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Code of Business Conduct of CNGR



Corporate Document of CNGR	Code of Business Conduct of CNGR	
	Sustainability Office	
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Content

1 Introduction 3
2 Scope 3
3 Policy Commitments 3
3.1 Compliance with laws and regulations 3
3.2 Anti-corruption and anti-fraud 3
3.3 Anti-conflict of interest 4
3.4 Fair competition and anti-monopoly 4
3.5 Anti-money laundering and insider trading management 5
3.6 Political contributions and activities 5
3.7 Diversity and inclusion 6
3.8 Anti-harassment 6
3.9 Intellectual property protection 6
3.10 Information and privacy protection 7
3.11 Environmental protection 7
3.12 Healthy and safe workplace 7
4 Reporting Management 8
5 Supervision and Review 8
6 Policy Review and Revision 9

Established in September 2014, CNGR Advanced Material Co., Ltd. (CNGR shares 300919.SZ) is a holding subsidiary and listed entity of Hunan CNGR Holding Group Co., Ltd. We are a professional comprehensive service provider of new energy materials for lithium batteries and a player in the field of new materials and new energy in the national strategic emerging industries.

CNGR abides by local laws and regulations in all business premises and industry sectors, pays attention to the impact of business ethics on itself and all stakeholders, and formulates this system in accordance with the Universal Declaration of Human Rights, OECD Guidelines, ILO standards, etc. CNGR adopts a "zero-tolerance" policy towards business ethics violations and formulates a number of management rules, rewards, and punishments to strictly manage the violations. In order to continuously strengthen the awareness of business ethics throughout the Company and consolidate compliance achievements, CNGR will regularly train all relevant personnel on relevant policies and systems, and make proper training records and appraisals.

The Policy is applicable to all relevant personnel of CNGR, including regular employees, dispatched laborers, interns, temporary and part-time employees who have signed employment contracts, and members of the Board of Directors, covering CNGR's global operation sites and subsidiaries and branches, as well as industrial facilities directly or indirectly controlled or operated by CNGR in the world. CNGR commits to exerting influence over joint ventures in which it does not hold a controlling interest, requiring and urging them to act in accordance with the provisions of this policy. In addition, CNGR encourages suppliers and partners to recognize and abide by the relevant provisions of the Policy.

CNGR is committed to ensuring a high level of compliance. We strictly abide by the provisions and essence of all current laws and regulations of the People's Republic of China, fulfill our corporate responsibilities and obligations in strict accordance with the policy requirements issued by regulators, and strictly implement the ethical standards advocated and encouraged by current laws and regulations. For all overseas operational businesses of CNGR, we promise to strictly abide by the laws and regulations issued by the country and the local government and cooperate with the investigation and inspection of all regulators. When conducting business in any jurisdiction, relevant personnel must abide by the laws of their own country's jurisdiction as well as the laws and regulations of the jurisdiction where they are located, develop globally with highly compliant corporate behavior, and fulfill corporate responsibilities.

CNGR has zero tolerance for corruption and fraud. If corruption and fraud are found, relevant personnel will be strictly punished and handed over to the judicial authorities for trial. All employees, senior management, and members of the Board of Directors (hereinafter collectively referred to as "relevant personnel") are required to abide by the relevant regulations of CNGR on anti-corruption and anti-fraud. The code of conduct required by CNGR to be followed by employees is set forth here for supervision and reporting by relevant persons inside and outside the Company.

- Under no circumstances shall relevant personnel offer benefitso• kickbacks and gifts (other than a publicity or promotional gift of merely symbolic value) to any person or company having business dealings with CNGR, so as to influence such person or company in business dealings;
- Relevant personnel shall not accept or offer benefits through means including charitable donations, sponsorship, agency, consultation, joint venture, undertaking, or guarantee;
- Relevant personnel shall not intentionally conceal or misreport the business contents; shall not interfere with or mislead the Company's decisions through false information; shall not disclose the Company's trade secrets for commercial interests;
- It is strictly prohibited to offer benefits to any government official as a way to obtain business or benefits for CNGR, and any form of facilitation payment is also prohibited. Relevant personnel shall not directly offer prohibited benefits through their own personal participation, or indirectly offer such benefits, such as authorizing or allowing a third party to offer prohibited benefits on behalf of CNGR;
- Neglect of duty, abuse of power and position, favoritism and fraud, false increase of performance, fictitious profits, tax evasion, and ultra vires decision-making and approval are prohibited.

A conflict of interest is considered to exist by CNGR when an individual's obligations to the Company conflict with his or her personal interests. In principle, we reject conflicts of interest in any situation, and employees, senior management and members of the Board of Directors (hereinafter collectively referred to as "relevant personnel") must avoid conflicts of interest that they create. When employees have conflicts of interest, they can avoid or reduce the interests of CNGR and relevant personnel through timely reporting and handling. CNGR believes that conflicts of interest may include:

- External work and associated relationships with suppliers, customers, competitors, or government agencies;
- Management or supervision of relatives and friends;
- Existence of an intimate relationship with another employee and you can influence decisions relating to that employee's (salary, performance rating, or promotion);
- Gifts given or received as a result of employment with CNGR.

CNGR believes that fair, just, and open competition can bring maximum benefits to customers, partners, and society. CNGR abides by anti-monopoly laws and regulations,

strictly reviews all business, and discloses information according to standards. CNGR has established effective monitoring and implementation mechanisms to ensure the compliance of all business operations of the Company at home and abroad, strengthened the prevention and control of common risks of legal compliance of the Group, and effectively supervised all departments to improve internal control measures and long-term mechanism of risk control. CNGR strictly manages the transaction amount, discloses the amount according to compliance requirements, and ensures that relevant donations and support behaviors do not undermine the fairness of business competition.

CNGR has formulated relevant regulations to review the legality and compliance of all business transactions through fair and impartial evaluation, and promises not to establish monopoly combines or cartels with large-scale competitors in the market, or use predatory pricing as a strategy due to its large market share to reduce fair competition in the market and violate relevant anti-monopoly laws and regulations.

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CNGR promises not to donate its funds to public offices, political parties, or committees established to fund candidates. CNGR does not contribute to non-party voters in registration, education, and voter turnout programs.

CNGR respects human rights and is fully aware that diversity enriches our workplace. We are committed to creating a diverse and equitable work environment for all employees and an inclusive culture that does not discriminate against individuals on the basis of race, skin color, age, nationality, religion, sexual orientation, gender identity and expression, marital status, family status, disability or any other legally protected factor. All employees must abide by the principle of mutual respect at work, and we have zero tolerance for discrimination or any other form of violation or misconduct against any individual or group. In the recruitment and promotion process, we provide equal opportunities, take ability, performance, and seniority as considerations, and do not bias and discriminate on the basis of age and gender.

CNGR is committed to creating a healthy, safe, and harmonious work environment for all employees. CNGR prohibits anyone from harassing employees in any form, including but not limited to insulting noise, facial expressions, vulgar language and gestures, making nicknames, slander, derogatory comments, threats, hostile behavior and touching. Sexual harassment is one of the prohibited forms of harassment. Sexual harassment shall not be committed against the will of others whether the harassment is conducted verbally, practically, or through the internet, by means of spoken and written language, images, or physical acts.

Any employee who commits harassment violating our policy will be subject to disciplinary punishment or even dismissal. Moreover, where supplier representatives, independent contractors, or visitors are found to have harassed our employees, in that case, we will require them to leave CNGR's premises and prevent them from dealing with CNGR's employees in the future. Retaliation against employees who report harassment in good faith or assist in investigating harassment complaints is prohibited.

CNGR focuses on protecting its own intellectual property rights while not infringing the intellectual property rights of others during actual business operations. The Company strictly prohibits employees from improperly obtaining, disclosing, using, and disposing of other people's trade secrets. CNGR complies with all applicable license terms when using the intellectual property rights of others.

The Company integrates protection requirements regarding intellectual property rights into business processes such as product R&D, sales, and procurement, regularly reviews and continuously improves in combination with problems and cases existing in business operations, and carries out publicity and training on intellectual property rights and trade secret protection to all employees so that employees are fully aware of the obligations and responsibilities of compliance of intellectual property rights. When encountering problems

involving intellectual property rights, the Company will conduct relevant investigations to ensure that its own and other people's intellectual property rights are protected and respected.

The protection of personal information plays an important role in our digitized world. CNGR respects the personal information of employees, distributors, suppliers, customers, and investors, and abides by all applicable laws regarding the protection of their personal financial information, medical information, and information confidentiality. We handle such information seriously and responsibly, respecting everyone's privacy. The Company establishes an emergency plan for information security incidents, and timely informs customers of the basic situation and possible impact, disposal measures taken or to be taken, suggestions for customers to independently prevent and reduce risks, remedial measures for customers, etc. in case of information security emergencies.

We regard environmental protection as one of the Group's important responsibilities and implement the concept of environmental protection throughout all operational activities. This requires us to actively advocate for and take advantage of various opportunities to enhance the efficient use of energy and resources, reduce emissions of harmful pollutants and ensure that all waste is disposed of in a safe and responsible manner. The Company actively fulfills its environmental protection obligations, reviews and considers the impact of its own activities on the environment, and ensures that the activities within the Group's production and operation comply with reasonable environmental protection codes. The Company also plans and conducts business in a way as to minimize the adverse impact on the environment during the life cycle of each project, maintains the surrounding environment in daily operation, and avoids or reduces the adverse impact due to production and operational activities on the environment, and minimizes the negative impact of the business on the environment.

CNGR is committed to providing employees with a safe and healthy work environment and minimizing the negative health and safety impacts caused by business operations. CNGR abides by relevant laws and regulations regarding occupational safety and health, furnishes all employees with mechanical and physical facilities required for personal safety and health, provides education and training required for employees to identify risks, eliminate dangers and work safety, and reasonably eliminates known potential safety hazards and takes appropriate measures to prevent potential safety hazards.

It is the responsibility of every employee to abide by environmental, safety, and health rules and practices to maintain a safe and healthy work environment for other employees. Every employee shall report accidents, injuries, and unsafe equipment, practices, or circumstances, take measures to supervise health and safety performance, and continuously improve to achieve significant results. It is the responsibility of every employee to perform his or her duties in a safe manner and not drink alcohol, use drugs, or take in other prohibited

substances. The use of drugs or other prohibited substances in the workplace is prohibited. Any form of violence or threat of violence is prohibited.

CNGR encourages all employees, board members, and stakeholders to report, either anonymously or under their real names, any acts of favoritism, fraud, or behavior detrimental to the company's interests. The company has established a grievance and reporting mechanism, offering five online and offline channels for reporting: phone, email, WeChat mini program, physical mailbox, and in-person reporting. These channels, along with CNGR's grievance management procedures related to social responsibility, are clearly communicated to all employees during new hire orientation and regular staff training sessions.

The Company reads and registers the reporting letters and written materials submitted piece by piece, listens to the face-to-face reporting respectively and separately and registers the reporting in detail, and investigates and handles the reporting timely.

The Company resolutely protects the information security of informants, implements the informant protection policy, strives to keep the information of informants confidential, and never allows any infringement and retaliation against informants. Once verified, such actions will be dealt with seriously according to relevant regulations.

CNGR strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other relevant laws and regulations. The company has established policies such as the Supervision and Management System, which are publicly disclosed on its official website. The Audit and Supervision Center assists management in organizing the identification, assessment, and monitoring of fraud and corruption risks. It also promotes anti-fraud and anti-corruption policies through the company's training system to raise employees' awareness of integrity and ethical conduct. CNGR has established reporting channels and standardized reporting procedures to handle complaints and reports related to fraudulent activities. When fraud or corruption is detected, the company will form an investigation team to assess the scope and complexity of the incident in a timely and confidential manner. The findings will be promptly reported to the Board of Directors. Upon completion of the investigation, a report will be submitted for board approval. Verified cases will result in rewards for whistleblowers in accordance with relevant incentive policies, while responsible individuals or entities will be held accountable. Cases involving violations of national laws will be refewh9 ( )]TJ0ltgs3(of)-gs w reheer (s)8.5 (60.9 (r)-4 (t)u3 (vi)6.3 (t)

operational activities. In view of the identified risks, CNGR urges all departments to carry out


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