

Zhongshan Huali Industrial Group Co., Ltd

Human Rights Policy

1. Policy Purpose

Adhering to the core philosophy of People-oriented, Happy Shoemaking, Technology Management, Profit Creation, Long-term Inheritance and Sustainable Operation, Huali Group abides by *the UN Guiding Principles on Business and Human Rights*, core labor standards of the International Labor Organization (ILO), the Responsible Business Alliance (RBA) Code of Conduct and applicable laws and regulations in all locations of operation. We respect and protect the basic human rights of all personnel, commit to building a fair, safe, inclusive and dignified working environment, and promote the sustainable development of the enterprise and society.

2. Scope of Application

This policy applies to Huali Group, all its subsidiaries, production bases, all employees, suppliers, contractors and value chain partners.

3. Core Commitments

3.1 No Child Labor or Forced Labor

The Group strictly prohibits the employment or use of child labor. The minimum age of employees shall be no less than 15 years. If local laws and regulations or customer standards have stricter provisions, the most stringent requirements shall be followed. The Group strictly prohibits any form of forced labor, human trafficking or modern slavery, including imprisonment, indenture, debt bondage or other forms of forced labor. It shall not detain employees' ID cards, passports, salaries or charge unreasonable deposits, and shall guarantee employees' freedom of entry and resignation.

3.2 Anti-Discrimination and Equal Opportunity

The Group strictly prohibits discrimination based on race, ethnicity, nationality, religion, gender, age, disability, marital status, pregnancy, union membership, political affiliation or any other protected status. It ensures equal opportunities for employees in all aspects of employment, including recruitment, compensation, training, promotion, rewards and discipline, retirement and other aspects, and strictly upholds the principle of equal pay for work of equal value without gender discrimination.

3.3 Humane Treatment and Occupational Health and Safety

The Group prohibits any form of harassment, abuse, bullying, corporal punishment and sexual violence. It respects the personal dignity of all employees and provides a safe and healthy working environment equipped with adequate personal protective equipment (PPE). Regular safety training, occupational health monitoring and workplace improvements are conducted continuously to eliminate life-threatening hazards and unsafe working conditions.

3.4 Fair Remuneration and Compliant Working Hours

The Group pays all wages and benefits legally, on time and in full, ensuring that they are not lower than the local minimum wage standard. It strictly abides by legal working hours, overtime limits and rest and vacation regulations, and protects employees' right to rest and health.

3.5 Freedom of Association and Collective Bargaining

The Group respects employees' right to legally associate, organize and join trade unions, and supports employees' representatives in lawfully performing their duties and engaging in collective bargaining. It establishes diverse communication channels such as employee congresses, suggestion boxes and seminars to protect employees' rights to know, participate, express and supervise.

3.6 Information Security and Privacy Protection

The Group standardizes the collection, storage, use and processing of employees' personal information in accordance with the law, and implements strict authority management to prevent information leakage, tampering and abuse. It regulates the scope and management process of workplace monitoring to protect employees' personal privacy.

3.7 Anti-Bribery and Integrity Compliance

The Group has zero tolerance for corruption, bribery, improper interest conveyance and unmanaged conflicts of interest. It establishes a supervision mechanism for integrity, whistleblower protection and accountability to maintain a fair and impartial business and employment environment.

3.8 Supply Chain Human Rights Management

The Group incorporates human rights compliance requirements into supplier access, review, assessment and exit mechanisms, and conducts human rights due diligence and annual evaluation of suppliers. For suppliers who commit violations such as child labor, forced labor, or serious discrimination and refuse to rectify, the Group will suspend or terminate cooperation. The Group promotes responsible procurement and transparency across the supply chain.

4. Human Rights Due Diligence

In terms of human rights protection, the Group is committed to evaluating and continuously improving its human rights management. Respect for human rights and workplace rights is deeply rooted in the corporate culture of Huali Group and covers all stakeholders in business activities. Based on the above guiding principles, we will continuously improve the implementation of human rights policies and human rights due diligence at the corporate level. We conduct annual audits of all factories and supply chain manufacturers of the company. If any deficiencies are found, the responsible unit is required to make immediate improvements to safeguard the rights and interests of labor providers participating in the value chain, and provides a highly competitive, safe and secure working environment.

5. Risk Identification and Mitigation Measures

- Risk Identification: The Group establishes a normalized human rights risk identification mechanism, focusing on identifying core risks such as supply chain management, employee rights and interests, occupational health, information privacy, freedom of association, and integrity compliance.
- Mitigation and Rectification: The Group formulates implementable mitigation measures for identified risks, establishes ledgers, sets deadlines for rectification, and implements closed-loop management. The Group takes timely remedial and accountability measures for violations.

6. Management and Implementation

- The Group establishes a special working group for human rights management to coordinate policy implementation, supervision, inspection and continuous improvement.
- The Group establishes a multi-channel, anonymous and confidential grievance and reporting mechanism to promptly receive, investigate, respond to and address concerns.
- The Group incorporates human rights compliance into training and performance appraisal, and seriously investigate and punish violations.

7. Communication and Reporting

The Group encourage all stakeholders to monitor policy compliance and report any violations. All reports will be handled confidentially, and the Group has zero tolerance for retaliation.

Group Grievance & Reporting Email: anti.corruption@huali-group.com