2023

CNGR Advanced Material Co., Ltd.

Environmental, Social, and, Governance (ESG) Report





CNGR Tongren Industrial Base

About This Report

This report is a non-financial report publicly disclosed by CNGR Advanced Material Co., Ltd. It aims to respond to the expectations of stakeholders and comprehensively demonstrate the concepts, management, actions, and achievements of CNGR Advanced Materials Co., Ltd. in environmental, social and governance (ESG) and sustainable development. For the convenience of expression and reading, "CNGR Advanced Material Co., Ltd." will be referred to as "CNGR", "the Company", or "we" in this report.

Report Scope

All information and data disclosed in this report are from CNGR Advanced Material Co., Ltd. and its subsidiaries that are actually operated and controlled by it, including:

Company Name	Registered Address
CNGR Advanced Material Co., Ltd.	Intersection of No. 2 and No. 1 Trunk Roads, Dalong Economic Development Zone, Yuping Dong Autonomous County, Tongren City, Guizhou Province
Hunan CNGR New Energy Science & Technology Co., Ltd.	No. 1 Tanjin Road, Changxing Village, Ningxiang Economic and Technological Development Zone, Changsha City, Hunan Province
Guizhou CNGR Xingyang Energy Storage Technology Co., Ltd.	Intelligent Service Center of Economic Development Zone, Xicheng Sub-district Office, Kaiyang County, Guiyang City, Guizhou Province
Guangxi CNGR New Energy Science & Technology Co., Ltd.	Room A107, Public Service Center, No. 1 Zhongma Street, China-Malaysia Qinzhou Industrial Park, Qinzhou Port Area of China (Guangxi) Pilot Free Trade Zone

Note: CNGR's overseas industrial bases include the Industrial Bases of Morowali (Indonesia), Weda Bay (Indonesia), South Kalimantan (Indonesia), North Morowali (Indonesia), South Korea, Morocco, and Finland. Among them, the Industrial Bases of Morowali and Weda Bay were not in stable operation during the reporting period. The Industrial Bases of South Kalimantan, North Morowali, South Korea, Morocco, and Finland have not been put into production yet, so information about them is not disclosed in this report.

If the scope of disclosure exceeds the above scope, it will be explained in the text. All data disclosed in this report are sourced from the Company's internal data collection and statistical system. In this report, unless otherwise specified, the currency unit is CNY (Chinese yuan).

Time Frame

The time frame of the reporting period is from January 1, 2023 to December 31, 2023. Contents beyond the above range will be explained in the text. This report is an annual report, and its time frame is consistent with the financial year.

Preparation Basis

This report has been prepared in line with the requirements of the GRI Standards issued by the Global Sustainability Standards Board (GSSB), with reference to the requirements of the United Nations' Sustainable Development Goals (UN SDGs), the Ten Principles of the United Nations Global Compact (UNGC), the Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies, the SASB Standards issued by the Sustainability Accounting Standards Board (SASB), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and other relevant guidelines on information disclosure.

This report has been independently verified by the Shanghai branch of TÜV SÜD Certification and Testing (China) Co., Ltd., in accordance with the "AA1000 Assurance Standard v3" ("AA1000AS v3"). The type and level of the assurance were " Type II, moderate level". The assurance statement is included at the end of the report.

This report is available in both Chinese and English on the Company's website (http://www.cngrgf.com.cn/shzr.html). In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail. Should there be any inconsistencies between this report and the Company's annual report, financial statements, or audit reports, the latter documents shall take precedence.

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Message from the Chairman



Mr. Deng Weiming, Chairman of CNGR

A prosperous new year has come. Saying goodbye to 2023, we usher in the promising year of 2024. On behalf of CNGR, I would like to extend the most sincere gratitude and highest respect to over 13,000 CNGR employees and their families around the world. I would like to express heartfelt thanks and best wishes to all customers and partners who have trusted and supported the development of CNGR, as well as the party committees and governments at all levels, financial institutions, investors, media friends, and friends from all walks of life who have long been concerned about and supported CNGR.

For CNGR, the year 2023 marks the beginning of its initiative to "maintain the original aspiration and embark on a new journey" and its strategic development plan of "technology diversification, globalization, digitalization of operations, and industry ecologization".

During the year, while global geopolitical and economic uncertainties intensified, the new energy industry underwent structural adjustments and faced mounting pressures. In the face of market uncertainties, we have decisively adjusted and upgraded our strategies and forged ahead with the development plan of "technology diversification, globalization, digitalization of operations, and industry ecologization" so as to achieve sustained and steady progress and grow new "wings" despite the pressure.

In 2023, we have promoted product diversification and industrial integration through technology innovation, striving to stand out in the fierce competition in the industry. From the establishment of nickel, cobalt, phosphorus, and sodium-series product lines and the smelting of raw ores to the production of battery-grade raw materials and the recycling and reuse of new energy materials and waste batteries, we have met diverse market demands and earned long-term trust from customers through continuous product innovation and industrial application.

In 2023, we entered the stage of "accelerated expansion" and greatly expanded our global circle of friends. In Indonesia, our four major raw material bases have made steady progress in "production + construction", and the total number of their staff has exceeded 3,000. In South Korea and Morocco, we have partnered with POSCO and AL MADA to build industrial parks for green and low-carbon new energy materials. In the battery recycling field, we have cooperated with Cronimet to build a global battery material recycling industry system.

Over the past year, we have kept optimizing CNGR's "digital engine" to improve the efficiency of research, production, and sales. As the wave of AI sweeps through various industries, "digitalization of operations" has become one of CNGR's core strategies. With ERP-based financial digitalization, SRM-based supply chain digitalization, production and operation control boards, and quality traceability throughout the whole process, we have witnessed remarkable increases in both the quality and speed of development.

In 2023, we vigorously promoted ESG practices to embark on the "fast track" of low-carbon green development. We have built the first "zero-carbon factory" in the precursor industry, implemented the first grid-connected PV power generation project, joined the UNGC, became a member of the Decision-making Committee of the Responsible Critical Mineral Initiative (RCI), and received numerous domestic and international honors. Social responsibility has been incorporated into the core development philosophy of CNGR.

The past is behind us, and the future ahead us is promising. In the new year, we will face new challenges and opportunities, so we can only maintain development through innovation. Guided by the strategic development plan of "technology diversification, globalization, digitalization of operations, and industry ecologization", we will strive to fulfill new objectives, embrace global opportunities, and serve customers and markets worldwide. We will start a new journey with the creed of "Materials to Perfection" in mind, remain steadfast, overcome all obstacles, and strive for excellence!

I believe that our efforts will yield fruitful results, and our perseverance will lead to greatness! I hope all CNGR people will work together to create value for customers, share responsibilities and benefits, and achieve a win-win situation. Let's embark on this new journey and scale new heights together!

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01

About Us

Honors in 2023

2023 ESG Highlights

This chapter is in response to:





CNGR Ningxiang Industrial Base







In 2023, the Company's operating revenue exceeded

34.273 billion CNY

It maintained rapid growth, and the total shipment of its core products (ternary precursors and tricobalt tetraoxide)

It has ranked first in the world for four consecutive years



About Us

Established in September 2014 and listed on the ChiNext Market of the Shenzhen Stock Exchange (stock abbreviation: CNGR; stock code: 300919) in December 2020, CNGR has been focusing on new energy battery materials. Its products include ternary precursors, tricobalt tetraoxide, ferric phosphate, binary and multivariate precursors, sodium battery precursors, and other advanced precursor materials. CNGR has evolved into a world-leading comprehensive service provider of new energy materials and has won numerous national honors, such as National Enterprise Technology Center, National Technological Innovation Demonstration Enterprise, National Postdoctoral Research Workstation, National Green Factory, National Intelligent Manufacturing Factory, and Industrial Green Design Demonstration Enterprise.

Achievements in 2023

CNGR has upgraded its core strategy to drive high-quality development

In 2023, facing big development opportunities, accelerated industrial adjustments, and intensified market competition in the new energy industry, CNGR leveraged its rich industry experience and, after careful consideration, upgraded its core strategy to "technology diversification, globalization, digitalization of operations, and industry ecologization", which was announced to the world in the listing hall of the Shenzhen Stock Exchange.

CNGR has realized the industrialization of sodium battery precursors and launched its first large-scale sodium battery precursor material production project

On March 1, 2023, CNGR's first phase of sodium battery precursor material production project, with an annual output of 8,000 tons, was officially put into operation at its Tongren Industrial Base. This marks that CNGR has shifted from pilot production to large-scale production for sodium battery precursor materials and achieved the mass production of nickel, cobalt, phosphorus, and sodium series products.

CNGR has worked with POSCO to build its first overseas integrated industrial base for ore refining and precursor production

In June 2023, CNGR and POSCO held a joint venture agreement (JVA) signing ceremony in Seoul, South Korea, aiming to cooperate on nickel refining and precursor production business.

CNGR has put the world's first OESBF production line for preparing high-nickel matte from low-nickel matte into operation, forming an integrated industrial chain

By the end of the second quarter of 2023, the world's first OESBF production line for preparing high-nickel matte from low-nickel matte continued to produce high-nickel matte in CNGR's Qinzhou Industrial Base, and officially entered the stage of process optimization and capacity ramp-up. This marks that CNGR has used the OESBF process in an innovative way to pioneer a new method for preparing high-nickel matte from low-nickel matte. After the production line is fully completed, it can achieve an annual output of 80,000 metric tons of high-nickel matte and ensure CNGR's independent supply of its core raw materials.

CNGR has worked with Al Mada to establish a new energy battery material industrial base in the pan-Atlantic region

In September 2023, CNGR and Al Mada, one of the largest private investment funds in Africa, signed a cooperation agreement in Casablanca, Morocco. The two sides will establish a joint venture in Morocco to jointly build an integrated industrial base for ternary precursor production, lithium iron phosphate production, and waste battery recycling, so as to meet the fast-growing demand for new energy automobiles in Europe and the United States.

CNGR has accelerated business development in the global recycling industry to build a green industrial chain

In December 2023, CNGR signed an agreement with Cronimet, a world-leading recycling company, in Karlsruhe, Germany. According to the agreement, the two companies will jointly invest in and build a lithium battery recycling and disassembly factory in Bitterfeld, Germany.

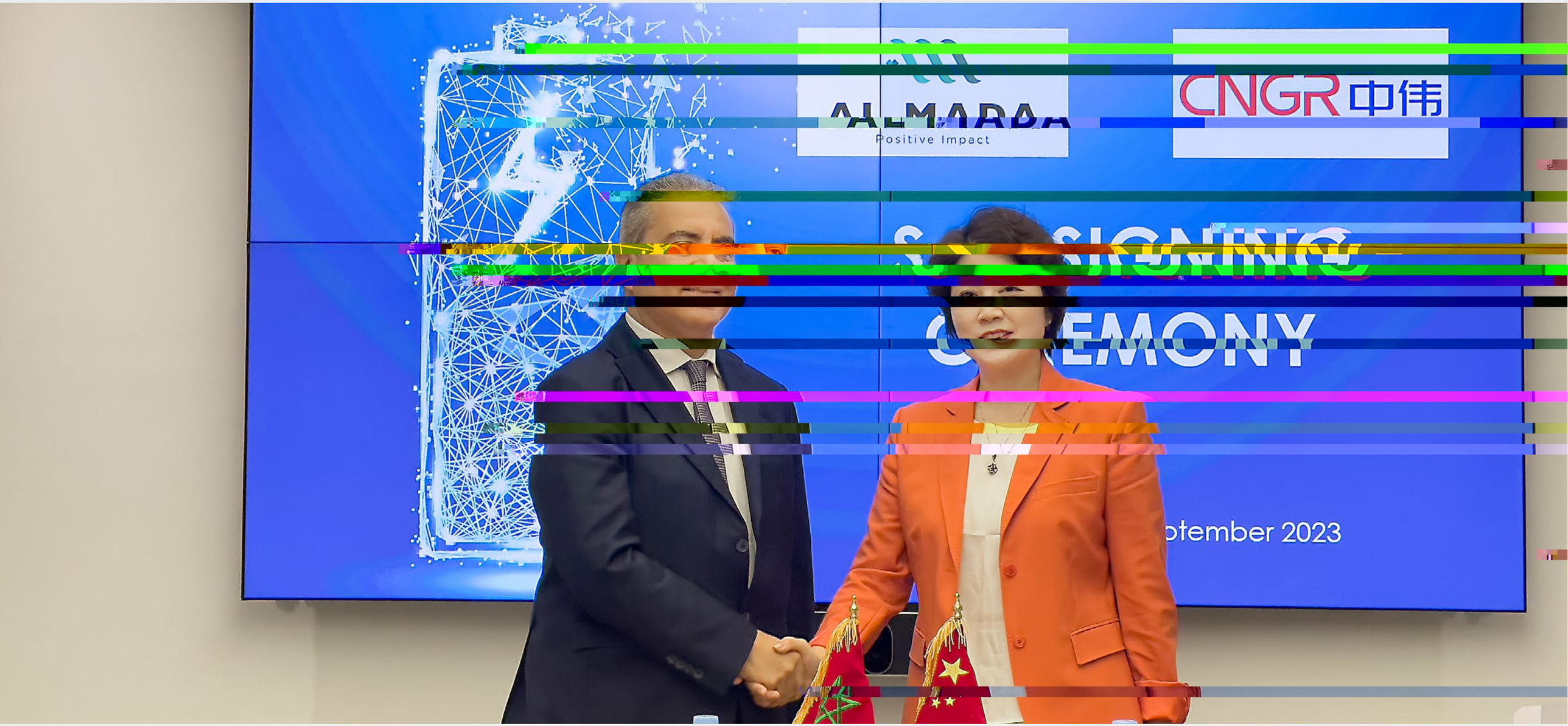
CNGR has further increased R&D investment to drive high-quality development through innovation

In January 2023, CNGR re-signed an agreement with Central South University to jointly strive for achieving zero carbon emissions in the laterite nickel ore oxygen-enriched side-blown process at CNGR's Indonesia industrial bases and build a laterite nickel ore smelting plant with zero carbon emissions. In August, CNGR was designated as one of the "Fourth Batch of Science and Technology Achievement Transformation Pilot Research Bases in Guangxi Zhuang Autonomous Region", becoming the only company in Qinzhou's "100 Billion CNY-Level New Energy Industry Cluster" to have this honor. In September, at the launch event of "Building Changsha into a Global R&D Center", CNGR signed agreements for 16 scientific and innovative projects, including the CNGR Global Science and Technology Innovation Center. The Company will strive to build a new science and technology innovation platform composed of the "CNGR Global R&D Headquarters", "CNGR Global Equipment R&D Center", and "CNGR Global Testing Center".



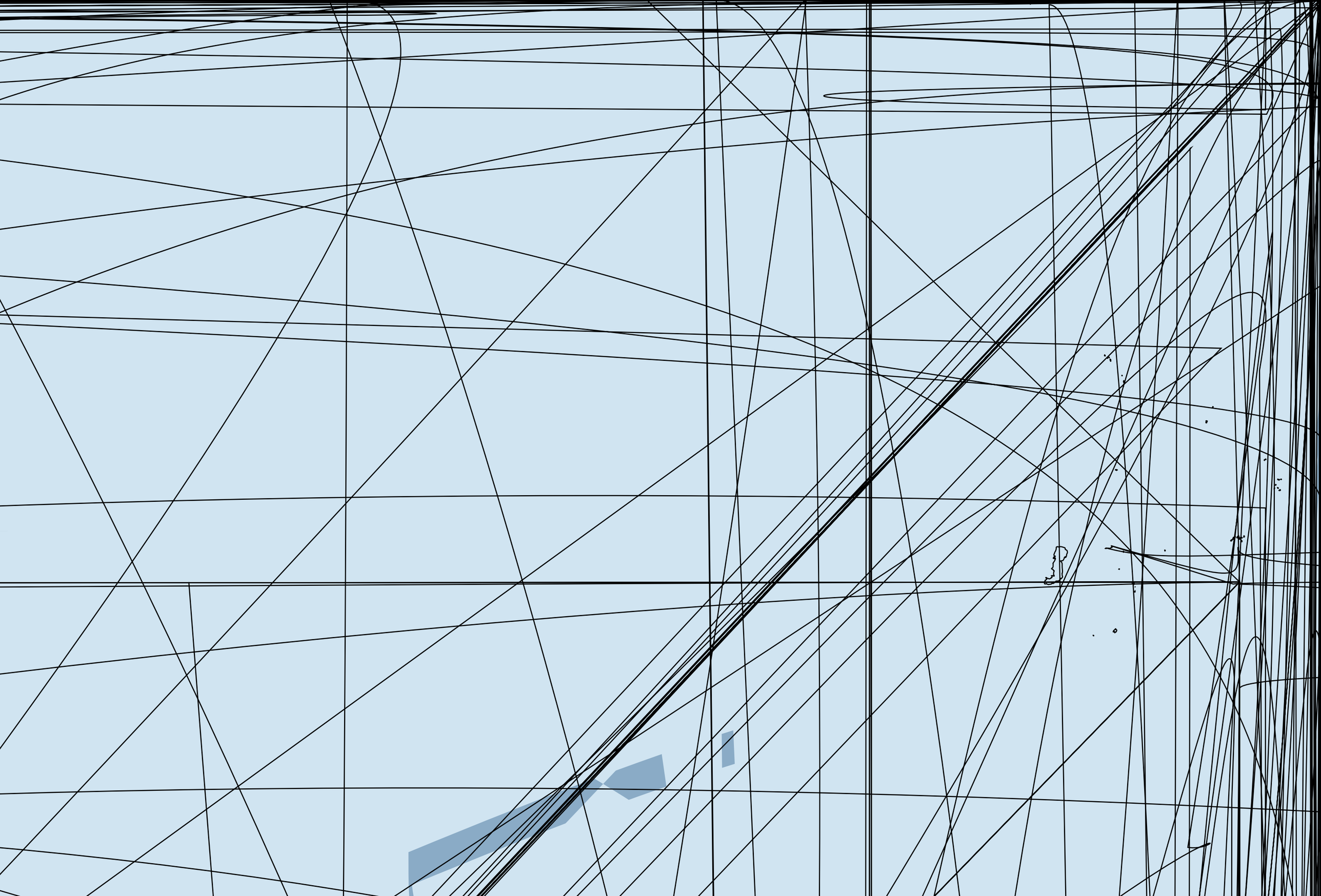
Chung Dae-hun Head of New Energy Materials Department, POSCO Future M | **Yu Byung-yu** Director (Vice President) of Green Advanced Materials Business Division, POSCO Holdings Inc. | **Lee Kyung-suk** Executive in Charge of the Secondary Battery Material Department, POSCO Holdings Inc. | **Deng Weiming** Chairman and President of CNGR | **Zhu Zongyuan** Vice President and CFO of CNGR

In June 2023, CNGR and POSCO Group of South Korea o f cially signed an agreement in Seoul, South Korea, to jointly build an integrated industrial base for nickel re f ning and precursor production



Hassan Ouriagli Chairman of Al Mada | **Wu Xiaoge** Assistant Chairman of CNGR

In September 2023, CNGR and AL MADA in Morocco signed a joint venture agreement in Casablanca, Morocco to build a new energy battery material industrial base in the pan-Atlantic region



Honors in 2023

2023 ESG Highlights

Mar. 2023	CNGR became a member of the Decision-making Committee of the Responsible Critical Mineral Initiative (RCI)	Sep. 2023	CNGR was finalisted for "ESG China Awards 2023"
May 2023	CNGR joined the UNGC, supporting the UN SDGs and adhering to the Ten Principles of the UNGC	Nov. 2023	CNGR received the "2023 GGLB Golden Ball Award for Pioneer of Zero-Carbon Transformation"
June 2023	CNGR won the "Green and Sustainable Development Contribution Award" at the 2023 International Green Zero-Carbon Festival	Dec. 2023	CNGR upgraded its Strategy Committee to the Strategy and ESG Committee

By the end of 2023, CNGR's ESG ratings by the three major global index services, namely S&P CSA, MSCI ESG, and FTSE ESG ratings, had significantly improved and rose above the industry average. In 2022, CNGR proactively filled out the CDP Climate Questionnaire, and by 2023, its CDP score had improved from C to B, surpassing the global average.

02

"Technology Diversi f cation, Globalization, Digitalization of Operations, Industry Ecologization"

Sustainable Development Strategy

Stakeholder Engagement

Analysis of Material Topics


CNGR Qinzhou Industrial Base

"Technology Diversi f cation, Globalization, Digitalization of Operations, Industry Ecologization"

In 2023, CNGR introduced a new corporate development strategy based on "Technology Diversification, Globalization, Digitalization of Operations, and Industry Ecologization", with the strategic goal of "becoming a world-leading advanced materials science company". We aim to build a new energy material ecosystem characterized by "resource-sharing, value co-creation, low carbon, eco-friendly, and sustainable development" and continuously contribute to the realization of a better life for mankind.

Mission	Materials to Perfection			
Vision	To become a world-leading company in advanced materials science			
Core Values	Practicality	Innovation	Progress	Win-win
Philosophy	Shoulder social responsibility	Be customer-centric	Be innovation-driven	

Interpretation of the Strategy

Technology Diversification

Adhering to the technology R&D as the f rst driving force to build an innovation system of "multi-materials + multi-technology", continuously exploring the "no man's land" of advanced materials and technologies, and traversing the industry cycle through continuous scienti f c and technological innovation.

Globalization

Based on the global nature of the new energy industry, CNGR is bound to become a global enterprise. It will build its core competitiveness with fulcrums of global integration capability, global manufacturing capability, and global service capability to serve global customers and build a better life for mankind.

Digitalization of Operations

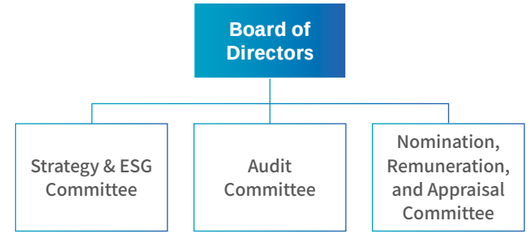
Digitalization is a revolution in CNGR's internal operation and management. By building a digital platform and improving digital capabilities, the Company will optimize whole-process operation management and enable accurate and scienti f c decision-making, e f cient coordination, and rapid model replication.

Industry Ecologization

CNGR will continuously upgrade its industrial model, cooperate closely with the upstream and downstream of the industry, and devote itself to industrial synergy, creating a multi-level, low-carbon circular, multi-win, and sustainable new energy industry ecology.

Management Structure

During the reporting period, in order to meet its strategic needs, enhance its core competitiveness, improve its ESG performance, optimize investment decision-making procedures, strengthen decision-making based on scientific principles, and enhance the e f ectiveness and quality of signi f cant investment decisions, CNGR o f cially established the Strategy and ESG Committee, a specialized institution responsible for the Company's long-term development strategies, ESG performance, and significant investment decisions, under the Board of Directors on December 23, 2023, and formed a new management structure.



Each committee shall be accountable to the Board of Directors and perform the following responsibilities in accordance with the *Articles of Association of CNGR Advanced Material Co.*, Ltd., their respective rules of procedure, and the authorization of the Board of Directors:

Strategy & ESG Committee

Conducts research on the Company's ESG governance and provides decision-making advice; checks the implementation progress of the Company's ESG strategies and goals; listens to reports by working groups and provides feedback; reviews the Company's annual ESG reports and other ESG-related disclosures to ensure their completeness and accuracy.

Audit Committee

Supervises and evaluates the work of external audit institutions; oversees and assesses internal audit work; reviews the Company's f nancial reports and provides opinions; supervises and evaluates the Company's internal control; coordinates communication between the management, internal audit departments, other relevant departments, and external audit institutions; addresses matters authorized by the Board of Directors and other related issues involved in laws, regulations, and stock exchange rules.

Nomination, Remuneration, and Appraisal Committee

Establishes selection criteria and procedures for directors and senior management personnel, selects candidates of directors and senior management personnel, and reviews their quali f cations; nominates, appoints, or dismisses directors and appoints or dismisses senior management personnel; develops appraisal criteria for directors and senior management personnel and designs and reviews compensation policies for them. Submits proposals to the Board of Directors, including those related to the formulation and revision of equity incentive plans and employee stock ownership plans, conditions for bene f ciaries to receive bene f ts and exercise rights, and stock ownership plans for directors and senior management personnel at subsidiaries planned to be spun o f.

All committee members should be directors, and the members of the Audit Committee and the Nomination, Remuneration, and Appraisal Committee should all be independent directors.

The committee members under the second Board of Directors are as follows:

1. **Strategy and ESG Committee:** Mr. Deng Weiming (Committee Chair), Mr. Tao Wu, and Mr. Jiang Liangxing;
2. **Audit Committee:** Mr. Cao Yue (Committee Chair), Mr. Li Wei, and Mr. Jiang Liangxing;
3. **Nomination, Remuneration, and Appraisal Committee:** Mr. Li Wei (Committee Chair), Mr. Cao Yue, and Mr. Jiang Liangxing.

Item 11 in the *Announcement on Resolutions of the Second Meeting of the Second Board of Directors of CNGR* issued in 2023, the "Proposal to Confirm the Compensation for Directors in 2022 and to Formulate the Compensation Plan for 2023", clearly states that the average allowance standard for independent directors on the second Board of Directors shall be 90,000 CNY/year (tax-inclusive); non-independent directors who serve on the second Board of Directors and hold specific management positions in the Company shall receive basic salary and performance-related pay according to the labor contract signed with the Company and the provisions of the Company's compensation management measures for directors, supervisors, and senior management personnel, without receiving allowances. Non-independent directors who serve on the second Board of Directors but do not hold other positions in the Company shall not receive allowances.

Statistics on Meetings of Shareholders, the Board of Directors, and the Board of Supervisors in 2023

	Shareholders' Meeting	Board Meeting	Supervisors' Meeting
Number of meetings held	6	15	11
Number of resolutions passed	27	82	35
Actual attendance rate	-	100%	100%

Position	Name of Director	Gender	Term of Office	Academic Background	Engaged in	Fixed Salary (CNY)	Variable Pay (CNY)	Pension (CNY)	Clawback (CNY)	Retirement Benefits (CNY)	Regular Fringe Benefits (CNY)	Total (CNY)	Note
Chairman	Deng Weiming	Male	2023.03.30-2026.03.30	Bachelor's degree	Business operation (in charge of overall work and the work of CNGR Research Institute)	1,500,100	960,000	13,839	0	0	71,744	2,545,684	
Non-independent director	Deng Jing	Male	2023.03.30-2026.03.30	Bachelor's degree	Business operation	300,000	-	-	-	-	-	300,000	
Non-independent director	Tao Wu	Male	2023.03.30-2026.03.30	Master's degree	Business operation (in charge of operation and work related to sustainable development)	880,960	960,000	13,839	0	0	398,384	2,253,184	
Non-independent director	Liao Hengxing	Male	2023.03.30-2026.03.30	Junior college degree	Business operation	746,724	660,000	13,839	0	0	483,711	1,904,274	
Non-independent director	Li Weihua	Male	2023.03.30-2026.03.30	Bachelor's degree	Technology R&D	761,816	960,000	13,839	0	0	68,018	1,803,674	
Non-independent director	Liu Xingguo	Male	2023.03.30-2026.03.30	Bachelor's degree	Business operation (in charge of work related to safety and environmental protection)	697,574	660,000	15,501	0	0	75,508	1,448,583	
Independent director	Cao Yue	Male	2023.03.30-2026.03.30	Doctor's degree	Financial accounting	84,999	0	0	0	0	0	84,999	
Independent director	Li Wei	Male	2023.03.30-2026.03.30	Doctor's degree	Mathematical economics	84,999	0	0	0	0	0	84,999	
Independent director	Liu Fangyang	Male	2023.03.30-2024.01.09	Doctor's degree	New energy materials	84,999	0	0	0	0	0	84,999	
Independent director	Jiang Liangxing	Male	2024.01.09-2026.03.30	Doctor's degree	New energy materials	-	-	-	-	-	-	-	Appointed in January 2024, not within the scope of disclosure



CNGR Qinzhou Industrial Base

Sustainable Development Strategy

With the long-term vision of becoming "a world-leading company in advanced materials science", CNGR has taken the operational philosophies of "harmonious ecology, excellence and win-win, practicality and self-discipline" as the basis of its sustainable development strategy. It has set 7 key areas of sustainable development, namely "clean energy, ecological footprint reduction, biodiversity conservation, health protection, high-quality products, community and partner relationships, and corporate and systemic governance", and deployed 10 related actions, so as to build its sustainable development map.

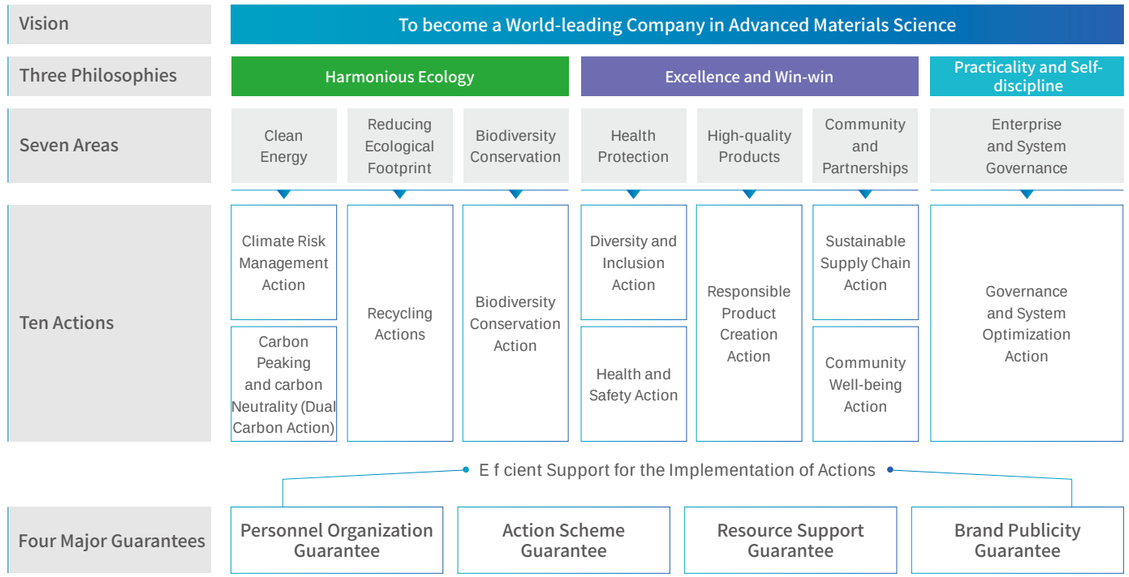
The Three Operational Philosophies

"Harmonious Ecology": By accelerating the low-carbon transformation and practicing the environment-friendly production model, we will drive the value chain to achieve green and low-carbon operations, reduce the ecological footprint, protect biodiversity, and help society achieve the goals of peak carbon dioxide emissions and carbon neutrality.

"Excellence and Win-win": By focusing on the needs of all parties and serving the rights and welfare of the value chain, we work with internal employees and partners across upstream and downstream segments of the industry chain to create value and achieve the coordinated development of all parties in the value chain.

"Practicality and Self-discipline": By building a sound industrial ecology, we improve corporate governance and system construction, achieve integrity, transparency, and e f ciency in corporate management, and create a trustworthy and upright corporate image.

Based on these three operational philosophies, we have set 7 key areas and prepared 10 action plans to establish and improve our sustainable development system.

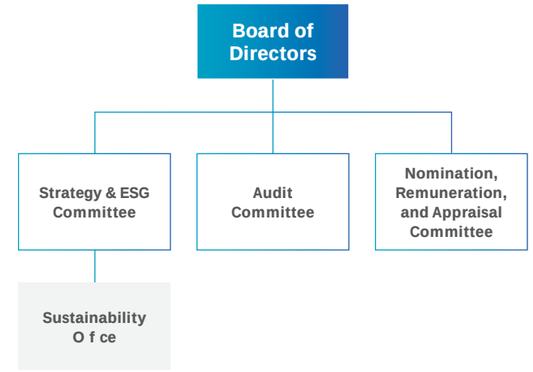


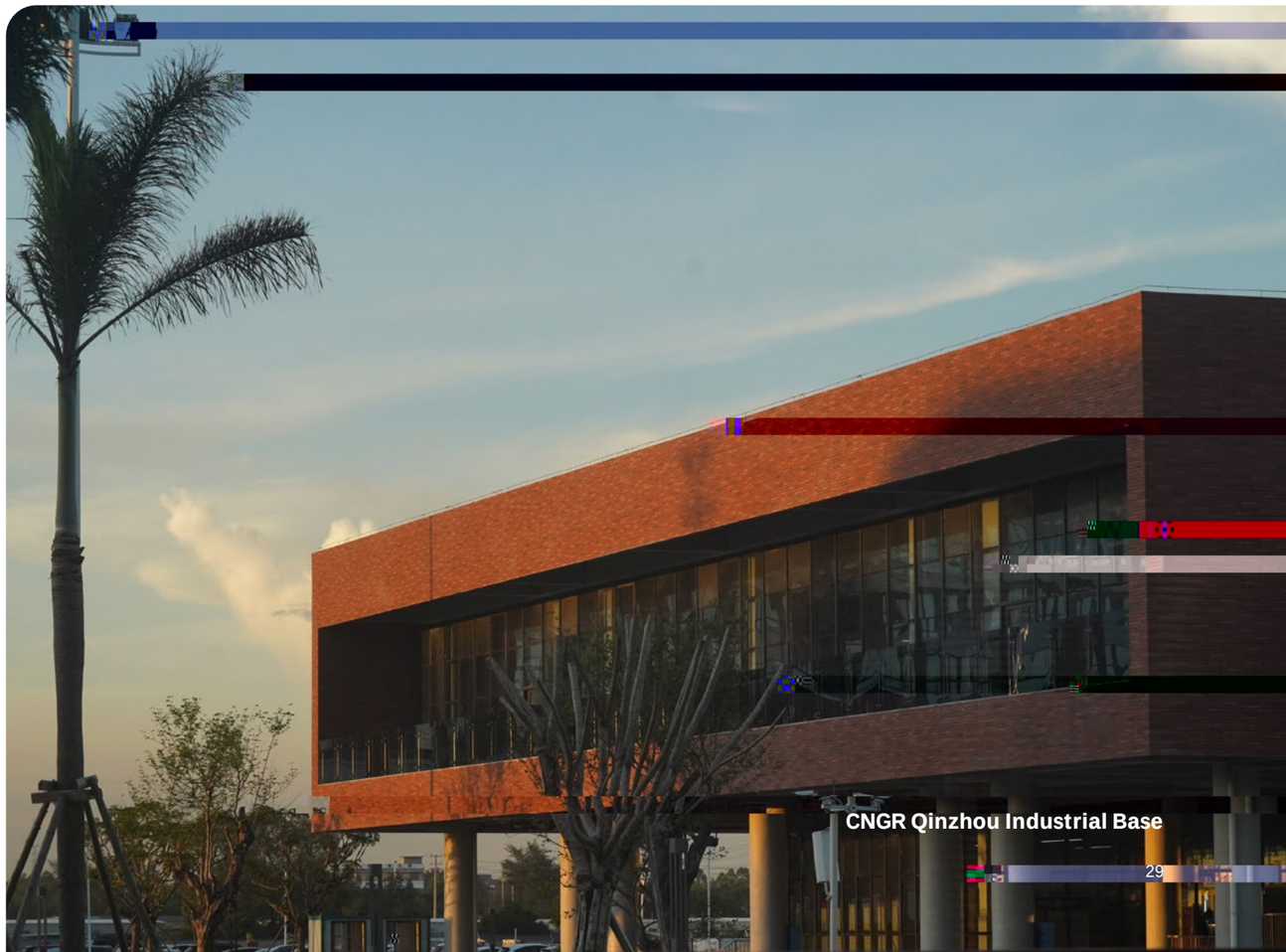
Sustainable Development Strategy Map of CNGR

Sustainability Governance

The Sustainability O f ce has been set up under the Strategy and ESG Committee to oversee CNGR's sustainable development strategy planning and implementation, as well as information disclosure; the establishment and improvement of a sustainable supply chain management system; the achievement of carbon targets of the supply chain; the implementation of special projects for sustainable development.

In addition, in order to better coordinate work related to safety and environmental protection and meet regulatory requirements and international development needs, CNGR upgraded its organizational structure in 2023, reforming the Environment, Health, and Safety (EHS) department of the Sustainability O f ce into the Safety and Environmental Protection Center, which is no longer part of the Sustainability O f ce.





CNGR Qinzhou Industrial Base

Key Indicators of CNGR's Sustainable Development Performance in 2023

Economic

34.273 billion CNY
Total output

2.099 billion CNY
Net profit

Environmental

1.96 tCO_2e/t product
Scope 1 and Scope 2 greenhouse gases (GHGs) emission intensity

59.54%
Proportion of clean energy power*

2
Industrial bases with the ISO 50001 Energy Management System certification

60.55%
Water recycling rate

Social

53.2696 million CNY
Investment in work safety

0.53
Lost-time injury rate (per 200,000 hours)

94.71
Customer satisfaction score

29.00 hours
Average duration of employee training
(including training on safety, human resources, knowledge, and skills)

83.89%
Employee satisfaction

373
Cumulative number of patent applications in China

Governance

100%
Coverage rate of business ethics and anti-corruption training for employees

1
Industrial base with the ISO 37301:2021 Compliance Management System certification

1
Industrial base with the ISO 27001 Information Security Management System certification

*Including photovoltaic, wind, hydro, geothermal, biomass, and nuclear power; the scope only covers domestic industrial bases



Stakeholder Engagement

During the reporting period, with reference to the Global Reporting Initiative (GRI) Standards 2021, we identified and determined stakeholders from four dimensions: corporate responsibility (legal responsibility, economic responsibility, etc.), influence (the degree of influence between the Company and other groups or organizations), relevance (the relevance of the Company to other organizations), and corporate strategy. By establishing normalized multi-channel communication mechanisms, we have maintained regular communication with stakeholders to understand their concerns and expectations about CNGR's ESG governance, strategies, actions, and achievement of objectives. We have demonstrated to stakeholders how the Company identifies, assesses, prevents, and mitigates potential negative impacts of material issues.

Stakeholder	Communication Channels	Areas of Concern	Our Responses
Employees	Employee training Performance assessment Complaints and feedback Labor union activities Employee satisfaction surveys Intranet	Legal employment Protection of employees' rights and interests Training and development Occupational health and safety	Employee participation Occupational health and safety
Shareholders and investors	Shareholders' Meeting Disclosure of information Investor communication platform Teleconferences	Economic performance Risk management Compliance management Management structure Information transparency	Corporate governance Risk and compliance management Tax policy
Customers	Satisfaction surveys Daily communication (via telephone, e-mail, and meeting) Technical seminars Regular audit, etc.	Product quality and safety Customer services Sustainable supply chain	Responsible products Sustainable supply chain
Suppliers, contractors, and other partners	Supplier evaluation Supplier capacity building Daily communication (via telephone, e-mail, and meeting)	Responsible procurement Supplier management Compliance management	Sustainable supply chain Risk and compliance management
Governments, regulators, stock exchanges, and rating agencies	Disclosure of information Institution inspection Policy implementation Government meetings E-mail communication	Economic performance Compliance management Tax policy Information transparency Addressing climate change Rural revitalization	About CNGR Corporate governance Risk and compliance management Tax policy
Non-governmental organizations	Disclosure of information Company announcements E-mail communication	Water resource management Addressing climate change Environmental compliance Chemical safety Responsible procurement	Climate and environment Water Stress Responsible products Sustainable supply chain
Industry associations and companies in the same industry	Industry training Seminars Exhibitions Irregular visits	Economic performance Intellectual property protection Scientific and technological innovation	About CNGR R&D and innovation
Surrounding communities and public media	Complaints and feedback Disclosure of information Company announcements E-mail communication Public welfare activities	Community relations Biodiversity conservation Environmental compliance Rural revitalization	Community relations Employee participation

Clean Energy

Reducing Ecological Footprint

Biodiversity Conservation

This chapter is in response to:



CNGR Ningxiang Industrial Base

Clean Energy

Climate Risk Management Action

Climate change will have a significant impact on stakeholders. CNGR actively assesses the risks and opportunities posed by climate change to enterprises, devotes itself to climate risk transfer business, implements organizational structure, formulates response strategies and action plans, and sets the following action objectives:

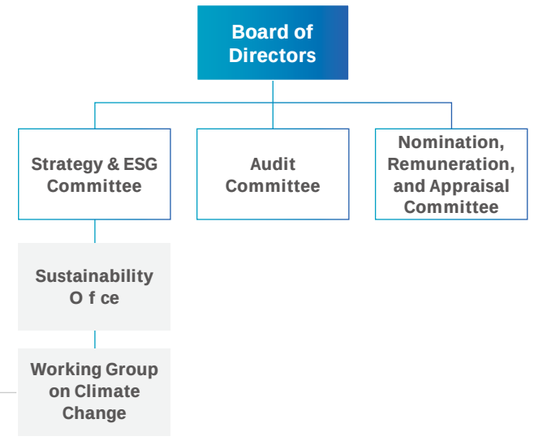
2022	Assessing and identifying climate change risks of CNGR. Establishing a climate change governance structure with reference to disclosed climate risks as per the Task Force on Climate-related Financial Disclosures (TCFD) framework. Setting CNGR carbon targets. Launching CDP climate change questionnaires.	Completed For details, please refer to the *CNGR 2022 ESG Report*
2023	Optimizing the analysis of climate risks and opportunities with reference to the TCFD framework. Optimizing the climate change governance framework.	Completed
2024	Forming a climate change risk prevention and control process. Conducting climate risk scenario analysis. Introducing the International Sustainability Standards Board (ISSB) standard system.	
2025	Establishing a climate risk financial assessment and analysis model. Identifying and assessing climate risks and opportunities in the whole industry chain.	
2030	Becoming a leader in climate risk disclosure.	

Governance

Referring to the TCFD framework, we have improved the climate change management system formulated in 2022. The Sustainability Office has a climate change working group (assisted by cross-departmental personnel):

The group is responsible for implementing the Company's carbon targets, including but not limited to:

Organizing carbon emission verification; organizing product carbon footprint accounting;
Implementing green power targets; supporting supply chain carbon emission reduction;
Participating in the construction of relevant industrial, national, and international green standards.



Strategy

In identifying climate-related risks and opportunities, we have identified the financial impacts of climate changes with reference to factors including but not limited to: national carbon reduction targets in China and other major markets, the impact of regulations and policies on the industry, as well as industrial and technological development, etc., as follows:

Type of Risk	Climate-related Risk	Description	Potential Financial Impact
Transformation risk	Policies and regulations	Introduction of policies related to energy conservation and emission reduction (e.g., higher pricing of carbon emission quotas and incentives for energy-saving and emission-reducing products and services) Changes in product supervision requirements and standards Litigation risks related to climate change Carbon tariffs	The supply chain is affected by regional policies and regulations, such as the EU regulations of batteries and carbon tariffs, resulting in higher material prices and costs; Stricter and more transparent disclosure requirements of regulatory and investment institutions on carbon emissions, emission reduction targets and measures, and performance of enterprises, resulting in increased operating costs and financing costs; Stricter product energy efficiency, emission standards, and regulatory requirements, resulting in increased compliance costs and higher risks of project cancellations and penalties; Additional fees enterprises have to pay due to climate change-related litigation;
	Technology	Replacing traditional products with low-carbon products Low-carbon technology	Increased costs due to the use of production processes and materials with low carbon emissions; Increased costs due to the use of renewable energy, low-emission technologies, and digital equipment;
	Market	Consumers' preference for green products and services Uncertain market signal Rising costs of raw materials and energy	Reduced demand for traditional goods and services due to changes in consumer preference; Reduced profit margins due to changes in product supply and demand and aggravated industry competition; Increased product costs due to rising prices of raw materials and energy;
	Reputation	Stakeholders' concerns about negative news	Negative impression of investors and other stakeholders on enterprises, affecting market value and financing; Decline in customer demand for products and services;
Physical risk	Severe natural factors	Frequent extreme weather events	Reduced output or production interruptions (e.g. shutdown, transportation difficulties, supply chain disruptions, etc.); Potential work-related injury risks;
	Long-term natural factors	Average temperature rise Sea level rise	Operating cost rise; Higher infrastructure costs; Loss of existing fixed assets; Premium increases or items no longer covered.

Climate Risk Management

In 2023, CNGR continued its risk management measures formulated for 2022. The Sustainability Office Sustainability Office regularly carried out climate risk identification and assessment, assigned risk owners, reported results of risk identification and assessment to the Strategy & ESG Committee, and ensured that the Strategy & ESG Committee would pay sufficient attention to risks and invest in appropriate resources; The Strategy & ESG Committee established a risk management system based on the results of risk identification, a system that has won the Board of Directors' recognition and approval.

Targets

In response to China's strategies for reaching the dual carbon goals, Paris Agreement, Science Based Targets initiative (SBTi), etc., CNGR set its carbon targets with 2020 as the base year. The details are as follows:

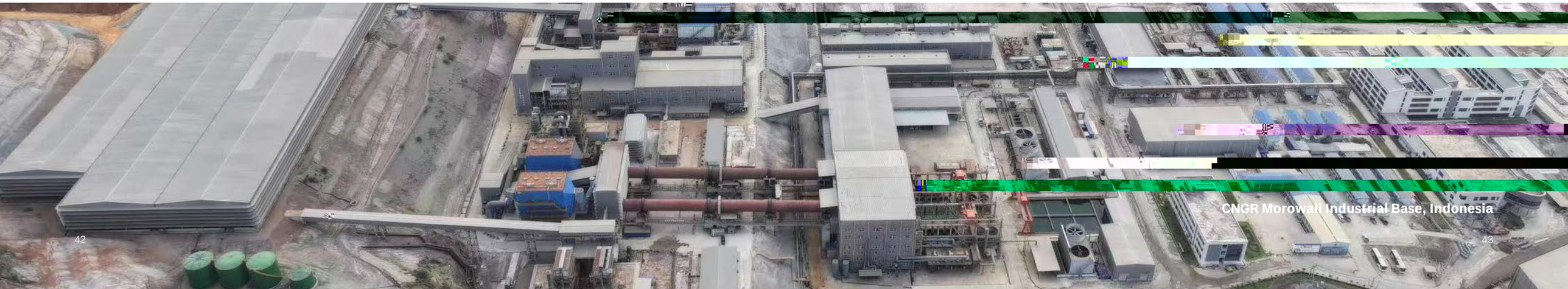
Carbon Targets of CNGR

Year of Achievement	Details	Achievement
2025	Proportion of 100% clean energy power*, including 20% in 2022, 50% in 2023, and 75% in 2024	In 2022, the actual proportion of clean energy power was 22.83% In 2023, the actual proportion of clean energy power was 59.54%
2030	The proportion of clean energy power should be 80%	
2030	Carbon emissions per ton of products should be reduced by 50% compared with the base year	In 2023, carbon emissions per ton of products were reduced by 40.25% compared with the base year
2040	Achieving carbon neutrality in operation	
2050	Achieving carbon neutrality in the supply chain	

*Including photovoltaic, wind power, hydropower, geothermal energy, biomass energy, and nuclear power generation; the scope only covers domestic industrial bases.

Climate-related Opportunities and Potential Financial Impacts

Type	Climate-related Opportunity	Potential Financial Impact
Resource efficiency	Recovery and reuse of water resources and heat energy	Reduced operating costs;
Energy source	Use of low-carbon or renewable energy Improving energy efficiency	Reducing risk exposure to future increases in fossil energy prices; Rising demand driven by energy-friendly products;
Product and service	Developing low-carbon products and services	Increased enterprise revenues driven by the supply chain's higher demand for low-carbon products and services;
Market	Green financing	Expanded financing scale and reduced financing costs.



CNGR Morowali Industrial Base, Indonesia

Energy Management

In 2023, Qinzhou and Ningxiang Industrial Bases have continuously promoted the construction of DPV, further expanding the use of green energy by CNGR and reducing GHG emissions. As of the end of this reporting period, the total installed capacity of distributed photovoltaic power in Qinzhou Industrial Base reached 17.5MW. Since it was connected to the grid and put into use in September 2023, the cumulative power generation has reached 4.74 million kWh. In 2024, Qinzhou Industrial Base's total installed capacity of distributed photovoltaic power is expected to reach 36.95MW, and the annual total power generation will reach 44 million kWh. In addition, Ningxiang Industrial Base has started distributed photovoltaic construction with a planned total installed capacity of 6MW. It is expected to be connected to the grid and put into use in early 2024, with an annual power generation of 8 million p aʔ r f ľ 202Ş p ᵀ ɾ ᵀeoא t ē o ῡ K u ! u r i אbu | 202uctr annu] ş א φ γ ɔ / ɔ ή 8ha] o! aȢ n ^ ŕώ 205 ± lliś I я dC w q



CNGR Qinzhou Industrial Base

Reducing Ecological Footprint

Recycling Actions

CNGR gradually carries out resource recycling management from the three major modules of product design, production, scrap, and battery recovery to realize a closed loop of materials, striving to become a benchmark enterprise for sustainable development in the industry.

2022	Launching the construction of an environmental management system Strengthening the construction of resource recycling projects	Completed
2023	Improving the environmental management system Setting targets for water use e f ciency Starting the construction of a certi f cation system for recycled materials	Completed
2024	Initiating product water footprint check Strengthening the construction of waste and battery recycling systems	
2025	The recycling rate of water resources in domestic industrial bases is expected to reach 70% or above Setting targets for the use of recycled materials	
2030	Establishing a sustainable benchmark as the industry's leading enterprise	

Use of Renewable Resources

In the whitelists of "recycling" and "cascade utilization" of waste power storage batteries released by the Ministry of Industry and Information Technology, CNGR actively implements the national strategic policy of vigorously developing a circular economy. In 2023, the battery recycling production line of Guizhou Industrial Base was continuously improved and expanded. The projects of ternary batteries, lithium iron phosphate batteries, lithium recovery from black mass, and battery-grade lithium carbonate were completed and put into operation. An integrated facility combining battery recycling pre-treatment and battery metal regeneration was completed. Through continuous adjustment, the battery metal yield and processing cost are continuously optimized to give full play to social and economic values. In addition, CNGR launched the construction of ISO 14021 and UL 2809 recycled material certi f cation systems in 2023.

In 2023, CNGR's amount of batteries recycled was 183,000 kWh. The recycling channels include battery factories, OEMs, and their after-sales dealers, bus groups, dismantling plants, leasing operation platforms, etc. More than 100 recycling service stations were jointly built and shared, covering key cities in China where new energy vehicles are sold. The main cooperative application f elds of cascade utilization are low-speed power, small-scale energy storage, street lamps, electric tools, etc. CNGR's self-owned cascade utilization products include battery-swapping two-wheelers, street lamps, portable energy storage, etc. in factories and parks.

Water Stress

We strictly abide by the requirements of the Environmental Protection Law of the People's Republic of China, the Environmental Impact

CNGR's Solid Waste Discharge Data

CNGR attaches great importance to waste discharge management. The Safety and Environmental Protection Center is responsible for waste discharge management, the EHS Department is in charge of environmental management strategy and performance assessments. The center and the department finally report to the Work Safety Committee at the level of the Board of Directors. The Chairman, as the highest responsible person of the Committee, is responsible for overseeing the final management strategy and the work of performance assessment and supervision.

CNGR pays close attention to the harmful and non-harmful waste generated during business operations and their disposal processes. It strictly manages and disposes of waste in accordance with relevant laws and regulations and the Company's Prevention and Control Management System of Waste Gas Pollution. It monitors and manages the production of waste gases to ensure compliance with emissions standards and minimize environmental impact. Meanwhile, the Company has formulated a Plan to Reduce Toxic Emissions and Waste in Core Business Operations. It has also optimized gas treatment solutions for various domestic industrial bases through projects such as "new dust removal" and "recycling of ammonia gas". These efforts are aimed at reducing the generation of hazardous waste. Starting from the end of 2023, the Qinzhou Industrial Base has implemented a desulfurization technology upgrade for the impoverishment furnace, successfully reducing the SO_2 emission concentration from 400mg/m^3 to 100mg/m^3.

04

Health Protection

High-quality Products

Community and Partnerships

This chapter is in response to:





Health Protection

Diversity and Inclusion Action

CNGR is committed to fully leveraging its capabilities to establish a comprehensive system covering human rights declaration, human rights protection policies, human rights training, and employee diversity programs and enhance the company's social impact and value.

2022	Develop and publicly disclose the *CNGR Human Rights Policy*	Completed. See the *CNGR 2022 ESG Report*
2023	Establish a sound reporting and oversight mechanism to protect whistle-blowers	Completed
2024	Conduct human rights protection training Expand employee communication channels and establish a process for receiving employee opinions and feedback	
2025	Initiate human rights risk assessment Develop a plan to enhance rights protection	
2030	Become a leading advocate for diversity within the industry	

Legal Employment

CNGR is committed to ensuring all its operations are free from modern slavery practices, refraining from the use of any form of forced or compulsory labor, prohibiting child labor, and zero tolerance for any discrimination, harassment, or infringement. The company respects employee freedoms, safeguards the legitimate rights of employees, and strives to create a diverse and equal environment.

Opposing Forced Labor:

Opposing Forced Labor: We have established the Management Procedures for Preventing Forced Labor, which prohibits the use of any servitude or forced labor, ensuring that employees engage in work or labor voluntarily.

Prohibiting Child Labor:

We have established the Remedial Procedures for Child Labor and Underage Workers, strictly adhering to the State Council's Regulations on Prohibition of Child Labor and other relevant laws and regulations. We are committed to carefully verifying the age of job applicants to prevent the use of child labor and taking remedial measures once we spot the use of child labor. Additionally, we are committed to supervising the labor practices of suppliers and subcontractors to avoid purchasing or receiving services from suppliers or subcontractors employing child labor.

Upholding Freedom of Association and Collective Bargaining Rights:

To strengthen social responsibility, show respect for employee freedoms, and safeguard the legitimate rights of employees, we have established the Management Procedures for Freedom of Association and Collective Bargaining Rights. All employees of the company have the legal right to freely establish and participate in labor unions and engage in collective bargaining. We have set up labor unions in various industrial bases and regularly organize exchange activities such as the congress of staf to ensure that employee representatives have the right to express views on matters related to social responsibility. We have also established and maintained a regular dialogue system to communicate with employee representatives, addressing matters of concern to employees.

Anti-Discrimination and Anti-Harassment:

We have developed the Anti-discrimination Management Procedure and the Anti-harassment and Abuse Management Procedure. We strictly comply with the Labor Law of the People's Republic of China, the Regulations on Economic Layoffs for Enterprises, and the Law of the People's Republic of China on the Protection of Rights and Interests of Women. We are committed to ensuring that all employees are not discriminated against at any level of the organization during the hiring process and throughout their employment. We respect each employee, protect their legal rights, and strive to maintain a work environment free from harassment and abuse.

Diversity and Equality:

We respect employees' fundamental rights, respect differences, embrace diversity, and firmly oppose discrimination against any employees on the grounds of race, religion, age, nationality, sexual orientation, gender, marital status, pregnancy, political affiliation, or disability. We are committed to eradicating discrimination in recruitment and employment, promoting local employment, adhering to the employment principles of equal pay for equal work and gender equality, safeguarding the minimum wage of employees, and protecting the legitimate rights of female workers. We are determined to ensure that all employees have access to fair job opportunities and advocate for a diverse and international workforce composition.

Legal Employment Data of CNGR

Indicator	Unit	2021	2022	2023
Signing rate of labor contracts	%	100	100	**100**
Illegal employment	Case(s)	-	0	**0**
Human rights violation proceedings	Case(s)	-	0	**0**

Note: See the ESG Key Performance table in the Appendix for staf composition.

Safeguarding Employee Rights and Interests

CNGR is committed to facilitating employee development. It helps employees to improve their skills by increasing investment in talent training. It strives to create a positive work atmosphere and a comfortable o f ce environment, showing care for employees. By improving the welfare system, it aims to enhance employee happiness. Additionally, the company aims to increase salary competitiveness to attract and motivate outstanding talents.

Employee Development

CNGR is committed to strengthening the construction of talent echelons, providing employees with abundant career development opportunities and clear promotion channels. We have established three career development paths: management career path, professional career path, and technical career path. With the continuous improvement of the talent evaluation mechanism and promotion system, we aim to promote talent recognition, appointment, and development. Additionally, we actively tap into employees' potential, support personalized employee development, and formulate targeted employee development plans. Through training, job rotations, concentrated cultivation, and various other methods, we promote the enhancement of employees' capabilities to meet their career development needs.

CNGR conducts performance assessments openly, fairly, and regularly each year and integrates the assessments into the job promotion process to effectively identify outstanding talents and provide precise incentives. The assessments are conducted on a monthly, quarterly, semi-annual, and annual basis based on functional attributes and application phases, taking account of employees' work performance during the assessment period and key criteria to determine performance levels. Monthly and quarterly performance assessments are typically based on individual work objectives and completion status, while semi-annual and annual performance assessments employ methods such as job reporting, comprehensive evaluations, and talent reviews.

Employee Development Data of CNGR

Indicator	Unit	2021	2022	2023
Number of employees promoted	Person(s)	543	1,562	**1,780**
Number of vacant positions f lled by internal candidates (internal recruitment)	Position(s)	-	1,536	**3,455**
Percentage of employees receiving regular performance and career development assessments	%	100	100	**100**

CNGR is committed to providing employees with diverse learning and development opportunities. The company has established and implemented various related systems and management methods such as the Training Management System, Instructor Management Measures, Course Management Measures, and Management Measures for Online Learning Platforms to tap into employees' potential fully. It has established employee training programs in categories such as training for management trainees, leadership empowerment for cadre personnel, online learning platforms, and specialized training (team leader training, workshop director training, English training, and skill level certi f cation). These programs cover new employees, frontline staf, and employees in various departments including R&D, quality, technology, manuf א ḫ plo ξ Ψologt ,

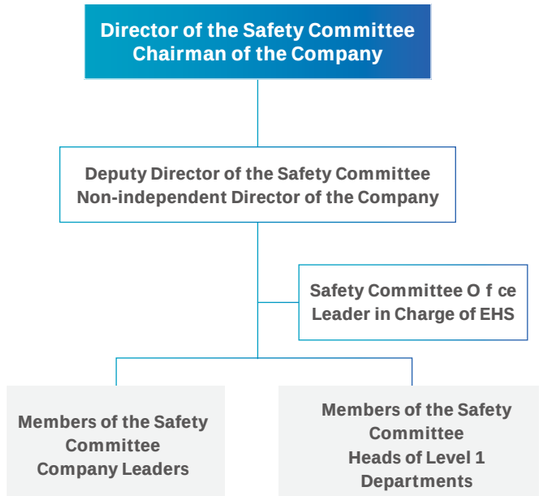


Organizational culture system | **Talent development system** | **Tr ᴰ ½**

Talent Training System of CNGR

CNGR continuously perfects the construction of its occupational health and safety management system, strictly adheres to relevant laws and standards such as the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Provisions on the Administration of Occupational Health at Workplaces, Technical Specifications for Occupational Health Surveillance, Standards for Occupational Health Record Management, and Warning Signs for Occupational Disease Hazards in the Workplace, and conducts regular compliance evaluations. The Company has formulated the EHS Management Manual and the Production Safety Responsibility Management System, standardizing internal processes for occupational health and safety management, with responsibilities for production safety clearly defined horizontally and vertically across all departments.

CNGR has established a Production Safety Committee (referred to as the Safety Committee), with the Chairman serving as the Director of the Safety Committee, non-independent directors as Deputy Directors, and other leadership members such as Vice Presidents, Chief Experts, President Assistants, and heads of various level 1 departments as committee members. If a leadership member concurrently serves as the head of a level 1 department, no other person in that level 1 department should be appointed as a member of the Safety Committee. The Safety Committee is responsible for deploying, coordinating, and guiding the overall EHS work of the company and researching solutions to significant EHS issues.



Organization Chart of Safety Committee of the Company

The company's Safety Committee has set up a Production Safety Committee Office (referred to as the Safety Committee Office) as its daily administrative body responsible for handling specific affairs related to the Safety Committee. The Director of the Safety Committee Office is concurrently held by the Director of the President's Office. All centers, bases, and subsidiaries of the company accept the comprehensive leadership, supervision, and inspection of production safety work by the company's Production Safety Committee.

We are committed to always prioritizing the health and safety of our employees, contractors, and other stakeholders, protecting the environment, building a harmonious enterprise, and achieving sustainable development. In 2023, the industrial bases of CNGR in China fully passed the GB/T 45001 and ISO 45001 occupational health and safety management system certifications.

Production Safety Management

CNGR consistently upholds the concept of safety production, continuously strengthens hazard prevention and control, and actively implements a dual prevention mechanism of hierarchical risk management and hazard investigation and control. The Company has established and introduced the Hazard Identification and Risk Assessment Management System, conducting hazard identification for all of its operation and activity sites annually. The Company uses the LEC risk assessment method to determine the risk level of identified hazards and implements risk control and emergency measures to eliminate or reduce risks. Meanwhile, the company has formulated the Hazard Investigation and Control Management System, ensuring comprehensive hazard investigation and clear accountability. The company combines regular inspections with daily checks, specific inspections with comprehensive checks, and routine inspections with focused inspections, guaranteeing thorough coverage and timely identification without leaving blind spots.

In 2023, a total of 3,600 occupational health and safety hazards were inspected in Tongren Industrial Base, with a rectification rate of 100% on schedule; A total of 3,599 hidden hazards were inspected in Ningxiang Industrial Base, with a rectification rate of 98% on schedule; A total of 7,761 occupational health and safety hazards were inspected in Qinzhou Industrial Base, with a rectification rate of 99% on schedule; A total of 1,608 potential safety hazards were inspected in Kaiyang Industrial Base, with a rectification rate of 98% on schedule. The on-site occupational health and safety management was improved.

In order to guarantee the smooth operation of the occupational health and safety management system and the implementation of various occupational health and safety management regulations, each industrial base of CNGR establishes annual objectives for occupational health and safety management and continuously tracks and monitors the objectives to ensure their achievement. In 2023, the achievement rate of annual occupational health and safety objectives for each industrial base of CNGR reached 100%.

CNGR attaches importance to and safeguards the physical and mental health of employees, strengthens occupational disease prevention and control, effectively controls occupational diseases, and prevents employment risks. The Company carries out pre-job, on-the-job, and off-job occupational health examinations for all employees. It strictly keeps the personal health information of employees confidential and designates special personnel to establish personal monitoring files and ledgers for employees. Summary reports and results of each physical examination shall be extracted and filed by special personnel. Personal files are kept confidential in the form of controlled documents, and non-employees are not allowed to look up them. During the reporting period, the number of occupational disease events in CNGR was zero.

Cross-check of EHS Management

In order to comprehensively standardize the Company's EHS management, effectively prevent and resolve major risks, prevent accidents, reduce losses, and strengthen the interactive exchange of EHS management experience among various units, CNGR organized its four domestic industrial bases and the Two Academies of China to carry out EHS cross-check through quantitative assessment for the first time in one calendar month from November 28 to December 22, 2023.

According to the inspection requirements and the work arrangement of each unit, there were 6 professional inspection teams. The leader in charge of safety and environmental protection and the EHS director of each base served as the team leader and deputy team leader via cross-appointment. In order to ensure the quality and professionalism of the inspection, each inspection team transferred 22 professionals in safety, environmental protection, equipment, and production, with a total of 130 man-days. The cross-check mainly focused on the implementation of safety and environmental protection responsibilities, compliance with safety and environmental protection, site operation management, equipment and facility management, and environmental protection management.

Finally, each inspection team sorted out and output the inspection results, such as the Summary Report of Cross-check on EHS Management, List of Problems in Cross-check, and Quantitative Assessment Form of EHS Management, making full preparation for subsequent analysis and improvement.

Work Safety Management Data of CNGR

Indicator	Unit	2021	2022	2023
Amount of work safety investment	10,000 CNY	-	4,326.03	**5,326.96**
Number of work safety accidents	Case(s)	41	82	**59**
Number of work-related deaths	Person(s)	0	0	**0**
Number of regular employees' deaths due to production accidents	Person(s)	0	0	**0**
Number of contractual employees' deaths due to production accidents	Person(s)	0	0	**0**
Lost time injury frequency rate of employees (per 200,000 hours)	%	0.72	0.89	**0.53**
Number of occupational disease events	Case(s)	0	0	**0**

Safety Culture Development

CNGR attaches great importance to the development of safety culture and insists on carrying out continuous occupational health and safety training to enhance employees' awareness of occupational health and safety. Each industrial base formulates an annual safety training plan and carries out occupational health and safety training on schedule. The training contents include three-level safety education, job transfer and resumption, special operations, hazard source training, and fire safety knowledge.

The Company realizes diversified training forms and no longer relies solely on traditional classroom teaching. At the base level, it carries out training in the forms of centralized face-to-face teaching, online courses, and examinations, while at the factory level, it organizes training through pre-shift meetings, in-shift walk-around training, regular emergency drills and training, spot checks, and on-site oral transmission. Diversified training forms not only save training costs but also facilitate learners' participation. The combination of training content with the actual needs of learners significantly improved the effectiveness of training.

Each industrial base of the Company regularly carries out emergency drills to improve the ability to deal with emergencies and coordinate emergency responses; enhance employees' safety awareness, promote safety culture development, curb all kinds of accidents, and escort the work safety of the Company.

In 2023, CNGR's domestic industrial bases carried out 5,150 occupational health and safety training sessions, with a cumulative number of trainees of 29,296; these bases conducted 136 emergency drills, with a cumulative number of participants of 1,947 and average safety training duration of 20.54 hours.

Conducting a Series of Activities for Work Safety Month

With the theme of "everyone pays attention to safety and everyone can respond to emergencies", June 2023 marks the 22nd "Work Safety Month" in China. All departments and workshops of CNGR's four domestic industrial bases extensively carried out a series of work safety month activities to actively promote all employees to firmly establish the concept of safe development, fulfill their responsibilities for work safety, thoroughly investigate potential safety risks, make solid progress in rectifying safety problems, consolidate the defense line for work safety, jointly create safe, harmonious, and progressive production environment and atmosphere, and ensure the Company's high-quality development.



High-quality Products

Responsible Product Creation Action

Adhering to the quality concept of "technology changes the world and quality determines the future", CNGR focused on product development and product quality to create a high-quality product model in line with CNGR.

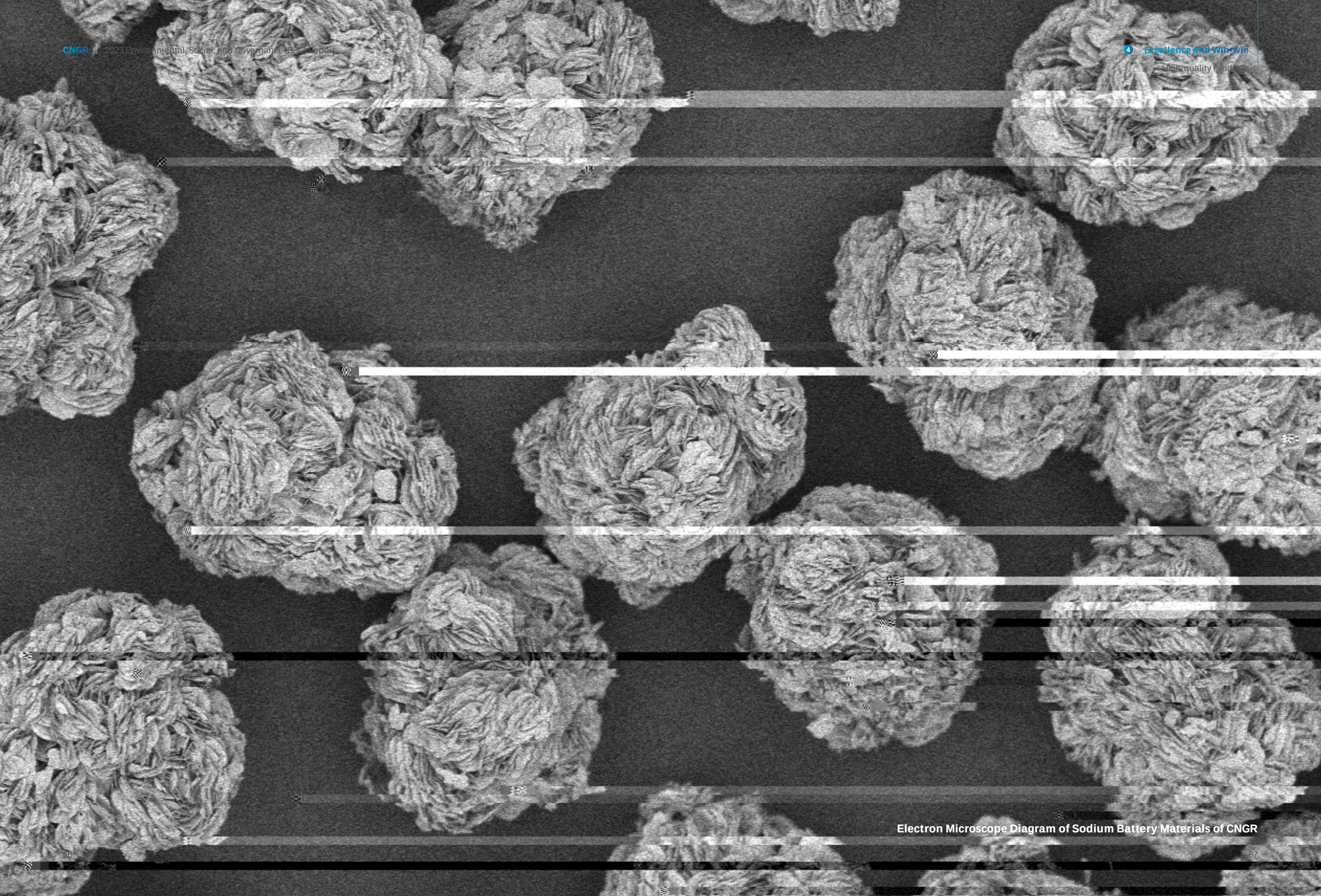
2022	Initiate the formulation of a chemical safety management system Improve the quality management system of CNGR	Completed. See the *CNGR 2022 ESG Report*
2023	Establish and improve the chemical management system Carry out product life cycle management Conduct product carbon footprint verification	Completed
2024	Continuously expand the scope of product life cycle management and carbon footprint verification	
2025	Issue the product life cycle evaluation report Publish the product carbon footprint report Gradually enhance customer satisfaction	
2030	Achieve global industry leadership in responsible products	

R&D and Innovation

CNGR attached great importance to the management of R&D and innovation, established a sound internal R&D and innovation management system, and compiled multiple systems such as the Acceptance Standards for Semi-finished Products/Finished Products, the Commissioning Management System for R&D New Products and the Management System for Independent R&D Projects to ensure the effective organization and successful implementation of various R&D work. By summarizing the advantages and disadvantages of precursor R&D and innovation, CNGR Research Institute improved and perfected its project management methods in a targeted manner according to the expansion direction of the current organization and business. The integrated project management method was adopted to extend the management scope from precursor evaluation to cathode and battery cell evaluation horizontally and from single product development to raw material system development, equipment development, and testing development vertically.

In order to create a good atmosphere for scientific and technological innovation, the R&D and innovation projects were assessed and encouraged in stages according to the preliminary objectives and plans, so as to provide R&D guarantee, encourage R&D technicians to continuously innovate, and give them full room for growth and improvement.

As an important driving force and core competitiveness for the Company's long-term development, the R&D and innovation capability also serves as a crucial foundation for the Company to move towards high-quality development and sustainable development. CNGR has invested heavily in R&D and innovation. In 2023, CNGR's investment in innovation and R&D reached 1.044 billion CNY, an increase of 12.31% over 2022, accounting for 3.05% of its revenue.



Electron Microscope Diagram of Sodium Battery Materials of CNGR

External Cooperation

CNGR actively communicates and cooperates with well-known universities, research institutions, industry associations, and other external organizations at home and abroad. In 2023, CNGR carried out in-depth cooperation with well-known domestic universities such as the University of Science and Technology of China and Central South University to strengthen complementary advantages.

It conducted industry-university-research cooperation with the University of Science and Technology of China on the project "Development of Cathode Materials and Precursors for Sodium-ion Batteries". On the premise of meeting the capacity requirement, long-cycle sodium battery cathode materials and relevant precursors were developed to solve the common problem of poor cycling performance in the industry.

CNGR carried out industry-university-research cooperation with Central South University on the project "Research on Recycling Technology of Waste Ternary Lithium-ion Batteries". It completed the development of processes for impurity removal of black mass nickel-cobalt-manganese leach solution, lithium enrichment of lithium-containing high-concentration sodium sulfate solution, and preparation of high-purity lithium liquid, improved the comprehensive recovery rate of lithium from waste ternary lithium-ion batteries, and reduced the recovery cost, thereby increasing the lithium recovery rate to 95%-97%. It is estimated that the technology will be applied to the black mass recovery production line and 10,000 tons/year lithium carbonate production line, increasing the profit by 30 million CNY per year. (Note: The specific effectiveness is subject to the actual data of the production line after the transformation of subsequent R&D results)

At the same time, CNGR is committed to working with strategic partners upstream and downstream of the industry chain to strengthen complementary advantages, carry out joint research and targeted development, and build a professional, market-oriented, and diversified R&D cooperation system covering all sectors. During the reporting period, we continued to stimulate the innovation vitality of the industry through industry exchanges, technical discussions, and improvement of industry standards, promoted the vigorous development of the industry, and jointly built an innovative and open industry ecology.

CNGR actively participated in government science and technology projects, as well as the formulation and revision of national and industry standards. During the reporting period, the Company participated in the formulation of 23 standards, including 5 national standards of China, 3 industry standards, and 15 association standards.

Highlights of R&D Achievements

Through a sound R&D and innovation management mechanism and strong external resource support, CNGR has formed a joint force to continuously stimulate its innovation vitality and improve its R&D level. With the expansion of the Company's business layout, its R&D direction has expanded from the R&D and manufacturing of core cathode and precursor materials for traction batteries to the upstream and downstream of the value chain, including front-end smelting technology and back-end recycling technology. The Company has made many achievements in innovation and R&D, with stable production and application scenarios and economic benefits.

Innovation in Control Technology of Ternary Precursor Co-precipitation Synthesis Reaction

The underlying logic of co-precipitation synthesis precursors is complex. By establishing theoretical models and big data AI prediction correction coefficients, the Company has successfully upgraded the control logic of precursor synthesis to high-precision current input control, optimizing the control accuracy from 3-5% to 3‰, reducing the frequency of process detection and manual adjustment from every one hour to every eight hours, cutting the number of data distortion points by about 90% compared with the previous level, and greatly improving the process stability. Taking the R&D workshop as an example, it is expected to reduce the production of ternary precursor re-dissolved materials by about 2.7 million CNY per month.

Optimization and Innovation of Tricobalt Tetraoxide Production Process

To address the problem of relatively low production capacity of existing high-voltage products above 4.50V, the preparation process is newly designed and developed by redesigning the particle growth model and combining it with new-generation uniform doping technology. The new process boasts the advantages of a short development cycle and uniform doping. At present, it has entered the stage of medium-scale testing and scale-up verification and the production capacity is expected to be increased by more than 20%.

Process Innovation for Copper Recovery by Electrowinning

At present, the oxygen pressure leaching solution of high-nickel matte in the production line uses iron powder to replace copper, and the recovery cost per ton of copper is high. If the extraction-electrowinning process is adopted for treatment, the process flow will be long, and after the raffinate returns to the leaching section, it will lead to problems such as excessive TOC of the leaching solution and foaming during leaching. The Company recovers copper by direct electrowinning of oxygen pressure leaching solution from high-nickel matte on the production line. The process is simple and the product has high purity and high added value, which can reduce the recovery cost per ton of copper by more than 1,000 CNY.

Production Technology Innovation of Ultra-small Particle Size Precursors

Monocrystallization represents a development trend in the industry. To ensure monocrystals boast the performance advantage of higher capacity, precursors also need to exhibit an ultra-small particle size distribution. However, in the process of sintering ultra-small particle size precursors into monocrystals, they tend to clump together when melted, due to their poor sphericity, high surface activity, and loose and porous primary particles, resulting in non-uniform particle sizes in the sintered monocrystals and failure to meet performance design requirements. The Company independently developed the synthesis process of ultra-small particles with high sphericity and low surface activity and finally obtained ultra-small particles with densely arranged morphology, low surface activity, 92.3% sphericity, and a size of about 1.5μm.

Cost Reduction and Quality Improvement of Recycling Production Line in Tongren Industrial Base

Through process optimization and upgrading, the black mass-MHP combined smelting production line is transformed to have the capability of processing black mass-MHP raw materials, maximizing the utilization of production line equipment. The annual output of nickel and cobalt metal can be 8,500Mt, with an annual output value increment of 1 billion CNY;

Through the exploration and development of disposable fluorine removal agents, problems such as the long process flow of fluorine removal, excessive equipment configuration, and superabundant wastewater output are solved, and the comprehensive cost of fuorine removal is reduced to below 5,000 CNY/MtLi;

By optimizing the reduction roasting conditions, the black mass processing capacity of the steel belt furnace is increased from 10t/h to 15t/h, with the production line capacity being improved and the comprehensive recovery cost of products being reduced. The cumulative cost decrease was about 19.5 million CNY in 2023.



Standards which the Company participated in the formulation of

23 items

Including

National standards

5 items

Industry standards

3 items

Association standards

15 items

CNGR's First Intellectual Property Day

CNGR Research Institute took the lead in holding a series of activities such as "CNGR's First Intellectual Property Day", which received extensive participation from CNGR employees, with more than 5,500 participants. Through online prize-winning quizzes, such activities enhanced employees' learning and understanding of the Company's patent system and patent knowledge, while enhancing their awareness of intellectual property protection.

CNGR has applied for 373 patents in total, obtaining 202 authorized patents. During the reporting period, it newly applied for 69 invention patents, 9 utility model patents, and 3 PCT patents; was newly authorized for 13 invention patents and 18 utility model patents; and completed 20 trademark registrations.

Newly applied invention patents

373 items

Authorized patents i ɔ o /-wc ems

Authorizatents

Chemical Management

CNGR has attached great importance to chemical safety management and strictly adheres to laws and regulations such as the Regulations on the Safety Management of Hazardous Chemicals, the List of Chemicals under Priority Control, the Restriction of Hazardous Substances (RoHS) of the European Union, the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) of the European Union, and the Rotterdam Convention, among others. The Company has formulated the Safety Management System for Hazardous Chemicals (ZW-MR-GD-32), which clearly defines the responsibilities for managing chemical production, storage, usage, operation, transportation, and waste disposal processes.

To strengthen the internal chemical management practices, CNGR has organized training sessions for personnel in various positions to enhance their knowledge of hazardous chemical properties, emergency response measures, and other related information specific to their respective roles. These training initiatives aim to improve the overall competence and emergency handling capabilities of all employees regarding hazardous chemicals. In the production stage, CNGR has prepared a safety management manual for hazardous chemicals based on the chemical list and distributed it to all departments and workshops.

To effectively prevent the hazards posed by main toxic chemicals, CNGR has conducted a comprehensive identi fcation of harmful substances that may exist in its products. A total of 21 harmful substances, including nickel-cobalt-manganese hydroxide, nickel-cobalt hydroxide, nickel-cobalt oxide, amorphous cobalt hydroxide with hydroxyl groups, ammonium chloride, and nickel-iron-manganese-copper hydroxide, have been identified. In response to these harmful substances, the Company has developed the Harmful Substance Management System. Furthermore, an internal management framework has been established, including the Notice of Excessive Content of Harmful Chemical Substances, Record of Product Harmful Substance Testing Reports, and Annual List of Harmful Substance Testing, to enhance the control and management of harmful substance risks. These measures ensure the effectiveness of chemical regulation. Having recognized the potential environmental and human health impacts associated with product manufacturing and raw materials, CNGR conducts harmful substance testing and lifecycle assessments on precursor products. By annually conducting sample testing of harmful substances in these products, the Company assesses the level of harm to meet the requirements of stakeholders In 2023, CNGR conducted a lifecycle impact assessment on 12 precursor products using the ISO 14044 standard and the CML2001-Aug.2016 evaluation model indicators. A third-party veri fcation report was issued, and the veri fcation system boundary encompassed from "cradle" to "gate". The assessment focused on evaluating environmental impacts such

Product Carbon Footprint

Community and Partnerships

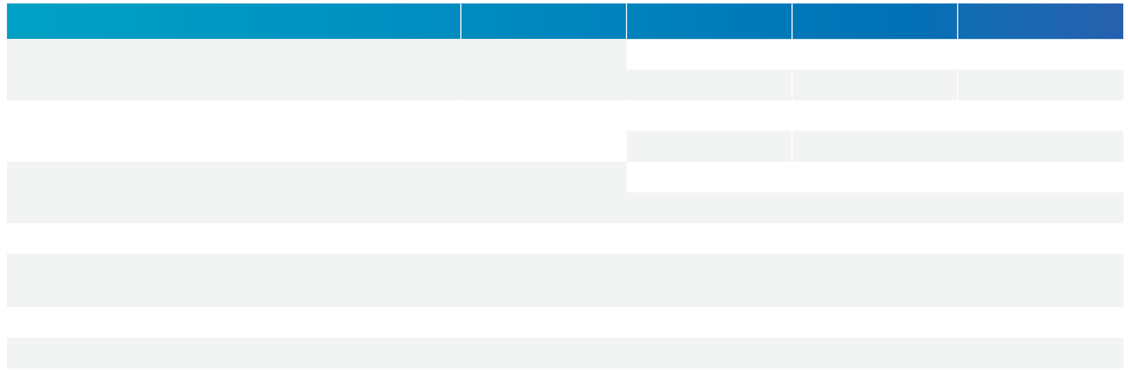
Sustainable Supply Chain Action

Focusing on the sustainable development of the supply chain, CNGR cooperates with industry chain partners, takes its own actions as an invitation, practices responsible procurement, and promotes continuous carbon reduction throughout the supply chain.

2023	Expand the coverage of ESG and RMAP audits for suppliers	Completed
	Support suppliers in improving ESG awareness and performance	
2024	Form a full-coverage supplier ESG audit mechanism at least once every 2 years	
	Require core suppliers to participate in external ratings such as CDP	
	Promote supply chain enterprises to set carbon targets	
2030	Achieve a world-leading suo [D] i	



Due Diligence Assessment of Nickel and Cobalt Minerals of CNGR



The Company formulates the annual system audit plan of suppliers every year and conducts on-site quality system and ESG audits for qualified suppliers of main raw materials and auxiliary materials and newly developed suppliers. The audit contents include five parts: quality system, EHS, society (labor and business ethics), carbon emissions and due diligence of mineral supply chains. 2023 system audit plan: 38 times for main raw material suppliers and 46 times for auxiliary material suppliers, with an actual completion rate of 100%. No supplier with major quality problems or negative social or environmental impacts was found.

Community Well-being Action

CNGR pays attention to the rights and well-being of local communities and residents, supports the national rural revitalization strategy, actively undertakes corporate social responsibility, and uses its own influence to nurture and contribute to society for more meaningful social well-being.

2022	Carry out community services and public welfare activities	Completed. See the *CNGR 2022 ESG Report*
2023	Establish CNGR Public Welfare Foundation	Completed
2024	Establish a volunteer service system of CNGR Promote branded public welfare projects in domestic and overseas operation sites	
2025	Issue the social impact assessment report of public welfare projects	
2030	Public welfare brands have considerable reputations and influence	

Community Engagement

CNGR actively promotes the common development of enterprises and operation sites. We support the development of communities where we operate, carry out diversified community activities, support local infrastructure construction, support rural civilization construction, help achieve rural revitalization, and interpret our responsibilities to society with practical actions.

Tongren Industrial Base Boosts Rural Civilization Construction

Tongren Industrial Base funded the first folk art activities of Nanning Village in 2023 to celebrate the CPC Founding Day on July 1 and Dragon Boat Festival under the theme of "Party Building Leads the Co-construction of Civilized Countryside · Rural Revitalization Jointly Creates Peaceful Nanning" in Nanning Village, Dalong Development Zone, continuously cultivating rural civilization, helping achieve rural revitalization, and adding vitality to building a harmonious and civilized new future for beautiful Tongren.

CNGR cares about and protects vulnerable groups, actively carries out a number of assistance activities and funding projects, listens to the voices of groups with special difficulties, effectively solves their difficulties, meets their basic needs, and enhances their sense of security and satisfaction.

The Labor Union and General Manager Office of Ningxiang Industrial Base went to Dachengqiao Village, Dachengqiao Town, Ningxiang City to carry out rural revitalization assistance activities. They donated 20,000 CNY to Dachengqiao Village for rural

05

Enterprise and System Governance

This chapter is in response to:



Enterprise and System Governance

By building a good industrial ecology and digital platforms, CNGR has improved its system construction and enterprise governance level, empowered the whole process of operation management, realized accurate and scientific decision-making, efficient organization linkage and integrity and transparency in management, and created a reliable and upright enterprise image.

Governance and System Optimization Action

Optimize the integrity, transparency, and efficiency of the enterprise governance system, improve the enterprise information security system, comprehensively enhance the stability of enterprises and systems, and establish an upright and pragmatic enterprise image. We have set the following action objectives:

2022	Initially establish a risk compliance management system	Completed
	Formulate and disclose the *Code of Business Conduct of CNGR*	
	Formulate an information management system	
2023	Further improve the risk compliance management system and tax policy	Completed
	Optimize the structure of the Board of Directors and various professional committees	Start the construction of ISO 37301 compliance management system
	Start digital construction	Some professional committees are adjusted to be composed of all independent directors
2024	Promote the linkage between ESG KPIs and the compensation performance of senior executives	
	Initiate business ethics audit	
	Improve the information security management system	
2025	Continuously improve the ESG KPI performance assessment system	
	Continuously optimize the Board of Directors	
	Build information security management system certification, such as ISO 27001	
2030	Make the level of enterprise governance and system construction reach the leading position in China	

Risk Management

NGR strictly abides by the Company Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China, the Interim Provisions on Prohibition of Commercial Bribery, and other laws and regulations. In accordance with standards such as the Universal Declaration of Human Rights, OECD Guidelines, and standards of the International Labour Organization (ILO), CNGR has formulated and publicly disclosed the *Code of Business Conduct of CNGR* and *Suppliers' Code of Conduct* in support of the Ten Principles of the United Nations Global Compact (UNGC). In 2023, CNGR became a member unit of the *Trust and Integrity Enterprise Alliance* and a vice president unit of the *Enterprise Anti-Fraud Alliance*.

CNGR has a Board of Supervisors under the shareholders' meeting, an Audit Committee under the Board of Directors, and the Supervision Committee and Audit and Supervision Center at the company level to form a business ethics management framework. The Audit Committee is the apex body responsible for monitoring and auditing business ethics content. We prevent unfair competition and corruption through risk management, business ethics publicity and training, and open reporting channels. We identify relevant internal problems through internal audits, reporting clues, and third-party reviews. We conduct internal disclosure of corruption and unfair competition events that have occurred and conduct internal publicity as negative cases. The anti-corruption and unfair competition work is managed on a regular basis.

During the reporting period, the Company upgraded its Audit and Supervision Center to a Risk Control and Supervision Center and promoted the establishment of a risk management committee to build a sound risk management system, focusing on improving the effectiveness of business risk control and strengthening the control of risks such as anti-monopoly, anti-corruption and anti-unfair competition. The Risk Control and Supervision Center consists of the Risk Control Management Department, Supervision Department, Department of Supervisors, and Overseas Risk Control Department.



Anti-corruption Risk Assessment: In 2023, we conducted a corruption risk assessment on all operating locations, and no major corruption risks have been identified;

Anti-corruption Training: In 2023, anti-corruption training covered **100%** members of the governing body, **100%** employees of the Company (including part-time employees, outsourced employees, etc.), and **100%** business partners (suppliers and contractors);

Anti-corruption Events: In 2023, there were **5** corruption cases in total. Among them, the employees were dismissed or disciplined due to corruption: **2** cases;

Termination of contracts with business partners due to corruption-related violations: **2** cases; Public litigation case: **1** case (the case has been tried by the Qinnan District People's Court of Qinzhou City, Guangxi Zhuang Autonomous Region, and the relevant personnel were sentenced to 8 months in prison for fraud).

Reporting Mechanism

CNGR encourages external stakeholders to report any possible violation of the *Code of Business Conduct of CNGR* and violations of the *Suppliers' Code of Conduct* by supply chain enterprises. At the same time, CNGR encourages internal employees to report favoritism and irregularities that damage the interests of the Company in accordance with the Measures on Award-winning Reporting Management. We will continue to broaden the channels of appeal and reporting and protect the right of each stakeholder to appeal.

In 2023, CNGR received and investigated 5 valid corruption clues through public reporting channels.

Reporting Channels of CNGR

The Company's Social Responsibility Public Email (for receiving social responsibility appeals): cngrCSR@cngrgf.com.cn

Email for Reporting: jubao@cngrgf.com.cn; jubaogj@cngrgf.com.cn

Informants' Hotline Telephone: +86 193 7516 6553 (for China) +62 812 9309 3607 (for overseas regions)

Informants' Mailbox (for China):16/F, Block B, Yunda Central Plaza, Yuhua District, Changsha City, Hunan Province

Risk Control and Supervision Center of CNGR Postcode: 410600

Informants' Mailbox (for overseas regions): Noble House 37th floor, Mega Kuningan 2, Jl. Dr. Ide Anak Agung Gde Agung kav. E4.2, rt 5/ rw 2, kuningan, kuningan tim., setiabudi, Jakarta Selatan 12950, Indonesia

Postcode 12950

WeChat Mini Program for Reporting:

WhatsApp QR Code for Reporting

In-person Reporting: Risk Control and Supervision Center

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CNGR pays attention and transparency, abides by laws and

Daily Work Management of Taxation

In order to ensure the compliance of CNGR's daily tax work, we take the following measures, including but not limited to:

Improve the tax compliance process: The basic work of tax compliance management includes tax registration, tax payment declaration, invoice management, and other matters. The basic work also includes formulating the work and approval process and processing time of various tax matters. The Tax Management Department is responsible for managing and supervising the daily tax work of the tax accountant and reporting major tax-related matters to the financial director.

Continuous learning and training: Due to the constant changes in tax policies, we will pay regular attention to and timely provide training and work guidance for employees to improve their awareness of tax compliance and compliance ability. we will regularly carry out business promotion training for tax work lines, tax-related knowledge training for other functional departments to standardize business development, and various targeted tax-related special training and discussions according to new policies.

The tax training work carried out in 2023 includes guidance on the declaration of annual final settlement and payment of corporate income tax, training on additional VAT credit policy for the advanced manufacturing industry, guidance on VAT monthly tax payment declaration form filling, etc.

Strengthen cooperation between the tax department and other departments: The Tax Management Department shall work closely with other departments to jointly formulate and implement various tax management processes and put forward professional tax advice on the Company's new businesses. The Tax Management Department shall also cooperate closely with the Company's finance, legal affairs, and business departments to provide comprehensive support for CNGR's sustainable development. The cooperation contents include review of tax-related clauses in contracts, tax risk tips for new businesses, suggestions on the application of preferential tax policies, etc.

Tax Risk Management

CNGR has established and continues to improve the tax risk management mechanism, monitor and evaluate tax risks in a timely manner, and formulate risk control measures, including but not limited to:

Tax information reporting and feedback: Based on its financial organization structure, CNGR has established an information reporting and feedback mechanism, registers and manages tax-related information and abnormal tax matters in a timely manner, and discloses relevant information to the tax authorities according to regulations.

Internal and external tax work inspection: CNGR regularly carries out internal tax work inspection in the form of self-inspection, audit by personnel appointed by the Finance Center, and audit by external audit institutions in conjunction with other functional departments to strengthen basic tax management, evaluate the overall tax risks of the Company and rectify the problems found in a timely manner. For example, monthly tax filings are uniformly approved by the Tax Management Department. Tax accountants at each base conduct self-assessments; external agencies are hired to audit major corporate entities' declarations of final settlement and payment of corporate income tax and issue assurance reports on the final settlement and declaration of corporate income tax. The Company accepts and actively cooperates with tax authority assessments, inspections, and audits. We organize self-inspections, prepare for pre-tax inspections as required, and timely submit tax-related data and explanatory materials. The inspection results are archived with the Tax Management Department before rectification measures are proposed, implemented, and archived. For instance, the Company promptly submits tax-related data and explanatory materials in response to risk alerts issued by tax authorities, actively communicating explanations for such; and for tax assessment notifications, the Company adheres strictly to self-inspection requirements.

Tax preference and special management: For the application of various tax incentive policies, the Company strictly adheres to tax law requirements regarding eligible content, conditions, calculation methods, approval processes, and compliance of records or materials for review, which are subject to unified management by the Tax Management Department. For major tax-related issues, the Tax Management Department leads the formation of specialized workgroups, establishes unified execution plans, coordinates cross-department collaboration, and drafts incentive or penalty measures according to specific circumstances. The outcomes are then subject to comprehensive assessment by the Company's management.

Compliance management training for employees by CNGR

6 sessions

Coverage

180 person-times

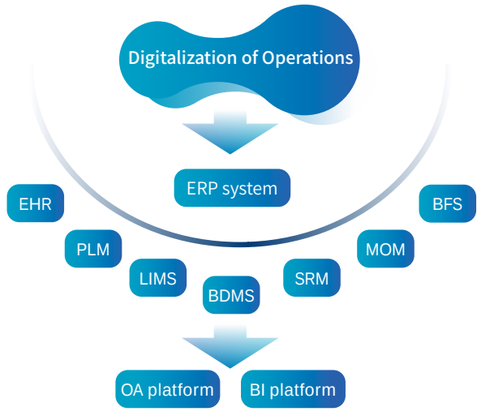
Violations or fines and legal proceedings for unfair competition or monopolies

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Digitalization and Information Security

Digitalization of Operations

In response to the national digitalization strategy, CNGR proposed the "operation digitalization" corporate strategy in 2023 to enhance operational management efficiency. With this background, CNGR takes a holistic approach, planning for digitalization from the top down. Centering on the ERP system and integrating EHR, PLM, LIMS, BDMS, SRM, MOM, BFS, and other business systems, the Company constructs digital infrastructure aligned with global investment, manufacturing, and service capabilities through OA and BI platforms, forming a unified digital platform. We use intelligent methods to increase efficiency, reduce costs, and improve user experience, building CNGR's agile digital operating system.



Digital Decision-making

In 2023, CNGR leveraged business data as the foundation and big data platforms as the tool to create a management cockpit:

We completed the construction of a listed company-grade financial reporting management platform, which enables the rapid generation of individual and consolidated reports and provides support for financial and operational decision-making analysis.

We established a human resources information dashboard that includes personnel information, staffing structures, and attendance data, among other HR-related information, to provide visualized data for HR decision-making analysis.

We established a production and operation dashboard that can update the completion of production tasks in real time and provide visual data for the center's and each base's production and operation decisions.

We built a risk control audit management platform to monitor and follow up on the Company's operating status and data in real time, thus effectively reducing various operational risks.

R&D Digitalization

In 2023, CNGR transformed the R&D of nickel-based, cobalt-based, manganese-based, phosphorus-based, and sodium-based products from offline discrete management to online systematic collaborative management. The whole process is now managed with integrated information technology, from project initiation to the archiving of engineering data. In concert with the automatic systems of pilot-scale workshops, this shift allows for the automatic issuance and execution of process technique documents and data collection. Integration with the laboratory management system also enables the automatic distribution of testing standards and the automatic return of testing data and results. The precision of project management, the accuracy of plan execution, the accuracy and timeliness of process technique document issuance, the promptness of on-site data and test data feedback, as well as the accuracy of process execution data feedback, have all seen significant optimization.

Digital Manufacturing

In 2023, the Ningxiang Industrial Base completed its energy consumption online monitoring terminal system, subsequently passing the acceptance check by the Development and Reform Commission of Hunan Province; digital system facilities were fully implemented across all ternary workshops; the laboratory management system was put into operation along with the launch of the integrated production and operations command center. Ningxiang Industrial Base's digitalization project was selected for inclusion in the "2023 National Intelligent Manufacturing Demonstration Factory" list published by the Ministry of Industry and Information Technology.

Meanwhile, the Tongren Industrial Base adopted digital systems for all ternary workshops and implemented an energy collection system; projects for the environmental protection workshop command center and laboratory management system are currently under construction. Tongren Industrial Base's digitalization project was selected in the "Collection of Outstanding Cases of Digital Transformation in the Industrial Sector in Guizhou (2023)" by the Department of Industry and Information Technology of Guizhou Province.



We built a digitalized and intelligent procurement platform and supplier management system (SRM) that covers the entire domestic purchasing business. The management of suppliers now operates online with procurement management becoming standardized and transparent, enhancing e f cient collaboration both internally and externally, along with information sharing, thereby substantially improving procurement management e f ciency.

With full commitment, we constructed an intelligent logistics and transportation management system (TMS). Utilizing technologies such as satellite positioning and mini-programs, we promoted collaboration and information sharing from inside to out. This facilitates the visibility and tracking of carrier vehicles en route, online settlement of logistics costs, base vehicle parking management, and integrated warehousing and distribution.

Building on the establishment of domestic bank-corporate direct links, we have developed a global bank-corporate direct link. The online coverage rate for overseas fund management has reached 80%, creating a globally shared f nancial fund service.

We completely restructured the electronic human resources management system (EHR), from top-level design to system implementation. The plan is to establish standardized organizational and personnel systems, gradually extending shared human resource services from within China to global coverage.

We rapidly replicated and iterated on the integrated platform for overseas bases, providing digital support for regional operations in Indonesia, Morocco, South Korea, and Germany.

We widely promoted the manufacturing operations management system (MOM), realizing full-process management that includes sales forecasting, delivery planning, production scheduling, procurement demand, and product delivery. This system efficiently coordinates the industry chain's planning and maintains a supply-demand balance.

Digital Services

In 2023, we preliminarily completed the construction of the sales plan management module and price management module. In 2024, we will continue to optimize and upgrade the CRM system to o fer personalized and innovative interactions and services to our global customers.

Information Security Management

CNGR abides by relevant laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Information Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and the Management Measures for Classi fed Protection of Information Security. Based on the ISO/IEC 27001:2013 standard, the Company has established an information security management system, implementing measures such as the information security leadership accountability mechanism to ensure that information and data security tasks are ful f lled at every level. The Tongren Industrial Base has received certification for its information security management system, which encompasses the management activities for information security related to the R&D, production, sales, and development of production management information systems of ternary precursors.

In 2023, CNGR deployed bastion hosts to safeguard its network and data from external intrusion and damage. These bastion hosts monitor the operational behavior of O&M personnel on servers, network equipment, and databases, allowing for centralized alerts, timely processing, and accountability. The bastion host management nodes use a dual-host system, where each industrial base is equipped with a sub-node. If one bastion host fails, the other sub-nodes and management nodes will automatically take over the corresponding tasks of the failed bastion host to prevent business interruptions. Concurrently, the digital center simulated a scenario of LIMS application database damage to conduct emergency drills; these drills aimed to enhance database onsite emergency response skills, train emergency organization members in handling power outage incidents, improve managers' organization, coordination, and command abilities, and strengthen sta f pro f ciency in server fault-handling procedures.

2023

Disclosed incident related to information leakage

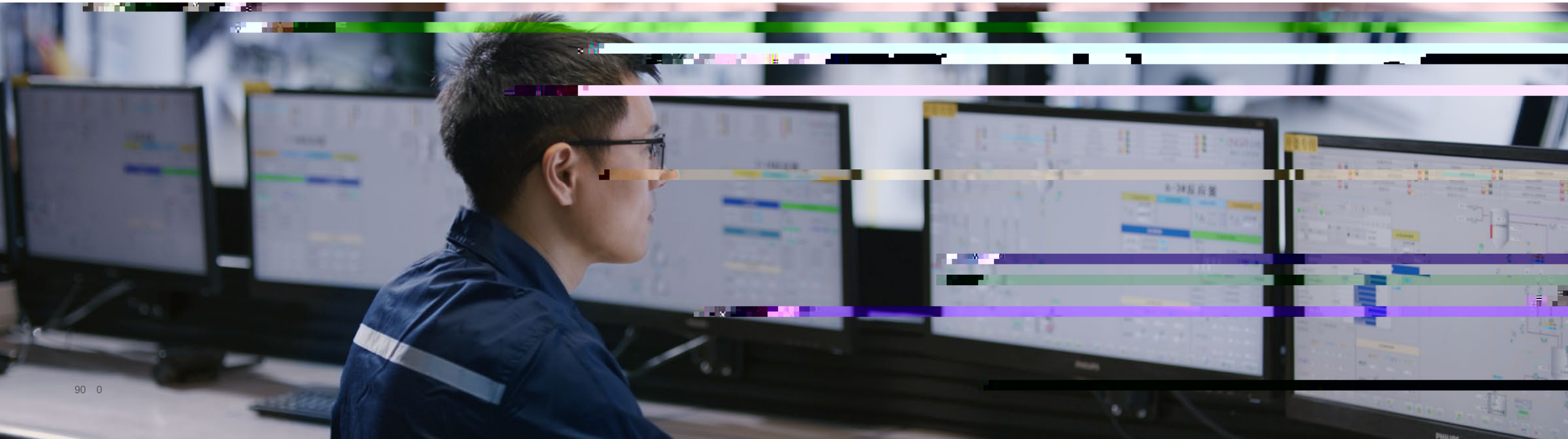
0 case

Infringement of customer privacy

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Information security incident

0 case



Appendix

ESG Key Performance Indicators

ESG Indicator	Unit	2020	2021	2022	2023
Harmonious Ecology (E)					
Energy Management					
Anthracite coal	kg	4,579,050.00	6,706,670.00	172,800.00	**31,682,340.00**
Gasoline	kg	-	-	27,884.55	**39,294.81**
Diesel	kg	29,593.46	66,503.80	232,450.04	**374,411.52**
Natural gas	m^3	2,569,399	10,670,533.00	16,731,579.26	**37,848,516.28**
Power consumption	kWh	273,348,600.00	556,479,868.00	638,399,919.67	**451,416,367.74**
Steam consumption	t	154,506.00	423,830.41	538,090.06	**469,945.88**
Total energy consumption	GJ	1,534,449.32	3,247,293.79	4,399,490.39	**4,296,554.68**
Energy intensity	GJ/t product	16.01	17.10	18.85	**14.96**
Greenhouse Gas Emissions					
Total Scope 1 emissions	tCO_2e	42,961	72,200	62,370.87	**161,120.78**
Total Scope 2 emissions	tCO_2e	317,911	592,700	529,292.07	**402,811.58**
Total Scope 3 emissions	tCO_2e	2,494,781	4,310,423	3,937,758.32	**4,553,325.08**
Total emissions	tCO_2e	2,855,653	4,975,323	4,529,421.27	**5,117,257.44**
Scope 1 and 2 emission intensity	tCO_2e/t product	3.77	3.50	2.54	**1.96**
Scope 3 emission intensity	tCO_2e/t product	26.04	22.71	16.87	**15.85**
Carbon dioxide (CO_2) emissions	tCO_2e	-	-	4,528,755.25	**5,115,268.23**
Methane (CH_4) emissions	tCO_2e	-	-	569.36	**639.33**
Nitrous oxide (N_2O) emissions	tCO_2e	-	-	96.66	**488.49**
Sulfur hexafluoride (SF_6) emissions	tCO_2e	-	-	0.00	**0.00**
Nitrogen trifluoride (NF_3) emissions	tCO_2e	-	-	0.00	**0.00**
Perfluorocarbons (PFC_s) emissions	tCO_2e	-	-	0.00	**0.31**
Hydrofluorocarbons (HFC_s) emissions	tCO_2e	-	-	0.00	**861.07**
Water stress					
Surface water withdrawal	ML	417.40	678.37	1,291.32	**2,821.58**
Underground water withdrawal	ML	0.00	0.00	0.00	**0.00**
Municipal-supplied water withdrawal	ML	2,277.95	3,514.56	2,415.89	**1,736.98**
Total water withdrawal	ML	2,695.35	4,192.93	3,707.22	**4,558.56**
Volume of reused water resources	ML	-	-	4,460.58	**6,997.25**
Water recycling rate	%	-	-	54.61	**60.55**
Volume of water discharged to surface water	ML	0.00	0.00	469.43	**1,302.81**
Volume of water discharged to third-party facilities	ML	1,377.74	2,710.04	1,837.85	**1,476.67**
Total volume of water discharge	ML	1,377.74	2,710.04	2,307.27	**2,779.48**
Total volume of water consumption	ML	1,317.61	1,482.89	1,399.94	**1,740.97**
COD emissions	t	-	-	41.69	**46.67**
Water consumption per unit of product	m^3/t product	-	7.81	6.00	**6.19**
Economic intensity of total water consumption	m^3/million CNY	-	73.88	46.14	**51.91**
Environmental Management System and Compliance					
Number of penalties for environmental incidents	Time(s)	-	-	0	**0**
Total amount of fines for environmental incidents	CNY	-	-	0	**0**
Compliance rate of environmental monitoring	%	-	-	100%	**100%**
Environment-related lawsuits from customers or stakeholders	Time(s)	-	-	0	**0**
Waste Management					
Total waste amount (excluding domestic waste)	t	5,859.25	14,550.31	32,924.76	**74,117.62**
Quantity of hazardous waste produced	t	1,550.17	726.21	1,738.74	**2,785.89**
Quantity of general industrial waste produced	t	4,309.08	13,824.10	31,186.02	**71,331.74**
Total quantity of waste recycled	t	5,485.19	14,333.56	714.71	**17,441.20**
Quantity of hazardous waste recycled	t	976.56	986.33	80.61	**233.26**
Quantity of general industrial waste recycled	t	4,508.62	13,347.23	634.10	**17,207.94**
Waste disposal amount	t	-	-	31,044.90	**49,818.24**
Quantity of hazardous waste disposed compliantly	t	-	-	1,640.25	**2,529.27**
Quantity of general industrial waste disposed of compliantly	t	-	-	29,404.65	**47,288.98**
Hazardous waste disposal amount per ton of product	t/t product	-	-	0.01	**0.01**
General industrial waste disposal amount per ton of product	t/t product	-	-	0.13	**0.17**
Waste Gas Emission Management					
SO_X emissions	kg	-	-	841.21	**33,246.20**
NO_X emissions	kg	-	-	15,845.71	**69,798.74**
PM emissions	kg	-	-	13,732.58	**61,376.72**
POP emissions	kg	-	-	0.00	**0.00**
VOC emissions	kg	-	-	2,192.91	**4,354.26**
HAP emissions	kg	-	-	387.78	**1,494.10**
Excellence and Win-win (S)					
Legal employment					
Signing rate of labor contracts	%	-	100%	100%	**100%**
Illegal employment	Case(s)	-	-	0	**0**
Human rights violation proceedings	Case(s)	-	-	0	**0**

ESG Indicator	Unit	2020	2021	2022	2023
Diversity and Equality					
Total number of employees	Person(s)	-	-	10,386	**13,791**
Total number of part-time employees	Person(s)	-	-	246	**263**
Total number of full-time employeess	Person(s)	-	-	10,140	**13,528**
By gender					
Number of male employees	Person(s)	-	-	7,639	**10,530**
Number of female employees	Person(s)	-	-	2,747	**3,261**
By age					
Number of employees under the age of 30	Person(s)	-	-	4,027	**6,378**
Number of employees aged 30 to 50	Person(s)	-	-	6,029	**7,005**
Number of employees over the age of 50	Person(s)	-	-	330	**408**
Number of foreign employees	Person(s)	-	-	736	**2,667**
Total number of people in governance bodies[1]	Person(s)	-	-	490	**646**
By gender					
Number of male employees	Person(s)	-	-	431	**565**
Number of female employees	Person(s)	-	-	59	**81**
Number of foreign employees	Person(s)	-	-	10	**15**
By age					
Number of employees under the age of 30	Person(s)	-	-	30	**61**
Number of employees aged 30 to 50	Person(s)	-	-	413	**522**
Number of employees over the age of 50	Person(s)	-	-	47	**63**
Number of new employees[2]	Person(s)	-	-	7,303	**8,611**
By gender					
Number of new male employees	Person(s)	-	-	5,693	**7,011**
Number of new female employees	Person(s)	-	-	1,610	**1,600**
By age					
Number of new employees under the age of 30	Person(s)	-	-	3,312	**5,206**
Number of new employees aged 30 to 50	Person(s)	-	-	3,894	**3,338**
Number of new employees over the age of 50	Person(s)	-	-	97	**67**
Employee hiring rate[3]	%	-	-	-	**62.44%**
Number of employees who left		-	-	3,470	**5,126**
By gender					
Number of male employees that left	Person(s)	-	-	2,746	**4,063**
Number of female employees that left	Person(s)	-	-	724	**1,063**
By age					
Number of employees under the age of 30 that left	Person(s)	-	-	1,608	**2,841**
Number of employees aged 30 to 50 that left	Person(s)	-	-	1,820	**2,203**
Number of employees over the age of 50 that left	Person(s)	-	-	42	**82**

[1] Total number of people in governance bodies: CNGR personnel at above rank 16 and management personnel at above rank 9;

[2] Number of new employees: The number of new employees who joined during the reporting period;

[3] Employee hiring rate: Employee hiring rate = number of new employees during the reporting period / total number of employees at the end of the reporting period;

ESG Indicator	Unit	2020	2021	2022	2023
Employee churn[4]	%	-	-	-	**27.10%**
Number of Jobs Provided[5]					
Ningxiang Industrial Base	Person(s)	-	-	-	**499**
Qinzhou Industrial Base	Person(s)	-	-	-	**660**
Tongren Industrial Base	Person(s)	-	-	-	**407**
Kaiyang Industrial Base	Person(s)	-	-	-	**313**
Indonesia	Person(s)	-	-	-	**1,849**
Employee Development					
Number of employees promoted	Person(s)	-	543	1,562	**1,780**
Number of vacant positions filled by internal candidates (internal recruitment)	Position(s)	-	-	1,536	**3,455**
Percentage of employees receiving regular performance and career development assessments	%	-	100%	100%	**100%**
Employee training					
Total duration of employee training	Hour(s)	-	41,611	215,815	**399,952**
Number of employees participating in training	Person(s)	-	14,328	157,357	**389,258**
Training time per capita	Hour(s)	-	10.12	20.78	**29.00**
Average training duration per employee per year —by base					
Ningxiang Industrial Base	Hour(s)	-	10.34	18.84	**44.13**
Tongren Industrial Base	Hour(s)	-	10.80	41.15	**49.97**
Qinzhou Industrial Base	Hour(s)	-	-	25.49	**52.26**
Kaiyang Industrial Base	Hour(s)	-	-	33.28	**35.17**
Employee Care					
Employee satisfaction	%	-	87.20	81.79	**83.89**
Employee Compensation					
Total number of employees receiving incentive compensation	Person(s)	-	-	903	**1,478**
The ratio of the annual total compensation of the highest-earning individual to the annual total compensation median of all employees (excluding the highest-earning individual)	%	-	-	-	**2,982**
The ratio of the percentage increase in total annual compensation for the highest-earning individual in the reporting organization to the median percentage increase in total annual compensation for all employees (excluding the highest-earning individual)	%	-	-	-	**1,673**
Occupational health and safety					
Amount of work safety investment	10,000	-	-	4,326.03	**5,326.96**
Number of work safety accidents	Case(s)	-	41	82	**59**
Number of work-related deaths	Person(s)	-	0	0	**0**

[4] Employee churn: Employee churn = number of employees who left / (total number of employees at the end of the reporting period + number of employees who left);

[5] Number of jobs provided: Number of frontline employees inducted during the reporting period and still employed at the end of the 2023 reporting period in all industrial bases except Indonesia, where only frontline employees of Indonesian nationality are counted.

ESG Indicator	Unit	γ	ɣ	℧		¾	ή	¾

Third-party Assurance Report

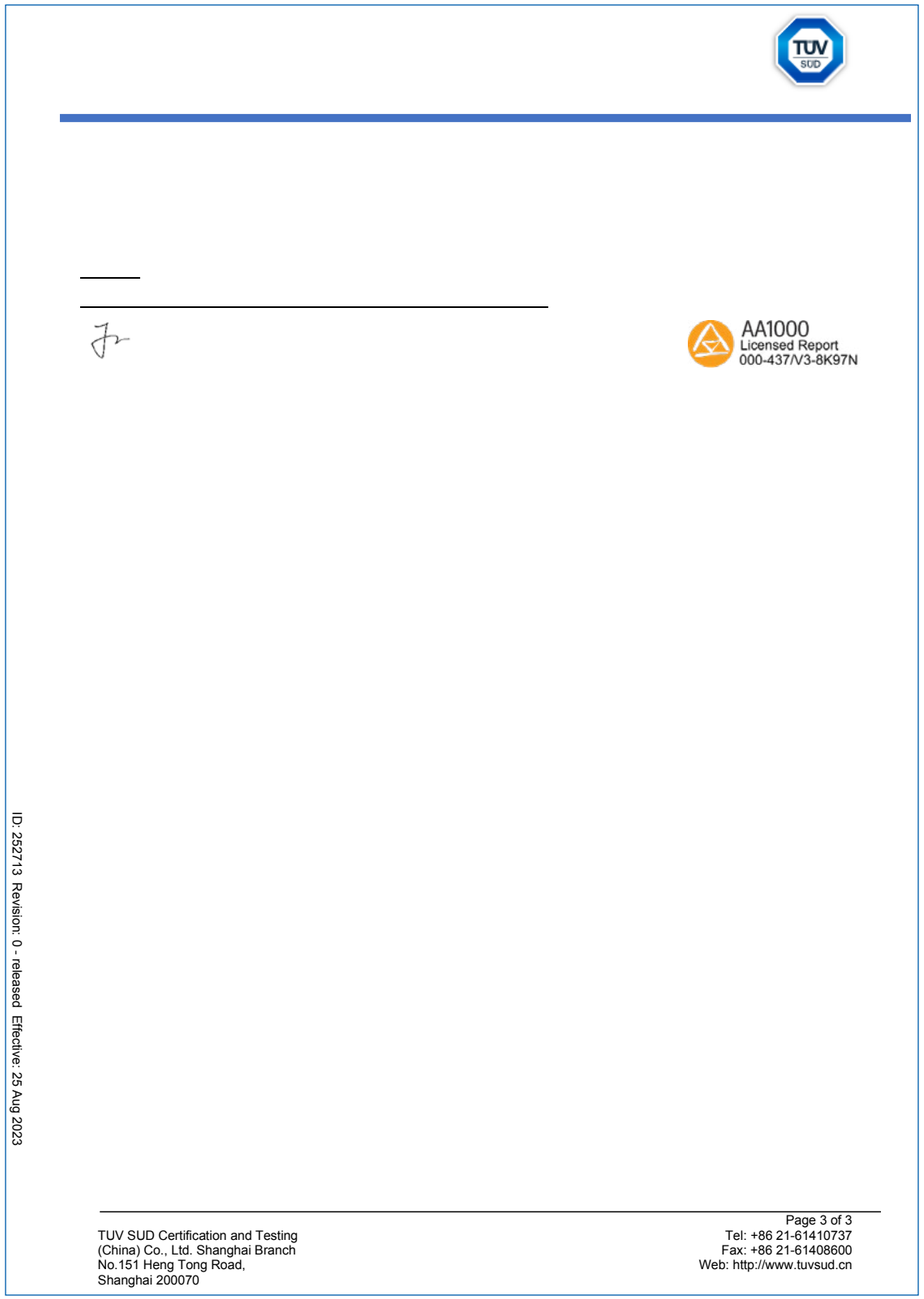
CNGR Advanced Material

Co., Ltd. 2023 Environmental, Social and Governance (ESG) Report

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GRI Index

Instructions: CNGR Advanced Material Co., Ltd. prepared the report in compliance with GRI standards from January 1, 2023, to December 31, 2023

Use of GRI 1: GRI 1: Foundation 2021

GRI Sector Standard followed: No applicable sector standard

GRI Standard	Disclosure	Chapter of the Report	Reason for Omission	Clari f cation
General Disclosures				
The Organization and Its Reporting Practices	GRI 2-1 Organizational Dgetails	About CNGR		
	GRI 2-2 Entities included in the organization's sustainability reporting	About This Report		
	GRI 2-3 Reporting period, frequency and contact point	About This Report		
	GRI 2-4 Restatements of information	About This Report		
	GRI 2-5 External assurance	About This Report		
Activities and Workers	GRI 2-6 Activities, value chain and other business relationships	About CNGR		
	GRI 2-7 Employees	Legal employment		
	GRI 2-8 Workers who are not employees	Legal employment		
Governance	GRI 2-9 Governance structure and composition	Management Structure		
	GRI 2-10 Nomination and selection of the highest governance body	Management Structure		
	GRI 2-11 Chair of the highest governance body	Management Structure		
	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	Management Structure		
	GRI 2-13 Delegation of responsibility for managing impacts	Management Structure		
	GRI 2-14 Role of the highest governance body in sustainability reporting	Management Structure		
	GRI 2-15 Con f icts of interest	Omitted	Not applicable	Data and relevant information have been consolidated and presented in the annual report
	GRI 2-16 Communication of critical concerns	Management Structure		
	GRI 2-17 Collective knowledge of the highest governance body	Management Structure		
	GRI 2-18 Evaluation of the performance of the highest governance body	Management Structure		
	GRI 2-19 Remuneration policies	Management Structure		
	GRI 2-20 Process to determine remuneration	Management Structure		
	GRI 2-21 Annual total compensation ratio	Safeguarding Employee Rights and Interests		
Strategy, Policies, and Practices	GRI 2-22 Statement on sustainable development strategy	Sustainable Development Strategy		
	GRI 2-23 Policy commitments	Responsible Procurement		
	GRI 2-24 Embedding policy commitments	Responsible Procurement		
Strategy, Policies, and Practices	GRI 2-25 Processes to remediate negative impacts	Responsible Procurement		
	GRI 2-26 Mechanisms for seeking advice and raising concerns	Responsible Procurement		
	GRI 2-27 Compliance with laws and regulations	Compliance Management		
	GRI 2-28 Membership associations	About CNGR		
Stakeholder Engagement	GRI 2-29 Approach to stakeholder engagement	Stakeholder Engagement		
	GRI 2-30 Collective bargaining agreements	Legal Employment		

Analysis of Material Topics Economic Performance 2016 GRI 3-3 Management of material topics

GRI Standard	Disclosure	Chapter of the Report	Reason for Omission	Clarification
Materials 2016	GRI 3-3 Management of Material Topics	Use Of Renewable Resources		
	301-1 Materials used by weight or volume	Use Of Renewable Resources		
	301-2 Recycled input materials used	Use Of Renewable Resources		
	301-3 Reclaimed products and their packaging materials	Use Of Renewable Resources		
Energy 2016	GRI 3-3 Management of material topics	Energy Management		
	302-1 Energy consumption within the organization	Energy Management		
	302-2 Energy consumption outside of the organization	Omitted	Lack of information	Relevant data not collected
	302-3 Energy intensity	Energy Management		
	302-4 Reduction of energy consumption	Energy Management		
	302-5 Reductions in energy requirements of products and services	Omitted	Lack of information	Relevant data not collected
Water and Effluents 2018	GRI 3-3 Management of material topics	Water Stress		
	303-1 Interactions with water as a shared resource	Water Stress		
	303-2 Management of water discharge-related impacts	Water Stress		
	303-3 Water withdrawal	Water Stress		
	303-4 Water discharge	Water Stress		
	303-5 Water consumption	Water Stress		
Biodiversity 2016	GRI 3-3 Management of material topics	Biodiversity Conservation		
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected arewas and areas of high biodiversity value outside protected areas	Operational Points for Management of Biodiversity-Rich Areas	Biodiversity Conservation	
	304-2 Significant impacts of activities, products, and services on biodiversity			
	304-3 Habitats protected or restored	Omitted	Not applicable	None of our operational sites in China are located within or near protected or restored habitat areas
	04-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Omitted	Not applicable	None of our operational sites in China are located in areas with IUCN Red List species or national conservation list species habitats

Analysis of Material Topics GRI 3-3 Management of material topics

GRI Standard	Disclosure	Chapter of the Report	Reason for Omission	Clari f cation
Waste 2020	306-3 Waste generated	Waste Management		
	306-4 Waste diverted from disposal	Waste Management		
	306-5 Waste directed to disposal	Waste Management		
Supplier Environmental Assessment 2016	GRI 3-3 Management of material topics	Responsible Procurement		
	308-1 New suppliers that were screened using environmental criteria	Responsible Procurement		
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Procurement		
Employment 2016	GRI 3-3 Management of material topics	Legal Employment		
	401-1 New employee hires and employee turnover	Legal Employment		
	401-2 Bene f ts provided to full-time employees that are not provided to temporary or part-time employees	Legal Employment		
	401-3 Parental leave	Omitted	Lack of information	Relevant data not collected
Labor/ Management Relations 2016	GRI 3-3 Management of material topics	Omitted	Lack of information	Relevant data not collected
	402-1 Minimum notice periods regarding operational changes	Omitted	Lack of information	Relevant data not collected
Occupational Health and Safety 2018	GRI 3-3 Management of material topics	Occupational Health and Safety		
	403-1 Occupational health and safety management system	Occupational Health and Safety		
	403-2 Hazard identi f cation, risk assessment, and incident investigation	Occupational Health and Safety		
	403-3 Occupational health services	Occupational Health and Safety		
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety		
	403-5 Worker training on occupational health and safety	Occupational Health and Safety		
	403-6 Promotion of worker health	Occupational Health and Safety		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety		
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety		
	403-9 Work-related injuries	Occupational Health and Safety		
	403-10 Work-related ill health	Occupational Health and Safety		
Training and Education 2016	GRI 3-3 Management of material topics	Safeguarding Employee Rights And Interests		
	404-1 Average hours of training per year per employee	Safeguarding Employee Rights And Interests		
	404-2 Programs for upgrading employee skills and transition assistance programs	Safeguarding Employee Rights And Interests		
	404-3 Percentage of employees receiving regular performance and career development reviews	Safeguarding Employee Rights And Interests		
Diversity and Equal Opportunity 2016	GRI 3-3 Management of material topics	Legal Employment		
	405-1 Diversity of governance bodies and employees	Legal Employment		

GRI Standard	Disclosure	Chapter of the Report	Reason for Omission	Clari f cation
Non-discrimination 2016	GRI 3-3 Management of material topics	Legal Employment		
	406-1 Incidents of discrimination and corrective actions taken	Legal Employment		
Freedom of Association and Collective Bargaining 2016	GRI 3-3 Management of material topics	Legal Employment		
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Legal Employment		
Child Labor 2016	GRI 3-3 Management of material topics	Legal Employment		
	408-1 Operations and suppliers at signi f cant risk for incidents of child labor	Legal Employment		
Forced or Compulsory Labor 2016	GRI 3-3 Management of material topics	Legal Employment		
	409-1 Operations and suppliers at signi f cant risk for incidents of forced or compulsory labor	Legal Employment		
Security Practices 2016	GRI 3-3 Management of material topics	Omitted	Lack of information	Elevant data not collected
	410-1 Security personnel trained in human rights policies or procedures	Omitted	Lack of information	Elevant data not collected
Rights of Indigenous Peoples 2016	GRI 3-3 Management of material topics	Community Engagement		
	411-1 Incidents of violations involving rights of indigenous peoples	There Were No Incidents Of Violations Involving Rights Of Indigenous Peoples		
Local Communities 2016	GRI 3-3 Management of material topics	Community Engagement		
	413-1 Operations with local community engagement, impact assessments, and development programs	Community Engagement		
	413-2 Operations with signi f cant actual and potential negative impacts on local communities	There Were No Operations With Signi f cant Actual And Potential Negative Impacts On Local Communities		
Supplier Social Assessment 2016	GRI 3-3 Management of material topics	Responsible Procurement		
	414-1 New suppliers that were screened using social criteria	Responsible Procurement		
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Procurement		
Public Policy 2016	GRI 3-3 Management of material topics	Omitted	Not applicable	National conditions do not apply
	415-1 Political contributions	Omitted	Not applicable	National conditions do not apply
Customer Health and Safety 2016	GRI 3-3 Management of material topics	Chemical Management		
	416-1 Assessment of the health and safety impacts of product and service categories	Chemical Management		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Omitted	Not applicable	There were no incidents of such violations
Marketing and Labeling 2016	GRI 3-3 Management of material topics	Compliance Management		
	417-1 Requirements for product and service information and labeling	Compliance Management		
	417-2 Incidents of non-compliance concerning product and service information and labeling	Compliance Management		
	417-3 Incidents of non-compliance concerning marketing communications	Compliance Management		
Customer Privacy 2016	GRI 3-3 Management of material topics	Digitalization And Information Security		
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Digitalization And Information Security		

Shenzhen Stock Exchange "Guidelines No. 2 for the Self-Regulation of Listed Companies on the Shenzhen Stock Exchange – Standard Operation of GEM Listed Companies" (Revised in 2023) Benchmarks Index

Article and Disclosure Content	Chapter of the Report
9.1 Overview	Sustainable Development Strategy
9.2 Operation principles	Risk Management
	Compliance Management
9.3 Strategic planning and working mechanism for social responsibilities	Sustainable Development Strategy
9.4 (i) Construction and implementation of the social responsibility system	About This Report
9.4 (ii) Problems and shortcomings in fulfilling social responsibilities	Occupational Health and Safety
9.4 (iii) Improvement measures and specific schedule	Environmental Management System and Compliance
	Waste Management
	Product Quality and Safety
	Community Engagement
	Charity
9.5 Establish awareness of returning value to shareholders	Management Structure
9.6 Ensure the company's financial stability	Management Structure
9.7 Election systems for employee directors, employee supervisors	Management Structure
	Legal Employment
9.8 (i) Comply with environmental protection laws, regulations, and industry standards	Environmental Management System and Compliance
9.8 (ii) Formulate and implement environmental protection plans for the company	Environmental Management System and Compliance
9.8 (iii) Efficiently utilize energy, water resources, raw materials, and other natural resources	Water Stress
9.8 (iv) Dispose of pollutants compliantly	Waste Management
9.8 (v) Construct and operate effective pollution prevention and control facilities	Environmental Management System and Compliance
9.8 (vi) Pay environmental protection-related taxes and fees in full	Environmental Management System and Compliance
9.8 (vii) Ensure environmental safety in the supply chain	Responsible Procurement
9.8 (viii) Other obligations pertaining to environmental protection responsibilities	Environmental Management System and Compliance
9.9 (i) Environmental protection policies, annual environmental protection objectives and achievements	Environmental Management System and Compliance
9.9 (ii) Total annual resource consumption	Energy Management
9.9 (iii) Environmental protection investment and environmental technology development	Environmental Management System and Compliance
9.9 (iv) Types, quantities, concentrations, and disposal of pollutants emitted	Waste Management
9.9 (v) Construction and operation of environmental protection facilities	Environmental Management System and Compliance
9.9 (vi) Treatment and disposal of wastes generated in the production process, and the recycling and comprehensive utilization of waste products	Waste Management
9.9 (vii) Voluntary agreements signed with environmental protection authorities to improve environmental behaviors	Not Applicable
9.9 (viii) Rewards received from environmental protection authorities	
9.9 (ix) Other voluntarily disclosed environmental information	Addressing Climate Change
9.10 Implementation of environmental protection policies	Environmental Management System and Compliance
	Waste Management
9.11 Disclosure of environmental information	Environmental Management System and Compliance
9.12 (i) Comply with product safety laws, regulations, and industry standards	Chemical Management
9.12 (ii) Establish a safe and reliable production environment and processes	Occupational Health and Safety
9.12 (iii) Establish a product quality and safety assurance mechanism and emergency plans for product safety incidents	Chemical Management
9.12 (iv) Other obligations pertaining to production and product safety responsibilities	Product Quality and Safety
9.13 (i) Establish employment, dismissal, compensation and benefits, social insurance, working hours management systems and measures for handling violations	Legal Employment
9.13 (ii) Establish work environments that prevent occupational hazards and supporting safety measures	Occupational Health and Safety
9.13 (iii) Provide employees with necessary knowledge and vocational skills training	Safeguarding Employee Rights and Interests
9.13 (iv) Other obligations pertaining to the protection of employee rights and interests	Safeguarding Employee Rights and Interests
9.14 Scientific ethics	R&D and Innovation
	Product Lifecycle Management
9.15 Government regulation and public oversight	Stakeholder Engagement
	Analysis of Material Topics

UNGC Principles Index

The Ten Principles of the United Nations Global Compact	Chapter of the Report
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally	