

Policy Statement of Human Rights

The Company clearly recognizes that human rights issues are crucial for stakeholders such as our employees, customers, suppliers, communities where we operate, and civil society groups. The Company strictly abides by and implements the domestic laws and regulations such as Constitution of the People's Republic of China, Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Women's Rights and Interests, Employment Promotion Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Minors, Trade Union Law of the People's Republic of China, Provisions on the Prohibition of Using Child Labor, Special Provisions on Labor Protection of Female Employees, and laws and regulations concerning human rights issues of our overseas operation sites. In addition, the Company implements UN conventions and declarations such as the Universal Declaration of Human Rights, Declaration on the Protection of Human Rights, the United Nations Declaration on the Elimination of All Forms of Racial Discrimination, ILO Declaration on Fundamental Principles and Rights at Work, Convention concerning Minimum Age for Admission to Employment, Employment Policy Convention, Discrimination (Employment and Occupation) Convention, Convention concerning Equal Remuneration for Men and Women Workers for Work of Equal Value. Concerning the aforementioned laws and

regulations, the Company has developed the Policy Statement of Human Rights aimed at defining the commitments and responsibilities of the Company and its affiliated companies, suppliers, and other partners regarding human rights issues.

1. Prohibition of forced or compulsory labor

The Company prohibits the exploitation of labor benefits and the forcing of employees to work under punishment and threats. All employees hired by the Company must be on a voluntary basis, and no coercive behavior is allowed. We will not use deception to lure employees to work. At the same time, the Company is not allowed to collect deposits or seize their ID cards and other legal proof documents to forcibly use labor against the wishes of employees.

2. Prohibition of using child labor

The Company promises to prohibit the use of child labor at all stages of service provision.

“Child labor” refers to the persons who are under the age of 16, or under the age of completing compulsory education, or the persons who are employed under the minimum employment age specified by the state (child labor if meeting any of these criteria). All employees under the age of 18 shall not engage in the work that is likely to endanger the health or safety of the minors.

For overseas employment, the definition of child labor is based on the laws of each project country.

3. Respect employment diversity and oppose discrimination

The Company promises to provide fair and reasonable job opportunities. When making decisions on employment, compensation, training, promotion, demotion, or retirement, decisions are made based on individual work abilities and needs, rather than factors such as race, nationality, religion, disability, social class, sexual orientation, union membership, and government relations. The Company advocates for a diverse and inclusive workforce and work environment. Senior management is responsible for the diversity of our employees and regularly provides training on diversity, inclusive work environment, and anti-discrimination to all employees.

The Company holds a "zero tolerance" attitude towards discrimination and promises that employees will not be subjected to illegal discrimination. We will not force employees or potential employees to undergo discriminatory medical examinations, and allow employees or other parties to report violations through a specific reporting channel. Personnel who violate relevant regulations will be subject to internal punishment by the Company, and the involved units may be ordered to make corrections (and may also be fined) by the Labor and Social Security Administrative Department, and an explanation

of the rectification plan should be provided, and if damage is caused to the parties, they shall bear the liability for compensation.

4. Freedom of association

Open and direct communication between employees and management is one of the effective ways to address workplace and salary issues. The Company is committed to respecting the rights of employees in accordance with the law, including freedom of association, participation or non-participation in trade unions, seeking representation, and participating in employee representative conferences. Employees should be able to openly communicate with management on work conditions and management issues without worrying about retaliation, threats, or harassment.

5. Fair and favorable working conditions

The Company focuses on the physical and mental health of employees, ensures standardized management of pollutants and waste in the workplace, implements a strict safety production management system, creates safe, civilized, and harmonious working and living conditions and cultural environment for employees, and ensures their occupational health and safety.

The Company implements a five-day working system, with employees working 8 hours a day. The Company clearly stipulates the working hours of employees,

as well as the annual leave and various leave hours they have, to safeguard their right to rest and take leave.

The Company is committed to respecting the personality and dignity of employees and strictly prohibits insults, corporal punishment, beatings, illegal searches, and detention of employees. All departments shall not punish any employees physically or mentally for their mistakes in work, which will cause psychological stress. At the same time, the Company maintains a "zero tolerance" attitude towards sexual and non-sexual harassment in the workplace, and allows employees or other parties to report violations via the specific complaint and reporting platform of China Jushi. Those who violate relevant regulations will be subject to internal punishment by the Company, and the units and responsible persons involved should provide explanations on the rectification plan; if damage is caused to the parties, they shall bear the liability for compensation. In addition, the Company regularly provides training to all employees on combating workplace harassment and personal humiliation, clarifying the definition of behavior, response methods, reporting channels, and punishment mechanisms.

The Company implements a salary positioning that is in line with the market level based on leading talent strategies, and continuously corrects the consistency between salary positioning and talent strategy positioning through regular market insights. The wages paid by the Company to

employees should comply with all applicable laws and regulations, including laws related to minimum wages, overtime hours, and statutory benefits. We promise that the salary level will not differ due to factors such as gender, race, and age. We regularly conduct "equal pay" evaluations through the analysis of the salary levels of male and female employees and promote the implementation of improvement measures based on the evaluation results, striving to achieve the "equal pay" salary strategy.

6. Supplementary provisions

The Company will revise this Policy Statement annually based on changes in the laws, relevant international conventions, and factual circumstances of the host country to ensure the effective implementation of this system. The Company has developed monitoring procedures, regularly checked the effectiveness of the Company's management of human rights issues according to this Policy Statement, and formulated human rights related targets every year, and constantly improved the Company's human rights management ability according to the targets.

In addition to our own business operations, the Company will identify potential human rights issues through online or offline audits in the upstream and downstream value chains, as well as in the process of new business expansion (mergers and acquisitions, joint ventures), covering multiple issues such as forced labor, child labor, freedom of association, collective bargaining, equal

pay for equal work, and discrimination. This identification is conducted regularly every year or as needed in the early stages of new business expansion and supplier inclusion.