

## **Contemporary Amperex Technology Co., Limited**

### **Sustainable Supply Chain Management Policy**

#### **Mission**

Our mission is to develop a sustainable and ethical supply chain system by adhering to rigorous compliance standards and fostering strong stakeholder communication. We are dedicated to promoting the harmonious and sustainable development of our supply chain to benefit both our customers and society as a whole.

#### **Management Structure**

Sustainable development within the supply chain is a key focus of our company's sustainability management. Guided by the Corporate Sustainability Management Committee, we have established the Supply Chain Sustainability Management Committee. This committee collaborates with the Sourcing Department to drive the sustainable development of the supply chain and oversee the systematic and standardized creation of a responsible supply chain.

#### **Policy**

1. We consider sustainable development a critical element of our procurement strategy. Sustainable practices are emphasized at every stage of supplier certification, performance evaluation, and procurement decision-making. We aim to strengthen cooperation with customers, suppliers, and industry organizations to promote sustainable development among our suppliers. This approach helps mitigate supply chain risks, enhance customer satisfaction, and improve supply chain competitiveness.

2. We strictly adhere to relevant laws, international standards, and stakeholder requirements in social, economic, human rights, and environmental protection areas. This includes standards such as Social Accountability 8000 (SA8000), the Universal Declaration of Human Rights, ISO 45001, and Responsible Business Alliance (RBA) standards. We engage with organizations like the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC) and the Global Battery Alliance (GBA). In alignment with *CATL's Due Diligence Management Policy for Responsible Mineral Resources Supply Chain*, we require all suppliers and their up-tier suppliers to: 1) Prohibit the use of forced labor and the worst forms of child labor (as defined in *CATL's Due Diligence Management Policy for Responsible Mineral Resources Supply Chain*); 2) Commit to preventing human trafficking, bonded labor, indentured labor, and harsh working conditions; 3) Prohibit any form of discrimination based on gender, marital status, race, color, ancestry, religion, sexual orientation, disability, political affiliation, or any other personal characteristic; 4) Prohibit corporal punishment, physical or verbal abuse, bullying, unlawful harassment, threats, or intimidation.
3. Suppliers must adhere to the labor laws of the countries in which they operate, including regulations on maximum working hours. The total working hours in a week, including overtime, must not exceed the legal limit set by local laws, except in cases of emergency or special circumstances. Suppliers are also required to comply with local laws regarding minimum wages, except in exceptional situations. CATL encourages fair and reasonable compensation practices. Additionally, suppliers must comply with all applicable occupational health and safety regulations, ensuring safe working conditions and promoting the establishment of accident-free workplaces. This includes providing habitable accommodation where applicable. In accordance with local laws, suppliers must respect employees' rights

to collective bargaining, freedom of association, peaceful assembly, and the formation of trade unions without facing discrimination, intimidation, or harassment. Relevant statements from *the Supplier Code of Conduct Commitment* may also be applicable.

4. CATL is committed to treating all individuals with dignity and respect in line with international standards such as *the Universal Declaration of Human Rights*. We provide channels, including anonymous reporting, for suppliers, business partners, and other stakeholders to offer feedback or report suspected violations. If violations are confirmed, we will mandate appropriate corrective actions. We communicate our adherence to international standards, including *the Universal Declaration of Human Rights*, to suppliers, business partners, and other relevant parties. We require our partners to adhere to similar standards by regularly reviewing and assessing risks, practices, and impacts as part of our supplier management system.

As a member of Responsible Critical Mineral Initiative (RCI), we actively participate in the development, implementation, and risk governance of assessment criteria for critical mineral supply chain due diligence. This involvement reflects our commitment to human rights, environmental impact, and community relations.

5. CATL is committed to reinforcing anti-corruption measures within the supply chain. To this end: 1) Supplier Integrity Commitment: We require suppliers to sign *the Supplier Integrity Commitment* and integrate anti-corruption due diligence into their management processes. 2) Enforcement Actions: Suppliers who breach the commitment may face consequences, including qualification downgrades, liquidated damages, termination of cooperation, and being blacklisted. 3) Training and Communication: We establish anti-corruption training and communication mechanisms for suppliers to enhance their anti-corruption capabilities. This helps

suppliers address their own anti-corruption management issues through effective communication.

6. CATL requires its suppliers to engage in fair and transparent business practices. Suppliers must avoid any form of unfair competition, including false advertising, and must not offer bribes or other improper incentives, such as kickbacks, securities, gifts, or excessive hospitality, to gain competitive advantages.
7. We are committed to minimizing the environmental impact of our supply chain operations. This includes: 1) Environmental Management: Focusing on enhancing environmental protection efforts and promoting effective environmental management practices within the supply chain. 2) Employee Rights and Ethics: Upholding the rights and interests of employees, emphasizing the importance of compliance through moral education, and fostering awareness about ethical practices. 3) Support for Indigenous and Local Communities: Reducing the operational impact on Indigenous peoples and supporting their development needs, as well as contributing to the well-being of local communities.
8. CATL informs all suppliers of our sustainability management and compliance requirements. We assist suppliers in enhancing their sustainability practices and overall value. This policy is maintained by the Sourcing Department and approved and issued by senior management. We require and encourage all suppliers to operate in a socially and environmentally responsible manner.
9. CATL will prioritize reducing noise and vibration emissions, monitoring soil quality, protecting natural water resources, and preserving ecosystems. Key indicators for supplier assessment will include land resource management, forestry practices, and maintaining biodiversity.
10. The suppliers are required to complete relevant carbon inventories and greenhouse gas accounting in accordance with ISO14064 and ISO14067. They must ensure high

levels of energy efficiency.

11. Suppliers must: 1) Identify and Control Pollution Sources: Identify all potential sources of pollution in their production processes and implement effective emission control measures. 2) Waste Reduction: Minimize waste generation and use a proportion of renewable resources, such as recycled materials and clean energy. 3) Toxic Substance Management: Ensure safe handling, transfer, storage, recycling, reuse, and disposal of toxic substances. Identify and manage substances with environmental impacts in compliance with relevant labeling laws and regulations. 4) Waste Treatment Systems: Establish a management system for the safe treatment, movement, storage, recycling, and reuse of wastewater, waste gas, and solid waste. Ensure compliance with legal discharge requirements and regularly monitor wastewater, waste gas, noise, soil, and groundwater to ensure compliance. Additionally, respect the water rights of other stakeholders, such as residents, flora, and fauna, in the operating area.
12. Suppliers must not use counterfeit products and must fully protect and respect the intellectual property rights of all parties involved.
13. The suppliers are required to disclose relevant supply chain information to meet the basic requirements of OECD guidelines and legal compliance requirements in the regions where the end products are sold when defending the conflict of interest of all parties.
14. We utilize the CREDIT audit tool, a value chain sustainability audit program, to conduct annual audits of suppliers. A rectification mechanism is in place to provide improvement recommendations. Suppliers who do not meet requirements or refuse to make necessary corrections may face order reductions or qualification cancellation.



Contemporary Amperex Technology Co., Limited

Effective Date: July 2024