CNGR中伟

2024

CNGR Advanced Material Co., Ltd.

Sustainability Report

Disclaimer

This report contains forward-looking information that involves risks and uncertainties, including statements about CNGR's plans, objectives, expectations and intentions. Should one or more of these risks, uncertainties or contingencies materialize, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of CNGR. As a result, neither CNGR nor any other person assumes any responsibility for the accuracy of these forward-looking statements.


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About this Report

This report is a non-financial disclosure issued by CNGR Advanced Material Co., Ltd., intended to address the expectations of stakeholders and provide a comprehensive overview of the company's philosophy, management practices, actions, and achievements in the field of sustainability. In alignment with the Shenzhen Stock Exchange Self-Regulatory Guidelines No.17 on Sustainability Reports (Trial) and Shenzhen Stock Exchange Self-Regulatory Guideline No.3 for the Preparation of Sustainability Reports, this report has been formally renamed from 2024 onward as the CNGR Advanced Material Co., Ltd. Sustainability Report. For ease of reference and readability, "CNGR" "the Company" or "we" are used throughout this report to refer to CNGR Advanced Material Co., Ltd..

Scope of the Report

The information and data presented in this report are derived from CNGR Advanced Material Co., Ltd. and its subsidiaries under the company's actual operational control. The reporting scope is consistent with that of the 2024 CNGR Advanced Material Co., Ltd. Annual Report. Due to ongoing construction or the absence of stable operations, quantitative environmental data related to CNGR's overseas industrial bases are not disclosed in this report. Relevant assessments and disclosures are planned to be gradually implemented starting in 2025. If any content extends beyond the defined reporting scope, it will be clearly noted within the main text. All data disclosed are sourced from the company's internal data collection and statistical systems. Unless otherwise specified, all monetary figures in this report are denominated in Renminbi (CNY).

Reporting Period

The reporting period spans from January 1st, 2024, to December 31st, 2024. For content that extends beyond this timeframe, pertinent explanations will be included in the respective sections. This document is an annual report and adheres to the same reporting period as the CNGR Advanced Material Co., Ltd. 2024 Annual Report.

Compilation Basis

This report adheres to the requirements of the GRI Sustainability Reporting Standards (GRI Standards) Core Options, 2021 Edition, established by the Global Sustainability Standards Board (GSSB). It fulfills the stipulations of the Shenzhen Stock Exchange Self-Regulatory Guidelines No.17 on Sustainability Reports (Trial) and Shenzhen Stock Exchange Self-Regulatory Guideline No.3 for the Preparation of Sustainability Reports. The report aligns with the International Financial Reporting Standards Sustainability Disclosure Standard No. 1 - General Requirements for Sustainability - related Financial Information Disclosure (IFRS S1) and International Financial Reporting Standards Sustainability Disclosure Standard No. 2 - Climate-related Disclosures (IFRS S2), issued by the International Sustainability Standards Board (ISSB). Additionally, it complies with the Sustainability Accounting Standards Board (SASB) Standards for the chemicals industry. The report also references framework recommendations, including the United Nations 2030 Sustainable Development Goals (SDGs) and the Ten Principles of the United Nations Global Compact (UNGC), for pertinent information disclosure.

Report Compilation

This report has been compiled by the Sustainability Office of CNGR Advanced Material Co., Ltd..

Independent Verification

This report was independently verified by BOVA Technology (Beijing) Co., Ltd. in accordance with the AA1000 Assurance Standard 3rd Edition. The verification was based on the AA1000 principles of "Inclusivity, Materiality, Responsiveness, and Impact", and was completed under the "Type II, Moderate" assurance level and depth. The company issued the "Independent Assurance Statement for the Sustainability Report", with the independent assurance statement included in the appendix.

Report Release

This report was reviewed and approved by the company's board of directors on April 10th, 2025. The board, along with all its directors, affirmatively guarantees that the report is devoid of any false records, misleading statements, or material omissions. The next issuance of the report is anticipated in April 2026.

Report Inquiry

This report is accessible in both Chinese and English versions, available on the company's website (http://www.cngrgf.com.cn/shzr.html). In the event of discrepancies between the Chinese and English versions, the Chinese version will take precedence. Should any inconsistencies arise between this report and the company's annual report, financial report, or audit report, the annual report, financial report, and audit report will prevail.

Contact

Sustainability Office of CNGR Advanced Material Co., Ltd.
Address: Intersection of No. 2 Trunk Road and No. 1 Trunk Road, Dalong Economic Development Zone, Tongren City, Guizhou Province, China
B Tower, Yunda Central Plaza, Yuhua District, Changsha City, Hunan Province, China
Telephone: +86 856 3238558
E-mail: cngrCSR@cngrgf.com.cn

Chairman's Address

"Simplicity in Principle, Sunward at Heart

Chairman of CNGR, Weiming DENG

Reflecting on 2024, a year marked by volatility and adversity. We faced the uncertainties of the global economy, mounting industry competition, and the relentless tide of technological disruption, the 17,000 CNGR employees worldwide pressed forward with hope, undeterred by headwinds, we comprehensively advanced our "Four Modernization" strategy: Technology Diversification, Industry Ecologization, Globalization, and Operation Digitization. Guided by our three ESG philosophies: Harmonious Ecology, Excellence and Win-Win, and Practicality and Self-discipline, we remained committed to coexisting with nature, progressing with partners, and driving the sustainability of our company.

The past year commemorated the 10th anniversary of CNGR's inception and heralded the dawn of our next chapter. It was a period of significant growth, as we deepened our comprehension of industry cycles and market dynamics. This year laid the foundational stones on our path to actualize our new vision: to emerge as a global leading innovator for battery materials and solutions. It was also a testament to our resilience, as we navigated overlapping challenges and fiercely competed in a demanding landscape. Reflecting on our journey, every step we took was both steady and resolute. CNGR employees advanced tirelessly, expanding our global footprint, integrating diverse cultures, and securing victory after victory, propelling the CNGR vessel toward ever broader horizons.

In 2024, we thrived amidst fierce competition. Our endeavors in Technology Diversification bore substantial fruit: we sustained our leadership in nickel- and cobalt-based materials, exceeded 10,000 tons in monthly production of phosphorus-based materials, and attained over 100,000 tons in cumulative shipments. We secured thousand-ton orders for sodium-based materials, positioning us at the industry's vanguard. CNGR's technological innovations now span the comprehensive disciplines of materials science, metallurgy, and chemical engineering. Our global expansion has gained significant momentum. Three key raw material bases in Indonesia have achieved optimal production efficiency, and our Morocco project has progressed to the line commissioning stage, successfully delivering product samples. Additionally, we have broadened our recycling network through strategic collaborations with leading global entities. We advanced our Operation Digitization, integrating AI and collaborating with IBM to establish a benchmark for digital transformation within the new energy sector. Our Industry Ecologization system thrived, resulting in a suite of innovative products, such as electrolytic nickel, electrolytic cobalt, and cobalt hydroxide, developed on the foundation of our existing technologies and industrial base. These initiatives strategically mitigate supply shortages in nickel, phosphorus, and lithium. Our EHS (Environmental, Health, and Safety) and ESG (Environmental, Social, and Governance) practices now conform to world-class standards, bolstering safety and environmental stewardship. We achieved significant progress in public welfare and were honored to be included in the Fortune China ESG Impact List for the first time, underscoring our deepening commitment to social responsibility.

Over the past year, we have prioritized sustainability and initiated a series of reforms to harness internal momentum. We are delighted to observe the evolution of our core values, Responsibility, Innovation, Diversity, and Win-Win Cooperation, which have now become the shared belief and identity of CNGR employees globally. Additionally, our organizational transformation has deepened, with the establishment of regional and matrix-based management systems, thereby enhancing multi-business synergy and supporting our global development efforts. Meanwhile, enhancements in our processes, cost management, procurement strategies, R&D innovation frameworks, and digital transformations within quality and

manufacturing are continuously elevating our operational efficiency. The wheel of reform is spinning at an unprecedented pace, fueling sustained momentum for our ongoing journey.

As spring thunder stirs and the war drums beat, a new year dawns, bursting with life and promise. In this critical juncture, where artificial intelligence and new energy are intersecting to revolutionize industries, let us grasp technological innovation as our cornerstone, firmly navigate the helm, and chase our aspirations with unwavering confidence and steadfast perseverance. Regardless of the length or complexity of the path that lies ahead, by confronting the challenges head-on, we will pioneer new frontiers and embrace the brilliance of triumph.

In 2025, let us join forces, hoist our sails anew, and navigate the waves toward even greater achievements!

About CNGR

Our Footprint

In 2024

The company's revenue soared to

40.223 billion CNY

marking a

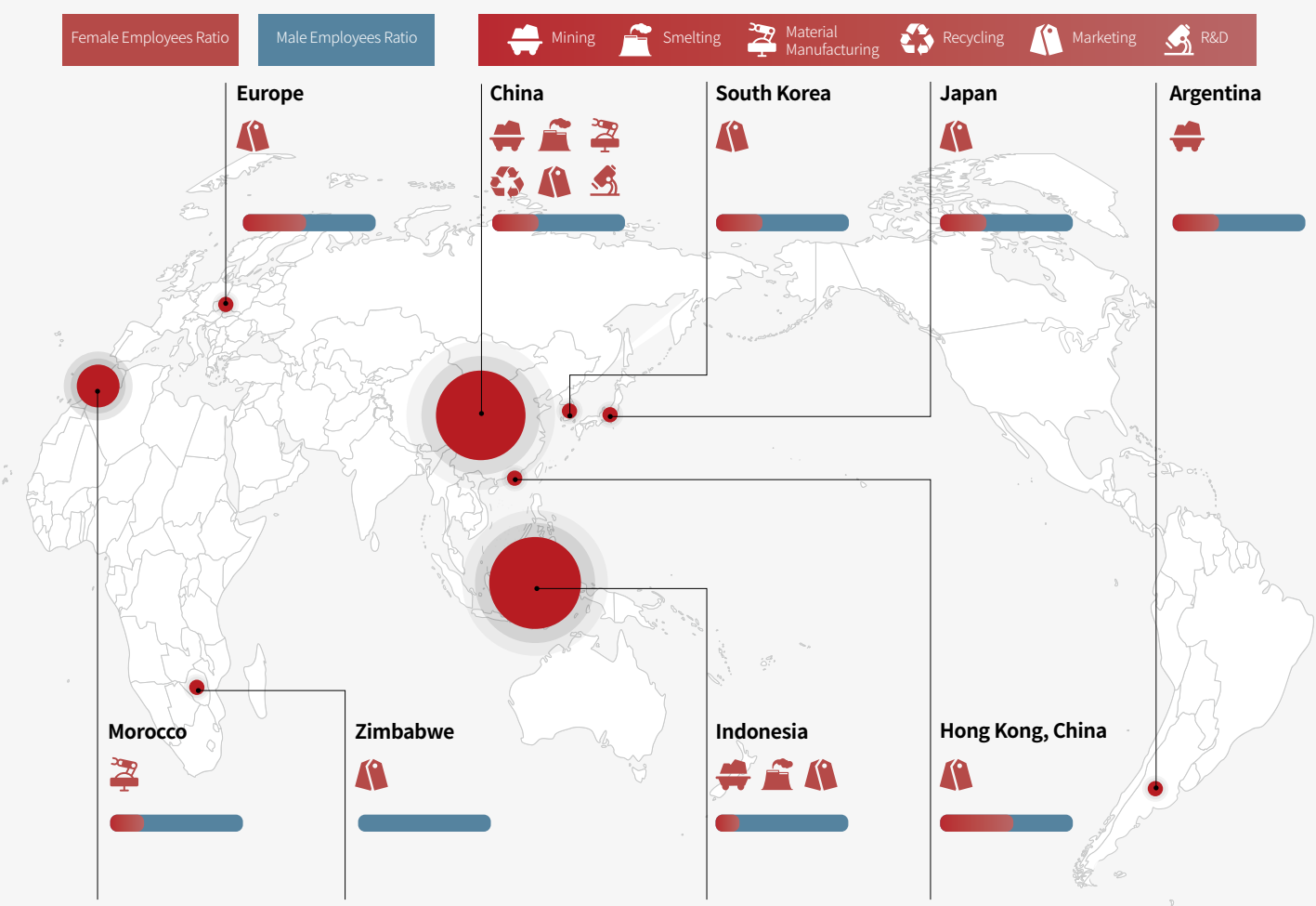
17.36%

surge compared to 2023

Its core products, namely ternary precursors and cobalt tetroxide, sustained their global top shipment position for

five consecutive years

CNGR Advanced Material Co., Ltd. (CNGR, 300919.SZ), founded in September 2014, is a globally recognized enterprise in the field of new energy materials. Driven primarily by technological innovation, the company focuses on materials and cutting-edge technologies related to nickel, cobalt, phosphorus, sodium, manganese, and lithium. Through continuous iteration, CNGR has established a new energy materials industry ecosystem that spans primary/secondary resource development and utilization, R&D and manufacturing of new energy materials, terminal resource recycling and circulation. Currently, CNGR has established and deployed ten major industrial bases around the world, integrating global resources to serve global customers. Adhering to its corporate mission of "Materials to Perfection", CNGR is committed to promoting the global energy transition and contributing to sustainability worldwide, with the ambition of becoming a global leader in new energy material science.



2024 Annual Milestones

In 2024, among a complex international landscape and ongoing industrial adjustments, CNGR remained firmly focused on its "Four Modernizations" strategy. Significant achievements were made in global deployment and integrated operations; digitalized management and eco-industrial development unleashed new momentum; and diversified product lines and technical routes continued to evolve. Guided by its newly upgraded corporate vision, "a global leading innovator for battery materials and solutions", CNGR pressed forward with the core values of "Responsibility, Innovation, Diversity, and Win-Win Cooperation" reaching milestone after milestone of profound significance.

Globalization, Opening New Chapters

Under the "Globalization" strategy, CNGR further elevated its global industrial layout in 2024. In overseas capacity construction, the Morocco project broke ground in January, received its first equipment in July, initiated production line commissioning in October, and successfully delivered sample products, marking a countdown to production with characteristic "CNGR speed". In global recycling, CNGR signed battery recycling cooperation agreements with IS Dongseo and Doosan Recycling Solution, and further deepened its partnership with global recycling leader Cronimet to accelerate battery recycling capacity deployment in Europe. For overseas raw material bases, CNGR's Indonesia division entered a new phase of "three-base production" across Morowali, WedaBay, and North Morowali, achieving stable and full-capacity production.

Technology Diversification, Driving Continuous Breakthrough, Progressing with Innovation

Driven by its "Technology Diversification" strategy, CNGR continued breakthroughs across multiple material lines in 2024. In nickel-based materials, the company maintained a leading position with products featuring high-nickel/high-capacity, high-nickel/long-cycle life, high power output, and solid-state battery compatibility. Its medium-nickel/high-voltage products achieved record-breaking voltage levels. In cobalt and manganese-based materials, innovations included new high-voltage/high-capacity Co3O4, lithium-rich manganese precursors, and cost-effective lithium manganese nickel oxide (LMNO) precursors. Phosphorus-based materials saw large-scale adoption by leading customers, with the fifth-generation high-tap-density products leading the industry in both performance and cost, now in the pilot production stage. For sodium-based materials, CNGR made major advances in polyanionic and layered oxide routes, achieving mass production with strong cost advantages. The vertically integrated polyanionic solution has significantly enhanced product competitiveness.

By continuously "going global" and "bringing in", CNGR advanced international industry-academia-research collaborations, signing an MoU with top Indonesian university Gadjah Mada University (UGM), and launching an "International Master's Program in Metallurgical Engineering" in cooperation with Central South University and Indonesia's Ministry of Energy and Mineral Resources, accelerating the training of local talent in Indonesia.

Rapid Growth in Phosphorus-Based Business, Joining the Industry's Top Tier

CNGR's phosphorus-based business experienced rapid progress, with breakthroughs from production line upgrades and capacity scaling to market delivery. By the end of 2024, CNGR had completed the mass production transition of third- and fourth-generation LFP precursors, while its fifth-generation products led the industry in performance and cost. Monthly shipments exceeded 15,000 tons, positioning CNGR among the top tier of the industry, making phosphorus-based materials a new core product line alongside nickel and cobalt.

Breakthroughs in Sodium-Based R&D and Market, Leading the Sodium-Ion Race

CNGR built nearly 10,000 tons of sodium-ion material capacity, from pilot scale to mass production, covering three major technical routes: polyanionic (NFPP), layered oxides, and Prussian blue. These products were certified by several top-tier battery cell manufacturers. On August 26st, CNGR delivered its first batch of polyanionic sodium-ion precursors, which demonstrated excellent stability and safety, showing strong potential for low-speed vehicles and energy storage applications. In December, CNGR secured a thousand-ton-scale sodium-ion material order, marking a major step forward in commercialization and industrialization.

Nickel & Cobalt Products Flourishing: Materials Ecosystem Boosts Profitability

In 2024, CNGR remained the industry leader in shipments of nickel and cobalt-based precursors. Leveraging years of R&D, manufacturing, and customer engagement advantages, CNGR enriched its product portfolio under its "Industry Ecologization" strategy. All new products received strong market response upon launch. Using its self-developed high-efficiency hydrometallurgical process, CNGR produced electrolytic nickel with a purity of 99.99%. The CNGR brand electrolytic nickel was successfully registered on both the London Metal Exchange (LME) and Shanghai Futures Exchange (SHFE) in February and December, respectively, earning dual market access. In May, the "DX-zwdx" brand of electrolytic nickel was LME-registered, becoming Southeast Asia's first LME-deliverable nickel brand. In July, CNGR delivered its first batch of 4N cobalt plates to customers; in September, its new cobalt hydroxide product achieved stable production and entered the top ranks of its niche market.

Securing Core Resources to Strengthen Long-Term Competitiveness

CNGR is committed to synergizing across the industrial ecosystem to enhance its long-term competitiveness. In 2024, the company further strengthened its primary resource positions in nickel, phosphorus, and lithium, addressing gaps in mineral resources and building a robust supply security moat. These efforts provide the foundation for CNGR to weather cycles and sustain development. To date, CNGR's resource reserves are sufficient to support development for the next 30 years, reinforcing its integrated industrial advantage and safeguarding high-quality growth.

Rapid Capacity Release in Indonesia: New Heights in Raw Material Supply Security

As CNGR's core nickel resource hub, its Indonesia division saw a surge in capacity release in 2024. Four major milestones propelled the company's raw material supply security to new heights. On January 12th, the North Morowali Industrial Base was successfully commissioned. On January 31st, the first batch of matte nickel from the Morowali base arrived at Qinzhou Port. On June 30th, the first batch of low-grade matte nickel from the North Morowali base reached Qinzhou. On November 22nd, the North Morowali base produced its first batch of high-grade matte nickel. CNGR's total built and under-construction nickel smelting capacity in Indonesia reached 200,000 metal tons/year. These efforts support the creation of a Belt and Road demonstration project, seamlessly linking with domestic bases and enabling an integrated dual-cycle industrial chain across domestic and international markets.

Partnering with IBM to Create a Digital Benchmark for the New Energy Industry

In 2024, CNGR executed its "Operation Digitization" strategy, using digital tools to advance modernization and internationalization. In October, CNGR partnered with IBM, the world's largest IT and business solutions provider, to officially launch its SAP transformation project. This long-term collaboration aims to accelerate CNGR's digital transformation, enhance its integrated operations and global management capabilities, and lay a solid foundation for the company's global development and modern governance.

Upholding Social Responsibility and Advancing Sustainability

As a leading and responsible enterprise in the new energy materials industry, CNGR has consistently prioritized and advanced its sustainability efforts. In 2024, the company achieved notable ESG outcomes. Its MSCI ESG rating was upgraded once again, placing CNGR in the upper-middle tier of the industry. CNGR was also listed in the Fortune China ESG Impact List, recognized as one of the Top 100 Green Power (Green Certificate) Consuming Enterprises in China, and included in the S&P Global Sustainability Yearbook China Edition 2024, where it was honored as the Most Improved Industry Performer in the S&P Global Corporate Sustainability Assessment (CSA).

Earning Multiple National Honors and Achieving Significant Quality Advancement

In 2024, thanks to the collective efforts of CNGR employees worldwide, the company continued to maintain market leadership and deliver high-quality growth, demonstrating strong resilience and vitality. CNGR was listed for the second consecutive year in the Fortune China 500 and Top 500 Chinese Private Enterprises, and for the third consecutive year in the Top 500 Chinese Manufacturing Private Enterprises. It was also selected as a Model Case of Technological and Industrial Innovation in Private Enterprises 2024, recognized as a National Intellectual Property Advantage Enterprise, and once again awarded the title of Manufacturing Single Champion Enterprise by the Ministry of Industry and Information Technology. These achievements reflect CNGR's notable progress in quality improvement, industry ranking, and growing social influence.

2024 Accolades

By the end of 2024, CNGR had achieved comprehensive improvements in ESG ratings from the world's three major index providers. The S&P Global ESG Score increased from 43 to 49. The MSCI ESG Rating was upgraded from BB to BBB. The FTSE Russell ESG Score rose from 3.1 to 3.8. Additionally, CNGR maintained a B rating in the CDP Climate Change Questionnaire, exceeding the global average.

S&P Global 49/100

MSCI BBB

FTSE Russell 3.8

CDP B

Corporate Strategy

At the turning point of the industrial revolution led by AI and new energy, CNGR adheres to its mission of "Materials to Perfection" and upholds its vision of becoming a global new energy materials technology company. The company continues to reinforce its strategic pillars of Technology Diversification, Globalization, Operation Digitization, and Industry Ecologization. CNGR is committed to building a new energy materials ecosystem that embodies shared resources, co-created value, low-carbon compatibility, and sustainability, contributing to a better life for humanity. Technology Diversification focuses on R&D-driven innovation to establish a "multi-material + multi-technology" system, exploring new materials and technological frontiers to navigate industry cycles through continuous innovation. Globalization reflects the globally distributed nature of the new energy industrial chain, with CNGR striving to enhance its capabilities in integration, manufacturing, and service on a global scale, to serve international customers and promote the sustainability of the industry. Operation Digitization are driven by a unified digital platform that optimizes and reshapes key business units including R&D, manufacturing, quality, and sales and delivery, thereby improving operational efficiency, enabling precise decision-making, and achieving seamless collaboration. Industry Ecologization aims to strengthen collaboration with upstream and downstream enterprises, fostering industry coordination and building a low-carbon, circular, and mutually beneficial sustainable new energy industrial ecosystem.

This chapter responds to the following topic:

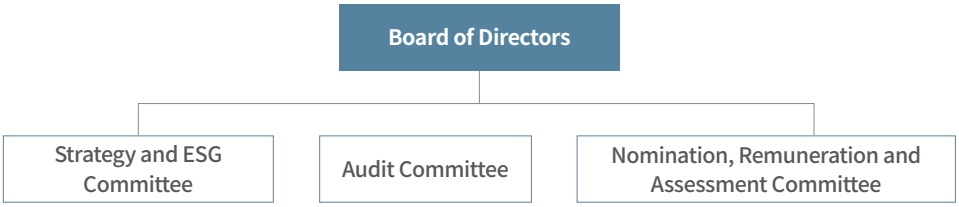
Governance Structure
Economic Performance
Stakeholder Engagement

Governance Structure

GRI 2

During the reporting period, CNGR, under the leadership of the Strategy and ESG Committee, has established an innovative dual-axis governance model driven by both decision-making and execution. Through a two-way empowerment mechanism combining top-level design and on-the-ground implementation, the company systematically promotes the execution of its sustainability strategy. As the core ESG governance decision-making body, the Committee is committed to building a trinity management loop of strategic orientation, process control, and performance iteration. A permanent Sustainability Office has been established under the Committee to carry out strategy decoding functions. This office focuses on three key levers, establishing a standards and systems framework, building a cross-department collaboration platform, and implementing full-cycle project management. It is primarily responsible for developing the sustainability policy framework, integrating ESG indicators, and establishing a major issue management mechanism. International sustainability standards such as GRI and ISSB are systematically embedded into the company's governance structure. This governance model, which combines strategic elevation with deep execution, has effectively enabled full-process integration of ESG elements into CNGR's core business operations, significantly enhancing stakeholder visibility and management transparency.

Board Structure of CNGR



All committees are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association of CNGR Advanced Material Co., Ltd., the rules of procedure of each committee, and the authority delegated by the Board:

Strategy and ESG Committee: this committee conducts research and provides decision-making advice on the company's ESG governance. It reviews the implementation progress of ESG strategies and targets, hears work reports from the ESG task group, and provides feedback. The committee also reviews the company's annual sustainability report and other ESG-related disclosures to ensure their completeness and accuracy.

Audit Committee: the Audit Committee supervises and evaluates the work of external auditors as well as internal audit functions. It reviews the company's financial reports and expresses opinions thereon. The committee monitors and assesses the company's internal control systems and coordinates communication between management, the internal audit department, relevant departments, and external auditors. It also handles other matters authorized by the Board or required by applicable laws, regulations, and stock exchange rules.

Nomination, Remuneration and Assessment Committee: this committee formulates the selection criteria and procedures for directors and senior management and evaluates the qualifications and suitability of proposed candidates. It is responsible for nominating or recommending appointments or removals of directors and senior management. The committee also formulates and reviews performance evaluation criteria and remuneration policies for directors and senior executives. It advises the Board on establishing or amending equity incentive plans, employee stock ownership plans, granting or exercising equity rights by incentive recipients, and participation in equity plans by directors and executives in the event of a proposed spin-off of a subsidiary.

All committee members are directors of the company. The Audit Committee and the Nomination, Remuneration and Assessment Committee are composed entirely of independent directors.

The appointment of directors adheres to the principles of openness, fairness, impartiality and independence. The election process gives full consideration to the views of minority shareholders. Directors are elected or replaced by the General Meeting of Shareholders and may be removed before the expiration

of their term by the same body. Independent directors constitute at least one-third of the Board. Directors serve a term of three years and may be re-elected upon expiry. The Nomination, Remuneration and Assessment Committee is responsible for formulating the selection criteria and procedures for directors and senior executives. It considers input from stakeholders (including shareholders) and evaluates candidates based on diversity, independence, competence and other factors.

The Board conducts an annual internal control self-assessment along with a review of its own performance to evaluate effectiveness. These efforts aim to enhance the Board's decision-making and supervisory functions and to improve the overall effectiveness of the company's internal control framework. This ensures CNGR's continued stable development in an increasingly complex and dynamic market environment.

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

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

Statistics on Meetings of Shareholders, the Board of Directors, and the Board of Supervisors in 2024 of CNGR

	Shareholders' Meeting	Board Meeting	Supervisors' Meeting
Number of meetings held (times)	6	12	12
Number of resolutions passed (items)	33	58	35
Actual attendance rate (%)	75.93	100	100

Director Remuneration Policy:

The company has established a comprehensive senior management remuneration determination process: (1) Market Research and Benchmarking: Collect remuneration data of senior management within the same industry, conduct market benchmarking analysis, and ensure competitive positioning; (2) Cost and Efficiency Analysis: Assess the alignment between remuneration costs and company finances, ensuring resource allocation is reasonable; (3) Remuneration Plan Design: Formulate plans, determine the remuneration structure and levels, and strategize short, medium, and long-term incentives; (4) Approval and Implementation: Following review by the Nomination, Remuneration, and Assessment Committee, submit the plan to the Board of Directors for approval and implement post-approval. Concurrently, a stringent supervision mechanism is established. In the design of the remuneration policy and the determination of remuneration, the company's Nomination, Remuneration, and Assessment Committee oversees the entire process to ensure the fairness and scientific basis of remuneration decision-making. Once the remuneration plan is formulated, it undergoes a rigorous review process, involving comprehensive evaluation and deliberation by relevant parties, effectively guaranteeing the reasonableness and effectiveness of the remuneration policy.
In 2024, the 11th item of the "Resolution Announcement of the 15th Meeting of the Second Board of Directors of CNGR" explicitly stated: The average allowance standard for the company's second independent directors is 90,000 CNY per year (incl. tax). For the second non-independent directors who hold specific management positions within the company, their compensation comprises basic remuneration and performance remuneration, as stipulated in the labor contract signed with the company and in accordance with the company's directors, supervisors, and senior management remuneration management measures; they do not receive any allowances. Additionally, second non-independent directors who do not hold any other positions within the company are also not entitled to allowances.

The company's Executive Level[1], in accordance with the "Salary Management System" and "Annual Business Incentive Policy Details" among other relevant frameworks, receives incentive salary treatment. The differentiated salary standards are established based on the variances in management levels and positions. The total bonus package for the company's Executive Level, including the president, and chief experts is determined using total asset return rate (ROA) adjustment coefficient. The specific calculation method is as follows: the total bonus package provided by the company equals the total bonus package that should be provided multiplied by the total asset return rate coefficient (ROA), where internal benchmarking constitutes 70% and external benchmarking 30%. Internal benchmarking primarily relies on historical data and actual operating conditions, considering the comparison of the current year's total asset return rate with the average of the past three years, as well as the achievement rate of the current actual value versus the set target. The corresponding coefficient is calculated using the formula: (current year's total asset return rate/average total asset return rate of the previous three years)×50%+(current year's total asset return rate/current year's total asset return rate target)×50%. External benchmarking is grounded in the growth of the total asset return rate of CNGR and its peer listed companies over the past two years, with the corresponding adjustment coefficient determined through ranking comparisons.

[1] Executive Level: management level at Grade 22 and above.

2024 Director Compensation Data of CNGR

Unit: CNY

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	2023.3.30-2026.3.30	Bachelor's degree	Business operation (in charge of overall work and the work of CNGR Research Institute)	1,520,361.44	1,572,002.13	15,148.80	0.00	0.00	54,148.72	300,000.00	3,461,661.09
Non-independent director	Deng Jing	Male	2023.3.30-2026.3.30	Bachelor's degree	Business operation	0.00	0.00	0.00	0.00	0.00	0.00	375,000.00	375,000.00
Non-independent director	Tao Wu	Male	2023.3.30-2026.3.30	Master's degree	Business operation (in charge of overall work and the work of CNGR Research Institute)	473,384.39	2,044,460.81	15,148.80	0.00	0.00	53,326.08	598,000.00	3,184,320.08
Non-independent director	Liao Hengxing	Male	2023.3.30-2026.3.30	Junior college degree	Business operation	752,823.33	1,044,670.43	14.930.56	0.00	0.00	347,803.06	250,000.00	2,410,227.38
Non-independent director	Li Weihua	Male	2023.3.30-2026.3.30	Bachelor's degree	Technology R&D	1,103,566.00	1,165,309.04	15,148.80	0.00	0.00	54,148.72	0.00	2,338,172.56
Non-independent director	Liu Xing-guo	Male	2023.3.30-2026.3.30	Bachelor's degree	Business operation	958,806.00	1,183,555.33	15,365.84	0.00	0.00	58,240.08	0.00	2,215,967.25
Independent director	Cao Yue[1]	Male	2023.3.30-2026.3.30	Doctor's degree	Financial accounting	90,000.00	0.00	0.00	0.00	0.00	0.00	0.00	90,000.00
Independent director	Li Wei[2]	Male	2023.3.30-2026.3.30	Doctor's degree	Mathematical economics	90,000.00	0.00	0.00	0.00	0.00	0.00	0.00	90,000.00
Independent director	Jiang Li-angxing[3]	Male	2024.1.9-2026.3.30	Doctor's degree	New energy materials	87,822.58	0.00	0.00	0.00	0.00	0.00	0.00	87,822.58

[1] Cao Yue's CV https://grzy.hnu.edu.cn/site/index/caoyue

[2] Li Wei's CV https://cet.hnu.edu.cn/info/1150/7831.htm

[3] Jiang Liangxing's CV https://faculty.csu.edu.cn/jiangliangxing/zh_CN/index.htm

Economic Performance

GRI 201

Industrialized R&D Innovation Advantage

CNGR has been deeply engaged in the battery industry for more than a decade, closely aligning with market dynamics and customer demands, and is fully committed to building a diversified technological innovation system. Currently, the company has established a highly efficient five-in-one R&D framework consisting of a national-level enterprise technology center, a postdoctoral research workstation, frontier mechanism research, product application research, R&D workshops, and an evaluation system. It also carries out in-depth industry-academia-research cooperation with top universities such as Central South University, continuously enhancing its R&D innovation capabilities. This has led to a diversified product and technology portfolio in new energy materials, covering nickel-based, cobalt-based, phosphorus-based, and sodium-based systems, injecting high added value into products and enabling comprehensive technological leadership.

In the R&D field, the company has expanded its focus from ternary precursors to the four major material systems: nickel, cobalt, phosphorus, and sodium. In nickel-based materials, the company was the first to achieve large-scale and stable supply of single-crystal cobalt-free ternary precursor technology, and to industrialize domestically produced 90% nickel content materials. On one hand, the company consolidates its industry-leading position in ultra-high-nickel materials, meeting market demands for extreme capacity, cycle life, and compaction, and laying a strong technical foundation for high energy density, long cycle life, and fast charging needed for intelligent driving. On the other hand, it actively reserves medium-nickel high-voltage technology to reduce raw material costs and help the company seize greater market share. In the cobalt-based materials sector, the company's tricobalt tetraoxide technology has filled a gap in high-voltage applications exceeding 4.5V. With this leading edge in the high-voltage field, it has successfully entered the high-end smart consumer electronics market, while proactively deploying in AI, wearable technology, robotics, and other sectors. In phosphorus-based materials, the company's shipment volume has grown rapidly, securing a place among the industry's top tier. Its high compaction performance has reached advanced levels, making it a core material product following nickel- and cobalt-based materials. In sodium-based materials, the company has accelerated research and achieved breakthroughs. Its sodium battery precursor materials rank at the forefront of the industry in terms of element distribution, XRD testing data, and crystallinity. Thanks to this multi-material layout, the company demonstrates strong supply capabilities across power, energy storage, and consumer electronics sectors, while actively exploring battery materials for emerging fields such as artificial intelligence, autonomous driving, robotics, and low-altitude applications, ensuring early market positioning and competitiveness.

At the same time, the company continuously upgrades production line design, equipment integration, automation, and smart manufacturing through deep collaboration across production, market, quality, R&D, and equipment departments. This has led to more scientific production line design, customized improvements to core equipment, significantly enhanced automation and intelligent manufacturing levels, improved lean production and quality management systems, and maintained industry-leading levels of foreign particle control. These improvements have steadily increased production efficiency, product quality, and first-pass yield rates.

Driven by R&D innovation, the company actively cultivates high-value patents, accelerates the industrialization of patents, and improves the effectiveness of patent transformation and application, leading technological innovation and high-quality development in the industry. CNGR has led or participated in the development of 102 national and industry standards, and has been granted 241 patents to date.

Advantage of a High-Quality Customer Structure

CNGR adheres to a technology-driven approach, earning wide recognition from customers through its excellence in technology, quality, scale, and responsiveness. The company has been fully integrated into the global leading lithium battery supply chain and has established a global, multidimensional network of high-quality core customers across the sectors of electric vehicles, battery manufacturing, and cathode materials. These customers include Samsung SDI, LG Chem, CALB, CATL, SK On, SVOLT, Panasonic,

TAM, Xiamen Tungsten, BTR, BAMO, L&F, Zhenhua New Materials, Ronbay Technology, ECOPRO, and POSCO.
The company remains committed to open collaboration in both technology and customer partnerships, maintaining scalable production capacity and close alignment with global clients. By forming deep partnerships with leading players, CNGR has signed strategic cooperation agreements or long-term supply contracts with clients such as LG Chem, XTC New Energy, TAM, BTR, REPT, and CALB. These partnerships span resource development, product supply and processing, and information exchange.

Integrated Resource Layout Advantage

CNGR is actively building an integrated industrial ecosystem. In the field of nickel-based products, the company has successfully secured upstream nickel resources and established a vertically integrated industrial chain from laterite nickel ore to low-grade matte, high-grade matte, nickel sulfate, and high-nickel ternary precursors. This has been achieved by pioneering technologies such as oxygen-enriched side-blown smelting. Looking ahead, the company will deepen its upstream resource layout, further strengthening control over critical materials such as nickel, phosphorus, and lithium. At the same time, it aims to replicate the successful integration model in other material systems, phosphorus-based, cobalt-based, and sodium-based, thereby building multi-system closed-loop industrial ecosystems. This enables horizontal coordination and vertical integration of resources and technologies, contributing to a low-carbon, win-win, and sustainable new energy industry.

Global Service Capability and Leading Scale Advantage

In the context of intensified competition in the domestic materials market and the rise of protectionist policies overseas, global service and supply capabilities have become key competitive factors. Leveraging its strong rapid industrialization capabilities, CNGR has adopted green, low-carbon production methods to continuously enhance its global footprint and build a worldwide product supply and service network, significantly boosting its market competitiveness.
Domestically, the company has established four major industrial bases in Tongren, Ningxiang, Qinzhou, and Kaiyang, achieving nationwide coverage. Internationally, it has built four raw material bases in Indonesia and is accelerating the development of material bases in countries such as South Korea and Morocco. These efforts enable business reach across Japan, South Korea, Southeast Asia, Europe, North America, and other regions. Based on the global distribution of products and resources, the company has built a globalization system that spans customers, capacity, organization, and resources, providing efficient and stable product supply and service support to clients around the world.
On the resource side, the company's under-construction and completed nickel smelting projects represent a combined capacity of nearly 200,000 metal tons. By optimizing capacity allocation and resource layout, CNGR has achieved industry leadership in both production capability and resource control, further expanding its economies of scale and continuously enhancing its international competitiveness and global influence.

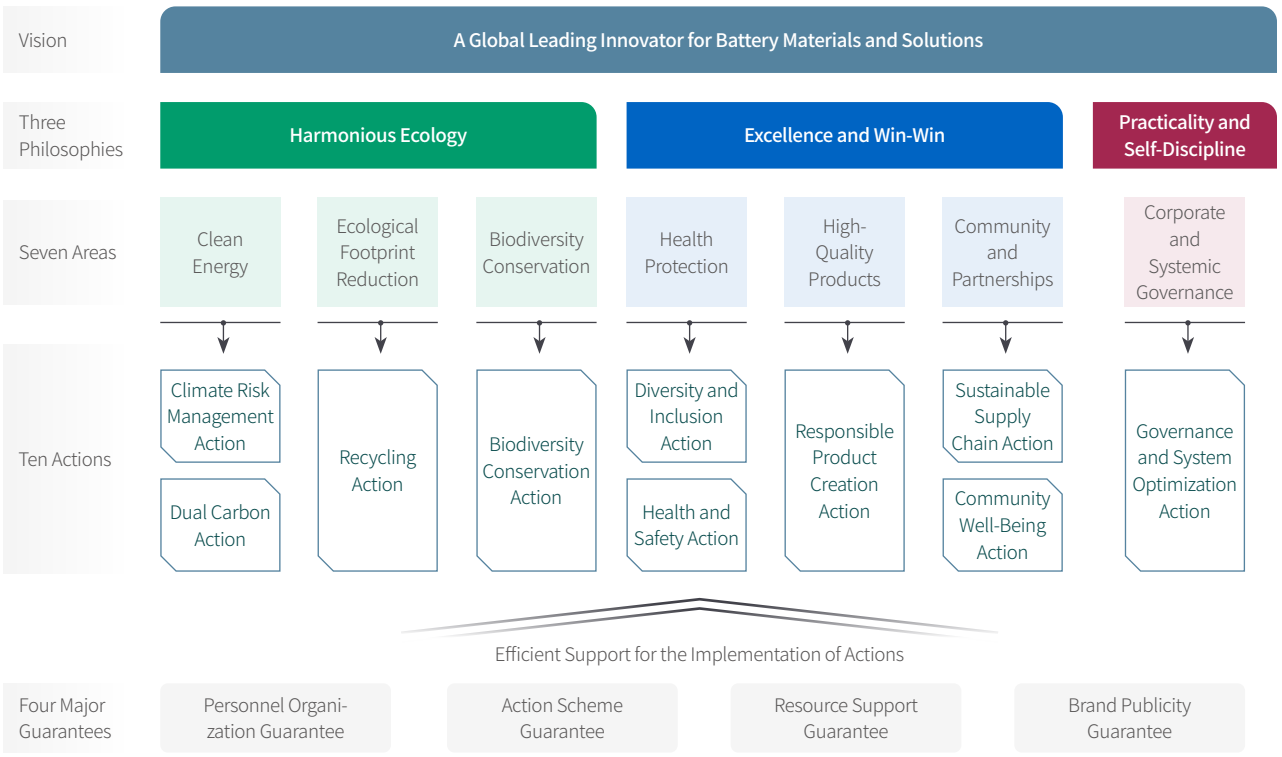
Creating Our Long-Term Value Through the Vision of Sustainability

CNGR is deeply rooted in the core track of new energy materials and integrates ESG principles to build a new paradigm for sustainability. Guided by a dual strategy of "technology-driven innovation + green intelligent manufacturing", the company leverages its globally leading R&D system to develop low-carbon processes and circular economy solutions. By improving material performance and advancing manufacturing processes, CNGR helps customers significantly reduce energy consumption and carbon emission intensity. At the same time, the company is building a green supply chain that spans from resource acquisition to manufacturing and recycling. Working closely with global partners, CNGR is developing Net-Zero industrial parks and continuously enhancing green electricity substitution and the recycling of industrial resources, with a focus on promoting social sustainability through clean energy.

Sustainability Strategy

CNGR's long-term vision is to become a global leading innovator for battery materials and solutions. This vision is supported by three core sustainable operating philosophies: Harmonious Ecology, Excellence and Win-win, and Practicality and Self-Discipline. The strategy is centered on seven key focus areas: Clean Energy, Ecological Footprint Reduction, Biodiversity Conservation, Health Protection, High-Quality Products, Community and Partnerships, and Corporate and Systemic Governance. Ten specific actions have been defined to support these focus areas and form a strategic closed loop. Through a four-dimensional Sustainability framework - philosophy, focus, action, and system, CNGR seeks to promote innovation, industrial collaboration, and ecological transformation, exploring a path toward the deep integration of industrial and ecological civilizations.

Sustainability Strategy Map of CNGR




CNGR中伟

2024 Sustainability Key Performance Indicators of CNGR

Economy

Total Revenue
billion CNY
40.223 ↑17.36% Year-on-Year

Net Profit
billion CNY
1.787 ↓14.86% Year-on-Year

Environment

GHG Intensity Scope1,2 (Market Based)
tonCO$_2$e/ton product
1.39 ↓63.13% Compared to the Baseline Year

Proportion of Clean Energy Electricity
%
86.99
Target Achievement Rate 115.99%

Energy Consumption Intensity
GJ/ton product
9.35 ↓41.38% Year-on-Year

Water Recycling Rate
%
59.62
Target Achievement Rate 91.72%

Total Waste Recycled Rate
%
51.34
Target Achievement Rate 421.86%

Society

Total Employees
Persons
16,597 ↑20.35%
Female Employees Rate19.53% Year-on-Year

Employee Compensation
billion CNY
2.276 ↑28.66% Year-on-Year

Employees Satisfaction
Points
83.70 → Basically the same as last year

Average Training Hours(Covering Safety,Human Resources, and Knowledge Skills, Among Others)
Hours
19.69 ↓32.10% Year-on-Year

Amount of Work Safety Investment
million CNY
52.20 ↓2.00% Year-on-Year

LTIR (Lost-Time Injury Rate, per 200,000 Hours)
0.26
Target Achievement Rate 211.54%

R&D Innovation Investment
billion CNY
1.109 ↑5.02% Year-on-Year

Customer Satisfaction
Points
96.24 ↑1.62% Year-on-Year

Governance

Coverage Rate of Business Ethics and Anti-Corruption Training for Management, Employees, and Partners
%
100 → Same as Last Year

Compliance Management System Certification (ISO 37301:2021)
Cases
8 ↑7 Cases More Than Last Year

Information Security Vulnerabilities and Cybersecurity Incidents, Customer Privacy Breach Incidents
Cases
0 → Same as Last Year

Value Creation

Step 1 Identifying Stakeholders
- Through Value Chain Analysis

Step 2 Determine Material Topics
- Stakeholder Engagement
- Rules and Standards Benchmarking

Step 3 Material Topics Questionnaire Survey

Step 4 Double Materiality Analysis

We refer to the International Integrated Reporting Council (IIRC) disclosure framework to conduct a comprehensive analysis of the company's value chain. By integrating resources, strategic actions, and stakeholder interactions, we aim to enhance the transparency of CNGR, thereby fostering the continuous creation of economic, environmental, and social value. The profound integration of economic performance with social responsibility in long-term value creation provides stakeholders with a holistic perspective for assessing the company's sustainability. This approach reinforces CNGR's responsible image within the new energy materials sector.

Inputs

Financial Capital:
- Total Assets 73.023 billion CNY

Operations:
- 10 Industrial Bases Worldwide
- Capex 6.472 billion CNY

Innovation:
- R&D Investment 1.109 billion CNY
- R&D Personnel

Environment:
- Energy Consumption 302.44 GJ, Proportion of Clean Energy Electricity 86.99%
- Total Water Withdrawal 5,289.49 ML

Human Capital:
- Total Employees 16,597, with Female Ratio 19.53% and non-Chinese nationals 37.40%.
- Labor Cost 2.276 billion CNY

Society:
- 34.548 billion CNY paid to 11,000 Suppliers
- Total Customers 2,000

Stakeholders:
- Shareholders, Investors, Banks, Customers, Employees, Suppliers, Contractors, Government Agencies, Regulatory Agencies, Stock Exchanges, Rating Agencies, Industry Associations, Communities, NGOs, News Media.

Business Model

Vision

A Global Leading Innovator for Battery Materials and Solutions

Values

Responsibility Innovation
Diversity Win-Win Cooperation

Mining → Smelting → Material → Recycling

Business Scope

Ni Co Na P

Strategy

Technology Diversification
Industry Ecologization
Globalization
Operation Digitization

Outputs

Financial Capital:
- Total Revenue 40.223 billion CNY up 17.36%
- Net Profit 1.787 billion CNY
- Ternary Precursors and Cobalt Tetroxide have ranked first globally for five consecutive years

Operations:
- Output: 290,000 tons Cathode Precursor and 154,200 Metal tons New Energy Metals

Innovation:
- Providing High-Performance Battery Materials
- 37 New Patents Authorized

Environment:
- GHG Scope 1 200 Thousand tonCO_2e
- GHG Scope 2 (Market Based) 250.9 Thousand tonCO_2e
- Water Recycling Rate 59.62%

Human Capital:
- Rate of New Employees Hiring 53.31%
- Employees Satisfaction 83.70

Society:
- Supporting 16,597 Employees Worldwide
- Charity 1.76 million CNY

Impact on SDGs

5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

Stakeholder Engagement

GRI 2

CNGR references the AA1000 Stakeholder Engagement Standard (AA1000 SES) to formulate the CNGR Stakeholder Engagement Policy. To comprehensively understand the material topics of concern to stakeholders and fulfill their expectations, the company has established a robust and diverse communication platform. By normalizing communication mechanisms, we gain insights into stakeholders' perspectives, particularly those of local stakeholders, and conduct targeted exchanges and responses. We adopt relevant response strategies to maintain and enhance mutual relationships, ensuring the inclusivity and balance in managing material topics. We identify the entire stakeholder chain based on the five principles of "Dependence" "Influence" "Responsibility" "Diversity of Views" and "Attention" as outlined in the AA1000 SES Stakeholder Engagement Standard, leveraging industry templates and value chain analysis (refer to the Value Creation chapter).

Stakeholder	Communication Method and Frequency	Focus Topics
Shareholders Investors Banks	■ Shareholders' Meeting: Held irregularly each year ■ Board of Directors: Irregularly convened each year ■ Interim reports, semi-annual reports, and annual reports: issued regularly each year ■ Investor briefing: Held irregularly each year ■ Investor Interaction Platform Interactive Ease: Real-time ■ Telephone Hotline: Real-time ■ Roadshow Activities: Irregular annually ■ Other Temporary Announcements: Irregular annually	Governance Structure Economic Performance Risk and Compliance Management Climate Change Response Innovation
Customers	■ Customer Satisfaction Survey: Conducted annually on a regular basis ■ Technical Seminar: Held annually on an irregular basis ■ Industry Exhibition: Participated annually on an irregular basis ■ Sales Service System: Real-time ■ Quality Service System: Real-time ■ Supply Chain Audit: Real-time ■ Responsible Minerals Supply Chain Due Diligence Management: Real-time	Circular Utilization of Energy Metals Innovation Product Lifecycle Management Product Quality and Safety Customer Management Due Diligence and Responsible Sourcing
Employees	■ Employee Satisfaction Survey: Conducted annually on a regular basis ■ Employee Training: Conducted annually on a regular basis ■ Performance Evaluation and Communication: Conducted annually on a regular basis ■ Complaints and Feedback: Handled in real-time ■ Employee Activities: Conducted annually on a regular basis ■ Union Activities: Conducted annually on a regular basis ■ Executive Symposium: Conducted annually on a regular basis	Occupational Health and Safety Legal Employment and Human Rights Protection Employee Training and Career Development Stakeholder Engagement Economic Performance Digital Operation Information Security Management

Stakeholder	Communication Method and Frequency	Focus Topics
Suppliers Contractors	■ Supplier Questionnaire: Irregular intervals annually ■ Supply Chain Audit: Real-time ■ Supplier Commitment Agreement: During contract period ■ Transaction Training: Irregular intervals annually ■ Business Meeting: Irregular intervals annually	Innovation Intellectual Property Management Chemicals Management Product Quality and Safety Occupational Health and Safety Due Diligence and Responsible Sourcing Equal Treatment for Small and Medium-Sized Enterprises (SMEs) Stakeholder Engagement Information Security Management
Government Agencies -Regulatory Agencies Stock Exchanges Rating Agencies	■ Information disclosure: Annually on a regular basis ■ Policy implementation: In real time ■ Institutional inspections: Annually on an irregular basis ■ Official document correspondence: In real time	Climate Change Response Energy Management Environmental Management System and Compliance Waste and Pollutant Management Water Stress Biodiversity and Land Use Occupational Health and Safety Legal Employment and Human Rights Protection Community Engagement Rural Revitalization and Social Contribution Risk and Compliance Management Taxation Strategy
Industry Associations	■ Industry Exhibition: Participated annually on an irregular basis	Circular Utilization of Energy Metals Innovation Intellectual Property Management Due Diligence and Responsible Sourcing
Communities NGOs News Media	■ Information Disclosure: Annually on a regular basis ■ Complaints and Feedback: In real time ■ Community Activities: Annually on an irregular basis ■ Media Activities: Annually on an irregular basis ■ Public Welfare Activities: Annually on a regular basis	Climate Change Response Waste and Pollutant Management Water Stress Biodiversity and Land Use Occupational Health and Safety Legal Employment and Human Rights Protection Due Diligence and Responsible Sourcing Community Engagement Economic Performance

Double Materiality Analysis

GRI 3

Since 2021, CNGR has regularly conducted annual materiality assessments. In 2024, adhering to the Shenzhen Stock Exchange Self-Regulatory Guideline No. 3 for the Preparation of Sustainability Reports, and referencing the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD) issued by the European Union, CNGR introduced the concept of double materiality analysis for the first time.

The company identifies key material topics based on four principles: inclusiveness, materiality, responsiveness, and impact. CNGR's sustainability strategy serves as the core framework for the sustainability report. Through value chain analysis, we gained a comprehensive understanding of our business activities and relationships, subsequently mapping our stakeholders accordingly (refer to the Value Creation chapter). By engaging with stakeholders, analyzing relevant policies, and benchmarking against applicable regulations and standards[1], we developed a comprehensive materiality topic list. This encompasses 7 environmental sub-topics, 13 social sub-topics, and 7 governance sub-topics, grouped into 12 major categories, totaling 27 material sub-topics.

List of Material Topics and Explanation of Changes of CNGR

Scope	Material Topics for 2023	Material Topics for 2024	Interpretation of Material Topics for 2024	Change Log
Environmental (E)	E-1 Climate and Environment E-3 Energy Management	E-1 Climate and Environment	E-1.1 Climate Change Response: Comply with the Shenzhen Stock Exchange Self-Regulatory Guideline No.3 for the Preparation of Sustainability Reports and refer to IFRS S2 and ESRS to identify climate-related risks and opportunities. Set Science-Based Targets (SBTi) to reduce greenhouse gas emissions. E-1.2 Energy Management:Establish an energy management system, improve energy utilization efficiency, and increase the proportion of renewable energy usage. E-1.3Environmental Management System and Compliance: Establish an environmental management system, increase capital investment and operation expense in the environmental field; conduct environmental compliance management, perform risk assessment and prevention for environmental incidents. E-1.4Waste and Pollutant Management: Manage waste and pollutants such as water, air, and residue, set targets to reduce the generation of toxic substances and waste, and mitigate the negative environmental impacts of business operations.	Description update, incorporate "Energy Management" into "Climate and Environment"
	E-2 Water Stress	E-2 Circular Economy	E-2.1 Circular Utilization of Energy Metals: Formulate goals and plans for the Circular Utilization of Energy Metals to achieve recycling of energy metals. E-2.2 Water Stress: Conduct water resource risk identification, assessment, and management for operational locations; set water resource management targets, and strengthen water reduction, reuse, and recycling.	Description update, incorporate "Water Stress" into "Circular Economy"
	E-4 Biodiversity Conservation	E-3 Biodiversity and Land Use	E-3.1 Biodiversity and Land Use: Referencing the TNFD framework and adopting the LEAP approach, systematically assess and disclose biodiversity-related risks and opportunities in operational locations to support the achievement of global biodiversity goals.	Description update

[1] Shenzhen Stock Exchange Self-Regulatory Guidelines No.17 on Sustainability Reports (Trial), GRI Sustainability Reporting Standards (GRI Standards) Core Options, 2021 Edition, Sustainability Accounting Standards Board (SASB) Standards, United Nations 2030 Sustainable Development Goals (SDGs), Responsible Business Alliance (RBA), S&P Global Corporate Sustainability Assessment, MSCI ESG Rating.

Scope	Material Topics for 2023	Material Topics for 2024	Interpretation of Material Topics for 2024	Change Log
Social (S)	S-1 R&D and Innovation	S-1 R&D and Innovation	S-1.1 Innovation: Formulate the company's technological innovation strategy and objectives, invest in research and development of clean technologies, and develop safer, greener, and more economical new processes and products. S-1.2 Intellectual Property Management: Establish a comprehensive Intellectual Property Management system.	Description update
	S-2 Responsible Products	S-2 Responsible Products	S-2.1 Chemical Management: Establish a chemical management system, formulate policies related to procurement, traceability, transparency, etc., focus on the use of high-concern chemicals, strengthen hazardous substance management, and conduct hazard and risk assessments as well as substitutability evaluation and management of chemicals. S-2.2 Product Lifecycle Management: During the product design and production stages, fully consider reducing the product's environmental footprint, increasing the proportion of recycled resource usage, and lowering the product's carbon footprint, water footprint, etc.. S-2.3 Product Quality and Safety: Establish a quality management system, improve product quality and safety, and satisfy various requirements of downstream industries and end-users for the products. S-2.4 Customer Management: Establish and implement after-sales service and product recall systems, provide customers with high-quality services, protect customer privacy, and commit to improving customer satisfaction.	Description update
	S-3 Occupational Health and Safety S-5 Employee Participation	S-3 People-Oriented	S-3.1 Occupational Health and Safety: Develop relevant strategies and establish an Occupational Health and Safety management system covering all employees (including temporary workers, etc.), conduct hazard identification and risk assessment for Occupational Health and Safety, strengthen relevant Occupational Health and Safety training, enhance occupational disease prevention for employees, promote worker health, and create a favorable working environment. S-3.2 Legal Employment and Human Rights Protection: Promote localized employment and improve the employee welfare system; Conduct human rights risk assessments, advance corporate diversity and equality, oppose discrimination/harassment, support freedom of speech, and prohibit child labor and forced labor. S-3.3 Employee Training and Career Development: Establish a human resource management system, increase investment in talent cultivation, enhance employee skills, and promote staff development.	Description update, incorporate "Employee Participation" into "People-Oriented"
	S-4 Sustainable Supply Chain	S-4 Sustainable Supply Chain	S-4.1 Due Diligence and Responsible Sourcing: Conduct due diligence to identify and address sustainability-related negative impacts or risks, strengthen supply chain and internal management, and practice responsible procurement. S-4.2 Fair Treatment of Small and Medium-Sized Enterprises (SMEs).	Description update
	S-6 Community Relations	S-5 Community Relations	S-5.1 Community Engagement: Conduct a comprehensive social impact assessment of the local community and implement necessary mitigation measures for potential negative impacts; strictly adhere to the principles of anti-violence and anti-conflict, fully respect the human rights of local community residents, with special attention to the interests of vulnerable groups within the community; establish a Community Engagement mechanism and set up convenient and efficient communication channels between the local community and the company. S-5.2 Rural Revitalization and Social Contribution: Invest in community infrastructure construction, support the development of rural characteristic industries, promote local employment, and facilitate rural revitalization; carry out public welfare, charitable, and volunteer activities.	Description update

Scope	Material Topics for 2023	Material Topics for 2024	Interpretation of Material Topics for 2024	Change Log
Governance (G)	G-1 Corporate Governance	G-1 Corporate Governance	G-1.1 Governance Structure: Establish an advanced governance framework and improve internal systems, build a sustainable development performance management system, enhance the professionalism, independence, effectiveness, and diversity of the board of directors, and ensure the scientific, compliant, and transparent operation of corporate governance. G-1.2 Stakeholder Engagement: Formulate and improve the stakeholder management system, identify stakeholders through value chain analysis, establish effective Stakeholder Engagement channels, extensively solicit stakeholder demands, and integrate them into the company's business strategies. G-1.3 Economic Performance: Establish and implement corporate development strategies to enhance sustainable profitability of enterprises.	Description update
	G-2 Risk and Compliance Management	G-2 Risk and Compliance Management	G-2.1 Risk and Compliance Management: Establish and improve the Risk and Compliance Management system, conduct sustainability issue risk management with reference to the four pillars of governance, strategy, risk and opportunity management, objectives and indicators; Anti-corruption and anti-bribery; Anti-competition and anti-monopoly; Emphasize intellectual property protection.	Description update
	G-3 Tax Policy	G-3 Taxation Strategy	G-3.1 Tax Strategy: Formulate tax policies and strategies, conduct tax governance, control, and risk management.	Description update
	G-4 Digitization and Information Security	G-4 Digitization and Information Security	G-4.1 Digital Operation: Achieve full-process Digital Operation management and build an agile digital operation system. G-4.2 Information Security Management: Establish and improve the Information Security Management system, construct the Information Security Management framework, formulate and refine information security and network security policies, prevent and control systemic risks, and avoid the occurrence of information security violations.	Description update

In November 2024, we invited both internal and external stakeholders to evaluate the 27 identified material sub-topics. The questionnaire was provided in both Chinese and English to cater to a diverse array of participants. Each topic was clearly articulated within the survey to ensure that stakeholders comprehensively understood the purpose and content, thereby enhancing the accuracy and credibility of the materiality analysis. To safeguard and respect individual privacy, the survey was conducted anonymously. A total of 2,606 responses were gathered from both internal and external stakeholders. Additionally, we performed a financial materiality assessment by engaging company's Executive Level, relevant departments, and subject-matter experts.

Step 1 Identifying Stakeholders
- Through Value Chain Analysis

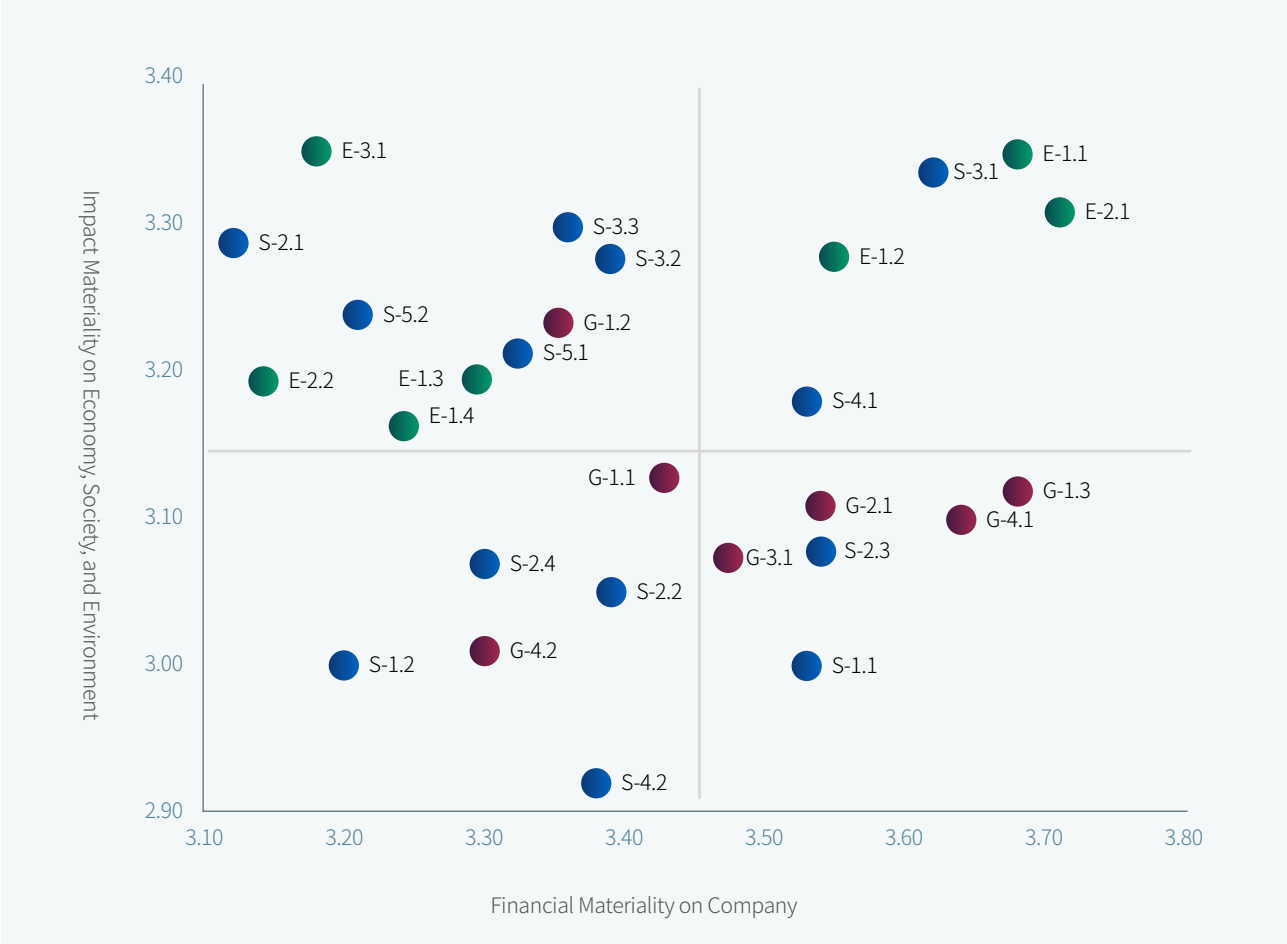
Step 2 Determine Material Topics
- Stakeholder Engagement
- Rules and Standards Benchmarking

Step 3 Material Topics Questionnaire Survey

Step 4 Double Materiality Analysis

Based on the analysis of the survey results, we consolidated the insights from both impact materiality and financial materiality to finalize CNGR's Double Materiality Matrix of 2024. The outcomes of this assessment were reported to the Board's Strategy and ESG Committee as well as the Risk Management Committee, and have subsequently been integrated into the company's overall risk management process (refer to the Risk and Compliance Management chapter). This matrix serves as a crucial reference for formulating and refining the company's long-term sustainability goals and strategic direction.

2024 Double Materiality Matrix of CNGR



Topics that concurrently exhibit both impact materiality and financial materiality:

- E-1.1 Climate Change Response
- E-1.2 Energy Management
- E-2.1 Circular Utilization of Energy Metals
- S-3.1 Occupational Health and Safety
- S-4.1 Due Diligence and Responsible Sourcing

Topics that exhibit only financial materiality:

- S-1.1 Innovation
- S-2.3 Product Quality and Safety
- G-1.3 Economic Performance
- G-2.1 Risk and Compliance Management
- G-3.1 Taxation Strategy
- G-4.1 Digital Operation

Topics that exhibit only financial materiality:

- E-1.3 Environmental Management System and Compliance
- E-1.4 Waste and Pollutant Management
- E-2.2 Water Stress
- E-3.1 Biodiversity and Land Use
- S-2.1 Chemical Management
- S-3.2 Legal Employment and Human Rights Protection
- S-3.3 Employee Training and Career Development
- S-5.1 Community Engagement
- S-5.2 Rural Revitalization and Social Contribution
- G-1.2 Stakeholder Engagement

Topics that exhibit neither impact materiality nor financial materiality:

- S-1.2 Intellectual Property Management
- S-2.2 Product Lifecycle Management
- S-2.4 Customer Management
- S-4.2 Equal Treatment for Small and Medium-Sized Enterprises (SMEs)
- G-1.1 Governance Structure
- G-4.2 Information Security Management

Harmonious Ecology

CNGR prioritizes a rapid shift to low-carbon operations in its sustainability strategy, adopting eco-friendly production methods to ensure green practices throughout the company and its value chain. We aim to minimize environmental impact by optimizing energy use, enhancing efficiency, encouraging clean energy, and fostering green tech innovation. We're also improving supply chain management and collaborating with partners to establish a low-carbon system, promoting industry-wide green transformation. In terms of biodiversity, we're controlling resource use and implementing ecological restoration and pollution prevention to maintain balance with natural ecosystems. We're actively supporting China's "Dual Carbon" goals by reducing GHG emissions and exploring Net-Zero pathways, contributing to a sustainable, low-carbon industry. Moving forward, we'll deepen our green initiatives, working with society to advance global ecological sustainability and foster a future of harmonious coexistence between humanity and nature.

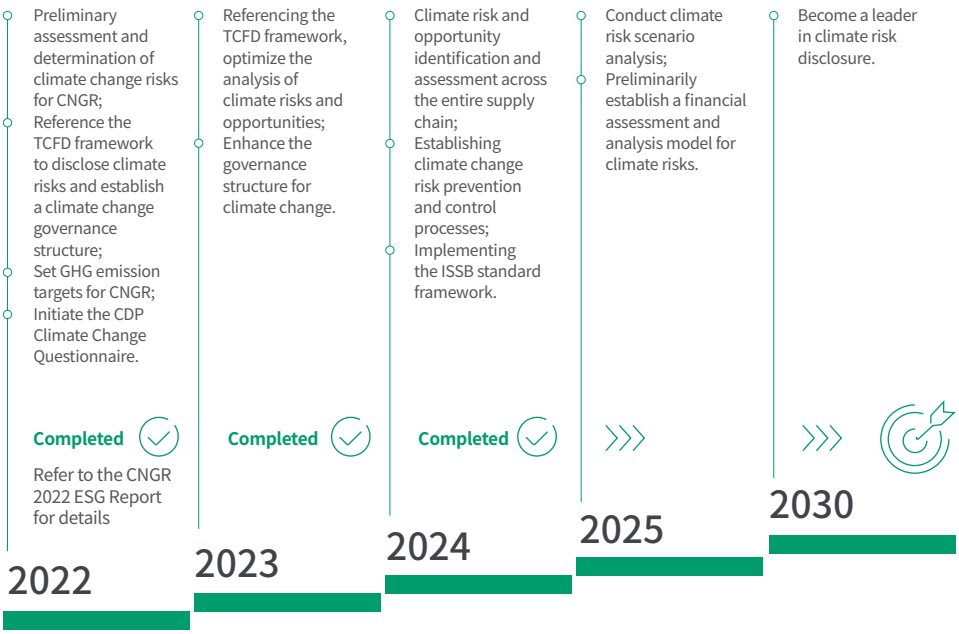
This chapter responds to the following topics:

Climate Change Response
Energy Management
Environmental Management System and Compliance
Waste and Pollutant Management
Water Stress
Circular Utilization of Energy Metals
Biodiversity and Land Use

Clean Energy

Climate Risk Management Action

Climate change poses significant impacts on stakeholders. CNGR actively assesses the risks and opportunities that climate change presents to the business, and is committed to transitioning toward climate-resilient operations. We have established a dedicated organizational structure and developed corresponding strategies and action plans to address climate-related challenges. The following action objectives have been set:



Climate Change Response

GRI 201，GRI 305

Governance

In the area of climate governance, CNGR adheres to the core principles of the Shenzhen Stock Exchange Self-Regulatory Guideline No.3 for the Preparation of Sustainability Reports and the International Financial Reporting Standards Sustainability Disclosure Standard No. 2 - Climate-related Disclosures (IFRS S2). The company has established a comprehensive climate governance framework that prioritizes cross-departmental collaboration, ensuring climate risk management is deeply integrated into both strategic decision-making and daily operations. This structure adheres to the core principles of effective governance,

encompassing the implementation of robust oversight mechanisms, clear delineation of management accountability, and the systematic incorporation of climate-related considerations.

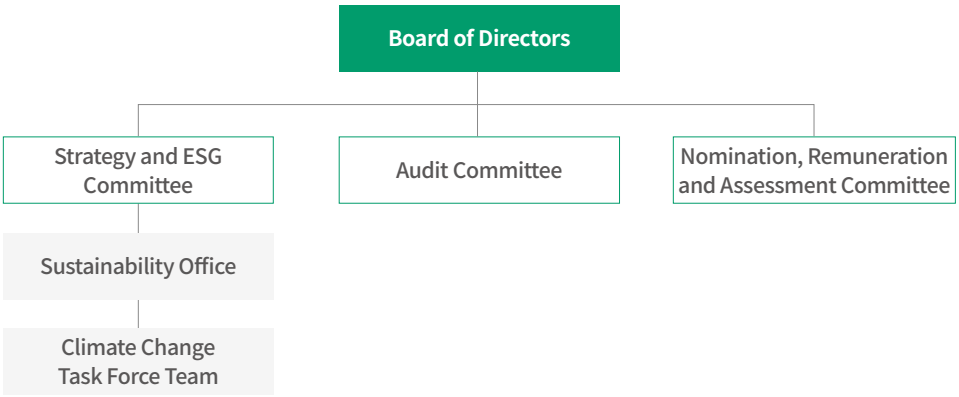
The Board Strategy and ESG Committee stands as the paramount governing authority on climate-related matters within CNGR. This committee is tasked with overseeing climate-related opportunities and risks, setting strategic climate objectives, monitoring advancement, and establishing crucial performance indicators (KPIs) to assess overall performance.The Sustainability Office serves as the pivotal center for climate governance, reporting directly to the Board Strategy and ESG Committee to ensure the strategic prioritization of climate-related issues. Within this framework, a Climate Change Task Force Team has been constituted, comprising essential personnel from departments including R&D, production, and supply chain, thereby fostering a robust cross-functional coordination mechanism. The primary responsibilities of the working group encompass:

Target Decomposition and Monitoring: Decomposing the company's carbon peaking and carbon neutrality objectives into detailed targets at the business unit level, reinforced by a quarterly tracking and dynamic adjustment framework;

Verification and Data Management: Collaborating with third-party agencies to perform annual greenhouse gas (GHG) emission verifications and enhancing the development of a digital GHG monitoring platform;

Supply Chain Enablement: Enhancing upstream emissions reduction by providing supplier training, establishing green procurement standards, and implementing additional targeted initiatives.

Climate Governance Structure of CNGR



Through the governance framework delineated above, CNGR adopts a strategic, systematic, and ecosystem-centric approach to climate risk management. This approach is marked by profound Board-level involvement, a dual emphasis on institutional mechanisms and data systems, and harmonized collaboration across the value chain. This structure satisfies the transparency mandates stipulated in pertinent guidelines and standards, by integrating climate governance into core corporate procedures. Furthermore, by harnessing innovative mechanisms, CNGR is converting climate-related challenges into strategic opportunities for technological progress and market expansion.

Strategy

CNGR adheres to a strategic philosophy of "value chain-wide, phased decarbonization and Net-Zero transformation" for climate governance, guided by the Science Based Targets initiative (SBTi). The company has established a comprehensive greenhouse gas (GHG) management system that spans the entire value chain, operations, products, and supply chain, and promotes a low-carbon transition through a strategic path of "three-phase progression and four-dimensional coordination". Based on its comprehensive climate governance framework, CNGR prioritizes four pivotal levers: clean energy substitution, energy efficiency enhancement, circular technology innovation, and supply chain collaboration. These foundational pillars underpin the creation of a phased, quantifiable, and enforceable decarbonization roadmap, aiming to establish CNGR as a global frontrunner in carbon neutrality within the new energy materials sector.

CNGR's GHG management strategy is anchored in staged targets and systematic execution, adhering to a coherent progression of "short-term breakthrough, mid-term transformation, and long-term leadership". The carbon neutrality objective is divided into actionable and manageable segments:

Acceleration Phase by 2025: Prioritize clean energy substitution at the operational level. Through a combination of clean electricity procurement and on-site solar PV installations, CNGR aims to achieve 100% clean electricity coverage (Scope 2). In parallel, the company is advancing electrification of production equipment to lay the groundwork for deep decarbonization.

Breakthrough Phase by 2030: Leveraging advanced metallurgical technologies, enhancing waste heat recovery systems, and boosting the utilization of recycled materials, CNGR aims to achieve a 50% reduction in intensity of GHG emissions (Scope 1+2+3) relative to the baseline year 2020. The adoption of clean energy will expand beyond electricity to encompass other integrated energy sources, such as thermal energy, ensuring that clean energy (Scope 2) constitutes at least 80% of total energy consumption.

Leadership Phase by 2040-2050: Leveraging disruptive innovations such as the commercialization of sodium-ion and solid-state batteries, along with the substitution of raw materials with recycled and bio-based alternatives, CNGR is committed to achieving operational Net-Zero (Scope 1+2) by 2040. Furthermore, the company aims to extend this goal to encompass Net-Zero across the entire supply chain (Scope 1+2+3) by 2050, thereby establishing a closed-loop, Net-Zero value chain.

Risk and Opportunity Management

CNGR initiated its climate-related risk management efforts in 2021. In response to the risks and opportunities posed by climate change, the company has established a comprehensive, full-cycle management framework, covering risk identification, assessment, mitigation, and opportunity conversion, supported by strategic planning and diversified implementation measures. In line with CNGR's Risk Management Policy, climate-related risks are classified as key enterprise risks and are systematically incorporated into the company's broader risk management framework. At the same time, CNGR is committed to transforming the challenges of climate transition into strategic opportunities, leveraging them to enhance industrial resilience and reinforce long-term competitiveness in the low-carbon economy.

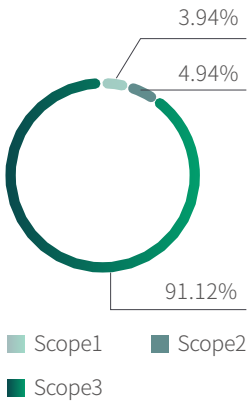
Climate-Related Risk and Opportunity Analysis

Type of Risk	Climate-Related Risk	Risk Description	Potential Financial Impact	Countermeasures
Transformation Risk	Policies and Regulations	■ The introduction of energy conservation and emission reduction policies, with increasingly stringent relevant policies and regulations in China and the EU region; ■ Carbon tariffs, energy efficiency standards, etc.; ■ Climate change-related litigation risks.	■ Stricter product energy efficiency, emission standards, and regulatory requirements lead to increased compliance costs, project cancellations, and higher penalty risks; ■ Supply chains are affected by regional policies and regulations, such as the EU Battery Regulation and Carbon Border Adjustment Mechanism (CBAM), resulting in higher export costs; ■ Regulatory bodies and investors demand stricter and more transparent disclosures of corporate carbon emissions, reduction targets, measures, and performance, leading to higher operational and financing costs; ■ Companies incur additional expenses due to climate change-related litigation.	■ CNGR has established a dedicated policy and regulation monitoring framework to ensure timely awareness of policy changes and strategy adjustments; ■ Continuously improving the compliance system construction to address policy and regulatory risks; ■ Consistently monitoring government policy support such as subsidies and tax incentives for low-carbon technologies and green transformation, which can help alleviate financial pressures during the transition process; ■ CNGR has developed a climate issue management system, deeply integrating climate risk management into corporate strategic decision-making and daily operations.

Type of Risk	Climate-Related Risk	Risk Description	Potential Financial Impact	Countermeasures
Transformation Risk	Technology	■ Technological advancements are increasingly gravitating towards low-carbon methodologies.	■ Stranded risks of high-carbon assets, such as premature phase-out of traditional process equipment; ■ Adopting low-carbon emission production processes and materials, as well as utilizing renewable energy, leading to increased costs.	■ CNGR actively adopts new metallurgical technology and upgrades waste heat recovery systems to develop low-carbon processes; ■ It enhances retired battery recycling technologies, continuously improves the recovery rates of nickel, cobalt, and lithium, and reduces the cost of recycled materials.
	Market	■ Market demand is increasingly shifting towards low-carbon products; ■ Volatility in raw material and energy prices.	■ Shifts in consumer preferences have precipitated a downturn in demand for conventional goods and services, thereby failing to satisfy customers' low-carbon procurement requirements. This has culminated in a loss of market share and diminished revenue; ■ The shifts in the supply-demand dynamics of products have intensified industry competition, resulting in diminished profit margins; ■ Rises in raw material and energy prices have elevated production and operational costs.	■ CNGR regularly conducts market analysis to understand consumers' and customers' green and low-carbon demands as well as future market trends, promptly adjusting product directions and production strategies accordingly.
	Reputation	■ Stakeholders' concerns about negative reports; ■ Downgrade in sustainability ratings.	■ Investors and other stakeholders form a negative perception of the enterprise, which in turn impacts its market value; ■ Downgraded sustainability ratings result in a diminished financing scale and elevated bond issuance interest rates; ■ Reduced brand value leads to customer attrition.	■ Enhance stakeholder engagement, sustainability management, and information disclosure capabilities, thereby continuously elevating sustainability ratings: In 2024, CNGR's MSCI ESG rating advanced from BB to BBB, and its S&P CSA score increased to 49 points, with its CDP climate questionnaire rating sustaining a B grade; ■ CNGR was selected for 2024 Fortune China ESG Impact List.

Type of Risk	Climate-Related Risk	Risk Description	Potential Financial Impact	Countermeasures
Physical Risk	Severe Natural Factors	■ Extreme weather phenomena, such as the frequent onset of typhoons and floods, result in significant damage to production facilities and supply chains, while also posing substantial risks of resource supply disruptions.	■ Direct economic losses resulting from asset damage attributable to equipment maintenance and production shutdowns; ■ Disruptions in raw material supply leading to production delay costs; ■ Increased insurance premiums and rising financing costs.	■ Enhance infrastructure by constructing typhoon-resistant factory buildings in coastal industrial bases, especially across diverse industrial zones in Indonesia, upgrading flood prevention measures, and implementing digital climate monitoring and early warning systems to minimize losses from extreme weather events; ■ Boost supply chain resilience by diversifying the procurement of key minerals (cobalt, nickel), implementing a blockchain-based traceability system, and securing stable mineral supplies from regions like the Democratic Republic of Congo and Indonesia to mitigate risks of resource disruption.
	Long-Term Natural Factors	■ Average temperature rise; ■ Sea level rise.	■ Relocation of production facilities leading to losses of existing fixed assets and heightened infrastructure expenses; ■ Rising insurance premiums and higher financing costs.	

Type of Opportunity	Climate-Related Opportunity	Opportunity Description	Potential Financial Impact	Countermeasures
Transformation Opportunity	Policies and regulations	■ Green Finance and Policy Dividend Opportunities, International Carbon Tariff Hedging Capabilities, and Innovations in Green Financial Instruments; ■ Ecological Synergy and Standard Discourse Power: Opportunities in Leading International Standard Setting and Net-Zero Industrial Cluster Development.	■ EU CBAM carbon tariff costs reduced; ■ Reduced Costs of Green Bond Financing; ■ Cost reductions through technological collaboration among enterprises in Net-Zero parks; ■ Revenue from Technology Licensing through International Standard Exports.	■ CNGR continuously improves its sustainable management system and actively promotes sustainability KPI-linked financing projects.
	Technology	■ Opportunities in the low-carbon technology revolution arise from first-mover advantages in the market, driven by innovations in new energy materials, such as sodium-ion batteries and hydrogen metallurgy technologies, and enhancements in energy efficiency.	■ Technology licensing revenue; ■ Low-carbon product premium; ■ Capturing the trillion-CNY growth market for sodium battery energy storage.	■ CNGR actively adopts the application of new metallurgical technologies, with smooth progress in its sodium battery materials project, advancing its digital operation strategy to drive growth through technological breakthroughs.
	Market	■ Circular Economy and Resource Efficiency Opportunities: Establishing a Closed-loop Value Chain through Retired Battery Recycling and Recycled Material Substitution.	■ The cost of recycled materials is lower than that of virgin ores, while also offering an environmental advantage.	■ CNGR actively carries out the development of "urban mines". As a dual "whitelist" enterprise for "recycling" and "cascading utilization" of used power storage batteries announced by the Ministry of Industry and Information Technology, the company earnestly implements the national strategic policy of vigorously developing a circular economy (refer to the Recycling and Utilization of Energy Metals chapter).



In 2024, CNGR further expanded its energy management systems across its domestic industrial bases, accelerating the implementation of clean energy substitution projects. These initiatives included the procurement of clean energy electricity and the deployment of distributed photovoltaic systems (refer to the Energy Management chapter). Consequently, CNGR was honored as one of the Top 100 Green Power (Green Certificate) Consuming Enterprises in China. During the reporting period, CNGR successfully achieved a 37.71% year-on-year reduction in Scope 2 of greenhouse gas (GHG) emissions within its domestic operations. Additionally, the total GHG emissions (market-based, inclusive of Scope 3) exhibited a decline for the first time. Concurrently, the emission intensity continued its downward trend relative to the baseline year.

In parallel, CNGR updated its ESG Audit Checklist for Suppliers, integrating GHG emissions performance as a pivotal criterion in the routine performance evaluations of primary material suppliers. Additionally, the company launched GHG training programs for suppliers, bolstered their GHG verification capabilities, and mandated that suppliers set explicit GHG reduction targets as part of its comprehensive value chain decarbonization strategy.

CNGR has established its Greenhouse Gas (GHG) Inventory Procedure in accordance with the ISO 14064 standard, and consistently conducts annual GHG emission verifications across all its domestic industrial bases. The verification scope encompasses the Tongren, Ningxiang, Qinzhou, and Kaiyang Industrial Bases. The verification covers seven categories of greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), sulfur hexafluoride (SF_6), nitrogen trifluoride (NF_3), perfluorocarbons (PFCs), and hydrofluorocarbons (HFCs). This quantitative approach provides a solid foundation for measuring progress toward the company's GHG emissions target. CNGR has responded to the CDP Climate Questionnaire for three consecutive years. In 2024, the company received a score of "B", outperforming the industry average, and reflecting its continued commitment to climate-related transparency and risk management.

Greenhouse Gas Emissions Management Data of CNGR

Indicator	Unit	2020 (Baseline year)	2023	2024
Scope1	tonCO_2e	42,961.00	161,120.78	199,996.30
Scope2 (market-based)	tonCO_2e	317,911.00	402,811.58	250,892.70
Scope3	tonCO_2e	2,494,781.00	4,553,325.08	4,629,042.44
Total Emissions (market-based)	tonCO_2e	2,855,653.00	5,117,257.44	5,079,931.44
Emission Intensity of Scope1+2 (market-based)	tonCO_2e /ton product[1]	3.77	1.96	1.39
Emission Intensity of Scope3	tonCO_2e /ton product	26.04	15.85	14.31

CNGR awarded the UN Global Compact (UNGC) CAA Program Completion Certificate, embarking on a new journey to support climate action.

In 2024, CNGR actively engaged in the United Nations Global Compact (UNGC) Climate Ambition Accelerator (CAA) program. This initiative is a practical, capacity-building project in the climate sector, offered by UNGC to its corporate members. It aims to equip enterprises with essential knowledge and professional skills pertaining to climate change. The program supports companies in setting science-based emission reduction targets that align with the 1.5° C pathway, thereby guiding them toward the most effective route for achieving Net-Zero target. CNGR consistently views addressing climate change as a fundamental responsibility of corporate development and actively pursues green and low-carbon strategies.

[1] The product scope includes major products such as precursors, iron phosphate, and nickel plates, etc.

Metrics & Targets

In response to the national dual-carbon strategy, the Paris Agreement, and the Science Based Targets initiative (SBTi), CNGR announced in May 2022 its greenhouse gas emission targets, with 2020 as the baseline year. After three consecutive years of relentless efforts, the following results have been achieved:

Greenhouse Gas Emissions Target of CNGR

Target Year	Details	Achievement
2025	Proportion of 100% clean energy electricity[1], including 20% in 2022, 50% in 2023, and 75% in 2024.	In 2022, the actual proportion of clean energy electricity accounted for 22.83%; In 2023, the actual proportion of clean energy electricity accounted for 59.71%; **In 2024, the actual proportion of clean energy electricity accounted for 86.99%.**
2030	The proportion of clean energy should be 80%.	In 2022, the actual proportion of clean energy accounted for 25.02%; In 2023, the actual proportion of clean energy accounted for 54.12%; **In 2024, the actual proportion of clean energy accounted for 67.41%.**
2030	GHG emissions per ton of product should be reduced by 50% compared to the baseline year.	Compared to the baseline year: In 2023, GHG emissions per ton of product were reduced by 40.23%; **In 2024, GHG emissions per ton of product were reduced by 47.31%.**
2040	Achieving operational Net-Zero.	In progress
2050	Achieving Net-Zero across the supply chain.	In progress

[1] Including photovoltaic, wind power, hydropower, geothermal energy, biomass energy, and nuclear power, the scope is limited to domestic industrial bases.

By the end of the reporting period

CNGR had successfully secured a cumulative total of

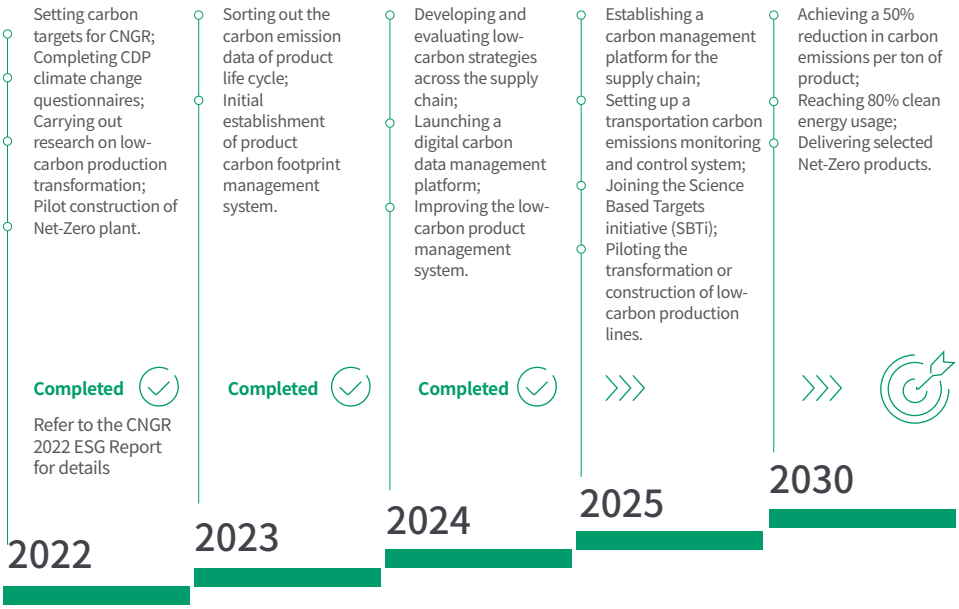
USD **470** million

in sustainability-linked financing, aligning seamlessly with its climate objectives

This significant milestone underscores a strategic evolution-transitioning from "passive emissions reduction" to "actively creating carbon value". Driven by the twin pillars of technological innovation and institutional progress, CNGR is redefining the role, value, and responsibilities of industrial enterprises in the net-zero era, firmly establishing itself as a proactive trailblazer in the global shift towards a low-carbon future.

Dual Carbon Action

CNGR takes China's "carbon peaking and carbon neutrality" strategy as the benchmark for its emissions reduction efforts. Guided by a philosophy of long-termism, the company is gradually reducing GHG emissions across its operations and supply chain, with the ultimate goal of achieving its GHG emission targets.



Energy Management

GRI 302

Governance

Energy management has become a core component in driving sustainability within modern enterprises. In the context of increasing global resource scarcity and worsening environmental challenges, improving energy efficiency and reducing energy waste are not only crucial measures for lowering costs and enhancing competitiveness but also essential responsibilities for corporate citizenship. As a company committed to technological innovation and efficient resource utilization, CNGR deeply recognizes the importance of energy management and has formulated a systematic energy management strategy. This strategy aims to continuously reduce corporate energy consumption through comprehensive energy audits, the establishment of quantified targets, the implementation of energy-saving actions, and the application of clean energy.

At CNGR, energy management is overseen by the equipment departments of each industrial base, which are responsible for monitoring, managing, and optimizing internal energy use. These departments are tasked with regularly assessing equipment energy efficiency, adjusting energy allocation based on production needs, and optimizing equipment operation and management processes. These efforts ensure high efficiency in energy use across production processes, promote energy conservation and emission reduction, and support the achievement of the company's energy management goals.

Strategy

CNGR's energy management strategy begins with energy audits, which are conducted regularly across its industrial bases to assess energy consumption comprehensively, analyze the current energy usage status, and identify high-energy-consuming areas and potential savings opportunities. These audits help pinpoint weaknesses in energy usage and provide data-driven support for setting energy-saving targets and optimization measures. Based on the audit results and CNGR's unique characteristics, the company has developed a phased short-, medium-, and long-term energy management and green transformation strategy: Short-term: Focus on identifying energy risks, promoting energy-saving technologies and green products, establishing an energy management system, ensuring compliance, and responding quickly to market demands. Medium-term: Optimize the energy structure, increase the proportion of clean energy usage, drive technological innovation and green supply chain development, and improve the energy management system. Long-term: Fully adopt clean energy, achieve carbon neutrality, become a leader in green technologies within the industry, and realize a win-win outcome between economic and environmental benefits. Through this strategy, CNGR aims to address energy-related risks and regulatory requirements while seizing opportunities in green transformation and technological innovation to enhance its long-term competitiveness and market positioning.

Risk Management

In accordance with the Energy Conservation Law of the People's Republic of China and the Energy Conservation Management Measures for Key Energy-Consuming Units, CNGR advances its energy management work within the ISO 50001 energy management system framework. The company has established a set of institutional and procedural documents for energy management, including: Control Procedure for Target Energy Indicators and Performance Parameters, Control Procedure for Energy Review, Control Procedure for Energy Management Measures, Control Procedure for Monitoring, Measurement, and Analysis, Control Procedure for Operational Management, Control Procedure for Energy Performance Evaluation.

During the reporting period, CNGR's Qinzhou Industrial Base obtained ISO 50001 certification, raising the certification coverage of its domestic bases to 75%. In 2025, the Kaiyang Industrial Base is scheduled to complete ISO 50001 certification, and energy management will also be gradually promoted across CNGR's industrial bases in Indonesia.

In 2024, the Qinzhou Industrial Base conducted a comprehensive energy audits, energy-saving assessment, and energy-saving supervision inspection in collaboration with local government and third-party institutions. The evaluation focused on water, electricity, and gas systems to review on-site equipment and process flows, aiming to identify and continuously optimize the base's energy-saving and consumption-reduction solutions. Based on the audit results, the company set annual and phased energy-saving targets to ensure that energy consumption is effectively controlled while meeting production needs, gradually reducing energy consumption per unit of product. Each industrial base of CNGR, in accordance with the Control Procedure for Target Energy Indicator Performance Parameters, conducts monthly statistics on energy consumption and categorizes energy usage by plant area, utility services, and logistics zones to calculate the comprehensive energy consumption per product. Based on the comparison between actual and expected values, the company performs energy deviation analyses on sections exceeding the thresholds. At the end of each year, new comprehensive energy consumption targets for the upcoming year are set using the annual statistical data. Based on the actual energy consumption of each plant in 2023 and the company's regulatory requirements, Qinzhou Industrial Base set 2024 energy consumption intensity targets for the precursor product in the materials plant at 0.3686 tce/t and the pyrometallurgy plant at 1.44 tce/t. Both plants successfully achieved their annual energy consumption goals.

CNGR is classified as a key energy-consuming unit. Energy price fluctuations are among the main risks faced by the company, as rising prices directly increase production costs. The company has long regarded energy-saving and cost-reduction as core goals of energy management. By optimizing energy management, CNGR continuously reduces energy consumption per unit of product, lowers production costs, and enhances profitability. The company improves energy efficiency by upgrading equipment, optimizing production processes, and strengthening equipment maintenance, thereby minimizing unnecessary energy waste.

In 2024, the Tongren Industrial Base implemented a 110KV substation transformer loss optimization project. Based on production conditions, transformer operations were adjusted to maintain an 80% operating load. Some transformers were shut down to reduce load and no-load losses, continuously decreasing electricity consumption at the plant.

In 2024, the Qinzhou Industrial Base implemented frequency reduction optimization upgrades for absorption tower equipment and packaging vibration motors, significantly lowering energy consumption. These measures saved electricity and generated economic benefits totaling 5.25 million CNY, effectively improving energy utilization efficiency.

Policy changes also represent a significant risk for the company. As climate change becomes a major global concern, various governments have introduced new laws and regulations on energy consumption and carbon emissions. CNGR actively promotes clean energy projects, including clean energy procurement and distributed photovoltaic initiatives. In 2024, the Ningxiang and Qinzhou Industrial Bases continued to advance the construction of distributed photovoltaic systems, further expanding CNGR's use of clean energy and reducing greenhouse gas emissions. The Ningxiang Industrial Base completed phase I with an installed and grid-connected capacity of 6 MW. Phase II, with a planned capacity of 4 MW, is under design. In 2024, the total photovoltaic power generation reached 7.45 million kWh. At the Qinzhou Industrial Base, phase I of the photovoltaic project was designed with an installed capacity of 38.166 MW.

As of the reporting period, 30.649 MW was grid-connected, 2.779 MW remained uninstalled, and 4.738 MW was unbuilt. Total photovoltaic power generation amounted to 25.99 million kWh.
In 2024, CNGR organized specialized training on energy management and energy-saving practices at its four major domestic industrial bases. Targeted at department heads, key personnel, and front-line employees, the training aimed to enhance awareness and skills in energy control. Through this initiative, staff and management gained a better understanding of the importance of energy management and mastered effective energy-saving methods, further improving energy efficiency and utilization. These efforts laid a solid foundation for achieving the company's green development goals.

Metrics & Targets

During this reporting period

CNGR used

1.17 billion kWh

of clean energy electricity

Since 2022. Qinzhou industrial base has achieved

100%

clean energy electricity usage ratio

In 2024, CNGR's four major domestic industrial bases used a total of 1.17 billion kWh of clean energy electricity including 33.44 million kWh of self-generated photovoltaic green power. Clean energy electricity accounted for 86.99% of the total domestic electricity consumption, exceeding the annual target of 75% for clean energy electricity usage. Among them, the Qinzhou Industrial Base has achieved 100% clean energy electricity coverage since 2022.

Energy Management Data of CNGR

Indicator	Unit	2022	2023	2024[1]
Anthracite Coal	kg	172,800.00	22,500.00[2]	0.00
Lignite Coal	kg	-	0.00	5,908,130.00
Bituminous Coal	kg	-	9,740,910.00	11,613,828.00
Diesel	kg	232,450.04	375,078.11	396,621.80
Gasoline	kg	27,884.55	39,294.81	25,545.30
Natural Gas	m^3	16,731,579.26	37,848,516.28	18,579,843.10
Power Consumption[3]	kWh	638,399,919.67	451,416,367.74	175,471,826.00
Steam Consumption	ton	538,090.06	469,945.88	473,719.40
Total energy Consumption	GJ	4,399,490.39	4,531,938.51	3,024,403.26
Energy Consumption Intensity	GJ/ton product[4]	18.85	15.95	9.35
Clean Energy Electricity Coverage	%	22.83	59.71	86.99

[1] The data scope covers all domestic industrial bases.

[2] In the 2023 report, the disclosed data on anthracite coal consumption was incorrect and has been corrected in this report.

[3] Electricity consumption does not include clean energy electricity consumption.

[4] The product scope includes major products such as precursors, iron phosphate, and nickel plates, etc..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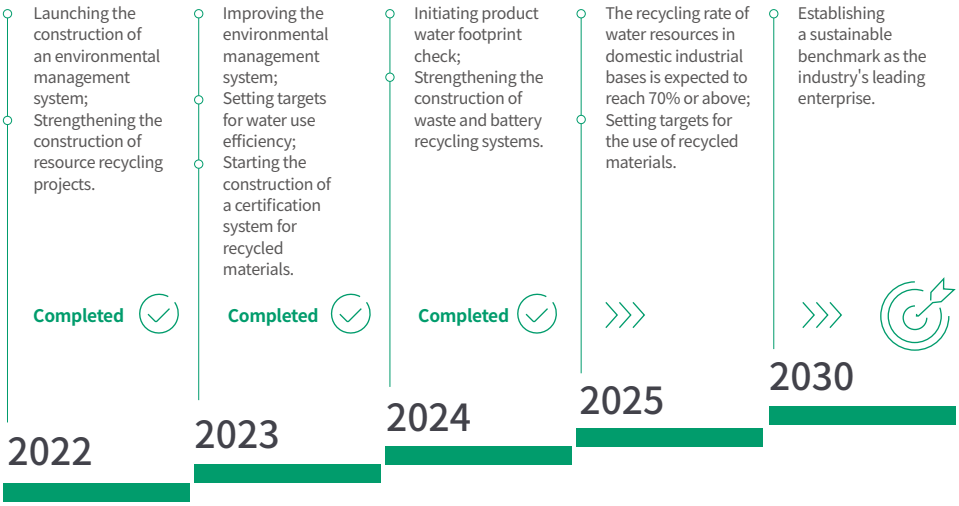
Ecological Footprint Reduction

Recycling Action

CNGR will gradually implement resource recycling management across three main modules: product design, production, and waste and battery recycling, in order to achieve a closed-loop material cycle and strive to become a benchmark enterprise for sustainability in the industry.



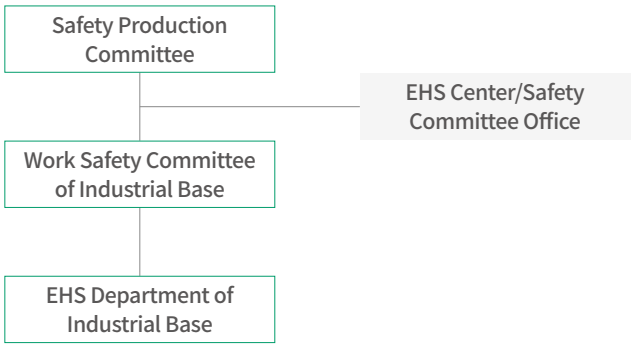
Environmental Management System and Compliance

Governance

CNGR has established the Safety Production Committee (hereinafter referred to as the "Safety Committee") to comprehensively implement EHS (Environment, Health, and Safety) management. The Safety Committee is a specialized production-focused sub-committee under the Board Strategy and ESG Committee and is responsible for the company's environmental management strategy and performance. All business units within the company are subject to the leadership and supervision of the Safety Committee to strengthen EHS governance, prevent and resolve major EHS risks in operations, prevent accidents, ensure safety of life and property, protect the ecological environment, and support the company's long-term, stable development. The Chairman of the Board serves as the director of the Safety Committee, overseeing the company's environment, health, and safety strategy and performance, with compensation linked to EHS performance. Other non-independent directors serve as deputy directors of the Safety Committee, and senior executives including Vice Presidents, Chief Experts, Presidential Assistants, and heads of first-level departments serve as committee members. The Safety Committee's main responsibilities include:

(1) Studying, planning, guiding, and coordinating company-wide EHS efforts;
(2) Promoting, implementing, and complying with national EHS policies, laws, and standards, and reviewing EHS compliance across business sectors;
(3) Proposing major policies and strategies for EHS across the company;
(4) Analyzing EHS conditions and resolving major EHS issues;
(5) Responding to EHS emergencies and crises (including related public opinion) that exceed the disposal capacity of individual bases or centers;
(6) Handling other EHS matters assigned by the Board of Directors.
A Safety Committee Office (hereinafter referred to as the "Safety Office") operates as the committee's executive body. In 2024, CNGR adjusted its organizational structure and established the EHS Center, which assumed the responsibilities of the Safety Office. The head of the EHS Center concurrently serves as the director of the Safety Office. The EHS Center includes the Integrated Technology Department and Supervision Department, staffed with department directors, mid-to-senior level safety engineers, and mid-to-senior level environmental engineers. The Safety Office's main responsibilities include:
(1) Proposing decision-making measures and coordinating responses to major EHS issues;
(2) Coordinating and supervising EHS-related work in project construction, production operations, and disposal activities;
(3) Developing the company's EHS system and promoting a safety culture;
(4) Drafting and distributing EHS performance indicators for each unit and conducting assessments, with regular reporting on indicator implementation;
(5) Coordinating and organizing EHS inspections and ensuring corrective actions are taken;
(6) Guiding and coordinating emergency responses and accident investigations;
(7) Receiving and compiling EHS incident reports, analyzing and forecasting EHS risks, and issuing relevant alerts;
(8) Managing Safety Committee meetings and events, and ensuring implementation of resolutions;
(9) Handling other matters assigned by the Safety Committee.
Each business unit has also established its own Work Safety Committee to enhance centralized leadership of EHS work, with a relatively independent EHS management team and stable staffing. The safety committees at each industrial base are mainly composed of senior executives and department heads. Meetings are held at least quarterly with mandatory employee representative participation. Meeting resolutions must be signed off by the primary person in charge.
CNGR has established a sound accountability system for safety production, clearly defining responsibilities at every level and for every function. All employees fulfill their safety responsibilities according to their roles. The company follows a "dual responsibility for one position" principle, with annual EHS responsibility agreements signed across all levels. EHS performance is managed through specific targets and indicators. Company leadership ensures resource allocation, demonstrates positive EHS behavior, and improves performance through effective communication, assessment, and review. Leadership is also responsible for mobilizing all employees to achieve EHS targets.

Safety Production Committee Structure of CNGR



Strategy

CNGR is committed to ensuring the sustainability of its operations and minimizing environmental impact through a comprehensive Environmental, Health, and Safety (EHS) management system. To begin with, the company organizes regular, systematic environmental factor identification involving all employees, resulting in a detailed inventory of environmental aspects, which is updated in a timely manner. During this process, appropriate evaluation methods are used to screen environmental factors, identifying those with high impact, and subsequently generating a list of significant environmental aspects. For these key aspects, CNGR establishes practical management systems or control measures to ensure effective risk control and environmental impact reduction.

In short-term, CNGR focuses on improving the existing environmental management system and ensuring that all departments and employees understand and follow environmental protection requirements. This includes regular environmental protection training and increasing the frequency of environmental risk assessments to raise awareness and responsibility across the organization. Mid-term Strategy aims to enhance supply chain oversight and ensure environmental compliance among partners. CNGR promotes supplier environmental due diligence and leverages technological innovation to improve energy efficiency and resource recycling in production processes. Long-term Strategy is dedicated to achieving a comprehensive green transformation across all operations. CNGR is working toward minimizing environmental impact throughout the entire product lifecycle, continuously optimizing environmental technologies and management systems, and striving to become an industry benchmark for sustainability.

Risk Management

CNGR strictly complies with relevant laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Environmental Impact Assessment Law of the People's Republic of China. The company has established internal environmental management regulations and requires all industrial bases to periodically review the operation of their environmental management systems. To ensure that the negative environmental impacts of its operations are minimized, CNGR integrates environmental management performance into short-term incentive plans for executives and managers. Environmental incidents are graded and weighted in performance assessments, with the maximum impact on annual variable compensation reaching up to 14%, thereby reinforcing the leadership's focus on environmental responsibility. CNGR has established a company-wide Environmental Protection Management System, developed in accordance with legal requirements and international standards such as ISO 14001 (Environmental Management Systems) and ISO 37301 (Compliance Management Systems). CNGR also conducts annual environmental compliance and risk assessments, identifying potential legal risks and formulating corresponding preventive and response measures. The company implements an accountability system based on the principles of "whoever is in charge is responsible" and "dual responsibilities for one position".

During the reporting period, the Tongren, Ningxiang, Qinzhou, and Kaiyang Industrial Bases, along with the Morowali, WedaBay, and North Morowali Industrial Bases in Indonesia, all received ISO 14001 certification, achieving a 100% certification coverage rate (excluding the Morocco project, which is under construction).

CNGR regularly conducts environmental quality and pollution source monitoring and audits across all its industrial bases. The frequency of audits and monitoring is determined based on the severity of emissions and pollution sources, ranging from hourly to daily schedules. During the reporting period, monitoring programs, including ambient air, surface water, groundwater, noise, and soil-returned results that were all compliant. Moving forward, CNGR will conduct two environmental audits annually for each site, focusing on toxic emissions and waste management. Any non-compliant site or process will be required to undergo corrective action.

To address potential environmental emergencies, the company has developed detailed emergency response plans, equipped with trained personnel, appropriate facilities, and efficient response mechanisms. In 2024, emergency drills were conducted multiple times at the four domestic industrial bases and the three Indonesian industrial bases (Morowali, WedaBay, and North Morowali), significantly strengthening coordination and emergency response capabilities across workshops and plant areas. CNGR also maintains strong cooperation with external stakeholders to ensure timely external support in the event of an incident, minimizing harm to people, the environment, and facilities.

All incidents and events must be reported promptly and investigated within a specified time frame to

identify root causes and system deficiencies. CNGR formulates and implements effective preventive measures accordingly. By sharing lessons learned, the company raises awareness and prevents recurrence of similar incidents.

The company also conducts regular evaluations of the implementation of the EHS management system to ensure compliance with relevant requirements. The evaluation covers the effectiveness of the system and procedures, the standardization of employee behavior, and the integrity of facilities. Through regular audits and assessments, the company continuously improves its EHS management performance and practices to ensure the ongoing enhancement and effective operation of the management system.


CNGR中伟

Metrics & Targets

CNGR, through a stringent environmental management system, strives to ensure legal compliance in the handling, storage, and leakage management of hazardous chemicals. At the same time, the company aims to achieve compliant emissions in wastewater discharge, waste gas, and solid waste disposal, while significantly reducing negative environmental impacts. CNGR's environmental performance data are as follows:

During this reporting period

expenditure on environmental protection

17.41 million CNY

Environmental Performance Data of CNGR

Indicator	Unit	2022	2023	2024
Number of Penalties for Environmental Incidents	case(s)	0	0	0
Total Amount of Fines for Environmental Incidents	10,000 CNY	0	0	0
Pass Rate of Environmental Monitoring	%	100	100	100
Environmental Complaints from Customers and Related Parties	case(s)	0	0	0
Expenditures on Environmental Protection	10,000 CNY	1,786.83	1,838.51	1,741.15

Waste and Pollutant Management

GRI 303，GRI 305，GRI 306

Governance

CNGR places great importance on waste and pollutant management, which is overseen comprehensively by the Safety Production Committee (referred to as the "Safety Committee") and the EHS Center. These bodies are responsible for formulating environmental management strategies and conducting performance assessments. The EHS departments at each industrial base serve as the execution layer, fully responsible for the daily management of waste and pollutants at each site. The governance structure and specific responsibilities of the Safety Committee are detailed in the Environmental Management System and Compliance chapter.

Strategy

Against the backdrop of increasingly severe global environmental challenges, waste and pollutant management has become a core issue in corporate environmental governance. In the short term, CNGR will continue to improve its environmental factor identification, evaluation, and control systems to ensure all business activities comply with ecological protection regulations. The company will carry out comprehensive environmental risk assessments, formulate concrete risk control measures, and strengthen employee training on environmental awareness to ensure effective implementation of policies. In the mid-term, CNGR will promote the application of cleaner production technologies, optimize process flows, set targets for reducing the generation of toxic substances and waste, and enhance resource recycling efforts. This includes promoting the reduction and resource-based treatment of solid waste and establishing an environmental performance monitoring system to ensure the implementation of environmental protection measures. In the long term, CNGR aims to deepen its green development strategy by exploring low-carbon circular economy models, introducing advanced environmental technologies

to achieve near-zero emissions of pollutants, and driving green transformation across the supply chain. The company will work with upstream and downstream partners to build a sustainability system and continuously improve environmental management standards, contributing to sustainable industry development.

Risk Management and Metrics & Targets

CNGR strictly complies with the Law of the People's Republic of China on Prevention and Control of Water Pollution, Air Pollution Prevention and Control Law, Law on the Prevention and Control of Environmental Pollution by Solid Waste, as well as relevant laws and regulations in its overseas operating locations. The company has established a comprehensive set of environmental protection policies covering water pollution, air pollution, solid waste, soil, and groundwater contamination to ensure a robust and effective environmental management system.

CNGR actively embraces a green development philosophy aimed at continuously reducing pollutant emission intensity where feasible and steadily advances the management of wastewater, waste gas, and solid waste. In water pollution prevention and control, the company has set a target to peak total COD (chemical oxygen demand) emissions by 2035 and has developed the Wastewater Discharge Management System and Wastewater Control Procedures in accordance with national regulations. Adhering to a principle of source reduction, the company uses clean energy and eco-friendly raw materials in combination with efficient, low-emission production technologies and equipment to minimize water pollutant generation. Additionally, all CNGR industrial bases enforce strict separation of rainwater and sewage, collect and treat wastewater by category, and ensure that water treatment and production facilities operate steadily and simultaneously. Their operation records are maintained in full to guarantee that discharge water quality complies with regulatory requirements. The company is also continually optimizing advanced treatment and differentiated reuse technologies for industrial wastewater across all production stages, actively pursuing the goal of "Net-Zero" discharge of industrial wastewater and enhancing the sustainability of its water resource management.

In 2024, at the Kaiyang Industrial Base, wastewater generated during the production process was collected and sent to the environmental protection plant area for purification. The salt in the wastewater was evaporated and crystallized into ammonium sulfate using an MVR (mechanical vapor recompression) system, while the treated clean water was further circulated back into the main production facilities.

Wastewater Discharge Data of CNGR

Indicator	Unit	2022	2023	2024
COD Emission	ton	41.69	46.24	29.98

In air pollution prevention and control management, CNGR has set peak total emission targets for nitrogen oxides (NO_x), sulfur oxides (SO_x), persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants (HAP), and particulate matter (PM), aiming to reach these by 2035. The company strictly monitors and manages production-related exhaust emissions in accordance with national laws and regulations, as well as its internally developed Air Pollution Control Management System, Exhaust Gas Discharge Management System, and Exhaust Gas Control Procedures. These efforts ensure that all emission indicators remain within legal limits, minimizing environmental impact. CNGR is committed to systematic pollution control, ensuring that air pollutant emissions remain within controllable levels. The company prioritizes the use of clean energy and environmentally friendly raw materials, and applies low-pollution, high-efficiency production technologies and equipment to reduce emissions at the source. It also implements categorized collection and targeted treatment of industrial exhaust gas-

es while taking effective measures to reduce fugitive emissions. To ensure effective management, CNGR simultaneously plans, constructs, and operates air treatment facilities, consistently working to enhance treatment efficiency.

At the same time, the company is continuously upgrading its exhaust treatment technologies, promoting the application of "ultra-low" emission technologies, and formulating long-term plans to reduce toxic emissions and waste in its core businesses. To optimize gas treatment solutions and reduce the generation of hazardous waste, CNGR is advancing key initiatives such as the "New Dust Removal Project" and the "Ammonia Absorption and Recycling Project". These projects not only involve technological innovation but also require extensive preliminary research and testing to ensure their suitability across all domestic industrial bases. During project implementation, CNGR organizes dedicated technical teams to conduct multiple on-site inspections and optimize solutions, precisely assessing how different processes affect exhaust emissions. Equipment is repeatedly debugged to ensure system stability and treatment efficiency. In addition, the company regularly upgrades and retrofits relevant facilities and continuously tracks project outcomes to ensure that goals for reducing toxic gases and air pollutants are achieved.

At the end of 2023, the Qinzhou Industrial Base implemented a desulfurization retrofit for its depletion furnace, reducing SO_2 emissions from 400 mg/m^3 to 100 mg/m^3.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Waste Gas Discharge Data of CNGR

Indicator	Unit	2022	2023	2024
Nitrogen Oxides (NO_x) Emission	kg	15,845.71	69,798.74	61,920.92
Sulfur Oxides (SO_x) Emission	kg	841.21	33,246.20	135,540.38
Persistent Organic Pollutants (POP) Emission	kg	0.00	0.00	0.00
Volatile Organic Compounds (VOC) Emission	kg	2,192.91	4,354.26	1,786.22
Hazardous Air Pollutants (HAP) Emission	kg	387.78	1,494.10	24.83
Particulate Matter (PM) Emission	kg	13,732.58	61,376.72	25,987.56

During this reporting period

total waste recycled rate

51.34%

target achievement rate

421.86%

In terms of industrial solid waste pollution prevention and control, the company has set a goal to gradually increase the overall waste recycled rate by 5% annually, using 2022 as the base year, aiming to reach a 40% recycled rate by 2030. The company strictly complies with relevant national laws and regulations and has formulated the Solid Waste Management System, Solid Waste Pollution Prevention and Control System, and Hazardous Waste Management System. CNGR enforces rigorous classification management for solid waste: For general waste, the company maximizes utilization value through resource recycling, transforming waste into products for reuse or sale. For hazardous waste, standardized management is implemented in accordance with the "classified collection + classified storage + classified disposal" model to prevent environmental and safety incidents such as toxic gas emissions or explosions caused by chemical reactions. For certain recyclable hazardous waste, the company promotes recovery and reproduction. The hazardous waste management methods include:

(1) At year-end, departments/workshops collect and consolidate the projected hazardous waste volumes for the following year, including estimates from new or expanded projects. Forecasts include types and quantities of hazardous waste. The procurement department is contacted in advance to identify qualified disposal service providers and sign annual contracts. All relevant licenses and transportation qualifications are filed. If new types of hazardous waste not listed in the original plan arise during the year, local environmental authorities are notified, and the management plan is amended to ensure compliant disposal.

(2) A responsible person is assigned to manage classified waste collection. Based on solid waste classification standards and actual conditions, appropriate containers are placed on-site, with proper zoning and labeling for different waste types.

(3) Standardized warehouses are constructed for temporary hazardous waste storage. Hazardous waste generated in workshops is promptly transferred to the warehouse and stored separately by category. Emergency response supplies are equipped inside the warehouse, and regular inspections are conducted to prevent environmental incidents involving hazardous waste.

(4) Transportation operations follow safety and pollution control protocols. After internal transport, routes are inspected and cleaned to ensure no hazardous waste spillage, and transport equipment is thoroughly cleaned. Personnel involved in hazardous waste collection and transport are equipped with necessary personal protective equipment (PPE) as required.

(5) All hazardous waste is entrusted to certified disposal units licensed to handle the specific types of hazardous waste. Disposal agreements are signed, and waste transfer manifests are processed as required.

(6) The company has developed a hazardous waste emergency response plan, which defines emergency response structures, risk identification, and preventative measures. Regular emergency training and drills are conducted to prevent hazardous waste pollution incidents.

In 2024, CNGR's Tongren Industrial Base implemented a program to clean and reuse filter cloths and filter bags within the workshop, effectively reducing waste generation. Additionally, the base signed a contract with a third-party company outside the province for the regeneration of spent activated carbon. Used activated carbon (900-039-49) and oil-containing activated carbon (900-041-49) were collected and transported for regeneration, and the regenerated activated carbon was subsequently reused in operations.

Waste Disposal Data of CNGR

Indicator	Unit	2022	2023	2024
Total Waste Generated (Excluding Domestic Waste)	ton	32,924.76	74,117.62	78,291.80
Hazardous Waste Generated	ton	1,738.74	2,785.89	3,563.64
Non-Hazardous Waste Generated	ton	31,186.02	71,331.74	74,728.16
Total Waste to Recycled	ton	714.71	17,441.20	40,197.77
Hazardous Waste to Recycled	ton	80.61	233.26	2,776.16
Non-Hazardous Waste to Recycled	ton	634.10	17,207.94	37,421.61
Total Waste to Disposed	ton	31,044.90	49,818.24	41,249.67
Hazardous Waste to Disposed	ton	1,640.25	2,529.27	707.69
Waste Incinerated with Energy Recovery	ton	-	-	0.00
Waste Incinerated without Energy Recovery	ton	-	-	111.46
Waste Landfilled	ton	-	-	0.00
Other Disposed Operations	ton	-	-	596.23
Non-Hazardous Waste to Disposed	ton	29,404.65	47,288.98	40,541.98
Waste Incinerated with Energy Recovery	ton	-	-	0.00
Waste Incinerated without Energy Recovery	ton	-	-	0.00
Waste Landfilled	ton	-	-	0.00
Other Disposed Operations	ton	-	-	40,541.98
Hazardous Waste to Disposed per ton Product	ton/ton product[1]	0.01	0.01	0.01
Non-Hazardous Waste to Disposed per ton Product	ton/ton product	0.13	0.17	0.13
Total Waste Recycled Rate	%	2.17	23.53	51.34
Target Achievement Rate of Total Waste Recycled Rate	%	-	328.17	421.86

In addition, regarding soil and groundwater pollution prevention and control, the company consistently upholds the principle of "prevention and control in parallel". During the production, usage, storage, transportation, recycling, disposal, and discharge of toxic and hazardous substances, multiple effective measures are taken to prevent leakage, loss, or dispersion of these substances, thereby avoiding pollution to soil and groundwater. All potentially polluting processes are subject to strict prevention and control. Particularly during facility demolition or equipment upgrades, the company implements soil and groundwater pollution control measures in accordance with environmental protection requirements to ensure compliance with relevant environmental standards.

[1]The product scope includes major products such as precursors, iron phosphate, and nickel plates, etc.

In 2024, CNGR organized comprehensive solid waste management training at its four major domestic industrial bases. These training sessions focused on enhancing employees' capabilities in solid waste classification and disposal, raising awareness on waste reduction and resource utilization. This significantly promoted a culture of environmental responsibility and awareness across all levels of the company.
Through these initiatives, CNGR not only advances green development practices but also demonstrates its image as a responsible corporate citizen to the public and its customers. As environmental protection concepts become more deeply rooted, the company will continue to strengthen its commitment to ecological conservation, striving to lead the industry in achieving sustainability and environmental goals.

Water Stress

GRI 303

Governance

CNGR has established a comprehensive water resources governance system, implementing a tiered management model with clear responsibilities. The company's Safety Committee is responsible for formulating water resource strategies, with the Chairman and President serving as the Committee's top leader, fully overseeing its work. The Operations Center is comprehensively responsible for water governance, including planning, supervision, and evaluation. At each industrial base, the Operations Department takes the lead, working in coordination with production facilities, the EHS Department, and the General Office to form a multi-departmental water governance mechanism.
Responsibilities are clearly defined: The General Office is responsible for signing water-related contracts, handling payments, and external coordination to ensure a stable water supply. The Operations Department prepares annual water usage plans, maintains usage records, conducts water dispatching, and regularly analyzes water consumption. Each production facility (such as the phosphate-iron plant, environmental protection plant, and LFP plant) is responsible for monitoring local water consumption, managing wastewater discharge, and implementing water-saving technical upgrades. The EHS Department manages effluent water quality to ensure discharge standards are met.
A monthly joint meeting mechanism facilitates timely communication and resolution of key water governance issues. A water performance evaluation system is also in place, incorporating water-saving targets into departmental KPIs to drive continuous improvement in water governance. This structure enables CNGR to achieve refined and efficient water resource management.

Strategy

In alignment with the TNFD framework, CNGR has formulated a science-based water resource strategy to ensure efficient utilization and protection of water resources. Short-term goals include improving existing industrial wastewater treatment technologies and increasing water recycling rates, establishing comprehensive water consumption management systems, and regularly conducting water-saving diagnostics to identify and implement improvement opportunities. Mid-term objectives focus on promoting large-scale water recycling projects and initiating wastewater reuse in production processes to reduce overall water consumption. Long-term efforts will involve continuous research and innovation in water-saving and recycling technologies based on industry trends, aiming to enhance overall efficiency and achieve long-term water resource management targets.

Risk Management

CNGR strictly complies with relevant national laws and regulations such as the Water Law of the People's Republic of China, Water Pollution Prevention and Control Law, Water Resources Management Regulations, and Integrated Wastewater Discharge Standards. Internally, the company has established systems including the Tap Water Management System, Workshop Wastewater Discharge Management System, and Environmental Protection Management System, with strict monitoring processes to ensure all water use and discharge activities are legally compliant. CNGR is committed to prioritizing water-saving and reuse-oriented production methods, continuously improving wastewater reuse rates and ensuring discharge strictly complies with national and local regulations.

To ensure that its operations do not negatively impact surrounding water resources, CNGR conducts water risk assessments during site selection, construction, and production phases. The company uses the Water Risk Filter, a publicly available tool developed by the World Wide Fund for Nature (WWF), to assess water-related risks at all its four major domestic and several overseas industrial bases. The assessment evaluates twelve factors across three risk categories, physical, regulatory, and reputational, tailored to CNGR's industry characteristics. These include water availability, flooding, drought, water quality, ecosystem services, governance, WASH infrastructure, and more. Assessment results show that none of CNGR's industrial bases are located in high or very high-water stress areas. Specifically, the Tongren, Qinzhou, and Kaiyang Industrial Bases, along with overseas sites in Morowali, WedaBay, and North Morowali (Indonesia), are in low-risk zones, while the Ningxiang Industrial Base and Morocco project are in medium-risk zones.

CNGR conducts annual water risk assessments at all its industrial bases focusing on potential negative impacts on nearby water sources and communities, as well as risks stemming from changes in water quantity, quality, and regulatory environments post-project implementation. During the reporting period, none of CNGR's industrial bases were located in or adjacent to water source protection zones, and no adverse impacts on local water bodies due to water intake or discharge were reported. Monitoring and forecasting indicate no current risks of water shortages or quality degradation, and regulatory conditions remain stable with no new limitations or policy risks identified.

In 2024, CNGR continued to implement water-saving measures to reduce operational water usage through energy-efficient upgrades and recycling technologies. Key actions include:

Water Reuse for Acid Preparation (Tongren Industrial Base): Through technical upgrades, the base adopted a "flocculation + sedimentation + carbon filtration + ceramic membrane ultrafiltration" process, enabling the reuse of regenerated wastewater in sulfuric acid preparation, thereby reducing the consumption of concentrated sulfuric acid and purified water.

Tap Water Cost Reduction and Reuse (Ningxiang Industrial Base): The base developed a plan to reduce tap water usage costs by analyzing consumption trends and pinpointing high-usage processes. Water reuse projects were implemented to reduce dependency on municipal water and lower costs.

Rainwater Harvesting (Qinzhou Industrial Base): Collected rainwater is used for slag flushing during the smelting process, lowering overall water consumption.

Distilled Water Reuse (Kaiyang Industrial Base): Embracing a "Net-Zero Discharge" philosophy, the base treats wastewater (including wash water and mother liquor) using a "pre-treatment + membrane treatment + MVR distillation" process. The treated water is reused, and condensed water from the MVR system is fully recovered, achieving complete wastewater recycling.

While reducing water stress across all industrial bases, we implement wastewater supervision and treatment that exceed national discharge standards, minimizing environmental impacts. A strict separation of rainwater and wastewater is enforced. Industrial wastewater is directed to the environmental protection wastewater treatment facility, where it is treated and discharged in compliance with standards. Direct discharge into external sewage or rainwater pipelines is strictly prohibited. We have installed online wastewater discharge monitoring systems, which are connected to the local ecological and environmental authorities to transmit monitoring data in accordance with regulatory requirements. Prior to wastewater discharge, we monitor nine key parameters, including nickel, cobalt, manganese and their compounds, ammonia nitrogen compounds, COD, and pH, to ensure regulatory compliance. We follow the "Emission Standard of Pollutants for Inorganic Chemical Industry (GB 31573-2015)".

CNGR regularly organizes water-saving training sessions at each industrial base to raise employee awareness and improve practical skills. Training covers not only the fundamentals of water conservation, but also practical tips on optimizing water use and reducing waste in daily operations. In addition, we regularly carry out water conservation campaigns in surrounding communities near water sources by distributing posters, brochures, and hosting lectures. These efforts aim to widely promote the concept of water conservation and encourage both employees and the public to jointly protect local water resources, advancing the company's progress in water-saving and emission reduction.

During this reporting period

CNGR water discharge intensity

10.27 m^3/ton product

target achievement rate

100%

water recycling rate

59.62%

compared with the target in 2024 (65%)

91.72%

Metrics & Targets

Recognizing the scarcity and irreplaceable nature of water resources, CNGR is committed to responsible and sustainability, aiming for efficient utilization and protection of water resources. We have set a target for water discharge intensity: using 2020 as the baseline year, we aim to reduce intensity by 3.5% annually, reaching 11 m^3/ton product by 2026. By 2025, the overall water recycling rate across the four major domestic industrial bases is targeted to reach 70%. We further commit to: developing water management goals for overseas industrial bases; refraining from operations in regions with high water stress; and collaborating with surrounding communities near water sources to promote water conservation. To support these goals, we are increasing investment in upgrading existing water treatment and recycling systems, while boosting R&D efforts to develop more efficient water treatment technologies. We also continue to enhance our water management system, improve efficiency and reuse capabilities, and expand the scope of water footprint assessments. Through training and technical support, we actively promote water conservation practices throughout the supply chain.

Water Resources Management Data of CNGR

Indicator	Unit	2022	2023	2024
Total Water Withdrawal	ML	3,707.22	4,558.56	5,289.49
Surface Water	ML	1,291.32	2,821.58	3,037.79
Groundwater	ML	0.00	0.00	0.00
Third-Party Water	ML	2,415.89	1,736.98	2,251.71
Total Water Recycling	ML	4,460.58	6,997.25	7,809.78
Water Recycling Rate[2]	%	54.61	60.55	59.62
Total Water Discharge	ML	2,307.27	2,779.48	3,323.93
Surface Water	ML	469.43	1,302.81	1,246.85
Third-Party Water	ML	1,837.85	1,476.67	2,077.08
Total Water Consumption[3]	ML	1,399.94	1,740.97	1,965.57
Total Water Consumption per ton Product	m^3/ton product[1]	6.00	6.19	6.08
Total Water Consumption per Million CNY	m^3/million CNY	46.14	51.91	48.87
Gray Water Reuse	ML	-	-	458.68
Gray Water Reuse Rate[4]	%	-	-	3.50

[1] The product scope includes major products such as precursors, iron phosphate, and nickel plates, etc.

[2] Water Recycling Rate = (Total Water Recycling) / (Total Water Withdrawal + Total Water Recycling) × 100%.

[3] Total Water Consumption = Total Water Withdrawal − Total Water Discharge.

[4] Gray Water Reuse Rate = (Gray Water Reuse) / (Total Water Withdrawal + Gray Water Reuse) × 100%.

Circular Utilization of Energy Metals

GRI 301

Governance and Strategy

CNGR places strong strategic emphasis on the recycling and reuse of energy metals, fostering close collaboration among its operations, R&D, and production teams to drive forward initiatives such as battery recycling and the comprehensive utilization of metallurgical residues. Anchored in the principle of "closed-loop lifecycle management", the company is building a fully integrated ecosystem from resource recovery to circular reuse through vertical integration, technological innovation, global partnerships, and market expansion. This positions CNGR as a key enabler of sustainability in the new energy sector (refer to the Product Lifecycle Management chapter).

Opportunity Management and Metrics & Targets

As one of the select enterprises in China and the pioneering entity in Guizhou Province to receive dual certification from the Ministry of Industry and Information Technology for both "cascade utilization" and "recycling utilization" of batteries, CNGR leverages its vertically integrated industrial framework and its technological prowess in metallurgy and materials science to enhance its engagement in the waste battery recycling sector. The company is proactively tackling key industry challenges, such as low dismantling efficiency, restricted processing precision, contamination risks, and less-than-optimal metal recovery rates. At its Tongren Industrial Base, CNGR has established a comprehensive full-process closed-loop system encompassing battery disassembly, cascade utilization, crushing and separation, as well as integrated regeneration. This system significantly reduces the environmental impact of end-of-life batteries while optimizing resource efficiency to the fullest. Current capacity encompasses:30,000 tons/year of retired battery and electrode pre-treatment capability; 25,000 tons/year of ternary black mass smelting capacity; 15,000 tons/year of LFP black mass smelting capacity; 100 MW/year of cascade utilization treatment capacity; and downstream processing for carbonization and purification of industrial and coarse lithium carbonate, facilitating an annual production of 10,000 tons of battery-grade lithium carbonate. CNGR's recycling operations satisfied national standards for traceability and recovery efficiency of key metals such as nickel, cobalt, and lithium. The company has adopted the ISO 14021 recycled content certification, enabling the internal circulation of recycled nickel and cobalt back into precursor production, while lithium carbonate is supplied to downstream cathode material customers, together forming a comprehensive and integrated closed-loop recycling system. With the impending surge of large-scale battery retirements both in China and worldwide, the regeneration and reuse of energy metals is poised to emerge as a critical issue for the industry's sustainability. CNGR is reinforcing its leadership in end-of-life battery recovery, establishing a robust foundation for the next wave of high-volume recycling technology breakthroughs. In parallel, CNGR is actively expanding its footprint in the global circular economy, forging strategic collaborations with leading domestic and international partners to promote industrial circularity and closed-loop systems. With a proactive and responsible approach, CNGR contributes to the development of a green, low-carbon, and circular new energy materials ecosystem.

During the reporting period, CNGR's recycling operations demonstrated resilience, processing more than 50,000 tons equivalent of end-of-life batteries. This effort resulted in a reduction of approximately 200,000 tonCO_2e GHG, while also providing comprehensive closed-loop solutions, thus significantly advancing the global shift towards sustainable energy.


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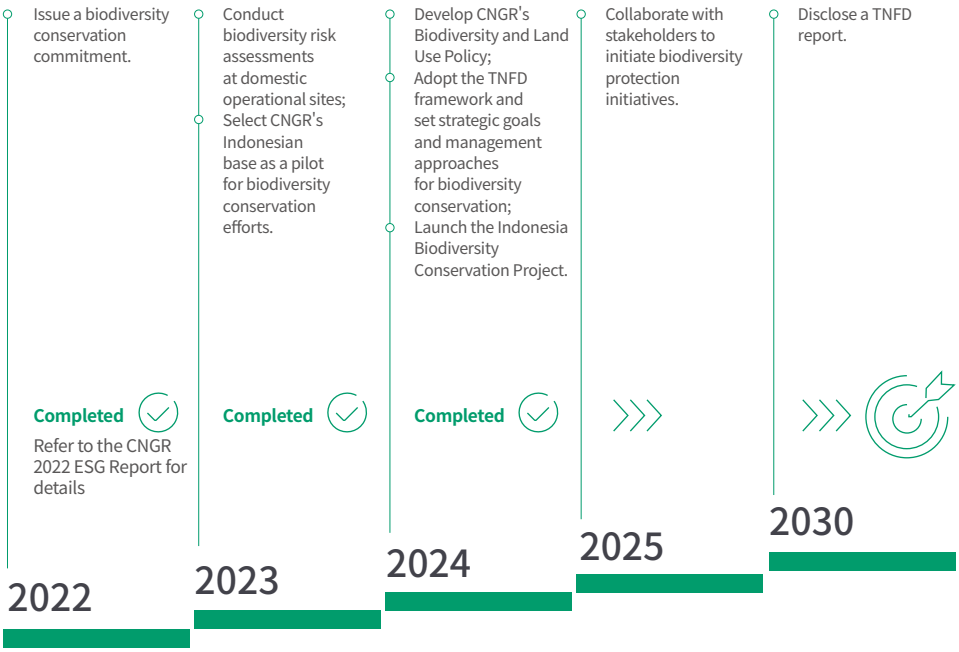
Biodiversity Conservation

Biodiversity Conservation Action

The issue of biodiversity conservation holds strategic significance for the long-term and stable development of CNGR. CNGR will gradually advance biodiversity protection efforts, expanding from pilot initiatives to a broader, more integrated approach.



Biodiversity and Land Use

GRI 101

Governance

CNGR's Board Strategy and ESG Committee is responsible for guiding biodiversity and land use related work, formulating corresponding strategies and policy documents, and managing biodiversity and land use risks. The Sustainability Office is tasked with assessing and managing the company's dependencies and impacts on biodiversity and land use, including related risks and opportunities, as well as their implications for corporate strategy, operations, and financial planning. The Sustainability Office will dynamically adjust the company's biodiversity and land use commitments, targets, and plans as needed, and will regularly report progress to the Board Strategy and ESG Committee.

Strategy

CNGR commits to

achieve a Net Positive Impact (NPI) on biodiversity by 2050

Biodiversity and land use are critical to maintaining ecosystem health, addressing climate change, and achieving sustainability. CNGR is committed to integrating the principles of the Convention on Biological Diversity, the Nagoya Protocol, and the Kunming-Montreal Global Biodiversity Framework into its strategic planning and operational management. To actively address biodiversity loss and land degradation, we have established short-, medium-, and long-term strategic goals:

Short-term goals include initiating biodiversity conservation efforts in collaboration with NGOs and international initiatives, and identifying biodiversity-related risks in line with the TNFD framework to ensure compliance and foresight. Medium-term goals involve fully implementing TNFD requirements by establishing a biodiversity and land use management system, and carrying out regular evaluations and improvements. Long-term goals aim to achieve a Net Positive Impact (NPI) on biodiversity by 2050.

Risk Management and Metrics & Targets

In 2024, CNGR developed its Biodiversity and Land Use Policy based on the requirements and goals of the Kunming-Montreal Global Biodiversity Framework, while also adhering to the principles of the UN Convention on Biological Diversity, the UN Convention to Combat Desertification, and the Task force on Nature-related Financial Disclosures (TNFD) framework. The policy was reviewed and approved by the Board Strategy and ESG Committee.

CNGR has adopted the LEAP approach (Locate, Evaluate, Assess, Prepare) to conduct location-based analysis and utilized integrated biodiversity assessment tools to identify biodiversity-related risks across its domestic and international production and operational sites. This provides a foundational basis for identifying, assessing, and managing nature-related risks and opportunities. Based on this assessment: None of the four domestic industrial bases, nor the Indonesia Morowali and WedaBay Industrial Bases, are located within a 5-kilometer radius of habitats involving species classified as Critically Endangered (CR), Endangered (EN), or Vulnerable (VU) under the IUCN Red List of Threatened Species. Within a 5-kilometer radius of CNGR's four domestic industrial bases, no species listed under Class I or II of the Wildlife Protection Law of the People's Republic of China, or terrestrial wildlife under special state protection for their ecological, economic, or scientific research value, have been identified. These areas are also not located within key ecological function zones, ecologically sensitive or vulnerable areas, biodiversity conservation zones, or other strictly controlled zones designated under the Environmental Protection Law of the People's Republic of China and its associated ecological redline policies.

To further evaluate the company's nature-related risks and inform targeted risk management measures, CNGR used the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) database recommended by TNFD to assess the natural dependencies and impacts of the new energy value chain. Findings from the assessment include: High material impacts on nature: Water usage, Pollutant discharge to soil and water, Solid waste discharge and Greenhouse gas emissions; Moderate dependencies on ecosystem services: Water availability, Flood regulation, Storm protection and Capacity for solid waste decomposition; Low to moderate dependencies on other ecosystem services, such as: Global climate regulation, Noise attenuation and Air purification. Detailed analysis of nature-related impacts and dependencies:

(1) Impacts on Nature:

Water usage: The company's water intake and usage during production may place pressure on local water resources (refer to the Water Stress chapter).

Pollutant discharge to soil and water: During production, certain pollutants may be discharged into soil and water, affecting their quality and posing potential threats to ecosystems (refer to the Waste and Pollutant Management chapter).

Solid waste discharge: Solid pollutants generated throughout the upstream and downstream supply chain, as well as from the company's own operations, may degrade soil quality and introduce environmental risks (refer to the Waste and Pollutant Management chapter).

Greenhouse gas emissions: Emissions are generated due to certain production processes and energy consumption. The company is actively implementing measures to reduce its greenhouse gas emissions (refer to the Climate Change Response chapter).

(2) Dependencies on Ecosystem Services:

Water availability: The company's production heavily depends on water resources, making it highly reliant on the health and sustainability of aquatic ecosystems (refer to the Water Stress chapter).

Flood regulation: Some of the company's operational sites may be vulnerable to extreme weather events. In particular, the Tongren Industrial Base and the Morowali Industrial Base in Indonesia may face

flood risks, making the stability of the supply chain largely dependent on natural flood regulation (refer to the Climate Change Response chapter).
Storm protection: The Qinzhou Industrial Base, the Morowali Industrial Base, and the WedaBay Industrial Base are located near coastal areas and are prone to extreme weather such as typhoons. These events may damage facilities and disrupt employee commuting, thereby threatening the continuity of production (refer to the Climate Change Response chapter).
Capacity for solid waste decomposition: The company relies on local ecosystems to remediate solid waste generated during production. It is essential to ensure that the surrounding areas of the company is not degraded due to excessive accumulation or landfilling of waste (refer to the Waste and Pollutant Management chapter).
CNGR has conducted a comprehensive review of its production and operational activities to analyze the impacts and dependencies of each stage on biodiversity and land use. This process helps identify areas with significant impacts on or high dependencies upon biodiversity and land use, laying the foundation for further risk identification and assessment across major business domains.
In the Company's business activities, we identified areas with moderate or higher levels of impact and dependency, and further engaged relevant departments to discuss and analyze the associated impact and dependency risks, along with potential financial implications. In accordance with the ESG Policy of CNGR and the Biodiversity and Land Use Policy of CNGR, and based on CNGR's risk management regulations, nature-related risks are regarded as key corporate risks and are integrated into the Company's risk management system for ongoing mitigation and control.

Biodiversity-Related Risk Analysis

Type of Risk	Biodiversity-Related Risk	Impact Items	Risk Description	Potential Financial Impact	Countermeasures
Transition Risk	Policies and Regulations	▪ Pollutant discharge to soil and water; ▪ Solid waste discharge; ▪ Greenhouse gas emissions.	With the increasing stringency of global environmental regulations, particularly in areas such as carbon emissions, waste management, and energy use (e.g., the EU Battery Regulation and carbon border adjustment mechanisms), companies must respond to growing compliance pressures; Regulators and investors are demanding more rigorous and transparent disclosure of corporate carbon emissions, reduction targets, mitigation measures, and performance. This may lead to increased operational and financing costs. CNGR must adapt promptly to evolving global environmental policies to ensure compliance and avoid legal risks and significant fines.	Increased compliance costs, operational costs, and procurement costs.	▪ CNGR has established a dedicated policy and regulatory monitoring mechanism to ensure timely tracking of policy changes and prompt adjustment of strategies; ▪ The company continues to monitor government support policies for low-carbon technologies and green transition, such as subsidies and tax incentives, which can help alleviate financial pressure during the transition process; ▪ CNGR strictly complies with waste discharge laws and regulations in the locations of its domestic and overseas bases, and implements rigorous classification and control measures for general and hazardous waste to ensure compliance.
	Market	▪ Greenhouse gas emission	There is a growing demand from consumers and investors for environmentally friendly and low-carbon products. If CNGR fails to adjust its product portfolio or technologies in a timely manner, it may face declining market share or reduced profitability. Additionally, rising prices for green raw materials and energy may increase product costs.	Increased compliance costs, operational costs, and procurement costs.	▪ The company regularly conducts market analysis to understand consumer and client demands for green and low-carbon products, as well as future market trends, and promptly adjusts its product portfolio and production strategies.

Type of Risk	Biodiversity-Related Risk	Impact Items	Risk Description	Potential Financial Impact	Countermeasures
Transition Risk	Reputation	■ Water usage; ■ Pollutant discharge to soil and water; ■ Solid waste discharge; ■ Greenhouse gas emissions	The company may suffer reputational damage among local communities and NGOs, potentially affecting product sales and brand value; Failure to effectively implement mitigation measures in response to the above impacts may lead to investor and financial institution concerns over the company's reputation, potentially triggering divestment risks.	Increased compliance costs.	■ Relevant provisions related to impact projects have been included in the Supplier's Code of Conduct, the Biodiversity and Land Use Policy of CNGR, and the Due Diligence Policy for a Responsible Global Supply Chain of Mineral, with a requirement for all stakeholders in the upstream and downstream supply chain to comply strictly; ■ CNGR provides regular training and capacity building on biodiversity for its management and employees; ■ The company has launched a biodiversity project aimed at mitigating the risks and impacts of the nickel industry on biodiversity and land use through communication and cooperation with local governments, NGOs, and other mining enterprises.

Type of Risk	Biodiversity-Related Risk	Dependency Items	Risk Description	Potential Financial Impact	Countermeasures
Physical Risk	Severe Natural Factors	■ Storm protection; ■ Flood regulation.	Extreme weather events triggered by severe climate change (such as heavy rain, typhoons, and floods) may affect CNGR's coastal industrial bases. The risks of typhoons and floods due to extreme weather are relatively high, which could impact the stability of production facilities and the supply chain.	Increased capital investment and operating costs.	■ CNGR continuously strengthens the construction of flood and wind prevention infrastructure, conducts risk assessments for each industrial base, and develops detailed emergency disaster response plans.
	Long-term Natural Factors	■ Water availability ■ Capacity for solid waste decomposition	CNGR relies heavily on water resources during production, and insufficient water supply may affect factory operations; CNGR generates solid waste during production, which depends on the local ecosystem's ability to restore itself. If waste is not properly disposed of, it could pollute soil and groundwater, harm ecosystems, and increase the company's future remediation costs.	Increased capital investment and operating costs.	■ The company is considering adopting multiple water supply solutions, such as rainwater collection and seawater desalination, to reduce water pressure; ■ CNGR reduces the amount of final solid waste generated by improving production processes and technology. For general solid waste, the company maximizes its value by recycling and turning it into products for reproduction or resale.

CNGR is committed to mitigating the impact of its business activities on biodiversity and land use, and has set nature-related targets in areas such as climate change, water resource utilization, waste management, and forest resource use. For details on the targets related to climate change, water resources, and waste management, please refer to the chapters on Climate Change Response, Water Stress, and Waste and Pollutant Management. In 2024, CNGR completed the CDP Climate Questionnaire and plans to add the CDP Water and Forest Questionnaires in 2025.

CNGR Partners with the School of Law at Guizhou University to Advance Research on Biodiversity Laws and Regulations

In 2024, CNGR and the School of Law at Guizhou University conducted multiple academic exchanges focused on biodiversity-related laws, regulations, and development trends. Pioneering a university-enterprise collaboration model, they explored ways to integrate corporate compliance management with biodiversity protection. These exchanges helped deepen CNGR's understanding of biodiversity laws and regulations, providing academic support for the formulation of more comprehensive biodiversity policies and compliance systems. The initiative also fostered closer integration between legal research and corporate practice, setting an example of collaborative innovation between academia and industry. Moving forward, CNGR will continue to strengthen its partnerships with academic institutions to promote the integration of biodiversity protection with sustainable corporate development.

CNGR Collaborates on a Biodiversity Project in Indonesia

In August 2024, CNGR launched the Nickel Impact Project in Indonesia to mitigate the environmental and social, particularly biodiversity and land use, impacts of nickel mining and smelting operations. The project, set to run for five years, is being implemented on Sulawesi Island and aims to reduce the biodiversity and environmental impacts of nickel extraction through active engagement with local communities and mining enterprises.

Using screening methods based on High Conservation Value (HCV) techniques, the project identifies key areas with significant biodiversity and carbon capture potential. It also confirms shared priorities among the government, enterprises, and local communities to drive actions such as reforestation, biodiversity restoration, and habitat reconstruction. Additionally, the project leverages ongoing renewable energy initiatives to assess measures for reducing greenhouse gas emissions in nickel mining areas, further mitigating the sector's impact on biodiversity.

Since September 2024, the project team has held multiple stakeholder consultations, bringing together local governments, civil society organizations, private sector actors, local communities, and Indigenous representatives to identify intervention areas. Following these discussions, Morowali Regency was selected as the project's implementation site.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Excellence and Win-Win

CNGR is creating a value chain ecosystem that benefits all parties, including the company, employees, suppliers, and stakeholders. The company prioritizes the rights and well-being of all value chain members, establishing a sustainable system based on fair collaboration and shared growth. Internally, CNGR fosters a positive work environment, career growth, and training to enhance team skills and innovation. Externally, it collaborates with partners for resource sharing, technology, and green development, optimizing supplier management and social responsibility to strengthen supply chain resilience and industry progress. CNGR also works with governments and organizations to advance industry standards and social responsibility. Moving forward, CNGR will continue to promote Excellence and Win-Win outcomes, exploring sustainability and creating broader value.

This chapter responds to the following topics:

Legal Employment and Human Rights Protection

Employee Training and Career Development

Occupational Health and Safety

Innovation

Intellectual Property Management

Chemical Management

Product Lifecycle Management

Product Quality and Safety

Customer Management

Due Diligence and Responsible Sourcing

Equal Treatment for Small and Medium-Sized Enterprises (SMEs)

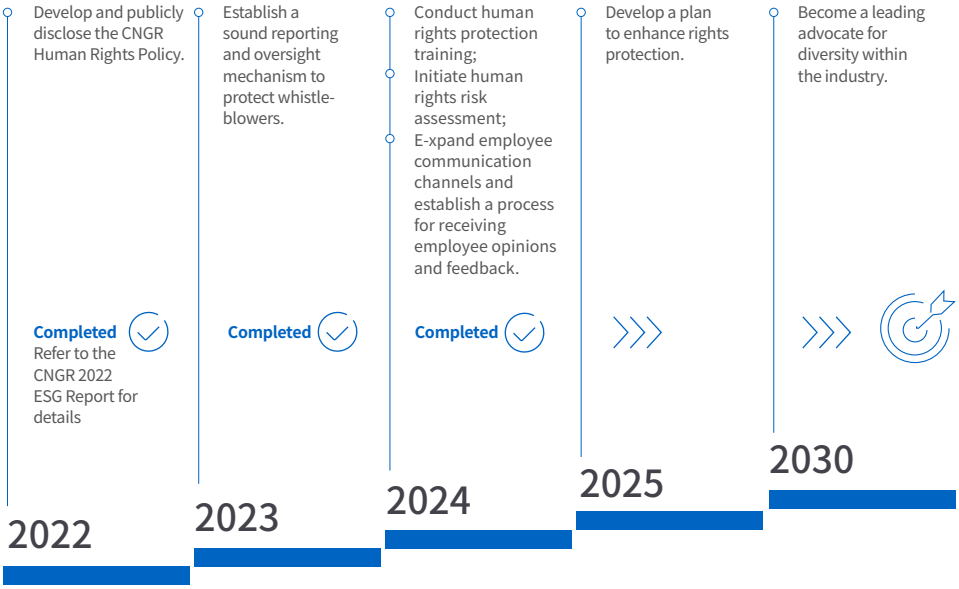
Community Engagement

Rural Revitalization and Social Contribution

Health Protection

Diversity and Inclusion Action

Based on its internal capabilities, CNGR has developed a comprehensive human rights framework encompassing a human rights statement, protection policies, relevant training, and employee diversity initiatives, with the aim of enhancing the company's social impact and value creation.



Legal Employment and Human Rights Protection

GRI 2, GRI 202, GRI 401, GRI405, GRI 406, GRI 407, GRI 408, GRI 409

Governance

CNGR has established and continuously improved its human rights protection system by developing a governance framework and delegating management responsibilities to designated departments to ensure that all employment practices comply with relevant laws and regulations, and that the legal rights of every employee are fully protected. The Human Resources Center and the HR departments at each industrial base play a critical role in this system, managing key HR functions including recruitment, training, performance appraisal, compensation and benefits, and labor relations coordination. These departments rigorously oversee each aspect of employment to ensure compliance with all applicable laws and regulations. The Human Resources Center consists of the Recruitment & Allocation Department, Talent

Development Department, Organizational Development Department, Shared Services Department, Executive Management Department, and International Human Resources Department. Each has clearly defined responsibilities and works in close collaboration to ensure efficient and fair human resource management. In the recruitment process, the company adheres to principles of fairness and transparency, committed to recruiting high-quality talent while firmly rejecting all forms of discrimination, ensuring equal opportunity for every applicant. Training programs are designed in alignment with corporate strategy and employee job requirements, offering tiered and categorized plans to help employees enhance their professional skills and achieve career growth. The performance appraisal system is fair and objective, ensuring that employees' contributions are duly recognized and rewarded to maximize motivation. In terms of compensation and benefits, the company ensures timely and full disbursement of wages and entitlements, safeguarding employees' economic rights. Labor relations are managed through well-developed labor dispute resolution mechanisms to address and resolve any conflicts between the company and employees, thereby fostering a harmonious and stable work environment. Meanwhile, the Legal Affairs Department is responsible for reviewing employment contracts, policies, and procedures to ensure legal compliance, and provides legal consultation and support for employees, strengthening the company's human rights protections from a legal standpoint.

Strategy

Legal employment practices and the protection of human rights are central to CNGR's sustainability agenda. These priorities not only relate directly to the well-being and rights of employees but also form the foundation for building harmonious and stable labor relations, enhancing corporate reputation, and improving competitive advantage. CNGR is committed to fostering a fair, inclusive, and human rights–respecting workplace through active promotion of localized employment, continuous improvement of employee welfare systems, and the establishment of a comprehensive human rights risk assessment framework, thereby laying a solid foundation for sustainability.

On promoting localized employment: CNGR ensures that all hiring practices comply with both domestic and international labor laws. By partnering with local communities and optimizing recruitment processes, the company creates high-quality job opportunities for local talent, boosting local economic growth and fostering mutual prosperity between the company and surrounding communities.

On improving employee welfare: The company continually updates its benefits system to ensure coverage for all employees, addressing diverse needs and enhancing employees' sense of belonging and loyalty.

On building a human rights risk assessment system: CNGR has developed a scientific, comprehensive, and dynamic human rights risk assessment framework to accurately identify, evaluate, and mitigate human rights risks across all operational activities. This ensures full alignment with international human rights standards and establishes CNGR as a model for human rights protection within the industry.

During the reporting period

the company achieved a

100% labor contract signing rate

and recorded

zero incidents of illegal employment

Risk Management and Metrics & Targets

Promoting Localized Employment

CNGR considers legal employment as a cornerstone of corporate operations. The company strictly complies with international labor standards and the labor laws and regulations of all countries and regions in which it operates, ensuring that employment practices are legal, fair, and transparent. Employment practices are continuously monitored to ensure that every employee works in a fair and safe environment.

In addition, CNGR actively promotes localized employment as a key aspect of its corporate social responsibility. The company prioritizes hiring residents from its operational regions, particularly in remote or economically underdeveloped areas, thereby helping to stimulate local economic development through job creation. CNGR offers starting salaries above the local market average, improving the quality of life for employees. The company also regularly reviews its compensation structure and monitors wage levels across genders to eliminate pay disparities and ensure equal pay for equal work.

Localized employment not only secures a more stable labor force for the company but also strengthens ties with local communities and enhances social recognition. CNGR will continue to expand its localized employment efforts and explore innovative models, such as special recruitment programs for vulnerable groups, including women, people with disabilities, and ethnic minorities, to further advance inclusive

development. Through the dual commitment to legal and localized employment practices, CNGR aims to achieve mutual growth with society and contribute meaningfully to the realization of sustainability goals.

Legal Employment Data of CNGR

Indicator	Unit	2022	2023	2024
Signing Rate of Labor Contracts	%	100	100	100
Illegal Employment	case(s)	0	0	0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During the reporting period, the company actively promoted local employment. The Tongren Industrial Base added 50 new frontline employee positions, the Ningxiang Industrial Base added 107, the Qinzhou Industrial Base added 349, the Kaiyang Industrial Base added 212, the Indonesia Region added 4,134, and the Morocco Project added 59 new frontline employee positions.

During the reporting period, the ratios of entry-level wages to the local minimum wage for male and female employees at the Tongren Industrial Base were 1.41 and 1.70, respectively. At the Ningxiang Industrial Base, the ratios were 1.87 for males and 1.79 for females. At the Qinzhou Industrial Base, the ratios were 1.51 and 1.61, respectively. At the Kaiyang Industrial Base, the ratios were 1.78 for males and 1.74 for females. The average annual salary for male employees across the company was 108,102 CNY, while that for female employees was 99,403 CNY.

Employee Care

CNGR always regards employee well-being as an essential part of sustainability and is committed to providing comprehensive welfare protection and care support. The company strives to create a positive working environment and enhance employees' sense of happiness, belonging, and fulfillment. CNGR has formulated a Welfare Management Policy, and through diversified welfare initiatives, rich cultural activities, and targeted care measures for special needs, it comprehensively supports employees in achieving a balance between work and life while fostering their growth and development.

CNGR provides all employees with full coverage of social insurance and housing provident funds, including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund contributions, ensuring basic protection in healthcare, retirement, and housing. Meanwhile, the company guarantees all employees 5–10 days of paid annual leave and offers qualified employees additional benefits such as 158 days of maternity leave, 15–25 days of paternity leave, and one hour of nursing leave per day from childbirth until the baby reaches one year old, fully safeguarding employees' legal rights during the childbirth period. For employees in need of housing, the company offers dormitory support, and each industrial base has established an Employee Dormitory Management Policy tailored to its local context, ensuring eligible employees have access to safe and comfortable accommodations. Moreover, CNGR provides commercial insurance for specific employee groups, including employees at Grade 19 and above, foreign employees, employees engaged in high-risk work, those with frequent business travel, those traveling to high-risk areas, and employees stationed abroad. To further enhance healthcare protection, the company organizes participation in Hunan Province's medical mutual assistance program. Under this program, when employees are hospitalized at a designated medical insurance hospital, expenses that comply with the basic medical insurance policy and are not covered by basic or supplementary insurance can be reimbursed up to 200,000 CNY through the mutual assistance scheme.

The company also actively organizes a wide variety of employee activities. In terms of cultural entertainment, the CNGR Music Festival ignites passion and offers a stage for employees to enjoy music and self-expression. At the CNGR Sports Meet, employees demonstrate perseverance, teamwork, and uplifting spirit through athletic performance. In social and personal life support, friendship and matchmaking events help single employees connect; parenting seminars focus on employees' family needs and help them balance work and home responsibilities. The New Energy Discovery Journey for employees' children sparks their interest in science and deepens the emotional bond between employees and the company. Team-building activities further enhance cohesion through diverse formats and collaborative challenges. CNGR also attends to special employee needs by establishing nursery rooms and organizing support programs for employees from financially challenged families, ensuring that care and warmth are genuinely felt by all.

6th CNGR Employee Singing Competition - CNGR Music Festival

On September 12th, 2024, the grand finale of the 6th CNGR Employee Singing Competition concluded successfully at the Ningxiang Industrial Base. The 16 finalists, hailing from China, Indonesia, South Korea, and Morocco, delivered an inspiring multicultural symphony for CNGR employees worldwide. From the banks of the Xiangjiang River to the shores of Yingri Bay, from the archipelagic nation of Indonesia to the North African gardens of Morocco, the CNGR Music Festival transcended borders, bringing together CNGR employees across the globe. The festival not only showcased CNGR's firm steps toward globalization but also reflected the employees' embrace and celebration of cultural diversity.

CNGR 2024 Sports Meet

From November 9th to 10th, 2024, the "Empowering New Growth - CNGR 2024 Sports Meet" was held in grand fashion at CNGR's Qinzhou Industrial Base. The event featured 9 main categories, 15 sub-events, and a total of 87 competitions, drawing nearly 300 athletes from both domestic and overseas operations, with nearly ten thousand viewers attending in person or online. As CNGR continues to expand globally, this year's sports meet marked the first time overseas employees participated, turning the event into a CNGR "Olympics" and a vivid cultural exchange. It allowed every athlete and spectator to fully experience CNGR's core values of "Responsibility, Innovation, Diversity, and Win-Win", while vividly embodying the Olympic spirit of "Faster, Higher, Stronger Together".

During the reporting period

employees' satisfaction was

83.70

The company conducts an employees satisfaction survey every six months and has set a satisfaction target of 83. The survey covers aspects such as whether employees are satisfied with their work, whether they have clear goals, whether they feel pressure or fulfillment at work, and any suggestions for improvement. After the survey is completed, a related report is issued, improvement measures and plans are formulated, and the implementation effects are tracked to ensure continuous improvement and enhancement.

Based on areas with lower employees satisfaction, the company formulated targeted improvement plans:

Emphasizing career development, establishes a comprehensive training system, assesses the skills and knowledge employees need, formulates tiered and categorized training plans, and strengthens support for employee career development; establishing an effective incentive mechanism, improves the fairness of performance evaluation, strengthens positive incentive policies, reviews the current incentive system, and evaluates its execution and the potential addition of other incentive methods; enhancing interdepartmental collaboration and communication, information sharing, and establishes cross-departmental communication mechanisms.

Human Rights Protection

CNGR respects and protects human rights in accordance with international conventions such as the Universal Declaration of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the Convention on the Rights of the Child, and the principles of the United Nations Global Compact, as well as relevant domestic laws and regulations including the Labor Law of the People's Republic of China, the Law on the Protection of Rights and Interests of Women, and the Provisions on the Prohibition of Using Child Labor. The company has formulated the ESG Policy of CNGR and Human Rights Policy, committing that no modern slavery practices exist in any of its operations, and refusing to hire or use any form of forced or compulsory labor. The company strictly prohibits child labor, does not tolerate any form of discrimination, harassment, or abuse, respects employees' freedom, protects their legal rights, and strives to create a diverse, equal, and inclusive working environment.

Diversity and Equality: A corporate strategy based on diversity and equality is not only a basic requirement for legal compliance but also a key driver of organizational innovation and sustainable competitiveness. CNGR respects employees' fundamental rights, promotes inclusiveness and diversity, and is committed to creating a fair and equal working environment. The company is determined to eliminate discrimination in hiring and employment, promote local employment, and adheres to the principle of equal pay for equal work and gender equality, safeguarding the legal rights of female employees and improving wage levels. The company ensures all employees have equal employment opportunities. CNGR supports a diverse and international workforce and is committed to fostering an inclusive and open corporate culture that respects differences. It also establishes multicultural spaces and provides multi-faith facilities to meet the diverse needs of employees.

Anti-Discrimination, Anti-Harassment, and Prohibition of Abuse: Building an effective management system to combat discrimination, harassment, and abuse is central to fulfilling social responsibility and ensuring employee dignity, and is a foundation for the healthy development of the organization. To create a fair and harmonious working environment, the company strictly abides by laws and regulations such as the Labor Law and the Law on the Protection of Rights and Interests of Women, and has formulated procedures such as the Anti-Discrimination Management Procedure and Anti-Harassment and

Abuse Management Procedure. In the recruitment stage, the company has established standardized and transparent selection mechanisms to ensure equal opportunities for all candidates and eliminate all forms of discrimination. In daily management, regular training on anti-discrimination, anti-harassment, and prevention of abuse is carried out to enhance employees' legal awareness and professionalism. At the same time, the company has established the Thirty Red Lines, clearly listing zero-tolerance behaviors to delineate red lines for employee conduct, ensuring all employees work in a safe and respectful environment.

Upholding Freedom of Association and Collective Bargaining Rights: Respecting the right to freedom of association and collective bargaining is the cornerstone of harmonious labor relations. CNGR fully respects employees' democratic rights and has formulated the Freedom of Association and Collective Bargaining Rights Management Procedure. The company supports employees in lawfully establishing and joining trade unions and actively assists in union development at all industrial bases, ensuring normal union operations. The company regularly organizes employee representative conferences and employee forums where representatives can engage in equal dialogue and consultation with management on issues such as compensation and benefits, working conditions, and career development planning. A regular communication mechanism with employee representatives has been established and maintained to promptly address employee concerns and jointly promote the optimization and improvement of company policies. During the reporting period, union coverage at all industrial bases reached 100%, with 100% of employees joining unions and 100% coverage of collective bargaining agreements.


CREATING
INNOVATIVE MOMENTUM
创造新动能
中伟股份
2024年运动会
材料至善
科技致伟

Prohibition of Child Labor: CNGR actively responds to national laws and regulations prohibiting child labor, strictly implements the Provisions on the Prohibition of Using Child Labor issued by the State Council, and formulates the Remedial Procedure for Child Labor and Underage Workers. In the recruitment process, age compliance is initially screened through ID verification, supplemented by comprehensive background checks. If any suspected child labor issues arise during operations, the company will immediately initiate the remediation procedure to provide the child with life support and educational resources, helping them return to a normal life and schooling. For suppliers and subcontractors, CNGR regularly audits employment practices and will take immediate action if child labor is discovered.

Opposition to Forced Labor: The company places high importance on labor freedom and has formulated and strictly implemented the Management Procedure for the Prevention of Forced Labor. It adopts systematic daily management practices such as regular workplace inspections that cover production workshops, offices, and all work settings to identify potential issues promptly. Additionally, the company conducts employee interviews to better understand their work experience and rights protection, ensuring that every employee works voluntarily. CNGR has also established comprehensive and accessible feedback channels including online complaint platforms and suggestion boxes, enabling employees to promptly report any rights violations. The company responds within a specified time frame and carries out thorough investigations, taking appropriate resolution measures.

Prohibition of Modern Slavery and Human Trafficking: Modern slavery and human trafficking are severe violations of human rights. CNGR has formulated the Anti-Human Trafficking Control Procedure, firmly opposing such practices within its global value chain and ensuring that there is no human trafficking, debt bondage, or other modern slavery behaviors in its upstream and downstream supply chains. The company conducts regular supply chain audits and takes prompt corrective action upon discovering any issues, ensuring fairness and humanity throughout the supply chain.

Reasonable Working Hours: Reasonable working hours are essential for employees' health, work-life balance, and productivity. CNGR has established comprehensive working hour tracking systems across its industrial bases to monitor employees' regular working hours and overtime, ensuring that total working hours comply with the relevant provisions of the Labor Law of the People's Republic of China. In addition, the company strictly enforces its compensation management system to ensure that all employees working overtime are legally compensated, thereby effectively safeguarding their legal rights and creating a fair and compliant working environment.

To deepen understanding and implementation of the company's ESG policy, human rights policy, and related institutional documents, CNGR regularly organizes comprehensive and systematic human rights training. The training covers a wide range of topics including diversity and equality, anti-discrimination, anti-harassment, prohibition of abuse, freedom of association and collective bargaining, prohibition of child labor, opposition to forced labor, and prohibition of modern slavery and human trafficking. In April 2024, the company invited a third-party institution to conduct a special training session on human rights due diligence. Human resources representatives responsible for human rights protection from all CNGR industrial bases participated in the training, with a total of 134 participants. Throughout the year, the company organized multiple specialized training sessions, including "Remediation for Child Labor and Juvenile Workers", "Say No to Child Labor, Protect the Future", "No Discrimination, No Forced Labor, No Harassment or Abuse", "Stay Away from Modern Slavery", and "Interpretation of the Law on the Protection of Women's Rights and Interests", with a total of 5,861 participants.

The company has established a comprehensive monitoring and evaluation mechanism to continuously track and regularly review human rights protection practices within the company and its supply chain, with a focus on identifying risks related to forced labor, human trafficking, child labor, and discrimination. In risk identification, CNGR has developed a multi-layered due diligence mechanism through regular internal audits, supplier assessments, employee interviews, and anonymous reporting channels, paying special attention to the following three groups: For official employees, the company ensures they enjoy legal and fair labor rights, including compliance with relevant laws and regulations in terms of compensation, working hours, and career development. For foreign employees, the company focuses on the compliance of cross-border labor contracts, ensuring that their working conditions and benefits align with local laws and international labor standards. For third-party employees (including outsourced and dispatched workers), the company ensures that employment practices meet the requirements of fair employment and human rights protection. CNGR continues to strengthen the human rights system across all industrial bases, proactively conducting internal human rights assessments and accepting independent third-party evaluations. During the reporting period, the Ningxiang Industrial Base in China obtained SA 8000 certification. Overseas, the Morowali Industrial Base (Zhongtsing Project) and the WedaBay Industrial Base (Debonair project) in Indonesia both passed RMI ESG audits. Additionally, the Tongren and Ningxiang Industrial Bases in China obtained ISO 37301:2021 and GB/T 35770-2022 compli-

ance management system certifications, covering labor and employment practices.
In the event of corporate restructuring or significant business changes, the company prioritizes internal transfer opportunities for employees. Those who pass internal interviews will undergo performance evaluations and receive appropriate training in line with the requirements of their new positions to help them adapt. If an employee is still unable to meet the requirements of the new position, the company will seek to terminate the labor relationship through mutual agreement and pay severance compensation in accordance with legal requirements. At the same time, CNGR will leverage its resources to assist the employee with reemployment as much as possible.
The company has set human rights-related goals, including zero child labor, zero discrimination, and respect for freedom of association and collective bargaining. During the reporting period, CNGR recorded zero incidents of discrimination, harassment, or abuse; zero cases of modern slavery or human trafficking; no operational sites identified with risks related to freedom of association and collective bargaining; no operational sites identified with significant risks of child labor; no operational sites identified with significant risks of forced labor; and zero major human rights risk incidents discovered.

Protecting Human Rights Data of CNGR

Indicator	Unit	2022	2023	2024
Human Rights Violation Proceedings	case(s)	0	0	0

Employee Diversity Data of CNGR

Indicator	Unit	2022	2023	2024
Number of Chinese Employees	person(s)	9,650	11,124	10,389
Number of Foreign Employees	person(s)	736	2,667	6,208
Indonesian	person(s)	-	-	6,065
Moroccan	person(s)	-	-	101
Others	person(s)	-	-	42

Employee Training and Career Development

GRI 404

Governance

CNGR is committed to building a comprehensive human resources management system. Under the structure of the Human Resources Center, a dedicated Talent Development Department has been established to oversee and implement matters related to employee training and career development. Centered on the company's strategic goals and talent needs, the Talent Development Department formulates talent development plans and budgets, constructs systems, processes, and standards related to training management, provides support for employee career planning, promotes institutional awareness, and monitors implementation. This provides a solid foundation for the execution of the HR management system and the company's overall talent development.

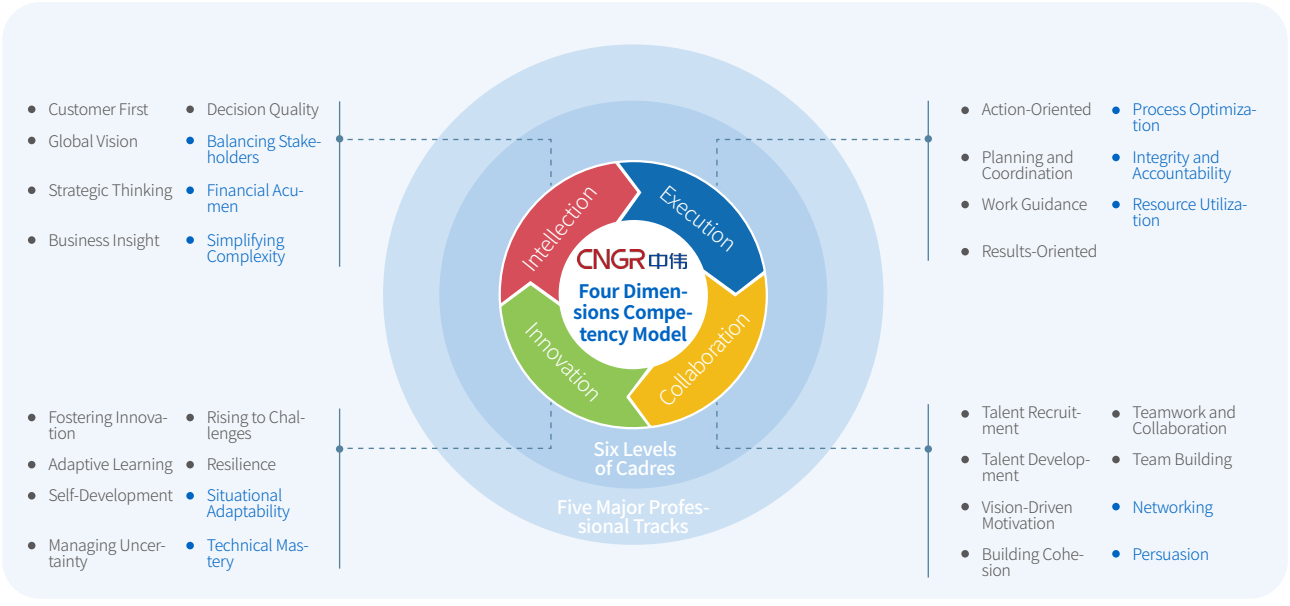
Strategy

CNGR has formulated a phased and multi-dimensional strategic plan based on the development path of "systematization, specialization, digitization, and internationalization". At the strategy implementation level, the company has outlined a clear progression path: in the short term, it focuses on building foundational capabilities by improving the course matrix, optimizing the internal trainer certification system, reconstructing the on boarding training process, and establishing an employee capability profile database to achieve accurate matching between training needs and personal development. In the medium term, the company promotes digital transformation by building an intelligent learning platform, implementing a key position succession plan, and constructing a talent supply chain system to enhance organizational resilience. In the long term, the focus shifts to global expansion by establishing cross-cultural management mechanisms and promoting value transmission through cultural integration projects, ultimately forming a talent development model with international competitiveness.

Risk Management and Metrics & Targets

Based on the company's strategy and staffing needs, the Human Resources Center has developed a scientific and standardized set of competency criteria, behavioral expectations, and communication systems for cadres and talent, thereby forming a comprehensive talent standards framework. Simultaneously, the CNGR competency model was developed to guide employee training and career progression. In 2023, the company established internal talent competency standards and developed a competency model covering six levels of cadres across five major professional tracks. In 2024, to deepen understanding and application of the model, the company upgraded it to Competency Model 2.0, which became the organizational standard for management and communication. It has since been widely applied in various areas such as talent evaluation, selection, development, and succession: In talent selection, the recruitment department developed the CNGR Structured Interview Guide based on the competency model, officially launched in August 2024. Interviewers now apply the Behavioral Event Interview (BEI) method during interviews to assess candidates' competency levels. In talent evaluation, the cadre management team developed the Cadre Evaluation Operational Guidelines based on the competency model, which is widely used in probation evaluations, promotion assessments, and talent review projects to benchmark against the model, clarify competency levels, and promote self-awareness and growth among cadres. In talent development, based on the competency model, the Talent Development Department has improved the company's development system and established a tiered and hierarchical training program for cadres.

Competency Model 2.0 of CNGR

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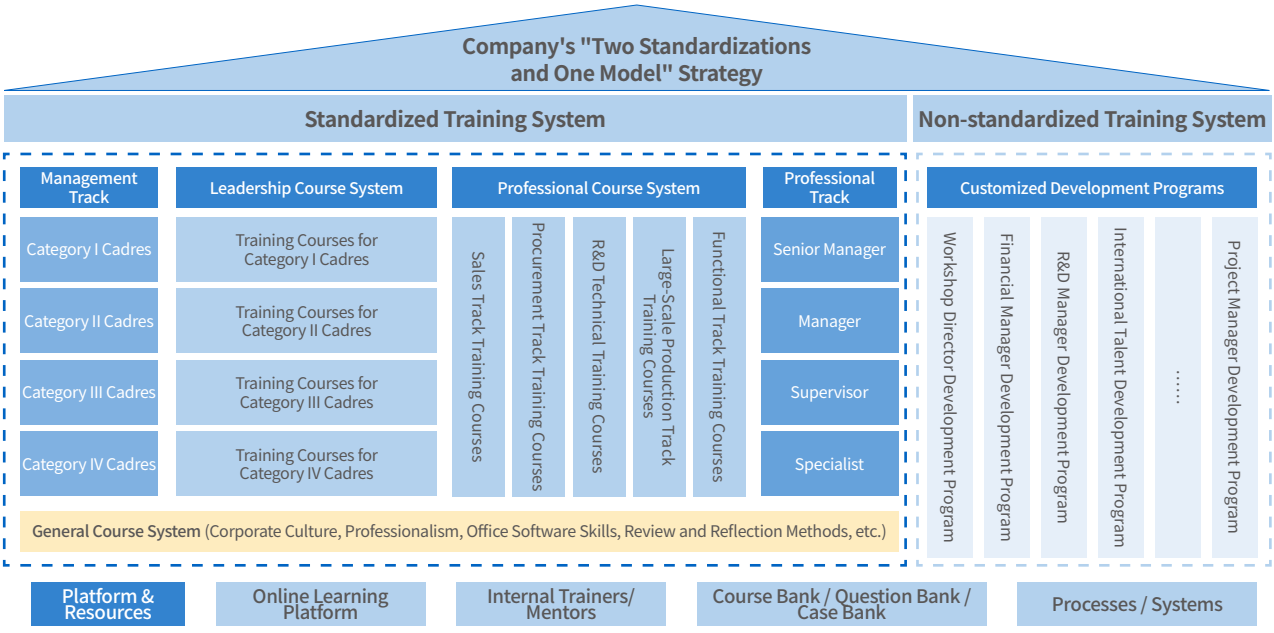
Employee Training

CNGR strictly complies with China's Labor Law, Labor Contract Law, Vocational Education Law, as well as relevant overseas laws and regulations. The company has established a Training Management System to standardize training practices, enhance the capabilities and competencies of all employees, including part-time and contractors, and support the achievement of strategic objectives. CNGR has developed a comprehensive training system that includes both standardized and non-standardized training programs, covering areas such as leadership training, skills development, and academic degree advancement.

Training System of CNGR



The company has established the Instructor Management Measures to optimize the high-quality instructor team, ensure training quality, and standardize the selection, appointment, assessment, and incentive mechanisms for instructors. Additionally, it has introduced the Curriculum Management Measures to effectively manage training courses, ensuring that content is practical, innovative, and aligned with both business needs and employee development.

The company has formulated multi-step procedures covering every stage from needs analysis to career planning implementation:

It combines diversified research with big data analysis to accurately identify employee needs. During surveys, questionnaires are designed to cover work content, skill bottlenecks, learning expectations, and career planning, comprehensively collecting baseline information. For key positions and employees with special needs, one-on-one in-depth interviews are conducted to understand real issues and internal thoughts.

A comprehensive, multi-level monitoring system ensures high quality in course design, instructors, training processes, and outcomes. To ensure instructor quality, strict selection standards and assessment mechanisms are in place, requiring instructors to possess professional knowledge, work experience, and teaching capabilities. During training, student evaluations, peer reviews, and teaching supervision assessments are used to gauge performance. Underperforming instructors receive training and improvement suggestions. The training process is monitored in real time through digital tools, tracking learning progress, attendance, and class participation. Learning management systems record key behavioral data to promptly resolve issues. Training outcomes are evaluated through diversified approaches: in addition to traditional tests, 360-degree feedback is employed to collect evaluations from various sources on post-training performance, and comparisons are made between pre- and post-training job performance to comprehensively measure impact.

Through initiatives like implementing a comprehensive mentorship program and building a robust resource library, the company fully supports employee career development. Under the mentorship program, employees with career development needs are matched with mid- to senior-level internal leaders, business experts, or industry specialists as mentors. Mentorship agreements are signed, with mentors providing guidance, helping to develop career plans, resolving workplace issues, and organizing regular exchanges. The resource library covers industry insights and skill training materials and is managed through both online and offline models. Experts and outstanding employees are regularly invited to give lectures and update the resource pool, providing continuous knowledge support.
The company provides leadership training to all employees through the Young Eagles Bootcamp and Elite Eagles Training Camp programs, helping them enhance their skills and management knowledge, further strengthening their leadership and decision-making capabilities, guiding teams to new heights, and better advancing company growth.

Young Eagles Bootcamp and Elite Eagles Training Camp

The Young Eagles Bootcamp is a youth talent training program specifically designed for new university graduates. The 2024 cohort included 536 participants, with an 11-day intensive training period and 15 courses covering topics such as company introduction, corporate culture and strategy, governance structure and talent development, industry trends, R&D overview, business system introduction, quality management, safety management, HR systems, financial management, and anti-corruption culture, injecting fresh talent vitality into the company.
The Elite Eagles Training Camp focuses on large-scale production management. With 33 participants, the program ran from September 2023 to June 2024, lasting 9 months. Training topics included "Strong Company, Strong Self", "Lean Improvement & 8-Step Problem Solving", "HR Management for Leaders", "High-Performance Teams - The Five Disciplines", "Financial Thinking for Business Managers", "Cross-Department Collaboration and Communication", "How Mid- and Senior-Level Managers Manage Safety", and "How to Drive Quality CTP/CTQ through Digitalization", among others. These helped participants enhance relevant knowledge, experience, skills, and leadership, gradually forming a replicable model for developing backup managerial talent.

The company actively carries out skills development training programs across multiple fields for all employees, including part-time and contractors. Specialized operational training courses, such as those for fitters, electricians, welders, and boiler operators, focus precisely on hands-on technical expertise, aiming to build a highly skilled technical workforce. First-aid training enhances emergency response capabilities, safety officer training strengthens safety awareness and management skills, and internal auditor training improves internal audit standards. Additionally, to help employees enhance their English proficiency, the company has launched the "Double 100" English training program with an authoritative institution and offers full reimbursement, supporting comprehensive improvements in employees' professional literacy and skills while injecting strong momentum into company growth. As a global enterprise, the company also actively promotes intercultural understanding and integration among employees from diverse cultural backgrounds. Overseas industrial bases offer localized cultural training for employees, while the "CNGR E-Learning" platform provides multicultural courses including Chinese, Indonesian, and Moroccan culture, among others.
In terms of degree programs, the company has signed an Industry-Academia-Research Cooperation Agreement with Central South University to create a high-quality platform for all employees, including part-time and outsourced staff, to pursue master's degrees. It offers up to 70% tuition reimbursement, which greatly supports employees in enhancing their academic credentials and professional capabilities. This initiative strengthens the company's talent pipeline and provides critical support for technological innovation and R&D, helping CNGR secure a stronger position in industry competition and achieve sustainable, high-quality development. Meanwhile, CNGR has also signed a Memorandum of Understanding (MOU) with Gadjah Mada University (UGM) in Indonesia on cooperation in advanced energy materials research, industry-academia-research collaboration, and joint talent development. This fosters broader opportunities for China-Indonesia academic and industry collaboration, boosts mutual technological innovation, and provides a platform to cultivate more globally minded scientific and technical talents.

International Collaboration Promotes the Development of the Global New Energy Industry

CNGR, in cooperation with Indonesia's Ministry of Energy and Mineral Resources and Central South University, has launched a joint international master's program in Metallurgical Engineering and held the opening ceremony. The program spans three years and includes both theoretical learning and enterprise practice. It represents a highly targeted and in-depth collaboration, with 14 students enrolled, all of whom are professional technicians, engineers from the Indonesian Ministry of Energy and Mineral Resources, or Indonesian employees of CNGR. This initiative not only enhances technical exchange between the company and leading academic institutions but also establishes a localized talent training platform to support CNGR's global development. Through this platform, CNGR aims to join forces with more like-minded international partners to jointly promote the sustainability of the global new energy industry.

The company has set core targets for training coverage and course satisfaction: 100% training coverage for all employees and a course satisfaction score exceeding 4 out of 5. During the reporting period, CNGR achieved 100% training coverage, with an average course satisfaction score of 4.26. Total investment in employee training and skills enhancement reached 2.72 million CNY, with an average training cost of 350 CNY per employee.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Employee Training Data of CNGR

Indicator	Unit	2022	2023	2024
Total Hours of Employee Training (Covering Safety, Human Resources, and Knowledge Skills, Among Others)	hour(s)	215,815	399,952	362,724
Number of Employees Participating in Training	person(s)	157,357	389,258	345,296
Average Hours of Training per Year per Employee[1]	hour(s)	20.78	29.00	19.69[2]

Career Development

CNGR always regards its employees as the most valuable resource and is committed to providing diverse career development opportunities and clear growth paths. Under the existing human resources management system and competency model, the company has established a comprehensive talent development program, a scientific promotion mechanism, and personalized career development planning to help employees realize their self-worth. The company has developed three distinct career development tracks, management, professional, and technical, offering employees a variety of career choices. Whether in managerial roles, professional technical roles, or R&D roles, employees can find a suitable development path. The company conducts regular, open, and fair performance appraisals each year, closely linking the results to promotion opportunities to ensure the effective identification and precise motivation of outstanding talent. Departmental performance goals are derived from the company's annual business objectives and are further broken down to individual work goals. Employee performance is evaluated based on the completion of these goals. The final performance score of each employee is linked to organizational performance at different weightings depending on the employee's rank. According to job function and work cycle, the performance evaluation periods are divided into monthly, quarterly, semi-annual, and annual. Monthly and quarterly assessments mainly evaluate individual work goal completion, while semi-annual and annual evaluations involve presentations, comprehensive reviews, and talent mapping for a more holistic and comprehensive assessment. This scientific performance evaluation system not only objectively reflects employee performance but also provides a solid basis for promotion decisions. In addition, the company regularly evaluates and optimizes the career development system to ensure alignment with both corporate strategic goals and employee growth needs. Based on employees' career interests, skills, and competencies, the company helps them formulate career development plans. The HR department regularly tracks the implementation of these plans, promptly addressing any issues or obstacles to support employees' professional growth. CNGR values the potential of each employee and supports personalized development tailored to their interests and abilities. Through mentorship programs, job rotations, and participation in key projects, employees are encouraged to improve their skills, gain experience, and achieve rapid growth through hands-on practice.

[1] Average training hours per employee = Total training hours / Total number of employees.

[2] For the year 2024 and prior disclosed years, the total training hours used in calculating average training hours per employee only included the training hours of employees in China. However, the total number of employees used in the calculation included both domestic (China) and overseas employees. This caused the reported average training hours per employee to be relatively low. Starting from 2025, the company plans to include the training hours of overseas employees in the statistics. The decline in total training hours in 2024 was due to the following reasons: (1) Streamlined training content: As the safety training system continues to improve, employees' overall safety awareness and basic knowledge have significantly increased compared to previous years. The company conducted a thorough review of training content, removing repetitive or outdated parts to make training more concise and efficient. (2) Adoption of more efficient training methods: By replacing some traditional in-person courses with online training, the duration of each training session was reduced while maintaining or improving effectiveness. (3) Focus on high-risk areas: Training resources were concentrated on key positions, while training hours for low-risk roles were adjusted accordingly. (4) Changes in employee structure: A decline in the proportion of new employees reduced the demand for basic safety training.

Employee Development Data of CNGR

Indicator	Unit	2022	2023	2024
Number of Employees Promoted	person(s)	1,562	1,780	1,196
Number of Vacant Positions Filled by Internal Candidates (Internal Recruitment)	person(s)	1,536	3,455	4,032
Percentage of Employees Receiving Regular Performance and Career Development Reviews	%	100	100	100

Employee Compensation

During this reporting period

CNGR's total employee compensation

2.276 billion CNY

To enhance compensation competitiveness and build a more rational and scientific incentive structure aimed at attracting, motivating, and retaining top talent, CNGR has established a Compensation Management System. The company actively adopts competitive and differentiated employee compensation strategies, striving to build a comprehensive compensation system centered around "base salary+annual performance incentives+excess profit sharing+equity incentives+welfare benefits". All employees are eligible to receive performance-based variable compensation. The calculation methods for monthly and annual performance-based compensation are as follows: Monthly performance salary=Position salary×Performance ratio×Performance coefficient; Annual performance bonus=Base amount for annual performance salary×Composite performance coefficient×Annual attendance rate. Meanwhile, the company applies differentiated incentive policies tailored to different employee groups, including regular promotions and salary adjustments, equity incentives, and profit-sharing mechanisms: Promotions and salary adjustments are conducted twice annually (mid-year and year-end) to align with employees' career development and income growth needs. In terms of equity incentives, the company irregularly implements employee restricted stock incentive plans. Profit sharing is implemented through a dedicated operational incentive scheme, where a portion of the company's net profit is allocated annually as special bonus incentives for key employees.

Employee Compensation Data of CNGR

Indicator	Unit	2022	2023	2024
Annual Total Compensation Ratio[1]				
Ratio of the Annual Total Compensation of the Organization's Highest-Paid Individual to the Median Annual Total Compensation for All Employees (Excluding the Highest-Paid Individual)	%	-	2,982	2,950
Ratio of the Percentage Increase in Annual Total Compensation for the Organization's Highest-Paid Individual to the Median Percentage Increase in Annual Total Compensation for All Employees (Excluding the Highest-Paid Individual)	%	-	1,673	1,056
Ratio of Employees Eligibility for Variable Performance-Based Component to Pay	%	100	100	100
Number of Employees Participating in the Stock Incentive/Purchase Plan[2]	person(s)	-	778	1,088
Ratio of Employees Participating in the Stock Incentive/Purchase Plan[3]	%	-	5.64	6.56
Employee Compensation	CNY	1,127,966,192.66	1,769,021,230.61	2,276,476,961.87

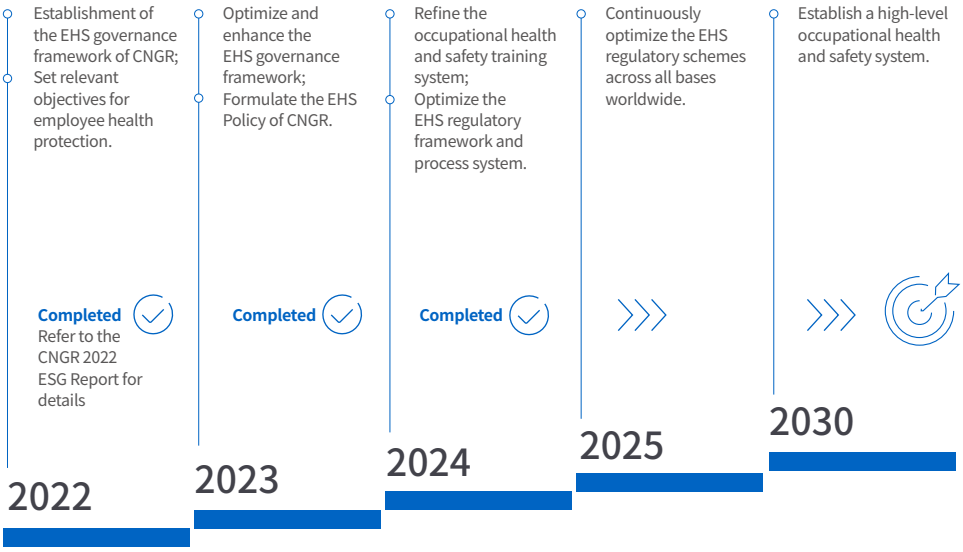
[1] Employees who joined or left during the year and for whom full-year income cannot be calculated are excluded. Compensation includes: total position salary, seniority allowance, high-temperature allowance, skill allowance, meal subsidy, assignment allowance, etc., and also includes the year-end bonus. The highest-paid individual held the title of Vice President.

[2] Number of Employees Participating in the Stock Incentive/Purchase Plan refers to the actual number of employees who were granted restricted stock in that year.

[3] Ratio of Employees Participating in the Stock Incentive/Purchase Plan = Number of Employees Participating in the Stock Incentive/Purchase Plan / Total Number of Employees.

Health and Safety Action

CNGR has established a centralized EHS governance structure, improved its occupational health and safety system, formulated EHS improvement plans, and strengthened occupational health and safety training to ensure employee safety.



Occupational Health and Safety

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Governance

CNGR places great importance on occupational health and safety management. The Safety Committee and the Safety and EHS Center are fully responsible for this work, formulating the occupational health and safety management strategy and carrying out performance evaluations. The EHS departments at each industrial base, as the execution layer, are fully responsible for the day-to-day management of occupational health and safety at their respective sites, ensuring the effective implementation of all measures. The governance structure and specific responsibilities of the Safety Committee are detailed in the chapter on Environmental Management System and Compliance.

Strategy

CNGR always prioritizes the occupational health and safety of its employees and is committed to providing a safe and healthy working and living environment. The company has formulated and adheres to its occupational health and safety policy: "Always uphold the reverence for life above all, remain true to the original aspiration of green development, emphasize scientific prevention, promote full employee participation in integrated EHS governance, and build a better life for humanity". This policy is supported by nine core EHS principles.

Nine Core EHS Principles of CNGR
All accidents are preventable.
Prevention is better than remediation.
EHS achievements stem from design, management, and responsibility.
I am responsible for the tasks, areas, and positions assigned to me.
Everyone must take responsibility for their own and others' safety.
Managers at all levels must personally participate in safety inspections, and all hazards must be rectified promptly.
All employees must undergo EHS education and training to be qualified for their positions.
Action speaks louder than words; Do not talk in empty words.
Long-term safety ensures enduring.

Risk Management and Targets & Metrics

System Development

CNGR prioritizes the occupational health and safety (OHS) of every employee, recognizing that a safe and healthy workplace is the most fundamental form of protection. The company strictly adheres to relevant laws and regulations, including the Production Safety Law of the People's Republic of China, Law on Prevention and Control of Occupational Diseases, Regulations on Occupational Health Management in the Workplace, Technical Specifications for Occupational Health Surveillance, Specifications for the Management of Occupational Health Records, and Warning Signs for Occupational Disease Hazards in Workplaces. CNGR has issued the ESG Policy and EHS Policy, which apply to all operational sites and subsidiaries globally, as well as to all industrial facilities and business activities under CNGR's direct or indirect control. The company also communicates its OHS management policies effectively to suppliers, contractors, and partners, requiring them to uphold similar standards.

CNGR has established and implemented an occupational health and safety management system in accordance with the ISO 45001 standard. This system covers all personnel within the production bases, including CNGR employees and non-employees whose work and workplace are under the company's control (e.g., contractors, labor dispatch workers). It encompasses all operational activities and workplace environments. To enhance the effectiveness of EHS management, the company has issued the EHS Management Manual as a guiding and mandatory document, which clearly defines the principles and requirements for all levels of management and employees during business operations. Each department and region is required to improve and refine their EHS management based on the manual, continuously striving for excellent environmental and OHS performance. The company has also developed and implemented a risk classification and control management system to identify, assess, classify, and mitigate hazards that may impact occupational health and safety during activities, product development, and service delivery.

Internal and external audits and management reviews are conducted annually to evaluate and continuously improve the OHS management system. During the reporting period, all of CNGR's operational industrial bases, including the Tongren, Ningxiang, Qinzhou, and Kaiyang Industrial Bases in China, as well as the Morowali, WedaBay, and North Morowali Industrial Bases in Indonesia—achieved ISO 45001 certification, resulting in a 100% certification rate. Additionally, the Tongren and Ningxiang Industrial Bases in China received ISO 37301:2021 and GB/T 35770-2022 compliance management system certifications, which include occupational health and safety within their scopes.

Safety Culture Development

CNGR always puts the health and safety of its employees first. To ensure safe operations at all industrial bases, the company systematically develops and implements an annual EHS education and training plan. This plan covers all employees, including temporary workers, and aims to enhance safety awareness, operational skills, and emergency response capabilities across the workforce, laying a solid foundation for the company's stable operations.

EHS health and safety training includes: Safety training: covers production safety laws and regulations, safe operating procedures, and hazard identification and risk control. Fire safety training: focuses on fire prevention, use of extinguishing equipment, and emergency evacuation and self-rescue. Environmental protection training: explains relevant laws and regulations, waste management, and energy conservation and emission reduction, promoting the implementation of green production practices. Occupational health training: focuses on disease prevention and the correct use of personal protective equipment (PPE).

Training methods are diverse and tailored to meet different positions and employee needs. Online training is delivered via the "CNGR E-Learning Platform", providing access to a variety of courses anytime and anywhere. Offline group training sessions include expert lectures and internal trainers, while at the workshop level, methods such as pre-shift meetings, on-the-job training, and spot quizzes are employed. The company also organizes safety knowledge contests and skills competitions to increase engagement.

To strengthen emergency preparedness, CNGR regularly conducts emergency drills simulating scenarios such as fire evacuation, chemical spills, and natural disasters. These practical exercises help employees become proficient in emergency procedures while enhancing cross-departmental coordination.

During the reporting period, CNGR's domestic industrial bases held 3,751 OHS training sessions, with a total of 171,747 participants, and an average training time of 15.61 hours per person. Additionally, a total of 228 emergency drills were conducted domestically, involving 5,385 participants. Data from overseas bases has not yet been included in this reporting period.

Occupational Health Services

CNGR identifies, evaluates, and communicates occupational hazard factors in the workplace and establishes corresponding control measures to prevent and manage occupational disease risks. The company provides necessary PPE to ensure the health of employees, contractors, and others. The company has formulated the Occupational Health and Safety Management System and regularly organizes occupational health check-ups for employees to monitor their physical condition. Occupational disease hazard assessments, control effectiveness evaluations, and workplace hazard status reviews are conducted for all new, renovated, and expanded projects. Regular monitoring is carried out in operational areas, and improvement plans are implemented for positions with excessive exposure, ensuring a healthy work environment and the prevention of occupational diseases.

In addition to occupational health check-ups, CNGR offers comprehensive physical health examinations in collaboration with professional health service providers. After each check-up, employees receive detailed reports and health consultations. The company also performs regular food safety inspections in staff canteens and conducts dormitory safety and hygiene inspections to promptly address any issues. Health-related events such as sports games, free clinics, mental health awareness seminars, and first aid training are also organized to support employee well-being.

During the reporting period, CNGR recorded zero occupational disease incidents. Furthermore, the Tongren Industrial Base earned the title of "Healthy Enterprise in Guizhou Province" through its health promotion initiatives.

Workplace Safety Management

The company has formulated the Hazard Identification and Risk Assessment Management System, which covers the identification, evaluation, updating, and management of hazards throughout the entire process of product design, development, production, and sales services, and provides corresponding training on the system. Training materials on hazard identification and assessment are prepared, and prior to conducting identification, hazard identification training is organized by workshop to ensure that personnel are familiar with the identification methods. Equipment lists and operational activity lists are identified by workshop, and potential hazards are identified based on these comprehensive lists, and control measures are developed across four dimensions: engineering, management, training, and personal protection. The Hidden Hazard Investigation and Management System is used alongside inspection plans to conduct regular risk assessments and ensure the effectiveness of control measures.


CNGR

At the same time, the company has established smooth feedback channels for employees and formulated the EHS Information Communication Management System. Regular safety meetings are held to encourage employees to report potential hazards and risks identified during their work. A safety management group chat has been created, where employees can promptly report safety hazards. The relevant local departments and the EHS department follow up on the feedback in a timely manner. Emergency contact numbers are posted in each workshop and workstation, allowing for immediate calls to the emergency response team in the event of an incident or injury. The company has also established the Emergency Preparedness and Response Management System, which specifies the policies and procedures for employees to evacuate from work environments that may cause work-related injuries or health issues, thereby ensuring their safety and health. The company firmly opposes any form of retaliation against employees who lawfully exercise their right to self-protection and has set up dedicated complaint channels. Upon receiving a complaint, a fair and independent investigation process is immediately initiated.

In addition, the company has developed the Incident Management System, requiring all accidents and incidents to be reported, investigated, and analyzed within specified timeframes to identify root causes and systemic deficiencies. Preventive measures must be formulated and implemented, and lessons learned from the incidents must be shared to avoid recurrence. The company has also formulated the Third-party Safety Management System, incorporating third-party safety management into the internal EHS framework. A Safety Production Management Agreement is signed to clarify responsibilities and prevent accidents.

During the reporting period: The Tongren Industrial Base identified 1,390 safety hazards, with a 100% rectification rate on time. The Ningxiang Industrial Base identified 1,744 safety hazards, with a 100% rectification rate on time. The Qinzhou Industrial Base identified 865 safety hazards, with a 100% rectification rate on time. The Kaiyang Industrial Base identified 1,252 safety hazards, with a 100% rectification rate on time. Data on safety hazard inspections for CNGR's overseas industrial bases are not included in this report.

Workplace Safety Management Data of CNGR

Indicator	Unit	2022	2023	2024
Amount of Work Safety Investment	10,000 CNY	4,326.03	5,326.96	5,219.95
Number of Work Safety Accidents	case(s)	82	59	25
Number of Work-Related Deaths (Including Full-Time Employees, Contractors and Labor Dispatch Workers)	person(s)	0	0	0
Number of Work-Related Deaths of Full-Time Employees	person(s)	0	0	0
Number of Work-Related Deaths of Contractors and Labor Dispatch Workers	person(s)	0	0	0
LTIR (Lost-Time Injury Rate, per 200,000 Hours)[1]	-	0.89	0.53	0.26
LTIFR (Lost-Time Injury Frequency Rate,per 1,000,000 Hours)[2]	-	4.45	2.65	1.30
TRIR (Total Recordable Injury Rate,per 1,000,000 Hours)[3]	-	-	-	1.93

[1] LTIR (Lost-Time Injury Rate): This covers any work-related injury that prevents a company employee or third-party contractor from returning to their scheduled work on the next working day/shift. LTIR represents the number of lost-time injuries per 200,000 work hours. Formula: LTIR = (Number of lost-time injuries) / (Total work hours during the reporting period) × 200,000.

[2] LTIFR (Lost-Time Injury Frequency Rate): This also covers any work-related injury that prevents a company employee or third-party contractor from returning to their scheduled work on the next working day/shift. LTIFR represents the number of lost-time injuries per 1,000,000 work hours. Formula: LTIFR = (Number of lost-time injuries) / (Total work hours during the reporting period) × 1,000,000.

[3] TRIR (Total Recordable Injury Rate): This includes all recordable work-related injuries, including minor incidents that require medical treatment but do not result in lost time. Formula: TRIR = (Number of recordable injuries) / (Total work hours during the reporting period) × 1,000,000.

During this reporting period

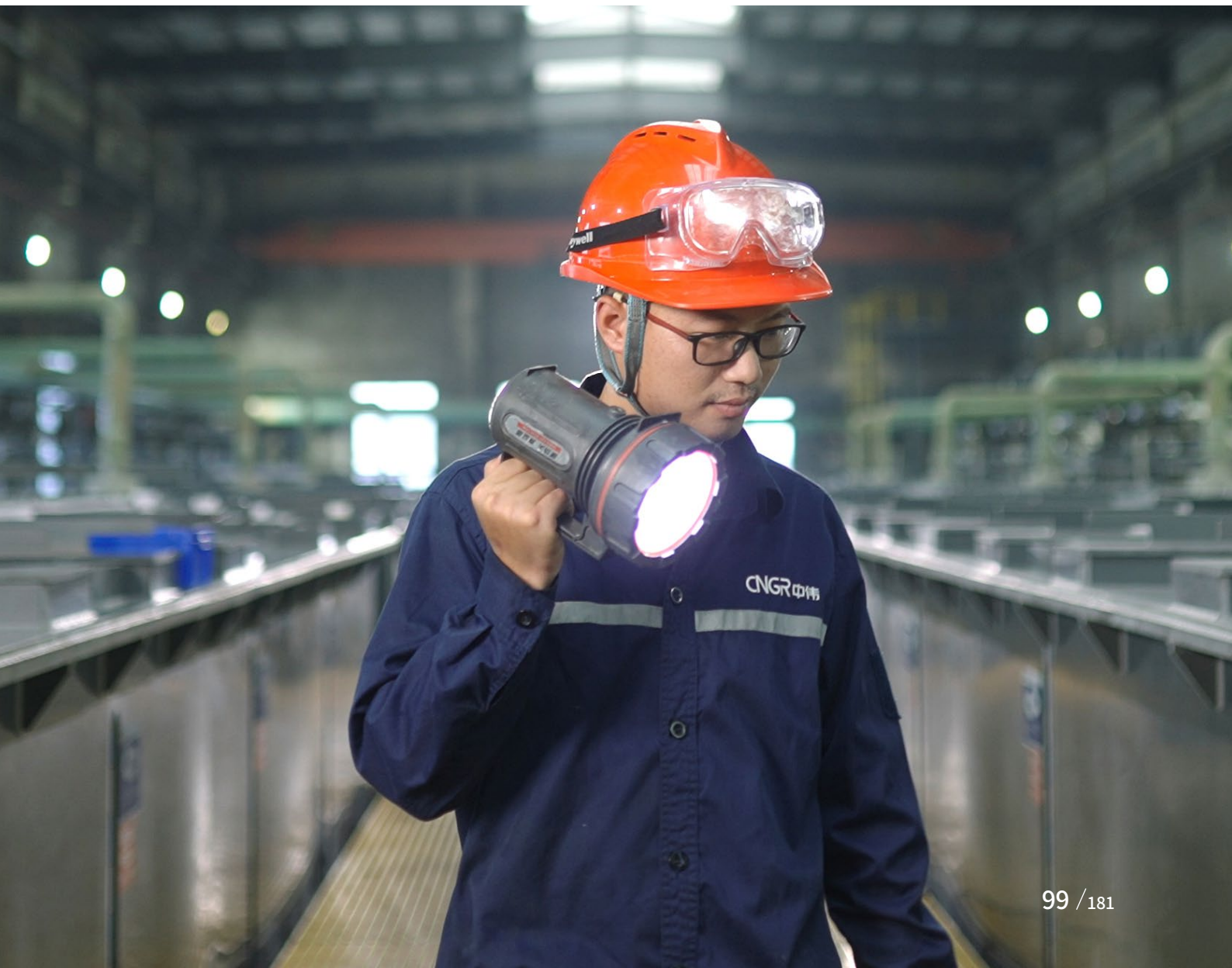
CNGR's LTIR (Lost-Time Injury Rate, per 200,000 Hours)

0.26

The company has established, implemented, and maintained documented health, safety, and environmental (EHS) metrics and targets across relevant internal functions and levels, in order to maintain and continuously improve the EHS management system and EHS performance. At the corporate level, the EHS Center at the company headquarters sets control indicators and continuously monitors major EHS incidents, the 200,000-hour Lost-time Injury Rate (LTIR), and EHS quantitative assessment scores. For 2024, the company-level EHS targets were: Zero major incidents, LTIR (200,000-hour Lost-time Incident Rate, including Contractors and Labor Dispatch Workers) ⩽ 0.55. These targets have been achieved.

Definition of a major incident is as follows:

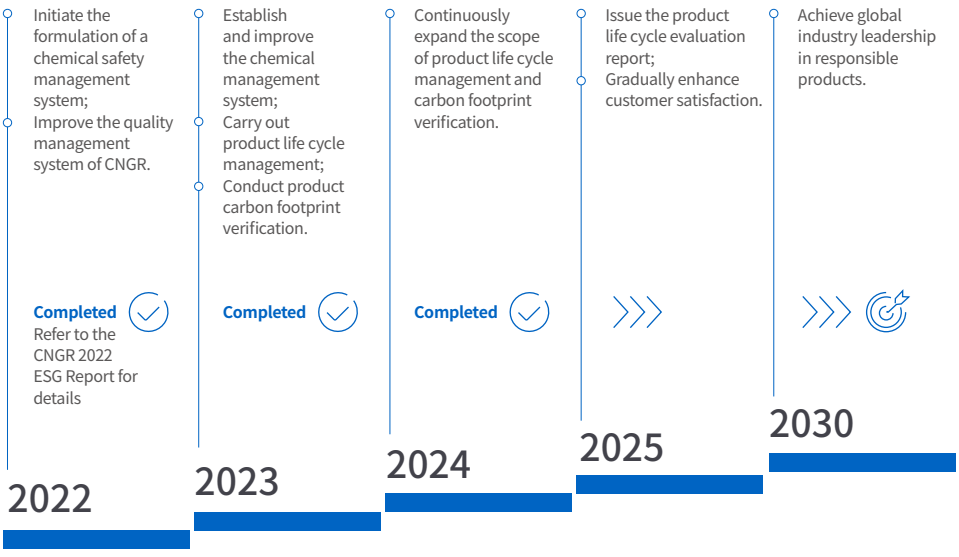
Health-related: One or more employees diagnosed with an occupational disease; A single fatality; Multiple employees within the facility experiencing life-threatening health effects.
Injuries and fatalities: One or more employee fatalities resulting from the incident; Three or more employees sustaining serious injuries; Ten or more employees sustaining minor injuries.
Environmental: Chemical spills lasting more than 5 hours without response actions; Exceedance of emission/discharge standards for exhaust gas or wastewater, or improper disposal of solid waste resulting in administrative penalties from local authorities; Environmental pollution from chemical/wastewater leaks or emissions leading to inter-county administrative disputes; Loss or theft of Class IV or V radioactive sources; Self-monitoring data showing emissions/discharges exceeding permitted limits by more than 10 times.
Property damage: Direct property loss of more than 1 million CNY caused by the incident.



High-Quality Products

Responsible Product Creation Action

CNGR adheres to the quality philosophy of "technology changes the world and quality determines the future" focusing on two key dimensions: product development and product quality. CNGR strives to create a high-quality product model that aligns with its values. The company promotes the development of new products and technologies, increases investment in research and development, establishes pilot projects for product R&D, and strengthens cooperation with external universities. Additionally, CNGR enhances its quality management system and improves chemical management.



Innovation

Governance

In competitive market environment, technological innovation has become the core driver of corporate development. To achieve long-term growth and implement the idea of "technological innovation as the primary driving force", and the company's strategy of "Technology Diversification", CNGR has established a Technical Committee and developed a scientific and reasonable governance structure for its research institute to promote efficient research and development (R&D) innovation.

The establishment of the Technical Committee aims to improve the scientific decision-making process for the company's major projects, drive technological progress, enhance overall scientific research capabilities, and promote academic exchanges, leveraging the expertise of internal and external professionals. The main responsibilities of the Committee include: reviewing the R&D strategies and technical plans of the company and relevant first-level departments; conducting preliminary technical feasibility reviews for related topics, organizing relevant experts to evaluate, audit, and review technical aspects, providing professional technical advice for company decisions; proposing directions for the company's technological innovation in R&D; and conducting demonstrations and reviews of major projects in basic research, product development, process equipment innovation, technological transformation, and significant technical cooperation and technology introduction. The research institute serves as the core execution body for the company's R&D and innovation efforts. Its subordinate institutions, including the Basic and Platform Research Institute, Nickel-based Research Institute, Phosphorus-based Research Institute, and Metallurgical Chemical Research Institute, focus on specialized fields and drive technological breakthroughs. The Process Development Research Institute and pilot production facilities support the optimization and implementation of innovation. The Administrative Institute coordinates and fosters an innovation-driven environment. The R&D and innovation management governance structure established by CNGR ensures that each department performs its role while collaborating closely, driving R&D innovation from technical decision-making, professional R&D, and equipment and production support to overall coordination. This comprehensive approach provides a solid organizational foundation for CNGR to maintain a leading position in the highly competitive market.

Strategy

During this reporting period

CNGR's R&D innovation investment

1.109 billion CNY

up **5.08**%
compared with 2023

With the vision of "a global leading innovator for battery materials and solutions" and upholding the mission of "Materials to Perfection" CNGR formulates its R&D innovation strategy on an annual basis, in line with the rapidly changing industry policies and market characteristics. The company conducts thorough analysis of external macroeconomic environments (policies, economics, society, technology, etc.), trends in technical routes, and internal operational, financial, and resource data to develop R&D innovation strategies that focus on clean technologies, and the development of safer, greener, and more economical processes and products. The company has set the goal: the company allocates more than 3% of its annual revenue to R&D investment, providing robust financial support for R&D innovation activities. In 2025, CNGR plans to invest no less than the amount invested in R&D in 2024.

R&D Innovation Data of CNGR

Indicator	Unit	2022	2023	2024
R&D Innovation Investment	CNY	929,163,689.26	1,055,686,488.24	1,109,312,788.65
Ratio of R&D Innovation Investment Amount to Revenue	%	3.06	3.08	2.76

The company's short-term strategic goal for research and innovation is to expand and strengthen the research and development of phosphate-based and metallurgical products, enhance the research and development of nickel-based, cobalt-based, manganese-based, sodium-based, and other new energy materials, and maintain a leading position in the industry in terms of technology. (Note: All data and indicators in this report refer to the corresponding cathode material indicators. For example, an ultra-high nickel specific capacity of 230mAh/g refers to the specific capacity of the cathode material derived from our ultra-high nickel precursor, which is 230mAh/g.)

① Nickel-based Products
Mass production of medium-nickel high-voltage (4.45V) products.
Mass production of high-nickel high-power (pulse discharge capability of 10C) products.
Mass production of ultra-high nickel (specific capacity 230mAh/g) products.
Mass production of long-cycle (cycle life of 3,000 weeks) products.
Process finalization for precursor products for solid-state batteries (energy density 400Wh/kg).
Development of lithium co-precipitation process.
② Cobalt-based Products
O3 phase: More than two multi-element, high-aluminum-doped products passed customer certification.
O2 phase: More than two products passed customer certification, with ton-level continuous supply.
Mass production of sub-cobalt and hydroxide cobalt nanomaterials, multi-element/doped new products passing customer certification.
③ Manganese-based Products
4.95V nickel-manganese-cobalt precursor with a volume energy density ⩾ 600Wh/L, high-temperature storage >2 years, with other performance requirements met.
4.45V lithium-rich manganese-based precursor with high-temperature storage of 1.5 years and room-temperature storage >3.5 years, with other performance requirements met.
④ Phosphate-based Products
High-pressure compacted LFP with a compact density ⩾ 2.60g/cm^3, 1C discharge capacity ⩾ 138mAh/g.
Power-type LFP with a compact density ⩾ 2.0g/cm^3, 1C discharge capacity ⩾ 155mAh/g.
Lithium iron manganese phosphate with a compact density ⩾ 2.30g/cm^3, 1C discharge capacity ⩾ 140mAh/g.
Energy storage LFP with compact density: 2.58-2.60g/cm^3, 1C ⩾ 138mAh/g.
⑤ Polyanionic Compounds
Finalization of low-cost NFPP precursor product.
Finalization of first-generation mass production NFPP cathode material indicators (0.1C charge capacity >117mAh/g, compact density greater than 2.15g/cm^3).
⑥ Basic Research Institute
Focus on the research of frontier material systems, strengthen mechanism research capabilities, and implement measures to close the research and development capabilities loop.


中伟研究院
CNGR RESEARCH INSTITUTE

Opportunity Management and Metrics & Targets

System Construction

In order to further enhance the company's research and development (R&D) innovation capabilities and improve the R&D management system, the company has taken a series of positive and effective measures in building the R&D innovation management system.

The company has established the "Research Institute Project Management System (Trial)", which standardizes the entire lifecycle management of projects, ensuring the smooth implementation of project management tasks, achieving the company's set goals, and meeting customer needs. This system ensures the effective management and utilization of project organizational process assets, thereby improving the efficiency and effectiveness of project management. The company has also formulated the "Industry-Academia-Research Project Management System", further standardizing the management of collaborative R&D projects with universities and research institutions, optimizing responsibilities, processes, and evaluation mechanisms. This aims to enhance the precision management level, improve the application of project evaluation results, strengthen accountability, promote the transformation of scientific and technological achievements, and increase the effectiveness of project implementation. The company has developed the "Postdoctoral Platform Management System", which standardizes the operational management mechanism of the postdoctoral platform, clarifying work processes, standards, and departmental responsibilities. This initiative promotes the introduction and training of high-end innovative talents, leveraging scientific and technological projects to build a high-level research team and enhance the company's technological innovation capabilities.

In July 2024, to align with the company's strategic objectives, the company established the Chief Expert's Studio, creating a platform led by the chief expert to tackle challenges, drive technological innovation, and lead R&D progress. The Chief Expert's Studio establishes a project management system, providing standardized project management processes, systems, and templates, and concentrating the company's high-quality resources to ensure the smooth advancement of expert-led projects. Additionally, the company formulated the "Chief Expert's Studio Management Measures", which enhance project planning capabilities, improve project management levels and efficiency, and promote the scientific and standardized management of Chief Expert's Studio projects. The studio focuses on leading-edge/industry-leading research projects, major/high-difficulty innovation projects, and critical process/technology issues. It fully leverages the chief expert's leadership and demonstration role to guide the Research Institute's high-quality development, build a modern R&D taskforce, and enhance technological innovation capabilities. The Chief Expert's Studio serves as a platform for the planning, execution, and implementation of major projects, gathers core technological resources, and is a hub for nurturing scientific research and major project management talent.

In the process of constructing the R&D innovation management system, the company not only focuses on system construction and platform development but also highly values promoting knowledge exchange and fostering innovation through various activities. Benchmark study activities and Dean's Reception Day activities are key initiatives in this regard. In 2024, the company organized a benchmark study activity, taking over 20 expert engineers and research institute leaders to visit top universities, well-known research institutions, and leading enterprises to expand thinking and vision, learn from external best practices, and enhance the company's technological innovation system. Meanwhile, the Research Institute organized a total of 7 "Dean's Reception Day" activities to facilitate communication between the institute's leadership/expert teams and employees, jointly exploring innovation and development strategies for the company.

External Cooperation

The company actively expands external collaborations, gathering wisdom and resources from various parties to inject strong momentum into R&D innovation. In the field of industry-academia-research collaboration, the company has made significant progress, with three new key projects initiated in 2024 in the university-enterprise cooperation area and the initiation of a major provincial scientific and technological project in Guizhou.

(1) Scandium Resource Development and Utilization Project with Tianjin University of Technology: Scandium (Sc) is a rare earth metal found in MHP raw materials. This project focuses on developing a production process using scandium slag as raw material to produce high-purity scandium oxide, thereby realizing the productization and high-value utilization of scandium slag.

(2) Study on the Structure-Effect Relationship of Cathode Materials and Precursors with Tsinghua University and Beihang University: This project studies the structural inheritance relationships between precursors and cathode materials from mesoscopic and microscopic perspectives, including morphology, crystallinity, stacking faults, dislocations, and defects. The goal is to develop methods for quantitatively characterizing the grain boundary angle of materials and establish the structure-effect relationship between mesoscopic/microscopic characteristics of cathode materials and electrochemical performance, especially under high-voltage conditions.
(3) Sodium-Ion Battery Cathode Materials and Solid-State Electrolyte Calculation and Simulation Project with Shenzhen Yigen Technology Co., Ltd.: This project conducts simulations and calculations of the stability of O3-structured sodium-ion cathode materials with multi-element coordination, the stability of P2-structured sodium-ion cathode materials under high voltage, and the ionic conductivity of solid-state sodium electrolytes. The aim is to quickly screen and evaluate various elements for modification of cathode materials and solid-state electrolyte systems, thereby shortening R&D cycles and reducing costs.
(4) "Key Technologies in the Industrialization of Battery Cathode Precursor Materials" – Guizhou Provincial Major Science and Technology Project, led by CNGR and in collaboration with Guizhou University. This project, in response to Guizhou's industrial development action plan, focuses on mechanism research, product process development, equipment development, and auxiliary technology innovations. It aims to develop dozens of industrial products, generate over one billion CNY in new output value, accelerate the company's industrial growth, and support the high-quality development of the new energy battery materials and manganese industries in Guizhou.

Highlights of R&D Achievements

Nickel-based

The Nickel Research Institute, in collaboration with the Engineering General Institute, significantly optimized precursor processes, supporting equipment, workshop layouts, material ratios, and production capacity matching. The bottleneck of full-process capacity matching was overcome, and key technologies for large-capacity high-nickel continuous product manufacturing were systematically developed. These innovations include: Large flow stable reaction environment control, High-efficiency washing technology and High-capacity dynamic drying technology. These improvements led to an increase in overall capacity by approximately 30-50% compared to the old process, with per-ton processing costs reduced by around 15-20%. As a result, the new process will significantly reduce per-ton investment costs by more than 10% in the overseas new industrial base set to begin production.

Material cost-performance ratio is a key factor affecting industry competition during the current economic downturn. Reducing costs while maintaining market share has become a strategic priority for industry players. CNGR possesses top-tier smelting technology, precursor material synthesis capabilities, recycling technology, and equipment development advantages within the industry's value chain. By combining these technologies, CNGR has developed a low-cost carbonate-based precursor process, overcoming key technical challenges such as material impurity control, reducing capacity, and liquid recovery. The new precursor matches the performance of traditional hydroxide-based precursors, with a high-temperature capacity close to 204mAh/g at 4.45V and a similar cycle life. Processing costs have been reduced by 2,000-3,000 CNY per ton compared to the hydroxide route, and it is compatible with conventional production lines. This carbonate-based precursor has gained significant attention from industry downstream players, and cooperative development is rapidly progressing.

Sodium-ion Polycyclic Anion (NFPP)

By precisely controlling factors such as the amount of iron-phosphorus input, oxidation pace, reaction temperature, and stirring frequency during the coprecipitation reaction, CNGR successfully synthesized NFPP precursors with a specific iron-phosphorus ratio. After grinding, spray drying, and sintering the precursor with sodium and carbon sources, NFPP cathode materials were produced. The resulting cathode material's density was approximately 0.1g/cm^3 higher than other products on the market, with phase purity improving by around 10%. This material offers a cost advantage when mass-produced.

Phosphorus-based Lithium Iron Phosphate (LFP) Cathode Materials

Spherical LFP/LMFP cathode materials: As fast charging rates are increasingly demanded by power batteries, CNGR developed high-rate performance spherical cathode materials to meet the needs of the overseas market and expand the phosphorus-based product matrix. This marks the first step in the company's technological advancement in phosphorus-based battery materials and opens up the overseas market for cathode materials. The project adopted a solid-phase one-step sintering process, using 305A as the FP precursor to develop spherical LFP (density >2.2g/cm^3, 0.1C >159mAh/g, 1C >152mAh/g, 10C >120mAh/g) and spherical LMFP (density >2.15g/cm^3, 0.1C >155mAh/g, 1C >158mAh/g, 10C >120mAh/g), tailored to meet the needs of leading overseas clients.

Metallurgy

Lithium Section Auxiliary Material Cost Reduction: In response to high auxiliary material costs in the lithium section of the Tongren base's recycling line and ineffective utilization of purified slag resources, CNGR developed a new lithium purification technology. This innovation was successfully integrated into the production line, reducing auxiliary material costs and enabling the

utilization of purified slag resources, leading to a monthly cost reduction of approximately 1.11 million CNY.
Fire-Wet Integrated MHP Treatment: To leverage integrated advantages and reduce costs, CNGR researched and industrialized a fire-wet integrated MHP treatment technology. This technology reduces the cost of the MHP purification process, leading to a monthly cost reduction of around 400 thousand CNY.
High-purity Zinc Sulfate Production: Addressing the low value of zinc by-products and high costs of zinc removal in CNGR's nickel-cobalt smelting system, the company developed a process for producing high-purity zinc sulfate from wastewater. This process has been industrialized and is expected to reduce costs by more than 1 million CNY per month.
Efficient Nickel-Cobalt Resource Recovery: CNGR also developed a technology to treat magnesium sulfate wastewater and produce battery-grade nickel-cobalt mixed salts. This process has been industrialized and enables efficient recovery of nickel and cobalt resources, resulting in a monthly cost reduction of nearly 200 thousand CNY.

Innovation-Driven Awards and Honors in 2024 of CNGR

Guizhou CNGR Xinyang Energy Storage Technology Co., Ltd. was recognized as a "High-Tech Enterprise".
The research achievement "Key Technologies and Applications for the Preparation and Recycling of High-Performance Lithium Iron Phosphate Cathode Materials" won the First Prize of the Guizhou Province Science and Technology Progress Award.
The Technology Center of Guizhou CNGR Xinyang Energy Storage Technology Co., Ltd. was recognized as an Enterprise Technology Center in Guiyang.
The research achievement "Key Technologies for the Controlled Preparation of Lithium-Ion Battery Cathode Material Precursors and Industrialization" won the Third Prize of the Hunan Province Science and Technology Progress Award.
The "Hunan Province New Electrochemical Energy Storage Materials Innovation Consortium", led by Hunan CNGR New Energy Technology Co., Ltd., was approved as a pilot project for the 2024 Innovation Consortium in Hunan Province.
The invention patent "Aluminum-Doped Small Particle Spherical Cobalt Oxide and Its Preparation Method (ZL201811275016.8)" won the Third Prize of the Hunan Patent Award.
Hunan CNGR New Energy Technology Co., Ltd. was approved to establish a Postdoctoral Innovation and Entrepreneurship Practice Base in Hunan Province.
The Ningxiang Industrial Base was approved for the construction of an Enterprise R&D Center in Changsha.
The Technology Center of Guangxi CNGR New Energy Technology Co., Ltd. was recognized as a Provincial Enterprise Technology Center.
Guangxi CNGR New Energy Technology Co., Ltd. ranked 5th in the 2024 list of the Most Promising Private Enterprises in Guangxi (Technology Innovation).

Intellectual Property Management

Governance

CNGR has established a comprehensive intellectual property (IP) management system, with the highest-level management being the first responsible person for IP management. The system ensures the implementation of IP management decisions, establishes clear responsibility for each level of IP management, facilitates effective communication, and implements duties across the organization.
The company adopts a centralized IP management model, ensuring that IP work aligns with the company's strategic objectives and enhances the protection of the overall interests of the parent and subsidiary companies. This approach minimizes the constraints on business activities related to IP issues, allowing the company to operate without significant restrictions from IP concerns.
IP Management Department: CNGR has set up a specialized IP management department responsible for overseeing all aspects of IP work. The department's key responsibilities include: Identifying IP protection targets for the company; Developing and enforcing IP management policies; Implementing the company's IP industrial strategy to maximize IP value; Conducting IP education and training for employees to raise awareness of IP protection and establishing an IP infringement monitoring network to avoid violations of third-party IP rights. The IP Engineer Team, with extensive experience, is responsible for patent mining, layout, application, analysis, early warning, and risk control. This team works within the company's IP management framework to standardize IP management across various stages. The Research Management Department develops IP strategies and annual plans based on the overall corporate strategy and R&D planning, ensuring that patent application goals are met as part of each research institute's annual targets. The R&D Department is responsible for submitting innovative results that can be patented, such as detailed patent disclosures, to the Research Management Department. The Financial Management Department handles IP-related budgets and evaluations of intangible assets during patent operations. The Strategic Development/Operations Headquarters evaluates patents for overseas markets. The Legal Department manages IP disputes with relevant departments.

Strategy

A scientifically sound IP management system adds value, mitigates risks, and safeguards assets, while driving industry collaboration and innovation. CNGR's IP strategy focuses on defensive strategies in the short to medium term, aiming to build a comprehensive, multi-layered patent protection network to prevent infringement and support R&D operations.

Strategic Objectives:
(1) Quantity: Accumulate a significant number of patents to maintain an industry-leading position. This includes protecting products, processes, and equipment from key R&D directions, with key patents matching the company's industry standing.
(2) Quality: Conduct a comprehensive, multi-layered patent layout, with a focus on high-value strategic patents and expanding the international patent portfolio.
(3) Risk Control: Prevent patent infringements and safeguard R&D results.
(4) Analysis: Provide patent intelligence to support R&D projects, quality control, and risk management.
The company's patent portfolio covers key products, raw ore smelting, material recycling, waste battery regeneration, process technologies, and equipment, effectively protecting proprietary technologies and ensuring non-infringement during both sales and R&D. CNGR actively develops an IP layout strategy, with some patents reserved as technological reserves, enabling the company to pre-emptively secure high-value technologies. The company has established a continuous and relatively complete domestic and international patent layout, creating competitive advantages in its business sectors.

Risk and Opportunity Management

CNGR strictly complies with the Patent Law of the People's Republic of China, the Implementing Regulations of the Patent Law, and other relevant laws and regulations. The company has developed a comprehensive set of internal policies related to intellectual property (IP) management, including the IP Management Manual, IP Document Control Procedures, and 22 other procedural documents, continuously improving its management framework. In 2024, CNGR revised and issued two key internal policies: IP Incentive Policy, which strengthens international orientation and implements a more comprehensive incentive system to support the company's globalization strategy. Patent Management Policy, further standardizing the international patent layout and patent operation processes to enhance management precision.

To reinforce its IP governance, CNGR also launched several key initiatives: Established a patent business management information system to enhance control over the patent application process and improve operational efficiency. Deepened the integration of patent analysis and mining to identify core innovations by mapping technological hot spots and gaps. Built and maintained an enterprise patent database, facilitating novelty searches and patent analysis to support R&D. Introduced a technical proposal review system, where technical experts and patent engineers jointly assess the quality of proposed patents to enhance overall patent strength.

CNGR's Second Intellectual Property Month

In May 2024, CNGR's Research Institute took the lead in organizing the company's second Intellectual Property Month event, themed "Sailing Abroad, IP Protection as Safeguard". The company carefully planned and organized a series of intellectual property activities, including: foundational patent knowledge training and three rounds of IP quiz contests with prizes on the "CNGR E-Learning Platform"; a plaque unveiling ceremony for the "National Intellectual Property Advantage Enterprise" designation and a patent achievement recognition event; and IP-themed training sessions conducted by well-known experts. During the Intellectual Property Month activities, the IP promotion webpage received 10,654 views, while online and offline training sessions were attended 4,173 times, and the IP quiz contests drew 8,921 participations. These promotional and training activities enhanced all employees' awareness of IP protection, improved their ability to utilize intellectual property, and helped them further internalize the concept that "protecting intellectual property is protecting innovation", thereby providing strong support for the implementation of the company's globalization strategy and international business expansion.

CNGR's cumulative total authorized patents **241**

participated in the formulation of **102** industry standards

domestic coverage rate of its GB/T 29490 intellectual property management system reached **75%**

Metrics & Targets

The company is committed to the field of high-performance, green, and safe new energy materials, with R&D directions covering raw ore smelting, raw material refining, new energy material preparation, and battery recycling. Its products include nickel, cobalt, manganese, phosphorus, and sodium-based cathode materials and precursors. The company's intellectual property work is closely aligned with its R&D directions, and it continues to intensify global patent application, mining, layout, analysis and early warning, and risk control efforts, aiming to improve the quantity and quality of its patents and strengthen its offensive and defensive capabilities in intellectual property. The company's 2024 intellectual property management goals and achievement status are as follows:

(1)Patent Application Targets: A total of ⩾ 70 applications, including 40 domestic invention patents and 17 international patents; the target was exceeded.

(2)Patent Analysis Target: One thematic global patent analysis on spray pyrolysis technology; the target was achieved.

(3)Risk Control Measures Target: ⩾6 items, including third-party public opinions and invalidation searches; the target was exceeded.

(4)Risk Warning Target: Three annual reports on patent warnings and freedom-to-operate (FTO); the target was achieved.
(5)Database Construction Target: Construction of five enterprise-themed databases in the patent information system; the target was achieved.
(6)Learning and Growth: Organize Intellectual Property Month activities; the target was achieved.
CNGR has cumulatively filed 579 patent applications, including 430 invention patents and 149 utility model patents; it has been granted 241 patents, including 115 invention patents and 126 utility model patents. During the reporting period, CNGR filed 124 new patent applications, including 113 invention patents and 11 utility model patents; it obtained 37 granted patents, including 28 invention patents and 9 utility model patents. During the reporting period, CNGR's Tongren, Ningxiang, and Qinzhou Industrial Bases all passed the GB/T 29490-2013 Intellectual Property Management System Certification and remain effective, with a domestic industrial base IP management system certification coverage rate of 75%.

Chemical Management

GRI 416

Governance

The Safety Production Committee oversees the company's chemical management in a comprehensive manner. The EHS Center and EHS departments at each industrial base are responsible for the day-to-day management of chemicals. The governance structure and specific responsibilities of the Safety Production Committee are detailed in the chapter on Environmental Management System and Compliance.

Strategy

CNGR's chemical management strategy is centered on the principles of "safety, sustainability, and environmental responsibility". The company is committed to establishing a world-class, full lifecycle chemical management system. By embracing a diversified technology approach, CNGR actively develops green alternatives and low-carbon technologies to minimize the environmental and health risks associated with chemical use. A comprehensive chemical risk assessment and tiered control mechanism has been established to enhance safety across production, storage, transportation, and usage stages. The company is also advancing the development of digital management platforms to enable end-to-end monitoring and traceability of chemicals. In parallel, CNGR continuously strengthens employee safety training and emergency response capabilities to ensure regulatory compliance and build a safe, efficient, and sustainable chemical management framework.

Risk Management and Metrics & Targets

CNGR places a high priority on the chemical safety management and maintains strict compliance with a range of national and international laws and conventions. These include China's Regulations on the Safe Management of Hazardous Chemicals and the Catalogue of Priority Controlled Chemicals, the European Union's Restriction of Hazardous Substances (RoHS) Directive and REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals), as well as the Rotterdam Convention. To ensure full regulatory alignment and operational safety, CNGR has established internal management systems such as the Hazardous Substances Management Policy and the Hazardous Chemicals Safety Management Policy. These policies define clear safety protocols covering the entire lifecycle of hazardous chemicals, from procurement, transportation, loading and unloading, storage, and internal transfer, to usage and final disposal, ensuring comprehensive and effective chemical safety management across all operations:
Procurement: CNGR rigorously verifies supplier qualifications and requires signed procurement contracts alongside Material Safety Data Sheets (MSDS) and safety labels for all hazardous chemicals. This ensures that all chemical sources are legal and compliant.

Transportation: The company conducts comprehensive reviews of transport providers, including vehicle drivers, escorts, and transport vehicles. Speed limits are enforced within plant areas, and all vehicles transporting hazardous chemicals must register and obtain entry permits to ensure safe and compliant transit.

Loading and Unloading: CNGR has implemented a detailed safety checklist for the loading and unloading of hazardous chemicals. Dedicated personnel conduct thorough inspections before, during, and after unloading. Non-compliant vehicles are either corrected on-site or returned.

Storage: Designated tank areas and specialized warehouses are used to store hazardous chemicals. Emergency supplies are strategically placed, with 24/7 video surveillance and hourly safety inspections conducted by dedicated personnel. The equipment team also regularly measures the wall thickness of critical areas in storage tanks.

Transfer: Chemicals are transferred to production units via dedicated pumps equipped with splash guards. Operators conduct hourly inspections of equipment, and the equipment team checks the integrity of key pipeline sections regularly.

Usage: Emergency response materials are provided in all workshops. Regular safety training is conducted, and frontline personnel inspect relevant equipment and pipelines every two hours to ensure safe operation.

Disposal: Each CNGR production base has an EHS department with an environmental protection division that manages the disposal of hazardous chemical waste. Comprehensive environmental protocols guide proper disposal, including wastewater treatment and purification through dedicated facilities, ensuring environmentally compliant operations.

In addition, base-level director conducts monthly comprehensive safety and environmental inspections. The EHS department organizes quarterly inspections specifically focused on hazardous chemical safety, reinforcing CNGR's commitment to stringent end-to-end chemical safety management.

To strengthen internal awareness and best practices in chemical management, CNGR provides targeted training for employees across all roles on the properties of hazardous chemicals relevant to their positions, as well as appropriate emergency response measures. This initiative enhances overall competency and improves the company's capacity to respond effectively to chemical-related incidents. During the production phase, CNGR establishes a comprehensive chemical inventory and, based on this, compiles a Hazardous Chemicals Safety Management Manual. This manual is distributed to all relevant departments and workshops to ensure consistent, informed, and safe chemical handling across the organization.

To effectively mitigate the risks associated with high-priority toxic chemicals, CNGR first conducts thorough identification of hazardous substances contained in its products. This includes 21 harmful substances such as nickel-cobalt-manganese hydroxide, nickel-cobalt hydroxide, nickel-cobalt oxide, amorphous cobalt hydroxide, ammonium chloride, and nickel-iron-manganese-copper hydroxide. Based on these findings, CNGR has established a Hazardous Substance Management Policy, and built an internal management framework comprising documents such as the Hazardous Chemical Content Exceedance Notice, Product Hazardous Substance Testing Report Ledger, and Annual Hazardous Substance Testing Checklist. This framework supports the classification and control of substance-related risks and ensures effective chemical oversight. CNGR recognizes the potential environmental and human health impacts of both its production processes and the raw materials it uses. To address this, the company conducts annual hazardous substance testing and life cycle assessments (LCAs) for its precursor products, evaluating their hazard levels in response to stakeholder expectations. In 2024, LCAs were conducted for all key precursor products in accordance with ISO 14044, using the CML 2001-Aug.2016 impact assessment method. The system boundary for these assessments spanned from "product R&D and design" to "factory gate", and covered key environmental impact categories including abiotic depletion, acidification, eutrophication, freshwater aquatic ecotoxicity, global warming potential, human toxicity, marine aquatic ecotoxicity, ozone depletion, photochemical ozone creation, and terrestrial ecotoxicity. Third-party verification reports were issued for these assessments. Also in 2024, CNGR conducted comprehensive testing on all product categories for halogen content, the ten restricted substances under the EU RoHS Directive, and 242 Substances of Very High Concern (SVHCs) as defined by REACH. The scope included 40 product types, such as nickel-cobalt-aluminum oxides, nickel-cobalt-manganese oxides, nickel-cobalt hydroxide, nickel-cobalt oxides, cobalt(II) hydroxide, cobalt hydroxide, nickel-cobalt-manganese hydroxide, tricobalt tetroxide, and 100% recycled tricobalt tetroxide. All test results were within acceptable limits. To meet stakeholder requirements and reduce product-related toxic hazards, CNGR continuously monitors the risks and hazards associated with its chemicals and has established clear procedures for managing exceedances. When non-compliant levels of hazardous substances are detected in raw or auxiliary materials, the site's Quality Department issues a Hazardous Chemical Content Exceedance Notice

and notifies the Raw Materials Procurement Department to immediately return and isolate the materials. If excess levels are discovered during production, the Quality Department issues the same notice to the workshop supervisor, who must isolate and label the material. A Production Abnormality Handling Form is completed, and within 24 hours, the source of the harmful substance is traced and the abnormal material is addressed. During the reporting period, following a careful risk assessment, CNGR concluded that the chemical hazard levels of all raw materials and finished products in use were low, and that hazardous substance concentrations remained within regulated limits. As a result, there were no records or plans for substance elimination or substitution. Looking ahead, CNGR remains committed to monitoring high-risk chemicals and will continue researching alternatives and developing phased substitution plans as needed.

In addition to managing chemical safety internally, CNGR also collaborates with customers and suppliers by signing commitment letters of chemical substance management. These agreements ensure that CNGR's products do not contain prohibited substances and that any hazardous substances comply with relevant domestic and international laws and standards. At the supplier level, CNGR begins evaluating supplier qualifications during the raw material onboarding phase. Suppliers are required to provide Material Safety Data Sheets (MSDS) and appropriate safety labels to confirm that all purchased chemicals are sourced legally and compliantly. Specifically, major domestic raw and auxiliary material suppliers must also submit hazardous substance testing reports. On the customer side, CNGR signs corresponding declarations and provides dedicated communication channels for clients and end-users to inquire about the chemical composition of its products: cngrCSR@cngrgf.com.cn.

Product Lifecycle Management

GRI 301

Governance

CNGR's Sustainability Office and Climate Change Task Force Team are actively driving initiatives to optimize the product carbon footprint accounting system, implement clean energy substitution strategies, and increase the proportion of recycled materials used in production. In parallel, CNGR collaborates with suppliers to establish joint carbon reduction efforts across the value chain, promoting coordinated decarbonization throughout the industry ecosystem. The company's Research Institute has established a Technical Committee led by a Chief Expert, supported by a seasoned R&D team and advised by external specialists. This committee conducts comprehensive evaluations covering product development, process and equipment innovation, and technological upgrades to ensure that all innovations deliver environmental compliance, carbon reduction effectiveness, and economic value. Through two-way collaboration and a vertically integrated supplier management system, CNGR ensures end-to-end lifecycle management, from raw material traceability to finished products, laying a solid foundation for the company's green development strategy (refer to the Climate Change Response and Innovation chapters).

Strategy

CNGR has established a clear product lifecycle management strategy, with energy conservation and carbon reduction as core objectives. Centered on integrated technology R&D, the company is advancing a phased transition toward low-carbon product development across the entire lifecycle:
Short-term: CNGR focuses on refining carbon footprint management by conducting comprehensive assessments of the carbon intensity of existing products. Efforts are directed at reducing energy consumption in metal separation processes and minimizing waste emissions. Simultaneously, the company strengthens its green supply chain by encouraging suppliers to adopt low-carbon processes and clean energy sources, aiming to achieve initial goals of cost reduction and carbon mitigation on the production side.
Mid-term: the company will deepen vertical integration across the value chain, optimize production processes, and increase the proportion of renewable energy and recycled materials used. These actions are designed to further reduce processing costs and product carbon footprints, ultimately building a scalable portfolio of low-carbon products.
Long-term: CNGR is committed to developing a closed-loop circular economy by enhancing its recycling system for reclaimed materials, promoting efficient resource reuse. The company also collaborates with industry partners to establish low-carbon standards, facilitate technology sharing, and drive joint emissions reduction initiatives across the value chain. The end goal is to become an industry benchmark through a synergistic model of "Net-Zero" products, green manufacturing, sustainable recycled resources, leading the green transformation of the new energy materials sector.
CNGR has set a GHG emission target for year 2030, aiming to reduce GHG emissions per ton of product by 50% compared to the baseline year 2020 (refer to the Climate Change Response chapter).

Risk Management and Metrics & Targets

CNGR's Sustainability Office conducts annual Life Cycle Assessments (LCA) for all key products, adhering strictly to ISO 14044 and ISO 14067 standards. Utilizing GaBi software and reputable databases such as GaBi and ecoinvent, these assessments provide a comprehensive evaluation of environmental impacts throughout the entire product lifecycle. The LCA encompasses a broad spectrum of environmental impact categories, including abiotic resource depletion, acidification potential, eutrophication potential, freshwater aquatic ecotoxicity, global warming potential, human toxicity, marine aquatic ecotoxicity, ozone layer depletion, photochemical ozone creation potential, and terrestrial ecotoxicity.
During the product design phase, CNGR strictly adheres to the principles of green design, aiming to minimize environmental impact while maximizing resource efficiency. The company places strong emphasis on multiple factors, including but not limited to streamlined production processes with shorter process flows, energy-saving and carbon-reduction benefits throughout manufacturing, a high proportion of re-

cycled material usage, excellent product recyclability, and the development of environmentally friendly products and technologies. In addition to environmental considerations, CNGR also incorporates practical aspects into its design strategy, specifically ease of packaging, transportation, and storage, ensuring that products are not only sustainable but also efficient and cost-effective across the supply chain. This holistic approach embeds green design principles into every stage of the product's life cycle, from concept development and material selection, to manufacturing, distribution, usage, and end-of-life disposal, thereby reinforcing CNGR's commitment to sustainable innovation and circular economy practices.

In the realm of supply chain decarbonization, CNGR integrates the GHG emission performance of its key raw material suppliers into routine supplier performance assessments. Concurrently, the company extends support to suppliers by providing GHG-related training, which encompasses subjects like the essentials of GHG accounting and emission reduction strategies. Additionally, CNGR endeavors to enhance suppliers' GHG verification capabilities and mandates them to establish specific GHG emission reduction targets.

CNGR follows industry standards closely and, in alignment with the rigorous requirements of ISO 14021 and UL 2809, has established a dedicated circular recycling management system. The company has built an integrated supply-production-sales circular framework that ensures comprehensive oversight from sourcing raw materials and maintaining strict control over production to promoting green practices throughout its sales channels. This end-to-end approach enables CNGR to achieve full-process circular management coverage (refer to Circular Utilization of Energy Metals chapter).

Furthermore, CNGR has proactively positioned itself at the forefront of green development within the industry, actively participating in the formulation of national and industry standards, including areas such as green factory evaluation criteria, green manufacturing supply chain management, and lithium-ion battery carbon footprint assessment. This engagement not only amplifies the company's industry influence but also significantly contributes to fostering high-quality green development throughout the sector, exemplifying robust corporate responsibility.

During this reporting period, a life cycle assessment was conducted on 100% of key products[1] in accordance with ISO 14044 requirements, achieving a 47.31% reduction in GHG emissions per ton of product compared to the baseline year 2020. Additionally, four representative products were selected and certified under ISO 14021 environmental declaration, achieving 100% recycled metal content.

In 2025, we will systematically enhance the water footprint inventory for our company's products and intend to engage in the CDP Water Questionnaire. Looking ahead, we will persist in augmenting our R&D investment, delve into more innovative applications of green processes, and make significant contributions to the global effort in addressing climate change.

Product Quality and Safety

Governance

Guided by its mission of "Materials to Perfection" and its vision of "a global leading innovator for battery materials and solutions", CNGR has developed a quality management manual in compliance with national laws, regulations, and policies, as well as the requirements of the IATF 16949:2016 Automotive Quality Management System Standard, Requirements for Automotive Production and Relevant Service Parts Organizations and ISO 9001:2015 Quality Management Systems Requirements. The Company has also established a quality policy of "Customer First, Quality Priority, Pursuit of Excellence, Full Participation" and upholds the values of "Quality is Life, Quality is Responsibility, Quality is Efficiency, Quality is Competence".

According to the Company's quality management manual, the responsibilities of each central department, institute, and industrial base are clearly defined, with designated roles for management representatives, quality representatives, and customer representatives. The manual also outlines the scope of CNGR's quality operations and product types, covering its full range of high-nickel, low-cobalt ternary precursors, high-voltage cobalt tetroxide, phosphorus-based products and cathode materials, and sodium-based precursors.

[1] Key product refer to those with an annual output exceeding 1,000 tons.

Strategy

CNGR is committed to becoming the industry's quality leader and earning customer trust and respect through excellence. The strategic goal is to "Achieve Ultimate Quality", supported by analytical tools such as SWOT to assess risks in quality management.

The Company has conducted thorough maturity assessments of quality management across its domestic and international industrial bases, analyzing current conditions through a combination of localization and globalization, and formulating tailored management strategies. Key regional strategies include:

China Region: Focus on customer engagement, full value chain integration, and talent development. Upholds the "Begin with the End in Mind" philosophy and develops a "Fast, Efficient, High-Quality, Cost-Effective, Innovative, and Harmonious" quality model through internal improvement.

Indonesia Region: In a transition from incubation to growth, Indonesia is a key performance growth driver. The focus is on engineering and R&D quality, promoting integration, focus, and closed-loop management.

Morocco Project: As a future growth engine, Morocco's quality management is in the incubation stage. The strategy is to rapidly replicate the experience of mature domestic bases and accelerate development toward maturity.

The Company's central departments are tasked with "Effective Planning, Empowerment, Service, and Standardization", while its two R&D institutes focus on "Design and Process Optimization", and the industrial bases are responsible for "Product Excellence, Response Effectiveness, Cost Management, and Output Quality". This is to address the industry's challenges of "internal competition" and "survival under extreme conditions", aiming for leapfrog development and establishing the globally recognized "CNGR Quality" brand by 2028-2030.

Risk Management

In the new energy materials industry, CNGR understands that product quality directly impacts market competitiveness and customer trust. The Company strictly complies with laws and regulations such as the Product Quality Law of the People's Republic of China and the Regulations on the Administration of Product Recalls, and adheres to standards such as IATF 16949, ISO 9001, and ISO 45001 to establish a comprehensive quality management system and manual that address all potential product quality and safety risks.

As of 2024, CNGR Advanced Materials Co., Ltd., Hunan CNGR New Energy Technology Co., Ltd., Guangxi CNGR New Energy Technology Co., Ltd., Guizhou CNGR Xingyang Energy Storage Technology Co., Ltd., and Guizhou CNGR Resource Recycling Industrial Development Co., Ltd. have all obtained dual certifications for IATF 16949 and ISO 9001. Overseas entities including PT Zhongtsing New Energy, PT CNGR Dingxing New Energy, PT Debonair Nickel Industry, PT Jade Bay Metal Industry, and PT Nadesico Nickel Industry, have all passed ISO 9001 certification.

Internal Audits and Management Review

To ensure the quality management system's applicability, adequacy, and effectiveness, and to drive continuous improvement, CNGR regularly conducts internal audits and management reviews. According to the Company's Internal Audit Control Procedure, audits are conducted covering the IATF 16949 and ISO 9001 quality management systems, ISO 14001 environmental management system, ISO 45001 occupational health and safety management system, and GB/T 29490 intellectual property management system. These audits verify compliance with standards and provide a basis for management reviews. Key focus areas include quality control during production, identification of environmental and safety hazards, occupational health and safety compliance, and execution of intellectual property management. Senior management organizes periodic management review meetings in accordance with the Management Review Control Procedure, analyzing audit results, evaluating the effectiveness of corrective actions, and adjusting strategies based on changes in the market, regulatory requirements, and customer expectations to ensure continuous system optimization.

Through these processes, CNGR continues to improve in areas such as dynamic adjustment of quality objectives, process improvements and technological upgrades, identification of quality risks and opportunities, and fostering a quality-centric corporate culture. Quality objectives are regularly updated based on customer needs and market conditions to ensure they remain ambitious and industry-leading. Digital

technologies enable intelligent, visible, and precise production processes. Potential risks are identified and mitigation plans developed, while improvement opportunities arising from customer insights are actively explored. A culture of "Quality as Responsibility and Life" is promoted throughout the organization to encourage all employees to participate in quality improvement efforts.

Quality Control

To ensure the consistent and reliable quality of outgoing products, CNGR has established a strict pre-shipment quality control (QC) system. All products must undergo a final quality inspection before shipment, covering appearance, performance parameters, and packaging. The inspection process includes sampling according to the Sampling Inspection Standard, testing key indicators such as appearance, function, physical properties, and chemical composition based on the Product Quality Standard and customer requirements, and verifying packaging integrity, labeling clarity, and transport protection. Only products that pass inspection may proceed to shipment. Non-conforming products are handled according to the Nonconforming Product Control Procedure and may only be released after rectification and re-inspection. All inspection data and results are recorded and archived to ensure traceability, and the shipment certification is signed by the QC supervisor to confirm compliance with customer expectations and uphold brand reputation.

Customer Complaints and Return Management

CNGR follows its Customer Complaint Management System to handle customer feedback efficiently, ensuring satisfaction and closed-loop problem resolution. The system specifies a clear and effective process from complaint receipt to resolution. Upon receiving a complaint via email, fax, or the "Integrity CNGR" WeChat mini program, the Operations Headquarters Customer Service or the QE Management Department forwards the issue using the 5W2H method to the relevant production base, initiates a complaint process in the OA system, and applies 8D analysis for root cause investigation and corrective action: a 3D response (problem description, emergency measures, problem analysis) is completed within 24 hours, and a 5D response (root cause identification, long-term solution) is completed within 72 hours. If the customer has special time requirements, those are followed accordingly.

Return and exchange processes are divided into two scenarios. Non-company responsibility: Requires approval from the Operations Headquarters and General Manager of the Quality Management Center. Company responsibility: Initiated by the responsible department and approved before the Operations Department processes the return within 15 days; overseas returns follow customs clearance timelines. Operationally, when materials or products are returned, the logistics officer, warehouse keeper, and outgoing quality control (OQC) staff jointly verify and complete a Return Authorization Form. The OQC team inspects returned items, including appearance checks and sample analysis, and records return reasons and product condition. Returned products are placed in the non-conforming product area, with inventory updates and follow-up managed by the OQC team under the Nonconforming Product Control Procedure, and the Return and Exchange Traceability Ledger is updated in real time. This strict process ensures efficient resolution of customer issues and standardized return and exchange management.

Quality Awareness and Capability Training

To comprehensively enhance employee quality awareness and professional skills, CNGR adopts a blended training approach combining online and offline learning, and lectures with self-study. Over the year, the Company organized more than 700 internal training sessions on topics including quality standards, process management, and quality tools. These sessions reached a cumulative 28,372 participants, with total training hours exceeding 27,788. Training covered frontline production personnel, quality management staff, and department heads, ensuring that quality awareness permeates every role. As a result of frequent, high-quality training, employees have significantly enhanced their quality awareness, control capabilities, and management levels, laying a solid foundation for achieving excellence in quality management.

Metrics & Targets

Focusing on "Product Quality and Safety" as a core area, CNGR has adopted the Performance Excellence management model to support high-quality development and establish an industry-leading position. This includes process refinement, risk and opportunity identification, and the formulation of clear targets and metrics. The Company aims to continuously optimize its quality management system and reach a maturity score of over 600 points, benchmarking against world-class standards. This ensures CNGR remains a global leader in quality management for new energy materials. By refining processes and systems, the Company integrates the excellence model into daily operations, enhancing management effectiveness through scientific and standardized methods. CNGR has explicitly set a goal for its

products to fully achieve Six Sigma quality levels, ensuring high consistency and reliability. Through tighter process control and technological upgrades, the defect rate is reduced to the industry's lowest levels, further strengthening customer confidence. Simultaneously, CNGR emphasizes the integration of safety and quality management by establishing a comprehensive product lifecycle safety traceability system, from raw material procurement and manufacturing to transportation, usage, and end-of-life recycling. Every step is subject to strict standardized controls to ensure absolute safety and eliminate risks. With "Zero Incidents in Safety and Quality" as a core goal, CNGR continues to strengthen its safety production and quality assurance mechanisms. Quality safety responsibility is enforced across operations, and employee training and assessments enhance both technical capability and accountability. Using big data monitoring, intelligent analysis, and refined management, potential issues are identified and addressed promptly to minimize risks.

During the reporting period, no major safety or quality incidents related to products or services occurred, demonstrating the effectiveness of CNGR's rigorous quality management system and its strong commitment to safe operations.

Customer Management

GRI 418

Governance

CNGR is committed to establishing long-term, stable, and mutually beneficial customer relationships, meeting client needs with high-quality products and services. The company has established a comprehensive customer management governance framework, clearly defining departmental responsibilities to ensure efficient customer service operations. The Corporate Headquarters is responsible for building strong relationships with clients, gaining in-depth understanding of their demands, and collecting, feeding back, and relaying customer service information, including pre-sales services and post-sales complaints. The Quality Management Center handles customer complaints and requests, coordinates cross-departmental resolutions, and tracks and evaluates implementation progress. Technical, quality, and production operation departments across industrial bases provide collaborative support, jointly analyzing root causes, formulating solutions, and driving optimization of product delivery and service processes to ensure timely resolution of customer issues and efficient fulfillment of client requirements.

Strategy

CNGR recognizes the profound impact of customer management across economic, environmental, and social dimensions. Economically, enhancing customer satisfaction strengthens loyalty, drives business growth, and generates sustained, stable revenue. At the same time, improvements in product quality and service reduce return costs and reputational risks, helping to mitigate potential financial losses. Environmentally, a robust product recall management system minimizes the risk of substandard products causing harm to the environment, reflecting CNGR's commitment to green development. Socially, the delivery of high-quality products and services protects customer rights and builds trust in the company. Internally, cross-functional collaboration in serving customers strengthens employee capabilities and reinforces team cohesion, contributing to a harmonious and stable workplace and broader social relations.

To foster long-term, stable, and mutually beneficial customer relationships, and to enhance satisfaction and loyalty as well, CNGR has developed a clear customer management roadmap:

Short-term: improve customer experience and satisfaction through rapid response and integration. This includes consolidating customer data, enhancing data accessibility across departments, and establishing a rapid-response mechanism focused on key projects to improve both efficiency and service quality.

Mid-term: build a structured customer management system to deepen loyalty. This involves segmenting customer groups for tailored services and leveraging data analytics to track customer behavior and identify churn risks.

Long-term: establish a comprehensive customer ecosystem that maximizes lifecycle value. CNGR aims to manage customer relationships across their entire lifecycle, develop a collaborative partner network, and deliver value-added services that enhance upstream and downstream synergies.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Risk and Opportunity Management

The company meticulously oversees every facet, from nurturing customer relationships and addressing complaints to ensuring product delivery and optimizing services. It has instituted the "Customer Service Control Procedure" to delineate service workflow requirements, enhance service management, deliver superior customer experiences, and foster improvements in both products and processes. The "Customer Complaint Management System" guarantees prompt and efficient handling of customer grievances within designated timeframes, complemented by thorough internal root cause analysis and appropriate corrective measures. The "Product Recall Management System" ensures comprehensive and timely recalls of non-compliant products post-delivery, thereby minimizing customer impact and mitigating adverse effects. Furthermore, the "Non-Conforming Product Control Procedure" establishes stringent controls and criteria for managing non-conformities within the system, ensuring the identification and containment of non-compliant products to prevent their unintended use or distribution.

The company offers a full spectrum of pre-sales, in-sales, and after-sales support and services. This encompasses demand consultation responses, solution provision or sample development, product forecasting and delivery balancing, process follow-up, ongoing adjustment of costs and risks, as well as usage feedback and communication. The company effectively translates diverse technical, quality, commercial, and other requirements stemming from customers' use of our products or services into actionable measures. These measures are meticulously implemented across the product delivery and service processes, ensuring timely and high-quality resolution of customer issues.

Customer complaints are primarily channeled through the quality and business teams, who then collate and disseminate the information to the pertinent internal departments. For each complaint, detailed internal analysis and discussions are undertaken to expedite issue resolution for customers. To elevate customer satisfaction, the company enhances collaborative efficiency with sales, PMC/R&D, and other cross-functional teams, ensuring seamless internal operations and heightened service efficiency. Additionally, efforts are intensified in horizontal deployment to avert the recurrence of identical issues across any of the company's facilities.

At the same time, the company is dedicated to safeguarding customer privacy by implementing a comprehensive privacy protection strategy that encompasses the entire lifecycle of information collection, storage, and usage. During the information collection phase, it adheres to the principle of minimum necessity, ensuring clear communication to customers and obtaining their consent. In the storage phase, advanced encryption technologies are employed to guarantee data security. Data usage is strictly aligned with predefined purposes and authorized scopes, thereby eliminating any potential violations and reinforcing the robustness of privacy protection measures.

During this reporting period

CNGR's customer satisfaction

96.24

Metrics & Targets

CNGR remains committed to continuously enhancing customer satisfaction as a core objective. The company strives to optimize on-time product delivery and return processes, ensure efficient resolution of customer complaints, and firmly prevent incidents that could compromise customer privacy. During the reporting period, CNGR recorded zero complaints, including those related to customer privacy infringement. The customer satisfaction score reached 96.24. Feedback received primarily focused on on-time delivery rates and return process optimization. In response, CNGR implemented improvements by revising production and return management policies, streamlining operational workflows, and establishing a more efficient inventory mechanism to better meet customer needs.

Customer Management Data of CNGR

Indicator	Unit	2022	2023	2024
Customer Complaint Rate	%	0.18	0.17	0.12
Total Number of Product Quality Complaints	case(s)	85	68	41
Handing of Products and Services Complaints - Closed	case(s)	85	68	41
Handing of Products and Services Complaints - Unclosed	case(s)	0	0	0
Withdrawal Rate of Customer Complaints	%	100	100	100
Average Duration of Complaint Withdrawal	hour(s)	-	48	151
Customer Satisfaction Score	point(s)	91.47	94.71	96.24
Active Recall Volume	ton	216.30	169.25	124.72

Community and Partnerships

Sustainable Supply Chain Action

CNGR is committed to promoting sustainability across its supply chain. By working closely with partners in the industrial chain, the company takes the lead in implementing responsible sourcing practices and advancing continuous decarbonization efforts.

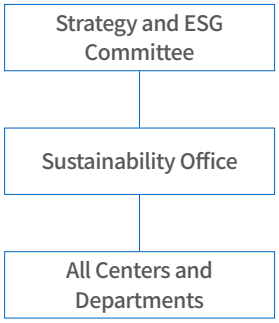
Due Diligence and Responsible Sourcing

GRI 308，GRI 414

Governance

In response to strategic development needs and to enhance our performance in environmental, social, and governance (ESG) areas, CNGR has established the Board Strategy and ESG Committee. Under the Committee's leadership, the Sustainability Office is responsible for identifying and assessing potential ESG risks within the supply chain and formulating corresponding mitigation measures, thereby ensuring the effective implementation of the company's responsible mineral supply chain management system. In addition, departments across the Operations Headquarters, Quality Management Center, Human Resources Center, EHS Center, Production and Operation Center, as well as relevant units at each industrial base, are actively involved in advancing responsible sourcing practices.

Responsible Sourcing Governance Structure of CNGR



Strategy

CNGR has established a short-, medium-, and long-term strategy for due diligence and responsible sourcing:
Short-term Strategic Plan: CNGR aims to improve its mineral supply chain due diligence and responsible sourcing systems, fully integrating sustainability requirements into the corporate procurement process. The company will conduct comprehensive risk assessments and implement effective controls across key mineral supply chains to reduce the likelihood of risk incidents. CNGR will complete the construction of a traceability system, enabling full-process traceability of all major minerals from extraction to end use. Meanwhile, CNGR will drive significant improvements in environmental, social, and governance (ESG) performance among key suppliers.
Medium- and Long-term Strategic Plan: Position the company as an industry benchmark for due diligence and responsible sourcing, leading sustainable practices across the sector. Promote a green, fair, and sustainability model throughout the mineral supply chain, creating positive demonstration and ripple effects across upstream and downstream partners. Achieve the integrated development of economic, social, and environmental benefits through continuous innovation and optimization.
Medium- and Long-Term Strategic Plan: To become an industry benchmark in due diligence and responsible sourcing, leading the sustainability of the sector; to promote a green, fair, and sustainability across the entire mineral supply chain, generating positive demonstration and driving effects for both upstream and downstream enterprises.

Risk Management and Metrics & Targets

CNGR practices due diligence and responsible sourcing by referencing the six-step framework outlined in the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains.
Step 1: Establish a due diligence management system for the mineral supply chain
CNGR has updated its Due Diligence Policy for a Responsible Global Supply Chain of Mineral and Suppliers' Code of Conduct in accordance with the EU Battery Regulation (Regulation (EU) 2023/1542) and the CSDDD. The company has developed relevant institutional documents for mineral supply chain due diligence management, adhering to the following standards, and reviews and updates these documents annually to ensure alignment with the latest international laws and regulations, industry standards, and customer requirements[1]:
We have developed a training plan to provide ESG and sustainable procurement training for procurement personnel and internal employees, ensuring they understand the potential environmental and social risks in the supply chain and their responsibilities in the company's sustainable procurement process. This enhances their awareness of due diligence management. Additionally, the Sustainability Office compiles educational materials and collects global updates on due diligence practices each quarter. These updates are regularly shared with members of the due diligence governance structure to enhance awareness and understanding of responsible sourcing practices. The company has established traceability-related systems and platforms to obtain environmental and social risk information associated with raw materials, ensuring full-process traceability from the entry of raw materials to the delivery of products. In addition, the company has implemented a monthly inventory check system. During the reporting period, the material yield rate met the target.
Each year, in the first quarter, the company conducts a management review of its mineral supply chain due diligence management, and produces a management review report. The Strategy and ESG Committee assesses the rationality and effectiveness of the company's due diligence management system and its performance, providing recommendations for improvement. The Sustainability Office is responsible

[1] Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (2nd Edition), OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (3rd Edition), UN Guiding Principles on Business and Human Rights, Voluntary Principles on Security and Human Rights, Practical Actions for Companies to Identify and Address the Worst Forms of Child Labor in Mineral Supply Chains, and Full Metal Due Diligence Standard.

for tracking the progress of these improvements. The report is submitted to the Chairman and all committee members.

In order to promptly identify and address potential risks and issues related to corporate social responsibility, continuously enhance the company's management capabilities and information transparency, establish harmonious and mutually beneficial stakeholder relationships, and protect the legitimate rights and interests of stakeholders, we have established the Social Responsibility Grievance Management and provided a grievance channel (cngrCSR@cngrgf.com.cn). During this reporting period, the company has not received any complaints related to mineral supply chain due diligence management, and no complaint cases have been handled.

Step 2: Risk Identification and Assessment

CNGR implements due diligence for all raw-material suppliers (nickel, cobalt, manganese) of its core products in accordance with the Due Diligence Policy for a Responsible Global Supply Chain of Mineral and the Suppliers' Code of Conduct. Supplier information is collected periodically via reliable third-party data, Know Your Supplier (KYS) questionnaires, mineral-origin investigations, on-site assessments, the grievance channel, and customer feedback. Based on prior-year risk assessment outcomes, information is gathered at least once annually from suppliers in both low-risk and high-risk regions. During the reporting period, the information-collection rate was 100% for cobalt and nickel suppliers, and 90% for manganese suppliers.

The assessment of Conflict-Affected and High-Risk Areas (CAHRAs) for mineral sources is conducted from three perspectives: armed conflict, human rights, and government governance. The results of the assessment are as follows: the cobalt mine source in the Democratic Republic of Congo (DRC) is classified as a high-risk area, while the nickel mine source is not located in any conflict-affected or high-risk areas (CAHRAs).

Although the nickel mine source was not identified as a Conflict-Affected and High-Risk Area (CAHRA), to further understand the nickel supply chain, CNGR conducted on-site assessments of upstream mines. In 2024, CNGR commissioned the third-party organization RCS Global to conduct an IRMA Critical audit on four nickel mines located in Indonesia, to assess the ESG issues at these mines. The assessment results are as follows: Three mines were found not to have any Critical risks, with social and environmental dimension scores generally higher than governance dimension scores, indicating that substantial risks are low, but improvements are needed in system development; One mine had a Critical risk in health and safety, mainly related to inadequate fire safety measures and insufficient emergency rescue materials.

Step 3: Risk Mitigation.

Overall risk mitigation measures: Continue trading while mitigating risks. A risk mitigation action plan is established to manage and track suppliers' human rights, child labor, and other due diligence risks. Regular communication with suppliers is maintained to track the progress of risk mitigation, and if any risk begins to develop in an unacceptable direction, trading will be suspended or terminated, and the company management will be informed. Based on current on-site assessment results, we have developed corrective action plans with the audited suppliers and are following up regularly. In 2024, for key suppliers in the supply chain that had not yet passed third-party audits, CNGR adopted a comprehensive approach combining both online and offline support to assist in building their mineral supply chain due diligence systems. We organized training sessions on the identification and assessment of environmental and human rights risks, and shared industry best practice cases as references for suppliers. In addition, we provided targeted guidance to support suppliers in completing corrective actions required by third-party audits, helping them reduce risks related to human rights violations and child labor in mining activities.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Mineral Supply Chain Risk Analysis

Type of Risk	Mineral Supply Chain risk	Risk Description	Potential Financial Impact	Countermeasures
Transition Risk	Policies and Regulations	■ As ESG compliance requirements for mineral supply chains continue to tighten globally. For example, the EU Battery Regulation mandates the disclosure of social and environmental risks within the supply chain, thereby companies are now subject to stricter due diligence obligations. Failure to comply may result in trade restrictions or financial penalties.	■ Increased compliance costs, such as those related to supply chain audits; ■ Increased operational costs due to facility upgrades and retrofitting; ■ Increased procurement costs arising from supply disruptions or penalties caused by non-compliant suppliers.	■ Establish an ESG evaluation system for suppliers, prioritizing partnerships with those holding international certifications such as ISO 14001 and RMI, and conduct regular audits; ■ Anticipate the impact of various policy pathways on the supply chain and develop contingency plans accordingly.
	Market	■ Downstream customers prioritize the procurement of minerals that meet ESG standards, and those that fail to comply may lose market share.	■ Being excluded from supply chains due to low ESG ratings may lead to a decline in market share and reduced revenue; ■ Supplier replacement may result in short-term increases in procurement costs.	■ Establish a multi-source supplier network to diversify geographic and compliance risks; ■ Sign long-term procurement agreements with ESG-compliant suppliers to stabilize costs.
	Reputation	■ Exposure of issues such as child labor and environmental degradation in the supply chain may damage brand value; ■ Increasing public sensitivity to "conflict minerals" may lead to negative public opinion and impact sales.	■ Loss of customers may result in declining revenue; ■ Increased costs associated with crisis management and public relations.	■ Establish a mineral transparency and traceability system to achieve full mineral traceability, and publicly release responsible mineral sourcing due diligence reports; ■ Join industry initiatives to jointly develop sector standards and enhance credibility.

Step 4: Conduct Internal and External Assessments

CNGR engaged independent third-party organizations to conduct mineral supply chain due diligence audits. In 2024, the Tongren Industrial Base, Ningxiang Industrial Base, and Qinzhou Industrial Base participated in either initial assessments or reassessments under the Responsible Minerals Initiative's Responsible Minerals Assurance Process (RMI RMAP), covering both nickel and cobalt. The Zhongtsing Project at the Morowali Industrial Base and the Debonair Project at the WedaBay Industrial Base successfully passed the Environmental, Social, and Governance (ESG) audits under the Responsible Minerals Initiative (RMI), becoming the first two companies in Indonesia to complete both RMAP and ESG audits. This achievement not only represents a high-level recognition of CNGR's efforts in supply chain due diligence management, but also sets a new benchmark for the regulated development of the new energy industry. The RMI RMAP is a responsible mineral supply chain certification program that audits and certifies smelters and refiners to ensure their mineral sourcing meets ethical and sustainable standards, particularly avoiding conflict minerals. ESG audits provide a comprehensive evaluation of a company's performance in environmental protection, occupational health and safety, social responsibility, and corporate governance. The successful completion of these audits by the Zhongtsing and Debonair Projects demonstrates CNGR's commitment to aligning its responsible mineral supply chain management and ESG performance with internationally recognized high standards, and highlights the significant progress achieved in this area.

The company requires key smelters within the supply chain to undergo independent third-party audits. As of now, 90% of domestic and international cobalt suppliers have passed third-party audits under the Responsible Minerals Initiative (RMI); for nickel suppliers, 50% have passed RMI third-party audits, representing a significant increase compared to the previous year. The company encourages more suppliers utilizing recycled materials to undergo independent third-party audits.

Mineral Supply Chain Due Diligence Management of CNGR

Industrial Base	Audit Scope	Raw Material Type	Audit Type	Audit Status		
				2022	2023	2024
Tongren Industrial Base	Refinery	Cobalt	RMI RMAP	Completed	Completed	Completed
		Nickel	RMI RMAP	-	-	In Process
		-	RMI ESG	-	-	In Process
Ningxiang Industrial Base	Refinery	Cobalt	RMI RMAP	Completed	Completed	Completed
		Nickel	RMI RMAP	-	-	In Process
		-	RMI ESG	-	-	Planning
Qinzhou Industrial Base	Refinery	Cobalt	RMI RMAP	-	-	Completed
		Nickel	RMI RMAP	-	-	Completed
		Nickel	CCCMC DD	-	Completed	-
		-	RMI ESG	-	-	Planning
PT CNGR Dingxing New Energy	Smelter	Nickel	CCCMC DD	-	Completed	Completed
PT Zhongtsing New Energy	Smelter	Nickel	RMI RMAP	-	In Process	Completed
		-	RMI ESG	-	In Process	Completed
PT Debonair Nickel Industry PT Jade Bay Metal Industry	Smelter	Nickel	RMI RMAP	-	In Process	Completed
		-	RMI ESG	-	In Process	Completed
PT Nadesico Nickel Industry	Smelter	Nickel	RMI RMAP	-	-	In Process
		-	RMI ESG	-	-	In Process
Moroccan Project	Material	Nickel	RMI RMAP Internal	-	-	Completed
		Cobalt	RMI RMAP Internal	-	-	Completed
		-	RMI ESG Internal	-	-	Completed

The company formulates an annual supplier system audit plan each year. In accordance with the Supplier Management System Audit Checklist, CNGR conducts on-site or desk audit of quality systems and ESG performance for qualified suppliers of key raw materials and auxiliary materials, as well as newly developed suppliers. The audit covers five key areas: quality management systems, EHS, social (labor and business ethics), carbon emissions, and mineral supply chain due diligence, with ESG-related items accounting for more than 20% of the total audit criteria. Based on the audit results, suppliers scoring above 80 are considered qualified. Those scoring between 70 and 80 are required to implement corrective actions within a specified timeframe. These suppliers must formulate a corrective action plan and complete the necessary improvements within three months. A follow-up audit is conducted thereafter to determine whether they can be included in the company's approved supplier list. Suppliers scoring below 70 are directly eliminated. During the reporting period, the audit plan was fully implemented with a 100% completion rate. No suppliers with major quality issues or significant negative social or environmental impacts were identified.

Supplier Audit Data of CNGR

Indicator	Unit	2022	2023	2024
Number of Tier 1 Suppliers	unit(s)	-	-	55
Number of Evaluations for Suppliers (Domestic Only)	unit(s)	37	84	49
New Suppliers Screened by ESG Criteria (Social or Environmental Criteria)	unit(s)	9	12	9
Number of Suppliers that Passed ESG Audit Within the Year (Domestic Only)	unit(s)	9	61	49
Number of Suppliers With Actual and Potential High ESG Risks (Significant Negative Social or Environmental Impacts)	unit(s)	0	0	0
Number of Suppliers Audited/Certified by Responsible Minerals Initiative (RMI)	unit(s)	16	22	33
Number of On-Site Guidance and Training on Supplier Conflict Mineral Management	unit(s)	-	3	4

Step 5: Public Reporting

The company prepares an annual due diligence report, covering the implementation progress of the mineral supply chain due diligence management system. The report is published in both Chinese and English and made publicly available on the company's official website.

Step 6: Remediation

Remediation is not a part of the due diligence process itself but is a separate and critical process that must be enabled and supported within the context of due diligence. When the company identifies that it has caused or contributed to actual adverse impacts, it will provide the necessary conditions or cooperate in carrying out remediation to mitigate such impacts. During the reporting period, no risks requiring remediation actions were identified.

Equal Treatment for Small and Medium-Sized Enterprises (SMEs)

During the reporting period

CNGR conducted a self-inspection and found no instances of overdue payments. For detailed data, please refer to the 2024 CNGR Advanced Material Co., Ltd. Annual Report.

Small and medium-sized enterprises (SMEs) are pivotal in the global economy, acting as crucial catalysts for employment, innovation, and economic expansion. Large enterprises frequently dominate supply chains and may impose inequitable trading conditions on SMEs, such as prolonged payment terms or delayed payments, which can severely impact SMEs' liquidity and sustainability. CNGR is dedicated to constructing a fair and transparent supply chain system, committing to enforce reasonable payment terms for SME suppliers and guarantee timely payments. By conducting regular reviews of payment processes, we mitigate the risk of overdue payments to protect SMEs' cash flow. The company adopts flexible and varied payment methods, including acceptance bills, advance payments, and wire transfers, to offer SME suppliers more adaptable financial solutions and stable cash flow projections. Furthermore, CNGR has instituted a comprehensive supplier information management system to enhance daily communication and information sharing with SME suppliers, promptly resolving any issues that arise during collaboration. We will continue to optimize payment processes and refine supply chain management to bolster SMEs' growth, collectively fostering a more equitable and inclusive business ecosystem.


NNI
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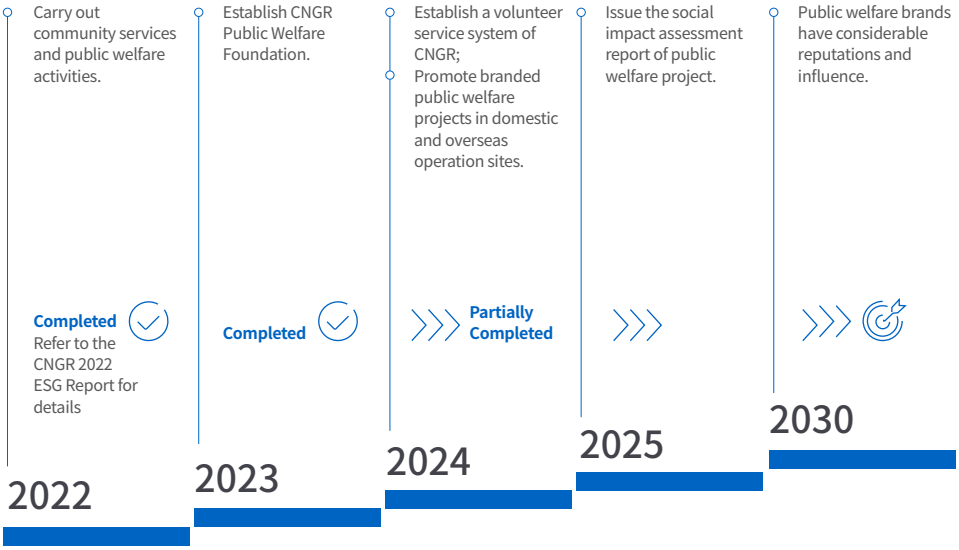
Community Well-Being Action

CNGR cares about the rights and well-being of local communities and residents, supports the national rural revitalization strategy, actively fulfills its corporate social responsibilities, and leverages its influence to give back to society and contribute to deeper social well-being.



Community Engagement

GRI 203，GRI 204，GRI 410，GRI 411，GRI 413

Governance

Under the unified leadership and supervision of the Board Strategy and ESG Committee, CNGR has established and continuously improved its community engagement governance mechanism. The Strategy and ESG Committee authorizes the Sustainability Office to formulate overarching policies for community engagement, clearly defining the principles and implementation methods. The Sustainability Office is responsible for coordinating and promoting specific implementation plans, while the General Office of each industrial base is in charge of execution to ensure effective delivery of community engagement work. Through this governance mechanism, CNGR establishes effective communication channels during operations, actively engages and interacts with local communities, listens extensively to community concerns, and incorporates them into the company's strategies.

Strategy

In the mining and smelting industry, it is essential to establish stable relationships with local communities and stakeholders. As a responsible new energy enterprise, CNGR always places mutual prosperity between the company and the community at the core of its operations. To this end, CNGR has developed short-, medium-, and long-term community engagement strategies. In the short term, the company focuses on implementing the requirements of the CNGR Community Relations Policy, establishing a transparent and effective mechanism for local community engagement, while optimizing grievance and appeals mechanisms to respond quickly to community concerns. In the medium term, the company will

regularly conduct social impact assessments at its domestic and international industrial bases to track potential negative impacts on local communities, and based on the results, develop timely mitigation and compensation measures to maintain a positive reputation. In the long term, CNGR aims to deepen collaboration with local communities and governments through investments in local education, healthcare, and infrastructure, as well as increased local procurement, to build a community of shared interests and ultimately promote mutual prosperity.

Risk Management and Metrics & Targets

In reference to the principles of Free, Prior, and Informed Consent (FPIC), the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and the AA1000 Stakeholder Engagement Standard, CNGR has developed governance policies such as the Community Relations Policy of CNGR and the Stakeholder Engagement Policy of CNGR, which apply to all industrial bases across the company's global value chain. These policies aim to promote effective communication and cooperation between the company and local communities, ensuring that community needs are fully considered and respected during operations, and fostering strong relationships with communities and stakeholders.

To better understand the potential environmental and social impacts of its operations on local communities, CNGR conducts social impact assessments prior to launching projects at each industrial base. Moving forward, CNGR will continue strengthening its social impact evaluation efforts. Assessment content includes surveys on local residents' livelihoods and socio-economic structures, and analysis of how business activities may affect the surrounding environment, cultural heritage, and human health. Assessments at domestic industrial bases show that site selection and construction plans are reasonable, with low likelihood of negative impacts on areas of high ecological or cultural value. During these assessments, CNGR follows the FPIC principle, informing local communities and stakeholders about the scope and scale of the planned activities. Feedback is collected through questionnaires targeting nearby residents, subdistrict offices, and resident committees. Final results indicated no objections from domestic local communities or groups regarding CNGR's proposed activities.

To ensure that local communities and stakeholders can communicate effectively and promptly with the company, CNGR places great emphasis on building and optimizing communication channels. The General Offices of each industrial base and the Sustainability Office coordinate communications with local communities and stakeholders. To eliminate communication barriers, the company utilizes both traditional face-to-face interactions and modern technologies, including the WeChat App and a public CSR email (cngrCSR@cngrgf.com.cn), offering diverse, open, and transparent communication avenues. CNGR has also established a comprehensive grievance tracking and recording system to ensure every grievance is responded to and addressed in a timely and proper manner. All grievances are accurately recorded and regularly analyzed to identify potential systemic issues and implement effective corrective measures.

To enable smooth and barrier-free communication with local communities and stakeholders, CNGR provides capacity-building support, especially for community members around overseas industrial bases. The company works to eliminate language and cultural barriers by offering translation services and organizing communication skills training based on community needs. Additionally, CNGR produces easy-to-understand materials explaining company operations and decision-making processes, and holds meetings and lectures to help community members understand and utilize communication tools. These initiatives enhance community understanding of CNGR policies and activities, while increasing their awareness and capacity for engagement.

CNGR's 3rd "New Energy Discovery Journey"

On August 15, 2024, CNGR's 3rd "New Energy Discovery Journey" summer public welfare study tour concluded successfully at the CNGR Tongren Industrial Base after a month of activities. The event was held across three locations, Qinzhou in Guangxi, Ningxiang in Hunan, and Tongren in Guizhou, and attracted nearly 300 parents and children from local communities and families of CNGR employees. Participants visited the CNGR Science and Technology Museum and laboratories to learn about CNGR's green development philosophy. A variety of educational "mini-games" were also organized, combining learning with fun to explore the mysteries of new energy and experience the charm of green technology together.

As the company continues to expand and deepen its operations at various locations, new community concerns and potential conflicts of interest may arise. To identify and respond to these issues in a timely manner, CNGR maintains close contact with local communities and regularly conducts on-site visits and community forums. Through face-to-face communication with local residents and other local stakeholders, the company can more swiftly detect emerging social issues such as land use disputes, environmental concerns, or demands for community services. In addition, to better understand the evolving perspectives and needs of local communities and stakeholders regarding the company's community engagement strategies, CNGR has established a regular review mechanism. Each year, the company conducts in-depth analysis of stakeholder participation and feedback through surveys, focus group discussions, and other methods. These evaluations help the company understand the challenges stakeholders face in participating, allowing for continuous improvement of the stakeholder engagement plan. The results also provide valuable insights for future adjustments to the company's community relations strategies, ensuring alignment with local stakeholders and enabling collective responses to new challenges.

In September 2024, the Qinzhou Industrial Base team visited Baimei Village to assess local rural development efforts and co-hosted a forum on the "Town-Village Support Program" with the Standing Committee of the People's Congress of Qinzhou. During the session, the team actively listened to updates on grassroots Party building, ethnic unity, poverty alleviation achievements, and rural revitalization initiatives. They also discussed challenges facing the local community and explored opportunities for jointly advancing Baimei Village's development and Party-building alliance efforts. After the meeting, the company's Party Pioneer Team visited the Baimei Village public service center and Baimei Primary School to further engage with local residents on community service needs and social difficulties.

CNGR is committed to avoiding business activities in areas of high cultural protection value, especially World Heritage sites and regions with cultural or historical significance. The company is committed to safeguarding the interests of local communities and vulnerable groups, actively responding to their concerns, and building long-term, trust-based, and mutually beneficial relationships. All community relations are managed in strict accordance with the company's relevant policies. Through transparent and continuous dialogue and interaction with local communities, CNGR ensures that community concerns are identified and addressed at all operation sites, promoting mutual development and harmonious coexistence between the company and the community.

During the reporting period, the company received zero complaints or grievances from local communities at its domestic operation sites. This result reflects CNGR's commitment to corporate social responsibility and the protection of local communities and stakeholders while driving business growth. Looking ahead, CNGR will continue to improve and refine its community relations management, contributing to the shared prosperity of the enterprise and society.

Rural Revitalization and Social Contribution

Governance

CNGR fulfills its social responsibilities through concrete actions and a strong commitment to philanthropy. Adhering to the corporate cultural philosophy of "taking social responsibility as our mission, putting customers at the center, and valuing creators", the company established the CNGR Public Welfare Foundation in Hunan Province. The foundation's scope of work includes poverty alleviation, assistance to the needy and disabled, care for orphans, and rural revitalization initiatives. The foundation is governed by a Board of Directors, which serves as the decision-making body responsible for major business plans, including fundraising, financial management, and resource allocation. At the same time, CNGR has established a comprehensive philanthropic management system and built a professional team to oversee all processes, from project planning to evaluation, ensuring the efficient implementation of the founda-

tion's programs. These cover areas such as educational support, environmental protection, and rural development. By benchmarking against best practices, CNGR continuously improves its public welfare management framework, strengthens cooperation with government and social organizations, broadens the reach of its charitable activities, and aims to make a substantive contribution to society, ultimately striving to become a leader in corporate social responsibility.

Strategy

Taking into account industry characteristics, CSR goals, and social needs, CNGR has developed short-, medium-, and long-term plans, supported by robust organizational structures and mechanisms to ensure effective execution:
Short-term plans: Focus on specific projects to quickly establish a philanthropic image. For example, by collaborating with universities to set up talent development programs, CNGR helps foster the next generation of professionals in the new energy sector and lays the groundwork for long-term CSR efforts.
Mid- and long-term plans: Expand the scale of projects to form replicable philanthropic models, enhance the influence and credibility of the foundation, and publicly disclose achievements and future plans. CNGR integrates philanthropy into its corporate strategy by regularly organizing large-scale public welfare events, aligning with the United Nations Sustainable Development Goals (SDGs), and promoting CSR practices globally, with the goal of becoming a benchmark in the new energy industry for social responsibility.

Opportunity Management and Metrics & Targets

The CNGR Public Welfare Foundation has developed a series of internal management policies, including the Foundation Management Regulations, Donation Process Management Measures, Financial Management Policy, and Information Disclosure Policy, to ensure standardized internal controls. CNGR integrates its philanthropic efforts into strategic planning, aligning them with the company's long-term development goals and defining three core focus areas: Educational Support: Annual scholarship programs provide quality educational resources for students in western China. Environmental Protection: Organize yearly environmental campaigns to reduce waste emissions and promote green production. Community Development: Regular community care initiatives strengthen social cohesion and harmony.

In 2024, CNGR actively participated in various initiatives organized by the United Nations Global Compact, conducting research into leading companies' CSR practices. The company visited Tencent Holdings and Fosun Group to gain in-depth insights into their successful experiences in rural revitalization and community contributions, with the aim of continuously enhancing its own CSR work. CNGR also carried out on-site visits to notable philanthropic organizations such as the Sany Foundation, Qingshan Charity Foundation, and the Ai'yan (Eye Care) Foundation in Beijing. These visits provided systematic learning opportunities on mature foundation operations and professional organizational structures. By drawing from the success of these established public welfare institutions, CNGR is committed to improving the management and social impact of its own philanthropic programs and contributing more meaningfully to sustainability and public well-being.

During this reporting period

CNGR's total investment in public benefit and charity

1.76 million CNY

Total number of volunteers

424

Total duration of voluntary activities

1,242 hours

Public Welfare and Philanthropy Practices at the Tongren Industrial Base

As the listed entity of CNGR, the Tongren Industrial Base focuses on key areas of social responsibility, including support for disaster-stricken communities, educational donations, and rural revitalization. Through years of continuous efforts, the base has injected significant vitality into the local community and economic development.
Flood Relief Efforts: In July 2024, the base visited 20 disaster-affected households in Fuxijiang Village, Dalong Development Zone, delivering daily supplies such as rice and cooking oil. Elderly Care Support: On October 10th, 2024, the base participated in a Chongyang Festival event at a local nursing home, donating quilts and bedding sets to bring warmth to the elderly. Educational Support: Ahead of Teacher's Day, the base donated 500,000 CNY to the Guizhou Education Development Foundation to reward outstanding teachers and students and promote local educational development. County Anniversary Celebration: In November 2024, the base contributed 100,000 CNY to support the 40th anniversary celebration of Yuping Dong Autonomous County, assisting in local economic development and ethnic unity. Rural Revitalization: In December 2024, the base planned to donate 30,000 CNY to Dushan County, Quinan, to support village infrastructure construction and industrial development. Long-Term Water Subsidy: Since 2015, the base has provided annual water subsidies to 180 nearby households, benefiting more than 900 residents.

Public Welfare and Philanthropy Practices at the Ningxiang Industrial Base

As a key component of CNGR, the Ningxiang Industrial Base continues to focus on education support and rural revitalization. Educational Support: On October 29, 2024, the base visited Daolin Central School in Ningxiang City to carry out the "Light Up the Reading Room" initiative, donating OLED desk lamps and science books to over 50 primary and middle school students. Rural Revitalization: On December 27, 2024, the base's labor union and general management office carried out a rural revitalization support activity in Dachengqiao Town, donating 20,000 CNY to improve people's livelihoods and rural development. The base also plans to continue supporting local development through job placement programs and targeted aid for disadvantaged groups.

Public Welfare and Philanthropy Practices at the Qinzhou Industrial Base

Spring Festival Care Activities: In January 2024, the base organized Spring Festival visits in Lingshan County and Baimai Village, Guitai Town, Qinnan District, distributing supplies to disadvantaged employees, their families, and low-income households, with a total expenditure of 18,000 CNY. Tree Planting Day: On March 12th, 2024, to promote the concept of green and low-carbon development, the base organized tree planting activities around the park to build a greener factory environment. Agricultural Assistance: On July 1st, 2024, the base held the "Delivering Warmth, Passing on Party Care" campaign, visiting disadvantaged groups and veteran Party members and hosting a "Support Agriculture with Love" event, to support rural revitalization. Rural Education Support: On September 9th, 2024, the base organized a Party Member Pioneer Team to visit Baimai Primary School, donate "Wish List" items, and extend greetings to village Party officials and teaching staff. "Light Up the Reading Room" Initiative: On December 18th, 2024, the base donated 200 OLED desk lamps and 200 science book sets to 200 students from formerly impoverished households in Fozitou Town, Lingshan County, bringing learning resources and hope, with a total expenditure of 340,000 CNY.

Practicality and Self-Discipline

CNGR is dedicated to fostering a robust industrial ecosystem and enhancing governance and system capabilities. The company is committed to honest, transparent, and efficient management, aiming to build a trusted corporate image. Adhering to national laws and international standards, CNGR optimizes its governance structure for stable and sustainable operations. It strengthens internal controls, refines decision-making, and improves risk management to ensure compliance. The company prioritizes transparency in information disclosure, providing stakeholders with accurate data. CNGR promotes digital transformation and data security to ensure safe business practices. It also fosters a culture of integrity, fairness, and accountability, supporting ethical standards and anti-corruption efforts. Looking ahead, CNGR will continue to uphold integrity and discipline, driving sustainable growth and contributing to a compliant and resilient industrial ecosystem.

This chapter responds to the following topics:

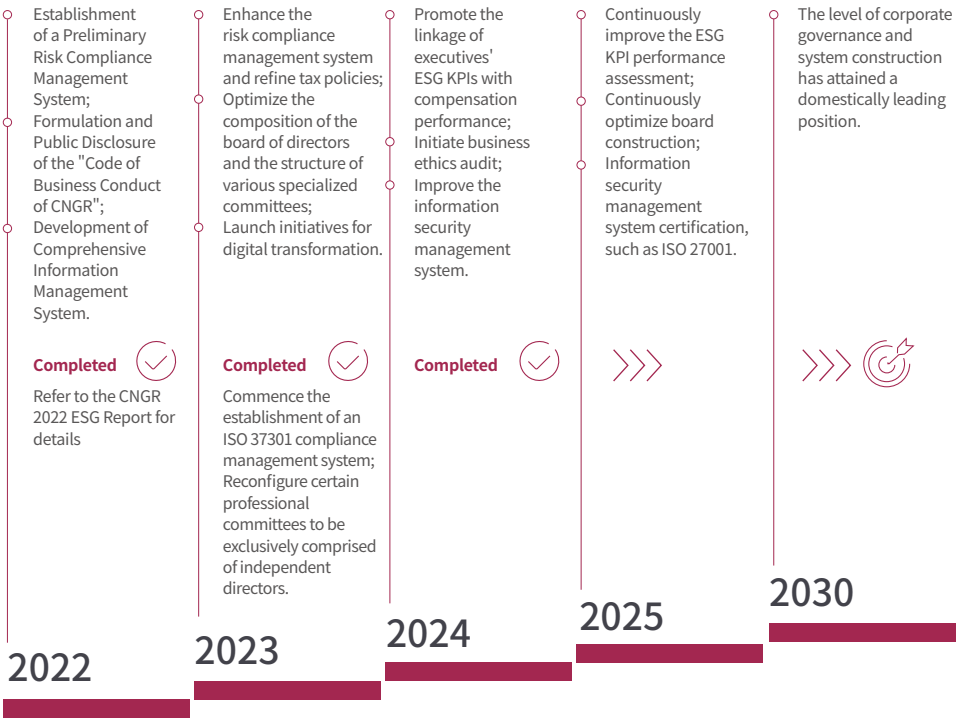
Risk and Compliance Management
Taxation Strategy
Digital Operation
Information Security Management

Corporate and Systemic Governance

CNGR has established a comprehensive industrial ecosystem and developed advanced digital platforms to enhance system development and corporate governance. By strengthening operational management throughout the entire process, the company achieves precise and scientific decision-making, seamless organizational coordination, and transparent and trustworthy management, thereby cultivating a reliable and reputable corporate image.

Governance and System Optimization Action

Optimize the corporate governance framework to ensure integrity, transparency, and efficiency, while enhancing corporate information security systems to comprehensively bolster enterprise and system stability, thereby fostering an upright and pragmatic corporate image. We have outlined the following action objectives:



Risk and Compliance Management

GRI 2，GRI 205，GRI 206

Risk Management

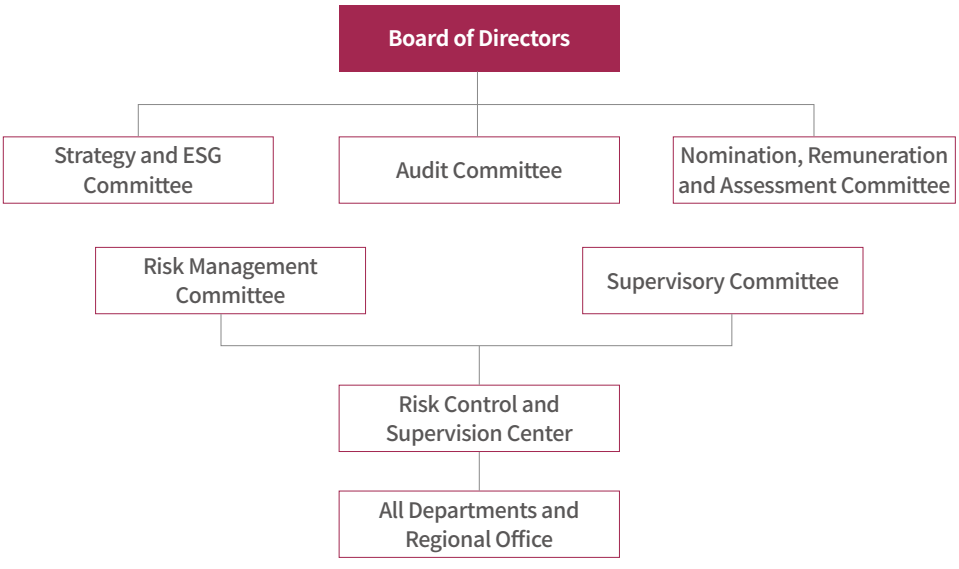
Governance

In 2024, CNGR underwent a comprehensive adjustment and upgrade of its risk management governance structure, fostering the construction of an integrated risk management framework from the top down. The scope of risk management has been significantly broadened, implementing essential risk management processes across all management tiers and operational workflows, aligned with overarching business development goals. Consequently, this has led to the establishment and enhancement of a comprehensive risk management system.

To build a comprehensive risk management system with CNGR's characteristics and ensure the effective integration of risk management with strategic planning and daily operations, making risks identifiable, visible, and controllable, the company has established a Risk Management Committee under the Audit Committee. Chaired by the Chairman of the Board, the committee comprises board members and vice presidents responsible for key functions and business units. The Risk Management Committee is tasked with endorsing the company's risk management principles and policies, thereby ensuring the efficacy and sustained enhancement of the Enterprise Risk Management (ERM) framework. Additionally, it sanctions the company's risk threshold list, comprehensive risk register, notable risk incidents, and corresponding mitigation strategies. The committee also supervises and assesses the ongoing performance of the risk management system, including the approval of the annual risk management report. The Risk Control and Supervision Center, as the core risk management unit, leads the coordination, supervision, and promotion of risk management activities across the company. It reports significant risks identified during operations to the Secretary-General and the Risk Management Committee in a timely manner. All departments and regional offices serve as the first line of responsibility for daily risk operations, implementing mitigation measures and undergoing regular evaluations and supervision. Each unit designates a risk liaison to ensure smooth coordination with the central risk management team.

To address business ethics risks, CNGR has also established a dedicated governance structure composed of the Audit Committee under the Board of Directors, as well as the Supervisory Committee, and the Risk Control and Supervision Center in corporation level. The Audit Committee serves as the highest supervisory body for overseeing and auditing business ethics practices.

Risk Management Governance Structure of CNGR



Strategy

CNGR adopts the core philosophy of "dynamic prevention, system empowerment, and digital enablement", advancing its risk management through a three-phase approach: targeted breakthroughs, institutional deepening, and ecosystem development. Anchored in business needs, the Company integrates risk management deeply into strategic decision-making and operational processes, aiming to build a forward-looking, systematic, and intelligent risk control ecosystem.

In the short term, CNGR prioritizes the establishment of a robust systematic risk governance framework. The company implements targeted risk control measures for critical business segments and high-risk regions, forming a cross-functional Risk Management Committee, refining risk identification and assessment mechanisms, and compiling a risk classification standards library to ensure both organizational and procedural safeguards. Additionally, CNGR integrates risk controls into business workflows, completes comprehensive risk mapping for core business areas, and develops an all-encompassing emergency response system. In the medium term, CNGR prioritizes the institutionalization of risk control mechanisms. By enhancing its governance framework, the company develops robust quantitative risk models, refines its risk appetite transmission processes, and constructs a comprehensive joint prevention and control platform for significant risks, thus establishing a closed-loop system encompassing early warning, assessment, and response. Additionally, CNGR reinforces multi-dimensional monitoring of critical operational risks and implements a routine stress testing mechanism to ensure dynamic management of risk exposure. In the long term, CNGR aspires to evolve into an integrated risk management ecosystem. The company is developing an intelligent risk control hub that consolidates financial, operational, and compliance data. By harnessing big data analytic to construct predictive models, CNGR transitions from reactive measures to proactive risk prevention. Through a digital risk control dashboard, the company facilitates real-time visualization and automated responses to key indicators, ultimately establishing a comprehensive, enterprise-wide risk management ecosystem that underpins strategic decision-making, operational execution, and organizational collaboration.

Risk and Opportunity Management

Comprehensive risk management employs systematic and scientific methodologies to enhance risk awareness, refine risk cognition, and understand and embrace risks, thereby maximizing benefits. It seamlessly integrates risk management with strategic and operational frameworks to provide robust decision-making support, allocate resources optimally, and achieve organizational objectives. CNGR prioritizes risk management by conducting thorough reviews of the company's risk inventory and embedding risk management practices into all business activities. This balanced approach ensures that risk control is aligned with operational efficiency, harmonizes management standardization with business differentiation, and emphasizes practicality to make risks actionable and executable. The company particularly focuses on high-risk business areas and critical risk domains, implementing specialized risk governance in investment, information security, and across various industrial bases in Indonesia.

Based on the advanced Enterprise Risk Management (ERM) theory, the company has developed the "Comprehensive Risk Management Procedures" and the "Red Line Accountability Management Institution". These frameworks incorporate global best practices in risk management, tailored to align with the company's specific management requirements. This integration establishes robust risk management processes and facilitates the execution of comprehensive risk management activities. The company's holistic risk management process encompasses five pivotal stages: risk identification, assessment, response, monitoring and improvement, and reporting. In the risk identification phase, the company systematically and continuously gathers initial risk-related information from both internal and external sources. This data collection spans various channels, including historical records and in-depth case studies of risk-related loss incidents involving the company as well as pertinent domestic and international enterprises. Collect risk information via diverse channels, perform risk identification, and subsequently undertake risk assessment tasks, generating a monthly risk list and an annual risk list. The company formulates corresponding response measures for various risks and executes them effectively by comprehensively balancing costs and benefits, considering its own circumstances, external environment, development strategy, risk management effectiveness standards, and risk assessment outcomes. The company promptly monitors the progress of its risk management initiatives and convenes semi-annual risk management review meetings. In response to phased achievements and shifts in both internal and external environments, it timely refines risk response measures and enhances the risk management system. The company oversees the compilation of semi-annual and annual risk management

reports, which encapsulate the status and outcomes of risk management efforts, analyze the company's risk landscape, and offer strategic recommendations for risk management. Specialized governance is implemented for significant and critical risk areas, encompassing systematic risk identification and assessment to devise risk management strategies and bolster risk management capabilities in specific domains.

The company has advanced the cultivation of a robust risk management culture, enhancing awareness of risk response measures. It conducts regular communication and training sessions for all members of the Risk Management Committee. Additionally, through diverse channels and formats, including training workshops, risk scenario analyses, risk control management platforms, and official public accounts, the company effectively disseminates risk management knowledge and principles to its entire workforce. This approach cultivates a strong sense of ownership for risk management within the business departments.

CNGR attaches paramount importance to the management of business ethics and compliance risks. The company rigorously adheres to pertinent laws and regulations, such as the Company Law of the People's Republic of China, the Anti-Monopoly Law, and the Interim Provisions on Prohibiting Commercial Bribery. In accordance with the Universal Declaration of Human Rights, OECD Guidelines, ILO standards, and the Ten Principles of the UN Global Compact, CNGR has formulated and publicly disclosed its Code of Business Conduct and Supplier Code of Conduct. To enhance compliance, CNGR has implemented an ISO 37301-based compliance management system and developed the Anti-Corruption and Anti-Bribery Compliance Guidelines. Since 2023, the company has been a member of the Sunshine Integrity Alliance and holds the position of vice-chair unit within the Corporate Anti-Fraud Alliance. The company combats corruption through robust risk management strategies, extensive employee training and awareness initiatives, and transparent reporting mechanisms. Internal issues are pinpointed via internal audits, whistleblower reports, and third-party evaluations. Audits focusing on business ethics and bribery risks are carried out at least once a year across all regions, while internal audits of business units are performed bi-monthly. Annual external audits, aligned with ISO 37301 standards, also emphasize business ethics as a core area. All verified instances of misconduct are internally disclosed and utilized as negative case studies to enhance awareness and foster a culture of integrity. Anti-corruption measures are seamlessly integrated into daily operations. CNGR further mandates that all suppliers adhere to the Supplier Code of Conduct and sign the Integrity and Anti-Corruption Commitment Letter. This necessitates the implementation of robust anti-corruption measures, strict compliance with relevant laws and regulations, formulation of internal policies, and active participation in anti-bribery training programs. Throughout the reporting period, CNGR successfully attained a 100% compliance rate, with all suppliers endorsing the Integrity and Anti-Corruption Commitment Letter.

CNGR has instituted the Whistleblower Reward Management Policy to protect corporate interests, enhance internal controls, and proactively prevent and eradicate fraudulent activities at their origin. This policy guarantees that the whistleblowing process is standardized, transparent, and adheres to relevant laws and regulations, thereby safeguarding the legitimate rights and interests of whistleblowers. The company actively encourages both employees and external stakeholders to report any misconduct or fraudulent activities that could potentially harm the company's interests, ensuring such reporting is conducted in a lawful and orderly fashion. This reporting mechanism acts as a crucial safeguard, fortifying CNGR's long-term, stable, and healthy growth. To enhance convenience for whistleblowers, CNGR has established various accessible reporting channels, such as WeChat mini program, telephone hotline, and in-person reporting options. Irrespective of the chosen method, the company warmly welcomes reports and oversight related to any internal violations, misconduct, fraud, or activities that could harm CNGR's reputation and interests. Upon receiving a report, the company promptly assembles an investigative team. All cases are managed with stringent confidentiality. The team evaluates the scope and severity of the issue and presents its findings to the Board of Directors. Upon completion, an investigation report is submitted for board approval. If the report is validated, the whistleblower will be rewarded in accordance with company policy, and individuals or departments identified as responsible will be held accountable. Cases involving legal infractions will be referred to judicial authorities as per legal requirements.

Reporting Channels of CNGR

Social Responsibility Public Email (for receiving social responsibility appeals): cngrCSR@cngrgf.com.cn
Email: jubao@cngrgf.com.cn
jubaogj@cngrgf.com.cn
Hotline: +86 193 7516 6553 (for China)
+62 812 9309 3607 (for Oversea)
Post (for China):
16/F, Block B, Yunda Central Plaza, Yuhua District, Changsha City, Hunan Province
Postcode 410600
CNGR Risk Control and Supervision Center
Post (for Oversea):
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:
WhatsApp QR Code:

During the reporting period, CNGR received one valid corruption tip through public whistleblowing channels and promptly initiated investigations. Concurrently, the company has actively engaged in diversified industry exchanges with the Anti-Fraud Alliance and the Integrity and Sunshine Alliance. Internally, the company has fostered the establishment of supervisory leadership structures at multiple levels, conducted tiered integrity awareness initiatives for employees and partners, and thoroughly investigated several fraud-related cases. Comprehensive integrity risk management has been effectively implemented across systems, awareness, and operational dimensions.

Tour of Integrity and Innovation Exemplary Enterprise" - CNGR Invited to Attend a Private Sharing Session by Anti-Fraud Alliance

In September 2024, CNGR was invited to participate in a Private Sharing Session by the Anti-Fraud Alliance , which centered on generating audit and supervision value, exploring case investigation methodologies, and sharing practical experiences through thematic discussions. This event, featuring professional anti-fraud insights, effectively utilized the alliance's role as a bridge and bond, fostering vibrant interaction and exchange among member enterprises. It infused corporate anti-fraud initiatives with robust vitality, propelling ongoing progress and development within the industry.

Sunshine Integrity Alliance "Entering CNGR" - Joint Exploration of Integrity and Risk Governance to Foster the Robust Growth of Enterprises

In November 2024, the "Entering CNGR" Integrity Risk Management Seminar, hosted by the Sunshine Integrity Alliance, was successfully held at CNGR's Ningxiang Industrial Base. Nearly a hundred corporate representatives from across the country gathered to engage in in-depth exchanges and discussions on the topic of integrity risk management. This seminar showcased CNGR's achievements in integrity risk governance, facilitated industry exchanges, and provided strong support for promoting the healthy development of enterprises.

Metrics & Targets

The primary objectives of CNGR's risk management efforts are to establish a comprehensive risk management framework, develop actionable control plans; identify and assess key risks, produce risk registers and control matrices; and deliver company-level risk management reports. In the realm of anti-corruption and anti-bribery initiatives, CNGR persistently fortifies its oversight capabilities by fostering the establishment and augmentation of supervisory leadership teams within its overseas operations. Additionally, the company implements a structured cautionary interview mechanism under the auspices of the supervision committee, while systematically delivering comprehensive integrity awareness and compliance training programs.

Anti-Corruption Risk Assessment:
During the reporting period, CNGR conducted corruption risk assessments at all operational locations, with a 100% coverage rate. No significant corruption risks were identified.

Anti-Corruption Training:
Anti-corruption training achieved full coverage during the reporting period: 100% of governance body members; 100% of employees (including part-time and outsourced personnel); 100% of business partners (including suppliers and contractors).

Anti-Corruption Incidents:
A total of four corruption-related cases were reported during the period: four employees were dismissed or disciplined due to corruption; two contracts with business partners were terminated due to corruption-related violations; two legal cases related to corruption were filed and have been concluded.

Compliance Management

Governance

CNGR has established a Compliance Committee, chaired by the Chairman of the Board, with heads of all departments, centers, and subsidiaries (collectively referred to as "units") serving as committee members. The committee is responsible for coordinating, guiding, supervising, evaluating compliance activities, convening regular meetings, and fulfilling other duties authorized by the Board of Directors. A Compliance Office operates under the committee and shares responsibilities with the Legal Affairs Department. The head of the Legal Affairs Department serves as the director of the office, with compliance officers from each unit forming the office team. These officers are responsible for compliance-related tasks within their respective areas, including improving the compliance management structure, formulating and revising relevant policies, designing and optimizing operating mechanisms, fostering a culture of compliance, and planning for compliance-related digital systems.

Strategy

CNGR has conducted comprehensive research and management across ten key compliance areas: environmental protection, anti-monopoly, anti-corruption and anti-bribery, intellectual property rights, export control, labor and employment, accounting and taxation, occupational health and safety, product liability, and information security and privacy protection. Through this, the company has thoroughly identified and assessed the economic, environmental, and human impacts associated with its operations. To guide long-term compliance development, CNGR has formulated a three-year compliance roadmap:

Optimization and Enhancement Phase (2023): CNGR focused on improving its compliance governance framework, establishing a core Compliance Obligations Register and Compliance Risk Inventory for key areas. The company developed foundational compliance management policies, sector-specific compliance guidelines, and dedicated compliance mechanisms. It also enhanced operational procedures, promoted compliance culture, and conducted compliance evaluations.

Deepening and Implementation Phase (2024): building on the achievements of the previous phase and the effectiveness assessments conducted during pilot implementation, CNGR is refining compliance systems and mechanisms in critical areas such as information security (particularly in precursor R&D and production), workplace safety, environmental protection, labor practices, occupational health, technology and quality, and taxation. The company is also expanding its operational compliance manuals for frontline staff and updating tools such as the Compliance Obligations Register, Risk Inventory, and Compliance Control Flowcharts in response to evolving external requirements. Subsidiaries are being guided and supervised to gradually implement their own compliance management systems.

Integration and Enhancement Phase (2025): CNGR will gradually advance the digitalization of its compliance management system. Based on the actual operation and continuous improvement of the compliance framework, the company will progressively embed compliance policies, procedures, guidelines, and control measures into its digital systems.

A comprehensive review and in-depth evaluation of the company's compliance management performance will be conducted, with a focus on identifying achievements, analyzing existing issues, and clarifying future directions. The findings will be summarized into a dedicated written report submitted to the Board of Directors. CNGR will also promote the coordinated operation of its legal, compliance, internal control, and risk management systems to further enhance integration and improve the overall effectiveness of compliance management.

Risk and Opportunity Management

In accordance with applicable national and regional laws and regulations, as well as the company's operational context, CNGR has developed a Compliance Obligation Register and a Compliance Risk Register. The company has established core compliance documents, including the Compliance Management Policy, Implementation Guidelines for Compliance Control Operations, and the Compliance Handbook. In addition, ten topic-specific Compliance Guidelines have been developed to define management systems, procedures, risk warning mechanisms, and resolution processes. Through the Integrity & Compliance Handbook and these guidelines, CNGR makes comprehensive compliance commitments to all stakeholders.

During the reporting period, CNGR Advanced Materials Co., Ltd., Hunan CNGR New Energy Technology Co., Ltd., and Guizhou CNGR Resource Recycling Industrial Development Co., Ltd. obtained certification for the ISO 37301:2021 and GB/T 35770-2022 compliance management systems, bringing the certification coverage rate across domestic industrial bases to 50%. Compared with 2023, the certification was expanded to include two additional entities, Hunan CNGR New Energy Technology Co., Ltd. and Guizhou CNGR Resource Recycling Industrial Development Co., Ltd., and extended to cover six new areas: information security and privacy protection, environmental protection, occupational health and safety, labor practices, product responsibility, and accounting and taxation. This marks a significant enhancement in the depth and scope of CNGR's compliance management since its initial ISO 37301 certification in 2023. The Qinzhou and Kaiyang bases are scheduled to complete certification by 2025, achieving full compliance system certification coverage.

Meanwhile, five major production entities under CNGR's Indonesia operations, PT Zhongtsing New Energy, PT CNGR Dingxing New Energy, PT Debonair Nickel Industry, PT Jade Bay Metal Industry, and PT Nadesico Nickel Industry, successfully obtained ISO 37301:2021 compliance management system certifications. CNGR became the first Chinese-funded enterprise in Indonesia to achieve full certification across all entities in a single application. This milestone marks a significant achievement in the company's overseas compliance efforts and reflects CNGR's unwavering commitment to robust corporate compliance management.

The company's compliance management system establishes three lines of defense:

Each center and department functions as the initial line of defense, adeptly assessing and identifying diverse risks within daily operations. They promptly devise risk response strategies and expeditiously execute emergency measures. Furthermore, their duties encompass reviewing work progress and reporting to higher authorities, orchestrating the execution of corrective actions, and bolstering overall risk awareness and response proficiency through thorough investigations and comprehensive training. This integrated approach effectively mitigates risks at their origin.

The Legal Management Department serves as the second line of defense by formulating compliance policies, orchestrating thorough risk identification and early warning initiatives, scrutinizing and assessing business processes, delivering targeted training programs, and fostering IT system advancements to bolster the establishment of a robust compliance management framework. This comprehensive approach ensures institutional support and timely risk alerts for the company's operational activities.

The Risk Control and Supervision Center functions as the third line of defense, overseeing operations and promptly initiating investigations upon detecting issues. It rigorously holds individuals accountable for violations, thereby establishing a robust deterrent effect, ensuring the company's activities consistently adhere to compliance standards.

Metrics & Targets

The objective of the company's compliance management work is to enhance its capability in operating according to law, compliance management level, and standardized management capacity. It aims to practice the philosophy of "taking social responsibility as its mission, being customer-centric, and valuing creators as the foundation", thereby achieving effective identification and management of compliance risks, preventing and controlling compliance risks for both the company and its employees, promoting the construction of a comprehensive risk management system, ensuring lawful and compliant operations, safeguarding the company's good reputation, and realizing its vision of "a global leading innovator for battery materials and solutions". Specifically, the goal is to achieve "Zero Violation Incidents". Each center and unit shall conduct quantitative assessment of indicators based on the "Compliance Management System Performance Monitoring and Evaluation Form of CNGR".

During the reporting period, CNGR conducted four compliance training sessions with full employee participation and assessment, achieving 100% training coverage. No violations, penalties, lawsuits related to unfair competition or monopoly, conflicts of interest, money laundering, or insider trading were reported. Additionally, the company has not made any donations to political parties, industry associations, or lobbying organizations in the past four years.

Taxation Strategy

GRI 207

Governance

CNGR has established a centralized Finance Center, within which the Tax Management Department is responsible for overseeing tax risk management and providing strategic support. Key responsibilities include ensuring tax compliance, managing overall tax-related risks, conducting tax policy research, and delivering relevant training. All tax-related activities are reported to the Chief Financial Officer. Each subsidiary has designated tax accounting personnel who are responsible for routine tax operations, such as tax registration, invoice management, tax filings, and maintaining tax records. These functions are managed and guided centrally by the Tax Management Department at headquarters to ensure consistency and compliance. The Accounting Department is tasked with developing standardized tax and fee accounting practices to ensure timely and accurate financial reporting. For overseas operations, local financial leaders are accountable for managing tax matters at their respective locations and are required to report regularly to the Tax Management Department. Major tax issues are coordinated and managed centrally by the department to maintain oversight and alignment with CNGR's tax governance framework.

Strategy

The company integrates tax management into business decision-making and daily operational management activities, committed to effectively, balancedly, and proactively managing tax matters to implement business strategies. The company ensures that all tax-related activities are driven by legitimate business purposes and conducted in accordance with sound commercial principles. Tax implications are proactively considered to support long-term, sustainable value creation. CNGR is committed to responsible tax practices and makes the following pledges: we do not shift value to low-tax jurisdictions for the purpose of tax avoidance; we apply the arm's length principle in all transfer pricing arrangements; we do not engage in the use of secrecy jurisdictions or so-called "tax havens" for tax avoidance purposes.
To ensure alignment between our tax strategy and sustainability goals, CNGR adheres to the underlying principles and spirit of tax laws while respecting legislative intent. We fully consider the diverse tax policies and regulatory frameworks across different countries and regions, and apply tax incentives in accordance with policy direction and legal requirements. By adopting compliant and responsible tax optimization measures, we aim to enhance operational efficiency while directing more economic resources toward environmental protection and long-term sustainability initiatives.

Risk Management

CNGR regards tax management as a critical component of its long-term development strategy. Building on a foundation of strict tax compliance and risk prevention, the company has established a comprehensive tax compliance and risk management framework that covers CNGR and its subsidiaries. This system is designed to strengthen overall tax governance, ensure consistency in tax-related operations, and support the company's sustainable growth.
CNGR has established and continuously refined its tax risk management mechanism to ensure robust compliance and effective risk control. The framework includes, but is not limited to, the following key components:

Tax Information Reporting and Feedback

CNGR has built a tax information reporting and feedback system based on its financial organizational structure. This ensures the timely registration, management, and disclosure of tax-related information to relevant tax authorities in accordance with applicable regulations.

Compliance in Tax Filing

Routine Tax Filing: monthly tax declarations are prepared by tax accountants, reviewed substantively by each operational base, and then subject to a formal review by the Tax Management Department before final approval and submission.
Annual Corporate Income Tax Reconciliation: major tax entities engage external professionals to perform audits and issue certified tax reconciliation reports. For other entities, a three-tier review mechanism involving the operational base, Tax Management Department, and Financial Officer is implemented.
CNGR also conducts regular internal tax self-inspections and reports results to the Tax Management Department. In the event of external audits by tax authorities, the company proactively communicates, submits necessary documentation, and complies with all inspection requirements.

Tax Incentives and Special Tax Management

The application of tax incentives is strictly managed in accordance with legal requirements, including eligibility criteria, calculation methods, approval procedures, and documentation standards. The Tax Management Department provides centralized planning and guidance, while on-site financial personnel execute the procedures and report on implementation status. For major tax-related matters, a dedicated task force team is formed to develop and oversee execution plans and coordinate interdepartmental cooperation, with results subject to senior management evaluation.

Improved Tax Compliance Procedures

Basic tax compliance activities include tax registration, filing, and invoice management. CNGR has established standardized workflows and approval procedures for all tax matters. The Tax Management Department oversees the daily operations of tax accountants and ensures that significant issues are escalated to the Financial Officer.

Ongoing Training and Capacity Building

In response to the frequent changes in tax regulations, CNGR provides regular training and guidance to enhance employees' compliance awareness and capabilities. Training programs include technical workshops for tax professionals, tax-related knowledge sessions for other departments, and targeted briefings on newly issued tax policies.

Cross-functional Collaboration

The Tax Management Department works closely with other functions, such as finance, legal, and business units, to jointly develop and implement tax processes. The department also offers professional tax advice for new business initiatives, ensuring that CNGR's sustainability efforts are supported by sound tax governance.

Metrics & Targets

At the beginning of each fiscal year, CNGR's Tax Management Department sets key quantitative targets, such as tax filing accuracy rate, timeliness rate, and tax credit rating, and monitors progress throughout the year. A comprehensive performance evaluation is conducted at year-end. During the reporting period, the company fully complied with national tax laws and regulations, ensuring that all tax filings were properly and timely executed in accordance with prescribed procedures.

Digital Operation

Governance

To better support the company's strategic development and foster an agile, efficient digital organization, CNGR has established a comprehensive and scientifically designed digital governance structure to ensure the effective implementation of its digital operations strategy. The company has adopted a centralized and vertically managed model by establishing a Digitization Center, which is responsible for the overall planning, budgeting, technology selection, and delivery of digital initiatives. The center oversees several key departments, including: Digital Strategy & Planning; Demand and Project Management; System Development; Data Management; IT Operations and Maintenance. Core responsibilities include: formulating and managing the digital strategy and architectural governance; managing digital needs across global operations; overseeing data-related requirements and applications; executing project management for digital initiatives; delivering and maintaining enterprise application systems; developing and managing data platforms and analytics applications; managing end-user devices and global desktop support; constructing and operating full-scale data center facilities; building, maintaining, and monitoring network and low-voltage infrastructure; ensuring global information security governance.
The Digitization Center is overseen by a Vice President and led by a General Manager, supported by Deputy General Managers who oversee the second-level departments. Each department is led by a director and staffed with specialists in planning, architecture, requirements analysis, project management, system development and maintenance, infrastructure operations, database administration, cybersecurity, data governance, and digital application development.

Strategy

"Digital Operation" have been identified as one of CNGR's core strategic pillars. As the company advances its digital transformation journey, the implementation and application of key systems, such as ERP, EHR, Financial Shared Services, TMS, FQMS, and PLM, have significantly contributed to improving operational efficiency, supporting data-driven decision-making, enabling market expansion, reducing energy consumption and emissions, and enhancing the employee experience. However, the digitalization process also presents challenges, such as substantial upfront investments and increased skill requirements for employees. To address these challenges and fully realize the value of digital transformation, CNGR has developed a clear, phased strategic roadmap:
Short-Term Strategy: rapid replication and iterative improvement of existing management systems.

Mid-Term Strategy: launch of the SAP transformation project to drive management reform, along with optimization and integration of peripheral business systems around the SAP core.
Long-Term Strategy: initiation of a digital consulting project to define a comprehensive digital strategy, which will serve as the blueprint for future development and implementation.

Opportunity Management and Metrics & Targets

Operational Digitization

In 2024, CNGR continued to advance its "Operational Digitization" initiative as part of the company's broader "Four Modernization" strategy. This initiative aims to enhance digital capabilities, empower end-to-end operational management, and enable precise decision-making, agile organizational collaboration, and rapid replication of business models. Under the principle of building a unified digital platform to support global investment, manufacturing, and service operations, CNGR approached digital transformation from a top-down perspective. The company launched a comprehensive SAP-based management transformation project, establishing the ERP-SAP system as the core of its digital infrastructure. This core system is integrated with a wide range of business applications, including EHR, PLM, LIMS, BDMS, SRM, MOM, TMS, FSSC, QMS, and PMS. Additionally, platforms such as OA (Office Automation) and BI (Business Intelligence) have been deployed to support seamless collaboration and data-driven insights. Together, these systems form a unified, intelligent, and highly visible digital ecosystem, laying the foundation for a smarter CNGR.

Decision-Making Digitization

In 2024, CNGR leveraged business data and its big data platform to build intelligent management dashboards that support more informed and efficient decision-making:
Global Treasury Command Center: completed the development of a global financial analysis platform that integrates planning, financing, foreign exchange, and cash flow data. This end-to-end solution enhances the quality and efficiency of treasury management and financial reporting.
Integrated Production & Operations Command Center: established a centralized system for monitoring production plans, non-conformance during manufacturing, finished goods delivery and consumption, quality inspection and assessment, as well as real-time inventory updates. The platform provides visualized data to support operational decisions across global manufacturing sites, significantly improving efficiency.
Risk Control & Audit Platform: built a comprehensive risk management and audit system that enables real-time monitoring and early warning of business risks. This platform strengthens compliance oversight and reduces operational risks through data-driven insights.

R&D Digitization

In 2024, CNGR advanced the digitalization of its R&D processes by extending upstream coverage to include customer needs and product solution management, and by establishing an end-to-end project lifecycle management system. Integration with LIMS (Laboratory Information Management System) and BDMS (Basic Data Management System) was further enhanced, expanding both the scope and frequency of trial data collection during the engineering implementation phase and strengthening data governance practices. In parallel, CNGR improved engineering change management across three dimensions, requirements, solutions, and engineering, by introducing digital and visual management dashboards. These tools enhanced cross-functional coordination and increased the efficiency of R&D resource allocation, including personnel, equipment, and materials. The company also refined its quality, cost control, accounting, and management systems for R&D, contributing to a more standardized and performance-driven innovation process.

Manufacturing Digitization

In 2024, CNGR advanced the integration of digitalization into its core operations by shifting the functional responsibilities of the Digitization Center closer to the design department. This forward shift embedded operational logic into the design stage, enabling the resolution of issues related to the accuracy, timeliness, and reliability of data from low-level instruments and equipment. As a result, foundational production data can now be effectively captured from source-level devices and systems.
Domestically, CNGR accelerated the replication and deployment of digital systems across its industrial bases, with each site serving as a key implementation hub:
Tongren Base completed the deployment of its laboratory testing system, energy collection system, production operation command platform, environmental workshop control system, and overall site operational platform.

Ningxiang Base completed the laboratory management system, production command platform, DCS system and formula management system for the pilot-scale workshop under the Research Institute, as well as digital formula systems for both pilot and small-scale workshops. Ongoing projects include the digital production system for the Cobalt material workshop and additional production systems for pilot and small-scale workshops under the Research Institute.

Qinzhou Base completed the digitalization of all ternary material workshops, energy systems, laboratory testing systems, site-wide operational platform, and the data acquisition system for the raw materials pyrometallurgy workshop. The digitalization of the hydrometallurgy workshop's data acquisition system is currently underway.

Kaiyang Base completed its laboratory testing system and upgraded the process logic of its phosphorus-iron materials plant control system. The base also delivered the data acquisition system for the digital platform to production teams for operational use.

Through continuous replication and optimization of digital manufacturing systems at its domestic industrial bases, CNGR is advancing its "Four Modernization" strategy. In parallel, digital infrastructure development at overseas bases is progressing in alignment with broader site construction. For example, the Morocco Project has completed the design of its digital network, foundational data acquisition systems, control and formulation systems, production systems, and laboratory testing systems, all of which are now under active implementation.

Business Operation Digitization

(1) CNGR officially launched its SAP transformation project in partnership with IBM, the world's leading provider of IT and business solutions. Together, the companies are building a SAP-based digital operations platform tailored to the needs of the new energy materials industry. This initiative empowers CNGR's R&D, manufacturing, operations, and global expansion, supporting its sustainable and high-quality development.

(2) CNGR completed the construction of an intelligent Transportation Management System (TMS), enabling real-time visibility and route tracking through satellite positioning and mobile applications. The platform supports seamless information sharing across internal and external stakeholders, online logistics cost settlement, vehicle access management, and integrated warehousing and distribution. This not only ensures safe and stable supply but also improves regulatory compliance, reduces costs, and enhances efficiency.

(3) The company accelerated the development of a centralized financial shared service platform to support global finance operations. This platform handles fund management, corporate reimbursements, and payment reconciliation, enabling automated, standardized processes. With the integration of digital imaging, the platform unifies business, documentation, and physical flows, aligning with national electronic archive requirements. As of the reporting period, 77% of CNGR's global financial activities and 99% of domestic financial operations are covered through direct bank-enterprise connections.

(4) CNGR has fully revamped its Enterprise Human Resource (EHR) management system. Core modules for organizational and personnel management have gone live globally, while payroll, performance, and attendance management modules are being rolled out internationally. The unified platform enhances HR data governance and lays the foundation for global HR shared services through streamlined business and data flows.

(5) A comprehensive Quality Management System (QMS) has been implemented and integrated with laboratory testing systems. The QMS enables automated product history generation, deviation detection and alerts, automated packing lists and shipping labels, and auto-linked Certificates of Analysis (COAs). Centralized data sources and automated processes significantly reduce human error while improving quality control efficiency.

(6) CNGR has rapidly replicated and iterated its integrated digital platform across overseas bases. A standardized digital framework has been established to support operations in Indonesia, Morocco, and South Korea.

Service Digitization

In 2024, building on the development of the sales planning and pricing management modules, CNGR continued to optimize and expand the MOM Sales Management System. Full product line coverage was achieved, enabling integrated sales forecasting and delivery planning. The system was further integrated with the TMS platform, creating a seamless connection between actual shipments and planned orders, with real-time synchronization of delivery receipts and confirmations. As a result, the online processing rate for international order tracking reached 80%, significantly enhancing the company's ability to deliver personalized and innovative service experiences to global customers.

Operation Training of Financial Shared Services System

CNGR actively promotes digital training among employees to enhance the company's digital operational capabilities. In 2024, the company launched foundational digital literacy programs, including training on digital tools and platform applications. In September 2024, CNGR officially launched its Financial Shared Services Platform and organized company-wide training sessions. Instructional videos were also produced to guide employees through mobile approval procedures and platform functionalities. The platform's rollout marked a comprehensive overhaul of financial workflows across all business units, integrating payment processing, accounting, and electronic archiving into a unified system. It also included significant upgrades to existing OA payment forms and approval processes, resulting in enhanced operational efficiency.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Information Security Management

Governance

CNGR's information security management team is composed of the Chief Information Security Officer (CISO) and a dedicated execution team, working collaboratively to ensure the security, compliance, and sustainability of the company's information systems while enhancing overall employee awareness of cybersecurity. The CISO is responsible for the overall direction and oversight of the company's information security strategy, ensuring alignment with corporate security objectives. The information security team manages daily operations and ensures that security policies are effectively implemented. Technical specialists, including network security engineers and data protection engineers, are tasked with deploying protective measures, maintaining and strengthening the company's cybersecurity defenses, ensuring data encryption, and promptly addressing system vulnerabilities to prevent data breaches and cyberattacks. The compliance team ensures all practices adhere to applicable domestic and international regulations, while external consultants provide expert advice on complex technical challenges. All team members possess professional qualifications in information security or related fields.
In parallel, CNGR is continuously enhancing its information security governance framework. In 2025, the company plans to establish an Information Security Management Committee, led by a Vice President, to further strengthen oversight and elevate the overall standard of cybersecurity management across the organization.

Strategy

Over the next 1-3 years, CNGR aims to continuously strengthen its technical information security defense system to effectively guard against common cyber threats. The company will further enhance its incident response mechanisms to ensure rapid and effective handling of security events, while continuously optimizing its information security policies to maintain regulatory compliance. Looking ahead to the next 3-5 years, CNGR plans to develop a forward-looking cybersecurity framework that is adaptive to the evolving threat landscape. By deeply integrating information security into business operations, the company will ensure that cybersecurity becomes a strategic enabler, providing strong support for sustainable business growth.

Risk Management and Metrics & Targets

CNGR strictly complies with the Cybersecurity Law of the People's Republic of China, Data Security Law, Personal Information Protection Law, and the Administrative Measures for the Classified Protection of Cybersecurity, among other relevant regulations. In line with these requirements, the company has established a comprehensive set of internal policies covering key aspects of information security, including endpoint protection, bastion host and zero-trust architecture, data center management, backup and recovery, and emergency response procedures. CNGR has implemented an Information Security Management System (ISMS) based on the ISO/IEC 27001:2013 standard. Responsibilities for information security are clearly assigned and embedded at all levels of the organization to ensure effective execution. In October 2024, the company conducted an internal audit of its ISMS to assess its compliance and operational effectiveness. The audit identified areas for improvement, enabling CNGR to further enhance and continuously improve its information security framework.
CNGR has developed and maintains an IT Service Continuity Plan (ITSCP) that includes comprehensive risk assessments, contingency planning, and regular drills. Through periodic testing and continuous optimization of recovery procedures, the company ensures that critical IT services can be swiftly restored in the event of a disruption, thereby minimizing the impact on business operations. To further strengthen its security posture, CNGR has established a robust security incident management mechanism covering incident detection, reporting, response, and resolution. The system enables the timely identification and handling of security incidents, such as cyberattacks and data breaches, reducing potential losses and operational disruptions. Employees are encouraged to report any suspected internal or external activities involving technical information leaks or intellectual property theft directly to the Information

Security Department via internal communication tools or phone. Upon verification, the company offers appropriate rewards based on the severity of the incident while ensuring strict confidentiality for the whistleblower. In the event of an information security emergency, the affected department or individual must immediately report the incident to the Information Security Department through designated channels (e.g., internal messaging or phone), while preserving the incident scene. Upon receiving the report, the department promptly initiates an investigation and leads the incident response process. If necessary, a cross-functional task force team is assembled to conduct a thorough investigation, which includes gathering relevant information, identifying the nature and origin of the incident, assessing its impact, and determining the severity level. The appropriate contingency plan is then activated accordingly.

CNGR actively promotes information security awareness across the organization by providing targeted education and training programs. In August 2024, the company conducted a company-wide training session focused on the self-assessment and communication of information asset security risks. The training introduced standardized procedures for conducting security risk self-assessments, covering topics such as the classification of information assets and the evaluation of potential risks associated with each asset type. It also provided detailed guidance on identifying risk scenarios and understanding the potential impacts of those risks. These efforts aim to strengthen employees' awareness and capabilities in safeguarding information assets and mitigating security threats.

CNGR has established clear information security objectives and key performance indicators to guide and evaluate its security management practices. These include: Data Breach Rate: targeting incidents of data breaches; Annual Compliance Audit Pass Rate: ensuring an information security audit pass rate of no less than 95%. During the reporting period, CNGR recorded: Data breach incidents: 0; Customer privacy violations: 0; Information security incidents: 0; Information security audit pass rate: 100%. Notably, CNGR's Tongren Industrial Base successfully obtained ISO/IEC 27001 certification for its information security management system. As of the reporting period, 25% of the company's domestic industrial bases have achieved ISO 27001 certification coverage.


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Appendix

Sustainability Performance Table

Indicator	Unit	2020	2021	2022	2023	2024
Harmonious Ecology (E)						
Greenhouse Gas Emission						
Total emissions (market-based)	$tonCO_2e$	2,855,653.00	4,975,323.00	4,529,421.27	5,117,257.44	5,079,931.44
Scope1	$tonCO_2e$	42,961.00	72,200.00	62,370.87	161,120.78	199,996.30
Scope2 (market-based)	$tonCO_2e$	317,911.00	592,700.00	529,292.07	402,811.58	250,892.70
Scope3	$tonCO_2e$	2,494,781.00	4,310,423.00	3,937,758.32	4,553,325.08	4,629,042.44
Emission Intensity of Scope1+2 (market-based)	$tonCO_2e$/ton product	3.77	3.50	2.54	1.96	1.39
Emission Intensity of Scope3	$tonCO_2e$/ton product	26.04	22.71	16.87	15.85	14.31
Carbon Dioxide (CO_2) Emission	$tonCO_2e$	-	-	4,528,755.25	5,115,268.23	5,077,489.93
Methane (CH_4) Emission	$tonCO_2e$	-	-	569.36	639.33	797.93
Nitrous Oxide (N_2O) Emission	$tonCO_2e$	-	-	96.66	488.49	642.05
Sulfur Hexafluoride (SF_6) Emission	$tonCO_2e$	-	-	0.00	0.00	0.00
Nitrogen Trifluoride (NF_3) Emission	$tonCO_2e$	-	-	0.00	0.00	0.00
Perfluorocarbons (PFCs) Emission	$tonCO_2e$	-	-	0.00	0.31	0.00
Hydrofluorocarbons (HFCs) Emission	$tonCO_2e$	-	-	0.00	861.07	1,001.53
Energy Management						
Anthracite Coal	kg	4,579,050.00	6,706,670.00	172,800.00	22,500.00	0.00
Lignite Coal	kg	-	-	-	0.00	5,908,130.00
Bituminous Coal	kg	-	-	-	9,740,910.00	11,613,828.00
Diesel	kg	29,593.46	66,503.80	232,450.04	375,078.11	396,621.80
Gasoline	kg	-	-	27,884.55	39,294.81	25,545.30
Natural Gas	m^3	2,569,399.00	10,670,533.00	16,731,579.26	37,848,516.28	18,579,843.10
Power Consumption	kWh	273,348,600.00	556,479,868.00	638,399,919.67	451,416,367.74	175,471,826.00
Steam Consumption	ton	154,506.00	423,830.41	538,090.06	469,945.88	473,719.40
Total energy Consumption	GJ	1,534,449.32	3,247,293.79	4,399,490.39	4,531,938.51	3,024,403.26
Energy Consumption Intensity	GJ/ton product[1]	16.01	17.10	18.85	15.95	9.35

[1] The product scope includes major products such as precursors, iron phosphate, and nickel plates, etc..

Indicator	Unit	2020	2021	2022	2023	2024
Clean Energy Electricity Coverage	%	-	-	22.83	59.71	86.99
Environmental Management System and Compliance						
Number of Penalties for Environmental Incidents	case(s)	-	-	0	0	0
Total Amount of Fines for Environmental Incidents	10,000 CNY	-	-	0	0	0
Pass Rate of Environmental Monitoring	%	-	-	100	100	100
Environmental Complaints from Customers and Related Parties	case(s)	-	-	0	0	0
Expenditures on Environmental Protection	10,000 CNY	-	-	1,786.83	1,838.51	1,741.15
Waste and Pollutant Management						
COD Emission	ton	-	-	41.69	46.24	29.98
Nitrogen Oxides (NO_X) Emission	kg	-	-	15,845.71	69,798.74	61,920.92
Sulfur Oxides (SO_X) Emission	kg	-	-	841.21	33,246.20	135,540.38
Persistent Organic Pollutants (POP) Emission	kg	-	-	0.00	0.00	0.00
Volatile Organic Compounds (VOC) Emission	kg	-	-	2,192.91	4,354.26	1,786.22
Hazardous Air Pollutants (HAP) Emission	kg	-	-	387.78	1,494.10	24.83
Particulate Matter (PM) Emission	kg	-	-	13,732.58	61,376.72	25,987.56
Total Waste Generated (Excluding Domestic Waste)	ton	5,859.25	14,550.31	32,924.76	74,117.62	78,291.80
Hazardous Waste Generated	ton	1,550.17	726.21	1,738.74	2,785.89	3,563.64
Non-Hazardous Waste Generated	ton	4,309.08	13,824.10	31,186.02	71,331.74	74,728.16
Total Waste to Recycled	ton	5,485.19	14,333.56	714.71	17,441.20	40,197.77
Hazardous Waste to Recycled	ton	976.56	986.33	80.61	233.26	2,776.16
Non-Hazardous Waste to Recycled	ton	4,508.62	13,347.23	634.10	17,207.94	37,421.61
Total Waste to Disposed	ton	-	-	31,044.90	49,818.24	41,249.67
Hazardous Waste to Disposed	ton	-	-	1,640.25	2,529.27	707.69
Waste Incinerated with Energy Recovery	ton	-	-	-	-	0.00
Waste Incinerated without Energy Recovery	ton	-	-	-	-	111.46
Waste Landfilled	ton	-	-	-	-	0.00
Other Disposed Operations	ton	-	-	-	-	596.23

Indicator	Unit	2020	2021	2022	2023	2024
Non-Hazardous Waste to Disposed	ton	-	-	29,404.65	47,288.98	40,541.98
Waste Incinerated with Energy Recovery	ton	-	-	-	-	0.00
Waste Incinerated without Energy Recovery	ton	-	-	-	-	0.00
Waste Landfilled	ton	-	-	-	-	0.00
Other Disposed Operations	ton	-	-	-	-	40,541.98
Hazardous Waste to Disposed per ton Product	ton/ton product[1]	-	-	0.01	0.01	0.01
Non-Hazardous Waste to Disposed per ton Product	ton/ton product[1]	-	-	0.13	0.17	0.13
Total Waste Recycled Rate	%	-	-	2.17	23.53	51.34
Target Achievement Rate of Total Waste Recycled Rate	%	-	-	-	328.17	421.86
Water Stress						
Total Water Withdrawal	ML	2,695.35	4,192.93	3,707.22	4,558.56	5,289.49
Surface Water	ML	417.40	678.37	1,291.32	2,821.58	3,037.79
Groundwater	ML	0.00	0.00	0.00	0.00	0.00
Third-Party Water	ML	2,277.95	3,514.56	2,415.89	1,736.98	2,251.71
Total Water Recycling	ML	-	-	4,460.58	6,997.25	7,809.78
Water Recycling Rate	%	-	-	54.61	60.55	59.62
Total Water Discharge	ML	1,377.74	2,710.04	2,307.27	2,779.48	3,323.93
Surface Water	ML	0.00	0.00	469.43	1,302.81	1,246.85
Third-Party Water	ML	1,377.74	2,710.04	1,837.85	1,476.67	2,077.08
Total Water Consumption	ML	1,317.61	1,482.89	1,399.94	1,740.97	1,965.57
Total Water Consumption per ton Product	m^3/ton product[1]	-	7.81	6.00	6.19	6.08
Total Water Consumption per Million CNY	m^3/million CNY	-	73.88	46.14	51.91	48.87
Gray Water Reuse	ML	-	-	-	-	458.68
Gray Water Reuse Rate	%	-	-	-	-	3.50
Excellence and Win-Win (S)						
Legal Employment and Human Rights Protection						
Signing Rate of Labor Contracts	%	-	100	100	100	100
Illegal Employment	case(s)	-	-	0	0	0

[1] The product scope includes major products such as precursors, iron phosphate, and nickel plates, etc..

Indicator	Unit	2020	2021	2022	2023	2024
Human Rights Violation Proceedin-case(s)s	case(s)	-	-	0	0	0
Total Employees	person(s)	-	-	10,386	13,791	16,597
∟ By Employment Type						
Part-Time Employees	person(s)	-	-	246	263	156
Full-Time Employees	person(s)	-	-	10,140	13,528	16,441
∟ By Gender						
Part-Time Employees	person(s)	-	-	7,639	10,530	13,355
Full-Time Employees	person(s)	-	-	2,747	3,261	3,242
∟ By Age						
Under 30 Years Old	person(s)	-	-	4,027	6,378	7,811
30-50 Years Old	person(s)	-	-	6,029	7,005	8,329
Over 50 Years Old	person(s)	-	-	330	408	457
∟ By Nationality						
Number of Chinese Employees	person(s)	-	-	9,650	11,124	10,389
Number of Foreign Employees	person(s)			736	2,667	6,208
∟ Indonesian	person(s)	-	-	-	-	6,065
∟ Moroccan	person(s)	-	-	-	-	101
∟ Others	person(s)	-	-	-	-	42
Number of People of Management[1]	person(s)	-	-	490	646	660
∟ By Gender						
Male of Management	person(s)	-	-	431	565	583
Female of Management	person(s)	-	-	59	81	77
∟ By Age						
Under 30 Years Old of Management	person(s)	-	-	30	61	37
30-50 Years Old of Management	person(s)	-	-	413	522	547
Over 50 Years Old of Management	person(s)	-	-	47	63	76
∟ By Nationality						
Number of Chinese Management	person(s)	-	-	480	631	643
Number of Foreign Management	person(s)	-	-	10	15	17

[1] Total number of management personnel: employees at grade 16 and above, and management series employees at grade 9 and above.

Indicator	Unit	2020	2021	2022	2023	2024
∟ *Indonesian*	person(s)	-	-	-	-	4
∟ *Moroccan*	person(s)	-	-	-	-	3
∟ *Others*	person(s)	-	-	-	-	10
Proportion of Female Junior Management[1]	%	-	-	-	-	8.43
Proportion of Female Middle Management[2]	%	-	-	-	-	15.92
Proportion of Female Top Management[3]	%	-	-	-	-	10.24
Proportion of Female Management in Revenue-Generating Functional Departments[4]	%	-	-	-	-	30.00
Proportion of Female Management in STEM(Science, technology, engineering and mathematics)[5]	%	-	-	-	-	15.63
Number of New Employees Hiring[6]	person(s)	-	-	7,303	8,611	8,848
∟ By Gender						
Male of Employees Turnover	person(s)	-	-	5,693	7,011	7,775
Female of Employees Turnover	person(s)	-	-	1,610	1,600	1,073
∟ By Age						
Under 30 Years Old of New Employees Hiring	person(s)	-	-	3,312	5,206	5,612
30-50 Years Old of New Employees Hiring	person(s)	-	-	3,894	3,338	3,191
Over 50 Years Old of New Employees Hiring	person(s)	-	-	97	67	45
Rate of New Employees Hiring[7]	%	-	-	-	62.44	53.31
Number of Employees Turnover	person(s)	-	-	3,470	5,126	2,871
∟ By Gender						
Male of Employees Turnove	person(s)	-	-	2,746	4,063	2,353
Female of Employees Turnover	person(s)	-	-	724	1,063	518
∟ By Age						
Under 30 Years Old of Employees Turnover	person(s)	-	-	1,608	2,841	1,601

[1] Junior management: employees at grade 9-11 of management series.

[2] Middle management: employees at grade 12-15 of management series.

[3] Top management: employees at grade 16 and above, among which those at grade 22 and above belong to Executive Level.

[4] Revenue-Generating Functional Departments： Revenue-Generating Functional Departments: Business Headquarters and Logistics Trading Center.

[5] STEM (Science, technology, engineering and mathematics)： CNGR R&D personnel.

[6] Number of new employees: Number of newly hired employees during the reporting period.

[7] Employee hiring rate: Employee hiring rate = Number of newly hired employees during the reporting period / Total number of employees at the end of the reporting period.

Indicator	Unit	2020	2021	2022	2023	2024
30-50 Years Old of Employees Turnover	person(s)	-	-	1,820	2,203	1,189
Over 50 Years Old of Employees Turnove	person(s)	-	-	42	82	81
L. By Reason for Turnover						
Number of Voluntary Employees Turnover	person(s)	-	-	2,846	-	1,160
Number of Involuntary Employees Turnover	person(s)	-	-	624	-	1,711
Rate of Employees Turnover[1]	%	-	-	-	27.10	14.75
Number of Job Provided[2]						
Tongren Industrial Base	person(s)	-	-	-	407	50
Ningxiang Industrial Bas	person(s)	-	-	-	499	107
Qinzhou Industrial Base	person(s)	-	-	-	660	349
Indonesia Region	person(s)	-	-	-	313	212
Morocco Project	person(s)	-	-	-	1,849	4,134
Employees Satisfaction	person(s)	-	-		-	59
Employees Satisfaction	point(s)	-	87.20	81.79	83.89	83.70
Employee Training and Career Deve lopment						
Total Hours of Employee Training (Covering Safety, Human Resources, and Knowledge Skills, Among Others)	hour(s)	-	41,611	215,815	399,952	362,724
Number of Employees Participating in Training	person(s)	-	14,328	157,357	389,258	345,296
Average Hours of Training per Year per Employee[3]	hour(s)	-	10.12	20.78	29.00	19.69
Average Hours of Training per Year pe	Employee - By Indu strial Base					
Tongren Industrial Base	hour(s)	-	10.80	41.15	49.97	28.51
Ningxiang Industrial Base	hour(s)	-	10.34	18.84	44.13	35.15
Qinzhou Industrial Base	hour(s)	-	-	25.49	52.26	55.31
Kaiyang Industrial Base	hour(s)	-	-	33.28	35.17	51.66
Number of Employees Promoted	person(s)	-	543	1,562	1,780	1,196

[1] Employee turnover rate: Employee turnover rate = Number of departed employees / (Total number of employees at the end of the reporting period + Number of departed employees).

[2] Number of job positions provided: Employees who joined during the reporting period and remained employed at the end of the reporting period, the number of frontline employees hired at each industrial base in 2024, the Indonesia region refers to the number of Indonesian frontline employees hired, and the Morocco project refers to the number of Moroccan frontline employees hired.

[3] Average training duration per capita = Total training duration of employees / Total number of employees hired.

Indicator	Unit	2020	2021	2022	2023	2024
Number of Vacant Positions Filled by Internal Candidates (Internal Recruitment)	person(s)	-	-	1,536	3,455	4,032
Percentage of Employees Receiving Regular Performance and Career Development Reviews	%	-	100	100	100	100
Ratio of the Annual Total Compensation of the Organization's Highest-Paid Individual to the Median Annual Total Compensation for All Employees (Excluding the Highest-Paid Individual)	%	-	-	-	2,982	2,950
Ratio of the Percentage Increase in Annual Total Compensation for the Organization's Highest-Paid Individual to the Median Percentage Increase in Annual Total Compensation for All Employees (Excluding the Highest-Paid Individual)	%	-	-	-	1,673	1,056
Ratio of Employees Eligibility for Variable Performance-Based Component to Pay	%	100	100	100	100	100
Number of Employees Participating in the Stock Incentive/Purchase Plan	person(s)	-	-	-	778	1,088
Ratio of Employees Participating in the Stock Incentive/Purchase Plan	%	-	-	-	5.64	6.56
Employee Compensation	CNY	264,496,971.20	602,968,898.73	1,127,966,192.66	1,769,021,230.61	2,276,476,961.87
Average Women Salary (Base Salary Only) of Executive Level[1]	CNY	-	-	1,950,000	-	1,296,808
Average Women Salary (Base Salary Only) of Executive Level[1]	CNY	-	-	2,010,000	-	938,237
Average Men Salary (Base Salary + Other Cash Incentives) of Executive Level[1]	CNY	-	-	2,312,000	-	2,623,180

[1] Executive Level: management level at Grade 22 and above.

Indicator	Unit	2020	2021	2022	2023	2024
Average Women Salary (Base Salary + Other Cash Incentives) of Executive Level[1]	CNY	-	-	2,372,000	-	2,156,178
Average Men Salary	CNY	-	-	237,176	-	307,653
Average Men Salary (Base Salary Only) of Management (Excluding Executive Level)	CNY	-	-	238,588	-	268,481
Average Women Salary (Base Salary Only) of Management (Excluding Executive Level)	CNY	-	-	270,776	-	417,241
Average Men Salary (Base Salary + Other Cash Incentives) of Management (Excluding Executive Level)	CNY	-	-	272,388	-	371,994
Average Women Salary (Base Salary + Other Cash Incentives) of Management (Excluding Executive Level)	CNY	-	-	113,763	-	108,102
Average Men Salary (Base Salary Only) of Non-Management	CNY	-	-	93,440	-	99,403
Occupational Health and Safety						
Amount of Work Safety Investment	10,000 CNY	-	-	4,326.03	5,326.96	5,219.95
Number of Work Safety Accidents	case(s)	-	41	82	59	25
Number of Work-Related Deaths (Including Full-Time Employees, Contractors and Labor Dispatch Workers)	person(s)	-	0	0	0	0
Number of Work-Related Deaths of Full-Time Employees	person(s)	-	0	0	0	0
Number of Work-Related Deaths of Contractors and Labor Dispatch Workers	person(s)	-	0	0	0	0
LTIR (Lost-Time Injury Rate, per 200,000 Hours)	-	-	0.72	0.89	0.53	0.26
LTIFR (Lost-Time Injury Frequency Rate, per 1,000,000 Hours)	-	-	3.60	4.45	2.65	1.30
TRIR (Total Recordable Injury Rate, per 1,000,000 Hours)	-	-	-	-	-	1.93
Number of Occupational Disease Events	case(s)	-	0	0	0	0
Average Hours of Occupational Health and Safety Training	hour(s)	-	-	-	20.54	15.61
Innovation						
R&D Innovation Investment	CNY	-	-	929,163,689.26	1,055,686,488.24	1,109,312,788.65

Indicator	Unit	2020	2021	2022	2023	2024
Ratio of R&D Innovation Investment Amount to Revenue	%	-	-	3.06	3.08	2.76
Intellectual Property Management						
Patent Application - Number of Inventions	case(s)	-	-	40	69	113
Patent Application - Number of Utility Models	case(s)	-	-	14	9	11
Patent Application - Number of PCT Patents	case(s)	-	-	3	3	13
Patent Grant - Number of Inventions	case(s)	-	60	70	13	28
Patent Grant - Number of Utility Models	case(s)	-	62	75	18	9
Number of Registered Trademarks	case(s)	-	7	20	20	20
Number of Registered Trademark Applications	case(s)	-	5	1	0	1
Total Number of Participations in Standard Formulation	case(s)	-	-	18	23	22
L By Category						
Number of National Standards the Company Participated in Formulating	case(s)	-	-	4	5	5
Number of Industry Standards the Company Participated in Formulating	case(s)	-	-	5	3	7
Number of Association Standards the Company Participated in Formulating	case(s)	-	-	9	15	10
Chemicals Management						
Percentage of RoHS/REACH-Tested Products	case(s)	-	-	-	43	40
Customer Management						
Customer Complaint Rate	%	-	-	0.18	0.17	0.12
Total Number of Product Quality Complaints	case(s)	-	-	85	68	41
Handing of Products and Services Complaints - Closed	case(s)	-	-	85	68	41
Handing of Products and Services Complaints - Unclosed	case(s)	-	-	0	0	0
Withdrawal Rate of Customer Complaints	%	-	-	100	100	100
Average Duration of Complaint Withdrawal	hour(s)	-	-	-	48	151

Indicator	Unit	2020	2021	2022	2023	2024
Customer Satisfaction Score	point(s)	83.50	91.30	91.47	94.71	96.24
Active Recall Volume	ton	-	210.01	216.30	169.25	124.72
Due Diligence and Responsible Sourcing						
Number of Tier 1 Suppliers	unit(s)	-	-	-	-	55
Number of Evaluations for Suppliers (Domestic Only)	unit(s)	-	-	37	84	49
New Suppliers Screened by ESG Criteria (Social or Environmental Criteria)	unit(s)	-	7	9	12	9
Number of Suppliers that Passed ESG Audit Within the Year (Domestic Only)	unit(s)	-	-	9	61	49
Number of Suppliers With Actual and Potential High ESG Risks (Significant Negative Social or Environmental Impacts)	unit(s)	-	2	0	0	0
Number of Suppliers Audited/Certified by Responsible Minerals Initiative (RMI)	unit(s)	-	12	16	22	33
Number of On-Site Guidance and Training on Supplier Conflict Mineral Management	unit(s)	-	-	-	3	4
Rural Revitalization and Social Contribution						
Total Number of Volunteers	person(s)	-	-	1,314	1,346	424
Total Duration of Voluntary Activities	hour(s)	-	-	875	1,273	1,242
Total Investment in Public Benefit and Charity	10,000 CNY	-	-	178.00	286.46	175.77
Total Expenditure of Annual Cash Donation	10,000 CNY	-	-	110.00	129.50	68.26
Total Expenditure of Annual Goods Donation	10,000 CNY	-	-	68.00	153.00	107.51
Practicality and Self-Discipline (G)						
Risk and Compliance Management						
Confirmed Incidents of Corruption	case(s)	-	-	-	5	4
Total Confirmed Incidents Where Employees were Dismissed or Disciplined Due to Corruption	case(s)	-	-	-	2	4
Total Confirmed Incidents Where Contracts With Business Partners were Terminated or Not Renewed Due to Corruption-Related Violations	case(s)	-	-	-	2	2

Indicator	Unit	2020	2021	2022	2023	2024
Coverage Rate of Business Ethics and Anti-Corruption Training for Employees	%	-	-	100	100	100
Coverage Rate of Business Ethics and Anti-Corruption Training for Management	%	-	-	100	100	100
Coverage Rate of Business Ethics and Anti-Corruption Training for Business Partners	%	-	-	100	100	100
Operations Assessed for Corruption Risks	%	-	-	100	100	100
Compliance Training Sessions Provided to Directors	case(s)	-	-	4	0	1
Compliance Training Sessions Provided to Employees	case(s)	-	-	6	6	3
Major Violations	case(s)	-	-	-	0	0
Incidents of Unfair Competition or Monopoly	case(s)	-	-	-	0	0
Information Security Management						
Total Number of Information Security Vulnerabilities or Other Network Security Incidents	case(s)	-	-	1	0	0
Number of Data Leaks	case(s)	-	-	0	0	0
Total Number of Complaints Due to Customer Privacy Breach	case(s)	-	-	0	0	0

Independent Assurance Statement

Assurance Statement of Sustainability Report

Introduction

BOVA Technology (Beijing) Co., LTD ("Assurance Provider") was entrusted by the management of CNGR Advanced Material Co.,Ltd. ("Organization") to assure "2024 Sustainability Report" ("Report"). The information selected in the report is subject to independent and impartial external assurance.

The target users of this statement are stakeholders concerned with the reliability of the reporting organization's sustainability information and performance from January 1, 2024 to December 31, 2024 ("2024 Reporting Period"), including employees, shareholders, investors, banks, customers, suppliers, contractors, government agencies, regulatory agencies, stock exchanges, rating agencies, industry associations, communities, NGOs, news media.

Assurance Provider is a company that provides quantitative ESG solutions using data science. Assurance Provider has experts in various fields such as corporate sustainability auditing, environment, social responsibility and stakeholder engagement, and has been authorized by AA1000 to provide sustainability report assurance and auditing services for A-share and H-share listed companies.

Assurance standards

This statement strictly followed AA1000 Assurance Standard v3 ("AA1000AS v3") and AA1000 Assurance Principle (2018) ("AA1000AP"), namely Inclusivity, Materiality, Responsiveness and Impact.

Assurance type, depth and scope

This statement was carried out in line with Type 2 at a moderate-level, covering the following content:

· Provide assurance on the compliance with AA1000AP.

· Verify the quality and reliability of sustainability information in reports.

· Assure qualitative information mentioned in the report related with sustainable development, practices, management methods, etc.

· Verify the consistency of reporting framework with international reporting standards.

· Evaluate the accuracy of statements and ESG performance indicators included in the report and the suitability of data management methods.

Assurance method

This statement was carried out in accordance with the AA1000AS v3, including the following steps:

·Collect and evaluate evidence that can support the reporting organization's compliance with AA1000 AP, including the reporting organization's identification, assessment of material issues, identification of ESG risks and opportunities, etc.

·Conduct interviews with company management responsible for sustainability performance and data collection (the scope of management interviews be judged based on actual needs), based on sampling.

·Verify the reliability of the processes and management systems used to collect and integrate environmental data, based on sampling.

·Verify the sustainability-related statements and statements made by the assurance reporting organization in the report, based on sampling.

Compliance with AA1000AP

Inclusivity: The Assurance Provider did not find any deviation between the Organization's sustainable development information and the inclusive principle of AA1000 Verification Principles (2018). The Organization cooperates with a range of stakeholders in sustainable development. At the same time, it establishes a regular communication mechanism with stakeholders to share the current status of sustainable development, focus points and future requirements with stakeholders.

Materiality: In accordance with AA1000AP, a materiality assessment has been conducted on all aspects of the Organization's internal and external content.

Responsiveness: In accordance with AA1000AP, the Assurance Provider believes that the Organization's response to major events is reflected in the report.The Organization can proactively communicate with stakeholders and continuously respond to stakeholders' concerns in a timely and appropriate manner through various channels such as shareholders' meetings, customer satisfaction surveys, and public welfare activities.

Impact: The Organization has clear procedures to monitor and measure its sustainable development impact, can systematically identify major risk factors, and has professionals to develop targeted management strategies and promote the sustainable development agenda. During the verification process, no situations or issues that have an impact on the ecosystem and surrounding infrastructure were found, and the reporting organization meets the impact requirements of the AA1000 verification principles.

Sustainability information related to this assurance statement

The scope of this assurance includes the following material topics (and the assessment process of the material topics, and the sustainable development performance related to the material topics), which cover all the disclosures of the reporting organization in its "2024 Sustainability Report"：

1）Climate Change Response
2）Energy Management
3）Environmental Management System and Compliance
4）Waste and Pollutant Management
5）Circular Utilization of Energy Metals
6）Water Stress
7）Biodiversity and Land Use
8）Innovation
9）Intellectual Property Management
10）Chemicals Management
11）Product Lifecycle Management
12）Product Quality and Safety
13）Customer Management
14）Occupational Health and Safety
15）Legal Employment and Human Rights Protection
16）Employee Training and Career Development
17）Due Diligence and Responsible Sourcing
18）Equal Treatment for Small and Medium-Sized Enterprises
19）Community Engagement
20）Rural Revitalization and Social Contribution
21）Governance Structure
22）Stakeholder Communication
23）Economic Performance
24）Risk and Compliance Management
25）Taxation Strategy
26）Digital Operation
27）Information Security Management

Regarding the sustainable development performance information disclosed in the report, this assurance conducted a focused sampling review of the following information:

1）Corporate Code of Conduct
2）The Coverage of a Supplier Screening Program
3）KPIs for Supplier Screening
4）Coverage of a Supplier Assessment and Development Program
5）KPIs for Supplier Assessment and Development
6）Information Security Management Programs
7）Energy Consumption（including total renewable energy consumption, total non-renewable energy consumption, etc.）
8）Waste Management Programs
9）Waste Disposal（including total waste generated, total waste recycled, total waste disposed, non-hazardous waste to disposal, hazardous waste to disposal per ton product, non-hazardous waste to disposal per ton product, etc.)
10）Nitrogen Oxides (NOx) Emission
11）Sulfur Oxides (SOx) Emission
12）Volatile Organic Compounds (VOC) Emission
13）Water Consumption（including total water withdrawal, total water discharge, total water consumption, etc.）
14）Greenhouse Gas Emissions（including scope 1 greenhouse gas emissions, scope 2 greenhouse gas emissions, scope 3 greenhouse gas emissions, etc.）
15）Employee Compensation（including average men salary (base salary only) of executive level, average women salary (base salary only) of executive level, average men salary (base salary + other cash incentives) of executive level, average women salary (base salary + other cash incentives) of executive level, etc.）
16）Occupational Health and Safety（including number of work-related deaths, number of work-related deaths of full-time employees, number of work-related deaths of contractors and labor dispatch workers, lost-time injury rate, lost-time injury frequency rate, total recordable injury rate, etc.）

Conclusion

Based on the assurance scope, the Assurance Provider did not notice any indication that the Organization did not comply with the AA1000AP and other reference standards during the 2024 reporting period. Relevant sustainable performance data come from written certifications and internal records, fully reflecting the achievements and challenges faced by the Organization, and providing further suggestions in the report to management.

Limitations of Assurance and Mitigation Methods

·The accuracy of the financial performance indicators in the financial reports that have not been audited by a third party cannot be confirmed. The Assurance Provider adopts an unquestioning attitude in their work involving these indicators.
·It is not possible to provide an auditing opinion on the position statements and assertions in the report, such as opinions, beliefs, objectives, and future intentions.

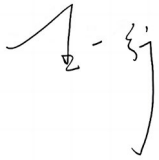
Assurance Provider independence

Apart from the verification of sustainability information and reporting, no member of the verification team has had any contact with internal personnel of the reporting organization, including its directors, senior executives, and managers of various departments. After an internal impartiality assessment by the verification institution, it has been determined that there are no conflicts of interest in this verification process.

BOVA Technology (Beijing) Co., LTD
Issue date: 7th April, 2025
Issue place: Beijing, China

AA1000 Licensed Report 000-493/V3-QR0JK
bova ESG TECHNOLOGY LIMITED

Certified Sustainability Assurance Practitioner (CSAP)
Yihang Wang



GRI Content Index

Statement of Use: CNGR Advanced Material Co., Ltd. has reported in accordance with GRI Standards for the period from January 1st, 2024, to December 31st, 2024.
GRI 1 Used: GRI 1: Foundation 2021
Applicable GRI Sector Standard(s): None

GRI Standard	Disclosure	Location	Reason for Omission	Explanation
GRI 2: General Disclosures				
The Organization and its Reporting practices	GRI 2-1 Organizational details	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 Appendix		
Activities and Workers	GRI 2-6 Activities, value chain and other business relationships	About CNGR		
	GRI 2-7 Employees	Legal Employment and Human Rights Protection		
	GRI 2-8 Workers who are not employees	Legal Employment and Human Rights Protection		
Governance	GRI 2-9 Governance structure and composition	Governance Structure		
	GRI 2-10 Nomination and selection of the highest governance body	Governance Structure		
	GRI 2-11 Chair of the highest governance body	Governance Structure		
	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	Governance Structure		
	GRI 2-13 Delegation of responsibility for managing impacts	Governance Structure		
	GRI 2-14 Role of the highest governance body in sustainability reporting	Governance Structure		
	GRI 2-15 Conflicts 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	Governance Structure		
	GRI 2-17 Collective knowledge of the highest governance body	Governance Structure		
	GRI 2-18 Evaluation of the performance of the highest governance body	Governance Structure		
	GRI 2-19 Remuneration policies	Governance Structure		

GRI Standard	Disclosure	Location	Reason for Omission	Explanation
Governance	GRI 2-20 Process to determine remuneration	Governance Structure		
	GRI 2-21 Annual total compensation ratio	Employee Training and Career Development		
Strategy, Policies, and Practices	GRI 2-22 Statement on sustainable development strategy	Sustainability Strategy		
	GRI 2-23 Policy commitments	Sustainability Strategy		
	GRI 2-24 Embedding policy commitments	Sustainability Strategy		
	GRI 2-25 Processes to remediate negative impacts	Sustainability Strategy		
	GRI 2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement		
	GRI 2-27 Compliance with laws and regulations	Risk and 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 and Human Rights Protection		
Material Topics				
GRI 3: Material Topics 2021	GRI 3-1 Process to determine material topics	Double Materiality Analysis		
	GRI 3-2 List of material topics	Double Materiality Analysis		
	GRI 3-3 Management of material topics	Double Materiality Analysis		
GRI 201: Economic Performance 2016	GRI 3-3 Management of material topics	Economic Performance		
	201-1 Direct economic value generated and distributed	Omitted	Not Applicable	Data and relevant information have been consolidated and presented in the annual report.
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change Response		
	201-3 Defined benefit plan obligations and other retirement plans	Omitted	Not Applicable	Data and relevant information have been consolidated and presented in the annual report.
	201-4 Financial assistance received from government	Omitted	Not Applicable	Data and relevant information have been consolidated and presented in the annual report.
GRI 202: Market Presence 2016	GRI 3-3 Management of material topics	Legal Employment and Human Rights Protection		
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Legal Employment and Human Rights Protection		
	202-2 Proportion of senior management hired from the local community	Omitted	Lack of Information	Relevant Data not Collected

GRI Standard	Disclosure	Location	Reason for Omission	Explanation
GRI 203: Indirect Economic Impacts 2016	GRI 3-3 Management of material topics	Community Engagement		
	203-1 Infrastructure investments and services supported	Community Engagement		
	203-2 Significant indirect economic impacts	Community Engagement		
GRI 204: Procurement Practices 2016	GRI 3-3 Management of material topics	Community Engagement		
	204-1 Proportion of spending on local suppliers	Omitted	Lack of Information	Relevant Data not Collected
GRI 205: Anti-corruption 2016	GRI 3-3 Management of material topics	Risk and Compliance Management		
	205-1 Operations assessed for risks related to corruption	Risk and Compliance Management		
	205-2 Communication and training about anti-corruption policies and procedures	Risk and Compliance Management		
	205-3 Confirmed incidents of corruption and actions taken	Risk and Compliance Management		
GRI 206: Anti-competitive Behavior 2016	GRI 3-3 Management of material topics	Risk and Compliance Management		
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Risk and Compliance Management		
GRI 207: Tax 2019	GRI 3-3 Management of material topics	Taxation Strategy		
	207-1 Approach to tax	Taxation Strategy		
	207-2 Tax governance, control, and risk management	Taxation Strategy		
	207-3 Stakeholder engagement and management of concerns related to tax	Taxation Strategy		
	207-4 Country-by-Country reporting	Omitted	Not Applicable	National Conditions do not apply.
GRI 301: Materials 2016	GRI 3-3 Management of Material Topics	Circular Utilization of Energy Metals Product Lifecycle Management		
	301-1 Materials used by weight or volume	Circular Utilization of Energy Metals		
	301-2 Recycled input materials used	Circular Utilization of Energy Metals		
	301-3 Reclaimed products and their packaging materials	Circular Utilization of Energy Metals		
GRI 302: 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		

GRI Standard	Disclosure	Location	Reason for Omission	Explanation
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	Energy Management		
GRI 303: 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		
GRI 101: Biodiversity 2024	GRI 3-3 Management of material topics	Biodiversity and Land Use		
	101-1 Policies to halt and reverse biodiversity loss	Biodiversity and Land Use		
	101-2 Management of biodiversity impacts	Biodiversity and Land Use		
	101-3 Access and benefit-sharing	Omitted	Lack of Information	Relevant Data not Collected
	101-4 Identification of biodiversity impacts	Biodiversity and Land Use		
	101-5 Locations with biodiversity impacts	Biodiversity and Land Use		
	101-6 Direct drivers of biodiversity loss	Biodiversity and Land Use		
	101-7 Changes to the state of biodiversity	Omitted	Lack of Information	Relevant Data not Collected
	101-8 Ecosystem services	Biodiversity and Land Use		
GRI 305: Emissions 2016	GRI 3-3 Management of material topics	Climate Change Response		
	305-1 Direct (Scope 1) GHG emissions	Climate Change Response		
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change Response		
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change Response		
	305-4 GHG emissions intensity	Climate Change Response		
	305-5 Reduction of GHG emissions	Climate Change Response		
	305-6 Emissions of ozone-depleting substances (ODS)	Omitted	Lack of Information	Relevant Data not Collected
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	Climate Change Response Waste and Pollutant Management		
GRI 306: Waste 2020	GRI 3-3 Management of material topics	Waste and Pollutant Management		
	306-1 Waste generation and significant waste-related impacts	Waste and Pollutant Management		
	306-2 Management of significant waste-related impacts	Waste and Pollutant Management		

GRI Standard	Disclosure	Location	Reason for Omission	Explanation
GRI 306: Waste 2020	306-3 Waste generated	Waste and Pollutant Management		
	306-4 Waste diverted from disposal	Waste and Pollutant Management		
	306-5 Waste directed to disposal	Waste and Pollutant Management		
GRI 308: Supplier Environmental Assessment 2016	GRI 3-3 Management of material topics	Due Diligence and Responsible Sourcing		
	308-1 New suppliers that were screened using environmental criteria	Due Diligence and Responsible Sourcing		
	308-2 Negative environmental impacts in the supply chain and actions taken	Due Diligence and Responsible Sourcing		
GRI 401: Employment 2016	GRI 3-3 Management of material topics	Legal Employment and Human Rights Protection		
	401-1 New employee hires and employee turnover	Legal Employment and Human Rights Protection		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Legal Employment and Human Rights Protection		
	401-3 Parental leave	Omitted	Not Applicable	National Conditions do not apply.
GRI 402: 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
GRI 403: 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 identification, 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		

GRI Standard	Disclosure	Location	Reason for Omission	Explanation
GRI 403: Occupational health and safety 2018	403-10 Work-related ill health	Occupational Health and Safety		
GRI 404: Training and Education 2016	GRI 3-3 Management of material topics	Employee Training and Career Development		
	404-1 Average hours of training per year per employee	Employee Training and Career Development		
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Career Development		
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Training and Career Development		
GRI 405: Diversity and Equal Opportunity 2016	GRI 3-3 Management of material topics	Legal Employment and Human Rights Protection		
	405-1 Diversity of governance bodies and employees	Legal Employment and Human Rights Protection		
	405-2 Ratio of basic salary and remuneration of women to men	Legal Employment and Human Rights Protection		
GRI 406: Non-discrimination 2016	GRI 3-3 Management of material topics	Legal Employment and Human Rights Protection		
	406-1 Incidents of discrimination and corrective actions taken	Legal Employment and Human Rights Protection		
GRI 407: Freedom of Association and Collective Bargaining 2016	GRI 3-3 Management of material topics	Legal Employment and Human Rights Protection		
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Legal Employment and Human Rights Protection		
GRI 408: Child Labor 2016	GRI 3-3 Management of material topics	Legal Employment and Human Rights Protection		
	408-1 Operations and suppliers at significant risk for incidents of child labor	Legal Employment and Human Rights Protection		
GRI 409: Forced or Compulsory Labor 2016	GRI 3-3 Management of material topics	Legal Employment and Human Rights Protection		
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Legal Employment and Human Rights Protection		
GRI 410: Security Practices 2016	GRI 3-3 Management of material topics	Community Engagement		
	410-1 Security personnel trained in human rights policies or procedures	Community Engagement		
GRI 411: Rights of Indigenous Peoples 2016	GRI 3-3 Management of material topics	Community Engagement		
	411-1 Incidents of violations involving rights of indigenous peoples	Community Engagement		
GRI 413: 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 significant actual and potential negative impacts on local communities	Community Engagement		

GRI Standard	Disclosure	Location	Reason for Omission	Explanation
GRI 414: Supplier Social Assessment 2016	GRI 3-3 Management of material topics	Due Diligence and Responsible Sourcing		
	414-1 New suppliers that were screened using social criteria	Due Diligence and Responsible Sourcing		
	414-2 Negative social impacts in the supply chain and actions taken	Due Diligence and Responsible Sourcing		
GRI 415: 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.
GRI 416: 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	Chemical Management		
GRI 417: Marketing and Labeling 2016	GRI 3-3 Management of material topics	Omitted	Lack of Information	Relevant Data not Collected
	417-1 Requirements for product and service information and labeling	Omitted	Lack of Information	Relevant Data not Collected
	417-2 Incidents of non-compliance concerning product and service information and labeling	Omitted	Lack of Information	Relevant Data not Collected
	417-3 Incidents of non-compliance concerning marketing communications	Omitted	Lack of Information	Relevant Data not Collected
GRI 418: Customer Privacy 2016	GRI 3-3 Management of material topics	Customer Management		
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Management		

SASB Standards Index (Chemicals Industry)

Topic	SASB Code	Metric	Unit	Data/Location in this Report
Greenhous Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions	$tonCO_2e$	199,996.30
		Percentage covered under emissions-limiting regulations (total amount of gross global Scope 1 GHG emissions covered under the emissions-limiting regulations divided by the total amount of gross global Scope 1 GHG emissions)	%	Not collected
	RT-CH-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	Climate Change Response
Air Quality	RT-CH-120a.1	NO_x (excluding N_2O)	kg	61,920.92
		SO_x	kg	135,540.38
		Volatile organic compounds (VOCs)	kg	1,786.22
		Hazardous air pollutants (HAPs)	kg	24.83
Energy Management	RT-CH-130a.1	Total energy consumed	GJ	3,024,403.26
		Percentage grid electricity	%	65.33
		Percentage of renewable energy	%	58.28
		Total self-generated energy	GJ	120,379.82
Water Management	RT-CH-140a.1	Total water withdrawn	ML	5,289.49
		Total water consumed	ML	1,965.57
		Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress	%	0.00
		Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress	%	0.00
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	case(s)	0
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	-	Water Stress
Hazardous Waste Management	RT-CH-150a.1	Amount of hazardous waste generated	ton	3,563.64
		Percentage of hazardous waste recycled	%	77.90
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	-	Community Engagement

Topic	SASB Code	Metric	Unit	Data/Location in this Report
Workforce Health & Safety	RT-CH-320a.1	Total recordable incident rate (TRIR, per 1,000,000 hours)	-	1.93
		Fatality rate for direct employees	%	0.00
		Fatality rate for contract employees	%	0.00
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	-	Occupational Health and Safety
Product Design for Use-phase Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	CNY	Not collected
Safety & Environmental Stewardship of Chemicals	RT-CH-410b.1	Percentage of products that contain Globally Harmonized System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances (by revenue)	%	Not collected
		Percentage of such products that have undergone a hazard assessment	%	Not collected
	RT-CH-410b.2	Discussion of strategy to manage chemicals of concern and develop alternatives with reduced human or environmental impact	-	Chemicals Management
Genetically Modified Organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	%	Not collected
Management of the Legal & Regulatory Environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	-	Risk and Compliance Management
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	Process Safety Incidents Count (PSIC)	case(s)	25
		Process safety total incident rate (PSTIR)	%	Not collected
		Process Safety Incident Severity Rate (PSISR)	%	Not collected
	RT-CH-540a.2	Number of transport incidents	case(s)	0
Production by Reportable Segment	RT-CH-000.A	Output[1]	ton	323,504.13

[1]The product scope includes major products such as precursors, iron phosphate, and nickel plates, etc..

Shenzhen Stock Exchange Self-Regulatory Guidelines No.17 on Sustainability Reports (Trial) Index

Dimension	No.	Topic	Chapter of the Report
Environment	1	Climate Change Response	Climate Change Response
	2	Pollutant Emissions	Waste and Pollutant Management
	3	Waste Disposal	Waste and Pollutant Management
	4	Ecosystem and Biodiversity Conservation	Biodiversity and Land Use
	5	Environmental Compliance Management	Environmental Management System and Compliance
	6	Energy Utilization	Energy Management
	7	Water Resources Utilization	Water Stress
	8	Circular Economy	Circular Utilization of Energy Metals
Society	9	Rural Revitalization	Rural Revitalization and Social Contribution
	10	Social Contribution	Rural Revitalization and Social Contribution
	11	Innovation-Driven	Innovation
	12	Science and Technology Ethics	Not Applicable
	13	Supply Chain Security	Due Diligence and Responsible Sourcing
	14	Equal Treatment for Small and Medium-Sized Enterprises (SMEs)	Equal Treatment for Small and Medium-Sized Enterprises (SMEs)
	15	Product and Service Safety and Quality	Product Quality and Safety Customer Management
	16	Data Security and Customer Privacy Protection	Customer Management Information Security Management
	17	Employee	Information Security Management Employee Training and Career Development Occupational Health and Safety
Governance Related to Sustainability	18	Due Diligence	Due Diligence and Responsible Sourcing
	19	Stakeholder Communication	Stakeholder Engagement
	20	Anti-Commercial Bribery and Anti-Corruption	Risk and Compliance Management
	21	Anti-Unfair Competition	Risk and Compliance Management

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 proclaimed human rights.	Legal Employment and Human Rights Protection Employee Training and Career Development Occupational Health and Safety
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Legal Employment and Human Rights Protection Employee Training and Career Development Occupational Health and Safety
Labor	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Legal Employment and Human Rights
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	Legal Employment and Human Rights
Principle 5: Businesses should uphold the effective abolition of child labor.	Legal Employment and Human Rights
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Legal Employment and Human Rights
Environmental	
Principle 7: Businesses should support a precautionary approach to environmental challenges.	Environmental Management System and Compliance
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Environmental Management System and Compliance
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Environmental Management System and Compliance
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Risk and Compliance Management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