

# **Employee Rights and Welfare Statement**

## **1. Employee Rights and Welfare**

The Company's primary form of employment is direct employment under labour contracts. For certain positions, it also adopts labor dispatch and part-time employment arrangements. The Company complies strictly with labor laws and regulations in all regions of operation, and safeguards employees' statutory rights to labor remuneration, rest and vacation, occupational health and safety protection, vocational skills training, as well as social insurance and benefits.

The Company also provides a full range of non-monetary benefits, including:

- (a) Paying social insurance for employees and providing all statutory welfare entitlements.
- (b) Offering festival benefits, seasonal benefits, trade union benefits and annual health examinations.
- (c) Providing meal subsidies, assignment allowances, housing subsidies and other supplementary benefits.
- (d) Entitling employees to paid leave including annual leave, marriage leave, bereavement leave, maternity leave, paternity leave, as well as study leave, examination leave and family visit leave.

The Company places great emphasis on the physical and mental well-being of its employees and adopts a series of measures to help them achieve work-life balance. The Company organises various forms of training, competitions and team-building activities regularly — such as online personal wellness courses, creative short-video contests, and the “Green, Low-Carbon and Energy-Saving Pioneers” environmental campaign — to encourage employees to maintain their personal interests and vitality beyond work.

In addition, through forums and sharing sessions, the Company provides advice and assistance to employees on issues or concerns arising in their personal lives, families or work, thereby tending to employees' psychological needs and enhancing their work engagement and sense of fulfillment.

## **2. Employee Communication and Appeal Mechanism**

### **2.1 Employee Communication**

In the daily work, managers will, as appropriate, conduct coaching, face-to-face discussions or performance feedback sessions with employees, paying attention to their developments, listening to their suggestions, understanding their aspirations, motivating their growth, and continuously strengthen employees' recognition and sense of belonging to the Company.

When an employee intends to resign or submits a resignation application, their direct supervisor will conduct in-depth communication to identify the real reasons and provide guidance and retention. During the employee resignation process, representatives from the Human Resources Department will conduct an exit interview to record reasons for leaving and collect feedback on job responsibilities, corporate operations and other matters. Relevant opinions will be reported to management promptly, and major feedback will be used for continuous improvement, so as to further enhance existing employees' satisfaction with the Company's management and operation.

## 2.2 Employee Discipline and Appeal

All employees shall strictly abide by the Employee Handbook and its supplementary policies. Where an employee violates laws or regulations promulgated by relevant authorities, or internal policies issued by the Company, the Company's management will verify, discuss and determine the nature of the violation involved, and impose appropriate disciplinary action on the employee concerned. Any irregularities involving senior management personnel shall be handled by the Board of Directors.

Employees have the right to supervise, report and appeal on the Company's operation and management. If any irregularity is found or an employee disagrees with relevant management arrangements, they may submit a report or appeal to the Audit and Supervision Department of Zhongyu Energy through officially published Group channels. The Audit and Supervision Department will conduct investigation and handling in accordance with regulations and keep strictly confidential the personal information of whistleblowers and appellants.