive communication

with stakeholders based on principles of integrity, equality, and transparency. It actively listens to stakeholders' feedback and opinions, responds to their demands and expectations



- CDP
Completing the CDP Climate Change Questionnaire every year;
- Disseminating climate change-related knowledge to internal and external stakeholders to enhance their awareness and understanding of climate change;
- Actively consulting external stakeholders such as communities, authorities, and experts during the development and implementation of its environmental policy, including those related to climate change, to enhance its relevance and effectiveness.

3.1.2

3.1.2 Environmental and Resource Impacts

CNGR values the environmental and resource impacts of its operations, strictly abides by the Environmental Protection Law of the People's Republic of China and the Circular Economy Promotion Law of the People's Republic of China, and has made environmental management policies and circular economy programs in place. CNGR strives to ensure that its environmental protection policies generally cover all business areas and suppliers. It will gradually implement resource recycling management in three major business sectors: product design, production, and waste battery recycling. In this regard, CNGR is committed to:

- Implementing the environmental management policy system, actively certifying the environmental management standard system at all operation sites, and protecting the surrounding environment;
- Practicing green production by striving to reduce the consumption of natural energy and resources across all stages, including production, operations, office activities, and logistics transportation;
- Providing environmental protection awareness training for all internal employees (including interns and contractual employees);

- Complying with disclosure requirements by reporting all positive and negative environmental information, including any fines related to various environmental impacts.

3.1.3

3.1.3 Pollutant Discharge



CNGR strictly adheres to local laws, regulations, and policy standards at its operation sites to implement a tiered and categorized approach to

Encouraging employees, suppliers and customers to perform their responsibilities and to act on their commitments;

- Monitoring and assessing progress and performance to achieve continuous improvement.

3.1.4

3.1.4 Coping with Water Stress

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CNGR attaches great importance to its water resources management capability and strictly abides by the Water Law of the People's Republic of China. Its water resource management policy is designed to cover all business areas. Before site selection for basic construction, during the construction process and production, CNGR conducts water usage risk assessments to actively identify and control water resource risk at its operation sites. It evaluates the physical risks, reputational risks, and legal and regulatory risks⁴ associated with water resource stress. Furthermore, it actively collaborates with external partners to enhance water resource management efficiency and manages the financial quantification of costs related to water resource management. In this regard, CNGR is committed to:

- Conducting water footprint assessments, continuously expanding the scope of these

wastewater treatment rate of 99.7%, and the amount of wastewater discharged, with 2020 as the baseline, aiming to reduce 1.5% per year, reducing 11 tons per ton of product by 2030;

Minimizing or avoiding production and operation in areas at high water resource risk;

Continuously enhancing the water management capability of all internal employees, and strengthening cooperation with external organizations regarding water resource conservation;

Complying with laws, regulations and standards related to water resource management, and disclosing relevant information on the second treatment of wastewater resources.

3.1.5

3.1.5 Biodiversity Conservation

• Inviting direct fornic and refing h on the supplier's ot con t
business operation through deforestation;

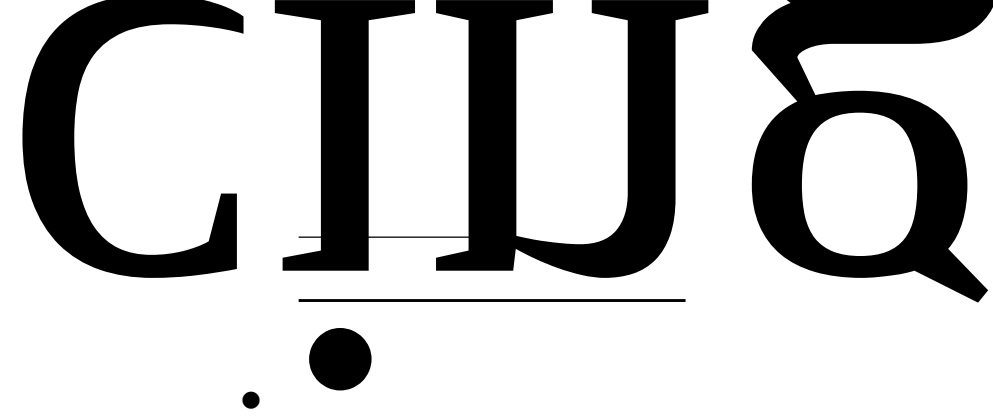
• Avoiding construction or production activities near globally and nationally important m"
biodiversity conservation areas;

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Inviting third-party professional organizations to assess the biodiversity status near
operational sites, including habitat conditions, species quantities, and conservation
status;

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Establishing Vnsigaons



Incorporating considerations for reducing energy consumption, water usage, and waste generation into

- Fully respecting the intellectual property rights of partners and using their intellectual property rights only with authorization.

3.2.2

3.2.2 Chemical Management

REACH

RoHS

CNGR takes the chemical safety management seriously. It strictly follows the Regulations on the Safety Management of Hazardous Chemicals, the EU Priority Control, the EU Restriction of Hazardous Substances, the EU Regulation on the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) and the Rotterdam Convention, as well as other conventions, laws and regulations. In response to high-risk chemicals, it has established the Regulations on Safety Management and the Regulations on Hazardous Substances Management, which clearly delineate management responsibilities across various stages, including the production, storage, use, operation, transportation, and disposal of dangerous chemicals. In this regard, CNGR is committed to:

- Strengthening the concept of chemical management within the company and conducting relevant training;

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- Implementing internal management such as working hours, welfare management, recruitment and dismissal in accordance with the requirements of relevant laws and regulations;

- Fully protecting the rights and interests of employees, caring about their safety and health through various measures, and promoting talent development through incentives, guidance and training;

- /
According to the laws and regulations of the operational site, respecting the rights of employees to freedom of association

committed to implementing relevant requirements;



Integrating health and safety into the formulation, planning and conduct of all business activities;



Setting the safety management objectives of the base to effectively reduce the safety accident rate;



Strictly following the relevant laws and regulations at its operation sites, and carrying out employment and annual physical examination for employees with reference to relevant industry standards and guidelines;



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solutions, ensuring that employees and their representatives can fully participate in consult on decision-making processes regarding employee rights, occupational health and safety, etc.

3.2.6

3.2.6

Requiring suppliers to timely update their internal management standards for environment-related substances that are no less strict than international standards, complete and further submit the annual monitoring results of restricted substances in raw materials and substances;

Informing the suppliers of the Company's principles of ethics, integrity, honesty and fairness, as well as other sustainability-related requirements and expectations of the Company;

OECD

CCCMC

Observing the United Nations Global Compact, the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected Minerals

G. 011

SMETA RBA

ESG

Continuously improving its own supplier ESG audit system based on international general standards for responsible supply chains such as SMETA and RBA;

Actively collaborating with industry organizations, non-governmental organizations, academic institutions, and other stakeholders to jointly identify, adopt, and promote best practices in sustainable raw material management, aiming

respect the human rights of all stakeholders. Any acts of violence, discrimination, harassment, or other human rights abuses by security personnel are strictly prohibited. The company will identify and mitigate human rights risks related to security services through due diligence, contractual obligations, mandatory training, and regular reviews. In the case of serious violations, the company reserves the right to suspend or terminate the partnership. Providers are encouraged to establish internal grievance mechanisms and ensure access to safe, non-retaliatory reporting channels.

3.2.7

3.2.7 Tailings Management

CNGR strictly adheres to the legal and regulatory requirements of the countries where its projects operate, as well as the Global Tailings Management Industry Standards for the design and management of tailings facilities. In this regard, CNGR is committed to:



Taking responsibility for the full-life-cycle management and risk assessment of its tailings facilities from design, construction and operation to closure, with social, environmental, local economic and technical factors as the basis for decision-making;



Formulating the design criteria and safety audit plans for tailings facilities to minimize risks throughout their life cycle (including closure and post-closure period), and identifying, evaluating and managing all significant economic, public health, safety, social and environmental risks associated with the Company's activities in consultation with its stakeholders and other affected parties;



Designating personnel with expertise and experience to be responsible for relevant monitoring and surveillance processes for tailings facilities, regularly check the stability of the facilities and systematically investigate and report anomalies;



Establishing an emergency response plan, damage repair plan, and closure plan in case of destruction of tailings facilities, and providing adequate funding;



Providing appropriate vocational and technical training to assess the competence of

3.2.8

3.2.8 Community Communication and Rural Revitalization

CNGR is attentive to the rights and welfare of local communities and residents, actively undertaking corporate social responsibility to give back to society. In this regard, CNGR is committed to:



FPIC

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Strictly abiding by the host country's policies and regulations on human rights and indigenous peoples, following the tenure governance guidelines of the Food and Agriculture Organization of the United Nations — Respecting Free, Prior and Informed Consent: Practical Guidance for Governments, Companies, NGOs, Indigenous Peoples and Local Communities in Relation to Land Acquisition (FPIC), ILO Convention No. 169 and the United Nations Declaration on the Rights of Indigenous Peoples, and acknowledging the individual and collective interests of indigenous peoples;



Designing development plans that benefit indigenous peoples by actively engaging in consultation and communication with indigenous communities, maintaining regular contact with affected indigenous communities during exploration, construction, operation, and mine closure phases, to achieve regional prosperity, enhance economic

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Collecting, using and retaining reasonably necessary personal data only for legitimate purposes of business needs, and trying to avoid gathering irrelevant data and information;



Sharing no confidential or personal information of employees, customers or suppliers of the Company to third parties directly or indirectly in compliance with laws and regulations;



Obtaining the consent of relevant parties in accordance with local laws when disposing of (including collecting, using, storing, sharing and destroying, etc.) data and information of employees, customers and suppliers, and clearly informing relevant parties of how to collect, use, store, share and destroy information, and how to access, update, control and protect information;



Implementing multi-layered security controls, including data encryption, access rights management, regular backups, and data lifecycle management, to prevent unauthorized access, tampering, or destruction. These measures reduce the risk of data breaches and operational errors, ensure proper management and protection of company, customer, and supplier information, and promote responsible use of systems and handling of information in accordance with relevant policies and procedures—covering both physical and electronic data;



Only authorized users are permitted to access or modify sensitive information, and all permissions must be granted or changed through a strict approval process;



Fulfilling the obligations for data retention and destruction, retaining the Company's information based on legal, compliant or business needs, and keeping the data and information only for the minimum period required to achieve the stated purpose, unless

it is necessary to extend the retention period or permitted by relevant laws; destroying the information, especially personal data, after the expiration of the retention period;

●

relevant

that stipulate unless
Clearly defining the responsibilities and code of conduct for all employees regarding information security. Regularly conduct information security training and assessments to enhance employees' awareness of data protection, and ensure that security responsibilities are integrated into all job roles and business processes; contracting,

evaluation

●

regulations or

Establishing an information security monitoring and response mechanism to identify potential threats such as cyberattacks, virus intrusions, and system vulnerabilities. Developing an emergency response plan for information security incidents to ensure rapid handling of such events. In the event of an information security emergency, follow established procedures to assess the impact, contain the damage, and promptly inform customers of the basic situation and effects incident,

CNGR upholds the core values of Practicality, Innovation, Progress, and Win-Win. It maintains a zero-tolerance policy towards any form of corruption, ensuring a sound business environment and safeguarding the Company's healthy and sustainable development. In this regard, CNGR is committed to:



Abiding by all applicable laws, regulations and international conventions at its operation sites, and establishing a system for integrity and compliance;



Standing against any form of commercial bribery and corruption, providing effective complaint and reporting channels, encouraging reporting violations, and protecting the information and rights and interests of the inforhfi

CNGR keenly recognizes the significance of diversity and independence of the Board of Directors for its sustainability. In this regard, CNGR is committed to:



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the financial or management performance of an individual, or relevant
 IS subject to annual assessment. The Company's remuneration policy
 aims to ensure that the remuneration of the Company's directors is
 linked to the Company's performance. The remuneration of the Company's
 directors is determined by the Remuneration Committee, based on the
 following factors: Equity, performance, and market practice. The
 Company's remuneration policy is compliant with relevant regulatory systems and guidelines
 for listed companies, and disclosed according to laws and regulations.
 Welfare benefits include allowances for transportation, communication,
 and health check-ups.

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Rules of Annual
 General Meeting
 Operational
 Policy

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AI

In the development and use of AI, strictly comply with the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and globally applicable data protection regulations. Collect only the minimum amount of data necessary to achieve specific, explicit and legitimate purpose a

use of AI, its capabilities, limitations, and the data sources upon which decisions are based. Provide explanations for AI-generated results or decisions that are understandable to stakeholders, ensuring traceability and explainability of the decision-making process.

- AI AI AI

Establish a clear accountability mechanism. Each AI application project will be assigned a clear owner and accountable party to oversee system performance, risks and compliance. If the AI system causes errors or causes damage, initiate an investigation procedure, clarify the chain of responsibility, and take remedial measures.

- AI “ ” AI

Strictly define the authorized scope and capability boundaries of AI systems to prevent them from operating in unauthorized areas or scenarios beyond their design capabilities. Establish guardrails through technical means and management processes to ensure AI operates only within predefined safety parameters and automatically triggers alarms or shutdown mechanisms upon detecting anomalous behavior.

- AI AI

Optimize algorithm efficiency to cut unnecessary energy consumption, and prioritize data centers and cloud service providers powered by renewable energy. Strive to measure and reduce carbon emissions and water resource consumption during the training and inference processes of AI models, and promote the development of green AI.

- AI AI

It is strictly prohibited to use or deploy AI systems for manipulation, exploitation of disadvantaged groups, social scoring or unauthorized biometric surveillance. Firmly oppose any attempts to deceive, exploit or violate human rights through AI technology.

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4 Organizational Leadership

2023	12	ESG	ESG	ESG	ESG	ESG	ESG
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In December 2023, CNGR upgraded its Strategy Committee of the Board of Directors to the Strategy and ESG Committee, with the Chairman serving as the director. The Strategy and ESG Committee is responsible for researching the Company's ESG governance and providing decision-making recommendations. It monitors the implementation progress of the Company's ESG strategy and objectives, reviews reports from working groups, and provides feedback. Additionally, the Committee reviews the Company's annual ESG report and other ESG-related disclosures to ensure the completeness and accuracy of these reports and disclosures. In the future, CNGR will regularly review and adjust its organizational structure and make continuous efforts to establish a sound sustainability management system that encompasses the Company and its subsidiaries.

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5 Policy Review and Revision

	ESG	2024	3	22		2024	12	26
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This policy was approved by the Board Strategy and ESG Committee on March 22, 2024. It was subsequently revised on December 26, 2024 and March 24, 2026. The latest revised version is currently in effect. Should any necessary amendments arise due to company needs or evolving ESG trends, such changes shall be submitted to the Board Strategy and ESG Committee for review. The policy shall also be presented to the Board Strategy and ESG Committee for approval at least once every three years.

