

# **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**

The sustainable development of the supply chain is one of the important contents of the company's sustainable development management work. Under the guidance of the Corporate Sustainable Development Management Committee, the Procurement Department and other supply chain related departments work together to promote the sustainable development of the supply chain, and systematically and standardized management of the construction of responsible supply chain work.

### **Policy**

The general policy and action principles of supply chain sustainable development management of Contemporary Amperex Technology Co., Limited. (referred to as "CATL" or "the Company") are as follows:

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, Responsible Business Alliance (RBA) standards, and the International Labour Organization (ILO) Conventions. 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.

CATL 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. Ensure that suppliers conduct their business under the premise of fair and full competition, and shall not engage in unfair competitive behavior such as false advertising, or gain an unfair competitive advantage by offering any form of bribery to company employees or partners, including kickbacks, securities, gifts or consumption activities that exceed the normal standards of courtesy.



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. Actively promote suppliers to complete the relevant carbon inventories, greenhouse gas accounting (ISO 14064, ISO 14067), and ensure that energy efficiency is at a high level, while minimizing the carbon footprint per unit of product.

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. Ensure that suppliers comply with applicable legal requirements for chemicals and toxic substances management and avoid manufacturing, trading, and using chemicals and hazardous substances that are subject to international bans due to their high toxicity to living organisms, environmental persistence, or potentially irreversible ecological impacts, including strict control of arsenic and mercury releases in accordance with the highest international standards, management of cyanide, and ensuring that hazardous substances are disposed of, stored, and transported in accordance with relevant laws and regulations,

and ensuring that there are no leaks, spills or other releases to the environment during the process.

13. Actively promote suppliers to conduct life-cycle studies on all products, where possible, and to select raw materials with a low environmental footprint and develop products that minimize harm to the local environment during use.
14. Actively encourage suppliers to explore the feasibility of using renewable and recycled materials for their product raw materials and packaging materials, and strive to increase the proportion of recycled materials.
15. Ensure that suppliers refrain from using counterfeit or substandard products, and guarantee that the intellectual property rights of all parties involved are fully protected and respected.
16. Actively collaborate with suppliers to optimize post-use product recovery and reuse, and join hands with the upstream and downstream of the industrial chain and scientific research institutes to establish a closed-loop ecosystem, aiming to achieve efficient recycling and recovery of waste battery materials.
17. Suppliers shall disclose relevant supply chain information in the process of managing conflicts of interest, with such disclosures aligned with the OECD Due Diligence Guidance and compliant with legal mandates in all jurisdictions governing the distribution of end products.
18. CATL adopts the value chain sustainability transparency audit - CREDIT audit tool to conduct annual audits of suppliers on six modules: sustainability governance system, business ethics, environmental protection, labor practices, sustainable procurement and key minerals management, and sets up a

rectification mechanism to provide suppliers with suggestions for improvement.

Suppliers who do not meet requirements or refuse to make necessary corrections may face order reductions or qualification cancellation.

19. To promote socioeconomic development, CATL actively supports and fosters the growth of small and medium-sized enterprises (SMEs) within its supply chain. Through strategic initiatives including financial support, technical assistance, and streamlined market access, we enhance collaborative partnerships with SMEs and drive their sustainable development.

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Effective Date: April 2025