



2025

可持续发展报告 SUSTAINABILITY REPORT

科技

TECHNOLOGY

绿色

GREEN

开放

OPENNESS

责任

RESPONSIBILITY

奋进

ENDEAVOR

浙江华友钴业股份有限公司
ZHEJIANG HUAYOU COBALT COMPANY LIMITED

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About This Report

Zhejiang Huayou Cobalt Co., Ltd. released its first Corporate Social Responsibility Report in 2015 and has maintained a streak of annual releases since, including Corporate Social Responsibility/Environmental, Social, and Governance (ESG) reports, bringing the total to 11 editions. The 2025 Sustainability Report (hereinafter referred to as the "Report") provides a comprehensive overview of the Company's governance framework, strategies, initiatives, and performance on ESG matters for the year 2025. This Report has been unanimously approved and authorized for release by the Company's Board of Directors.

Report Period

This Report covers the information and data in the period from January 1, 2025, to December 31, 2025 (hereinafter referred to as "the Reporting Period"). To enhance the comparative and forward-looking nature of this Report, some of the contents may contain retrospective information or forward-looking descriptions as appropriate. The publication cycle of this Report aligns with the financial year, occurring annually.

Boundary of the Report

This Report defines the organizational scope based on the principle of materiality. The material information disclosed in the Report covers Zhejiang Huayou Cobalt Co., Ltd., and its subsidiaries, with scope consistent with that disclosed in the Annual Report. In case of partial inconsistency between some indicators in the Reported and those disclosed in the Annual Report, it will be subject to remarks in the text.

Source of Information

Data and information presented herein are sourced from internal company records and reviewed by relevant departments. The reporting scope encompasses production-based operating entities maintaining stable operations. All financial data is denominated in Chinese Renminbi (RMB) unless otherwise stated.

Data Assurance

The data and textual information in this report have been verified by SGS-CSTC Standards Technical Services Co., Ltd., an internationally independent third-party assurance provider, in accordance with the *International Standard on Assurance Engagements 3000 (Revised)* (ISAE 3000). An assurance opinion has been issued accordingly.

Basis of the Report

The Report is prepared in accordance with the *SSE Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial)* issued by the Shanghai Stock Exchange, the *Global Reporting Initiative Sustainable Reporting Standards* (GRI Standards, 2021), the 2030 Sustainable Development Goals (SDGs) of the United Nations, as well as the *Guidelines for Chinese Enterprises' Sustainable Development Reporting (CASS-ESG 6.0)* issued by the Chinese Academy of Social Sciences.

Report Access

This Report is published in print and digital formats. The digital version is available on the Shanghai Stock Exchange website and in the Sustainability section on our company's official website. For any inquiries or feedback, please reach out to our Sustainability Center at: csr@huayou.com.

This Report is prepared in Chinese and English. In case of any inconsistency, the Chinese version shall prevail.

Reference explanation

To facilitate presentation, unless the context requires otherwise, the following expressions shall have the meanings hereby assigned to them:

- Huayou Cobalt/Huayou/the Group/the Company/we—Zhejiang Huayou Cobalt Co., Ltd. and its subsidiaries
- Huayou Quzhou—Quzhou Huayou Cobalt New Materials Co., Ltd.
- Zhejiang New Energy Quzhou—Zhejiang Huayou New Energy Technology Co., Ltd.
- Huajin Company—Huajin New Energy Materials (Quzhou) Co., Ltd.
- Resource Recycling—Quzhou Huayou Resource Recycling Technology Company Limited
- Guangxi New Materials—Guangxi Huayou New Materials Co., Ltd.
- Guangxi Huayou—Guangxi Huayou Lithium Co., Ltd.
- Huayou New Energy Technology—Zhejiang Huayou New Energy Technology Co., Ltd.
- Tianjin B&M—Tianjin B&M Science and Technology Co., Ltd.
- Chengdu B&M—Chengdu B&M Science and Technology Co., Ltd.
- Guangxi B&M—Guangxi B&M Technology Co., Ltd.
- Zhejiang B&M—Zhejiang B&M Science and Technology Co., Ltd.
- Bamco Hungary—Bamco Technology Hungary Kft
- Huayou Energy—Jiangsu Huayou Energy Technology Co., Ltd.
- Huayou Recycling—Zhejiang Huayou Recycling Technology Co., Ltd.
- Huayue Company/Indonesia Huayue Company—PT. HUAYUE NICKEL COBALT
- Huafei Company/Indonesia Huafei Company—PT. HUAFEI NICKEL COBALT
- Huake/Huake Indonesia—Huake Nickel Indonesia Co., Ltd.
- Indonesia Huaneng—PT. HUANENG NEW MATERIAL
- Huaxiang—PT. HUAXIANG REFINING INDONESIA PT
- KNI—PT. KOLAKA NICKEL INDONESIA
- IPIP—INDONESIA POMALAA INDUSTRY PARK
- CDM—CONGO DONGFANG INTERNATIONAL MINING SAS
- MIKAS—LA MINIERE DE KASOMBO SAS
- PLZ—PROSPECT LITHIUM ZIMBABWE (PVT) LTD



Message from the Chairman



A Decade of Determined Progress, Creating Shared Value with Partners

The year 2025 marks the conclusion of China's 14th Five-Year Plan period, a milestone year in which we delivered even greater results under its "Ten-Year Mission in Five Years" initiative, and the 10th anniversary of Huayou Cobalt's public listing. Amid a complex and evolving international landscape, intensifying market competition, and a reshaping industry paradigm, all Huayou employees worldwide have remained committed to a customer-centric philosophy and the fundamental principle of creating value for customers. As a result, we achieved the best operating performance in our history, successfully concluded the 14th Five-Year Plan period, and delivered a strong and meaningful set of results. We firmly believe that only by embedding resilience in addressing global challenges into our

management DNA can we transition from "operational success" to "enduring excellence".

Strengthening our foundations enables steady and sustainable progress, while outstanding business performance must be built upon a solid foundation of sound governance. In 2025, we further enhanced the Board of Directors' leadership in sustainability efforts, elevating Environmental, Social, and Governance (ESG) to a core component of our corporate strategy to strengthen our soft power and brand influence.

As a global leader in the new energy materials industry, we anchor our development in technology, green growth, openness, responsibility, and progress. We integrate sustainability across our corporate strategy, daily operations, and value chain to drive

coordinated and long-term economic, social, and environmental development.

R&D and innovation shape a technology-led Huayou. Thus, we increase investment in technology, accelerate technological advancement, and strengthen product development. In 2025, two standards led by the Company were officially approved and issued by the Ministry of Industry and Information Technology of China. Two research projects received the First Prize and Second Prize of the 2025 China Nonferrous Metals Industry Science and Technology Awards respectively. Several of our plants were recognized as provincial-level smart plants. We have deepened strategic cooperation with multiple enterprises to jointly advance technological breakthroughs and product development. A number of new products have entered mass production and been included in provincial lists such as "Outstanding Industrial New Products" and "First Batch of New Materials".

Climate resilience is the foundation of a green Huayou. We not only focus on emissions reduction in our own operations but also actively respond to expectations for climate-related financial disclosures by conducting climate risk scenario analyses. We promote biodiversity conservation practices across our global operations and strive to build an environmentally friendly benchmark enterprise. Guided by carbon neutrality goals, we are accelerating the transformation of our energy structure and increasing the share of clean electricity. Chengdu B&M has taken the lead in achieving 100% clean electricity supply. Water resource management continues to improve, with Huayou Quzhou and Zhejiang New Energy Quzhou both obtaining ISO 46001 Water Efficiency Management Systems certification, making us the first in the global battery materials industry to do so. We have also set 2030 targets for recycled content in key materials—25% for nickel, 25% for cobalt, and 15% for lithium—to support the development of a closed-loop circular economy.

Transformation capabilities are key to building an open Huayou. We remain committed to our transformation path of securing upstream resources, expanding downstream markets, and enhancing midstream capabilities, reinforcing our global operating structure spanning resources, manufacturing, and markets. In 2025, the Zimbabwe lithium salt project commenced furnace ignition, Phase I of the cathode materials project in Hungary entered production line commissioning, and the first autoclave of the KNI project in IPIP was successfully installed, with IPIP designated the "National Strategic Industrial Project" of Indonesia. We are also advancing resource recycling layout across regions, including Korea, Indonesia, and Europe.

Win-win growth defines a responsible Huayou. Practicing the philosophy of "contributing to the local economy and society wherever we invest", we promote sustainable development

across the entire value chain, and extend responsible business standards to our partners while strengthening our own ESG management, striving to enhance overall industry ESG performance. We continue to deepen cross-cultural integration, improve employee empowerment systems, foster harmonious labor relations, and promote inclusive development. In China, we actively participate in rural vitalization initiatives. In Indonesia, together with 19 partners, including the United Nations Global Compact (UNGC), we launched the Sino-Indonesia Corporate Community Action Network. In the Democratic Republic of the Congo (DRC), our community empowerment project was recognized by the Global Solicitation on Best Poverty Reduction Practices. In Zimbabwe, we have partnered with UNICEF to support child welfare initiatives in surrounding communities. Through these efforts, we return value to every community where we operate, synchronizing corporate growth and community prosperity and bringing the "warmth of Huayou" across borders.

Value creation potential unlocks a progressive Huayou. We have further advanced manufacturing, product structure, and coordination across production, supply, sales, and logistics. Quality, cost, and efficiency have steadily improved, with multiple products recognized as premium manufacturing products at provincial and municipal levels. Our cobalt and copper sales remain stable, while nickel and lithium sales grow, and the lithium battery materials market expands significantly. We have established strategic partnerships with several leading multinational corporations, achieving major breakthroughs in market expansion. In 2025, we delivered outstanding performance, making it the best year in Huayou's history. The Company was once again listed among the Top 500 Chinese Enterprises, Top 500 Chinese Private Enterprises, Top 500 Chinese Private Manufacturing Enterprises, Top 100 Multinational Companies in China, and China's Top 100 Private Enterprises for Global Operations.

All good principles should adapt to changing times to remain relevant. The year 2026 marks the beginning of the 15th Five-Year Plan period and a new decade for Huayou. Looking ahead, we will continue to be guided by our enduring commitment to technology, green development, openness, responsibility, and progress. With stronger strategic focus and steady advancement, we will continue to deepen our sustainability practices and work hand in hand with global partners to build a more prosperous, greener, and better future for the new energy industry.



Chairman

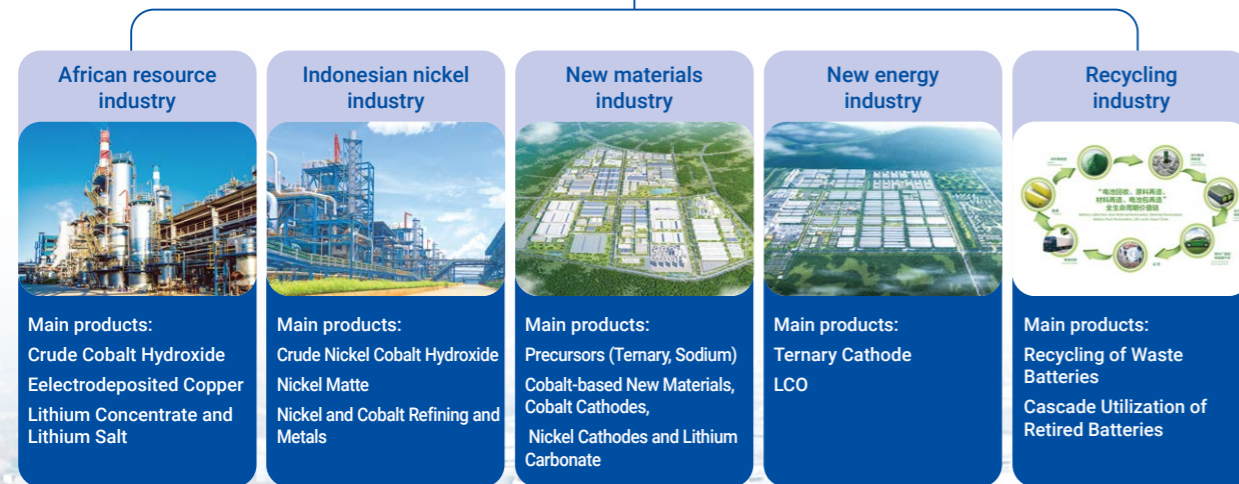
Zhejiang Huayou Cobalt Co., Ltd.

About Huayou Cobalt

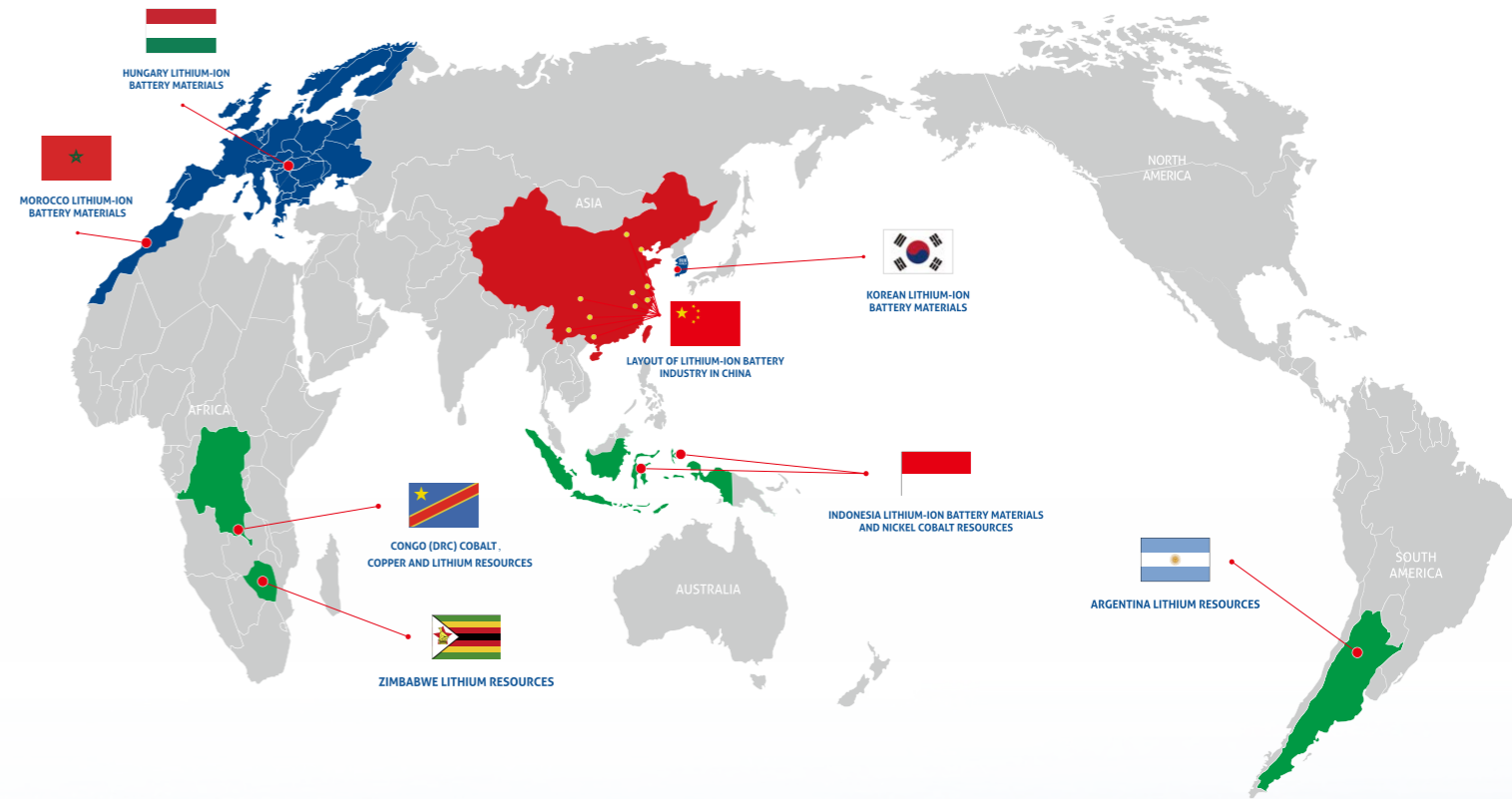
Company Overview

Zhejiang Huayou Cobalt Co., Ltd.(SH603799) is founded in 2002 and headquartered in Tongxiang, Zhejiang, is ranked among the China's Top 500 Enterprises and the China's Top 500 Private Enterprises. As a high-tech enterprise specializing in the R&D and manufacturing of new energy lithium battery materials and advanced cobalt-based materials, the Company has, over two decades, established a global operational framework encompassing global resources, international manufacturing, and worldwide markets. It has built five core business sectors: New Energy Industry, New Materials Industry, Indonesia Nickel Industry, Africa Resource Industry, and Circular Economy Industry, covering the full industrial chain of new energy lithium battery materials—from the development of nickel, cobalt, lithium, and copper resources; green refining of non-ferrous metals; R&D and manufacturing of lithium battery materials; to resource recycling. Guided by its mission to "Create Customer Value and Lead Industrial Development", Huayou steadfastly pursues the transformation path of "Securing Upstream Resources, Expanding Downstream Markets, and Enhancing Midstream Capabilities", adhering to the "Two New and Three Modernizations" development strategy. As a global leader in green integrated manufacturing of new energy lithium battery materials and a benchmark for ESG practices among listed companies, the Company is committed to becoming the global leader in new energy Li-ion materials industry, promoting green and sustainable development, and creating a brighter future for humanity.

Five major business sectors



Huayou's global industry layout planning map



2025 Milestones

On March 18, Huayou Cobalt signed a strategic cooperation agreement with Beijing WeLion New Energy Technology Co., Ltd.



In April, Huayou Recycling and Jiangsu Huayou completed the first export of AGV lithium-ion batteries to Japan.



On May 25, at the Inaugural Global Business Summit on Belt and Road Infrastructure Investment co-hosted by the Government of Indonesia and the UNGC, Huayou Cobalt, together with 19 partners, including UNGC, officially launched the Sino-Indonesia Corporate Community Action Network.



In June, Huayou Cobalt released the first compliance report in the new energy industry.



On August 15, the first batch of recycled black powder imports in the industry was successfully delivered, with 20 tons of raw materials for lithium-ion batteries introduced by Huayou Recycling passing customs inspection.



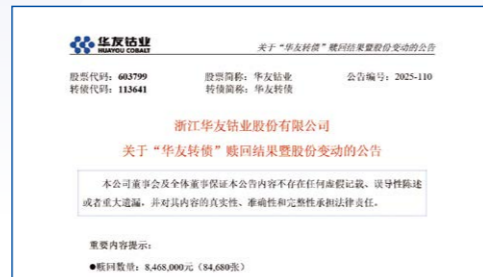
On August 15, Huayou Cobalt held the kick-off meeting of ESG strategy set for the "15th Five-Year Plan" period and the ESG-themed training session. The meeting focused on profound changes and challenges in global ESG policies, aiming to embed ESG principles into the Company's DNA through scientific strategic planning.



On September 24, A1 Road, the internal transportation "main artery" of Indonesia Pomara Industrial Park (IPIP), was officially opened to traffic, marking a new stage in the overall development of the park.



On September 29, the conversion and delisting of "Huayou Convertible Bonds" were completed.



On October 1, the kiln ignition for the transformation of the pyrometallurgical production line at Huajing Technology Lithium Sulfate Refinery (ATZ project) was successfully completed.



In October, Huayou Cobalt successfully issued its first ever medium and long-term green technology innovation bonds.



On November 19, Huayou Cobalt was invited to attend the 30th UN Climate Change Conference (COP30).



On November 26, the 2025 Wuzhen Forum on Responsible Business Conduct and Corporate Culture was held at the Wuzhen International Internet Exhibition & Convention Center in Tongxiang, Zhejiang Province. Chairman Chen Xuehua attended the meeting and delivered a speech.



On November 27, Huayou Recycling and Encory held a signing ceremony of new battery recycling technology cooperation and LOI for joint venture.



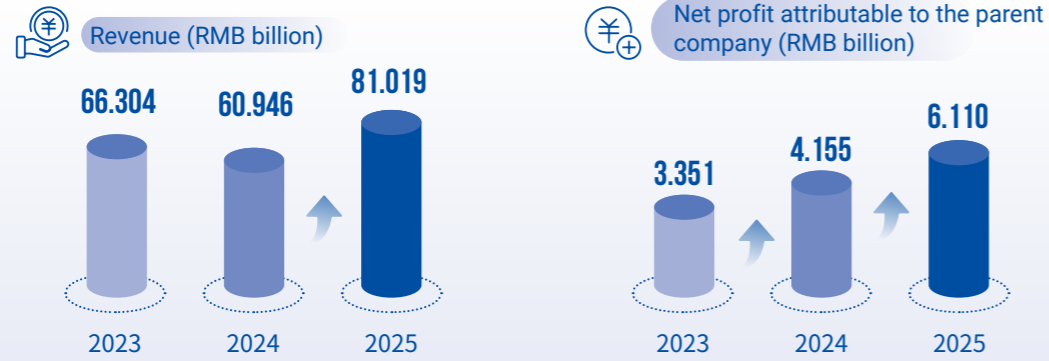
On December 13, the first autoclave of the KNI Project in IPIP was successfully installed.



2025 Performance Highlights



Financial Performance



Sustainability Performance

Sustainability Performance Rating



Huayou Cobalt achieved a score of **63** in S&P Global Ratings in 2025 and was selected in the S&P's Sustainability Yearbook 2026

CDP Climate Questionnaire rating remains at Level **B**

Sustainable Development International Initiatives

Member of the United Nations Global Compact (**UNGC**)

Signatory to the United Nations "Women's Empowerment Principles" (**WEPS**)

Integrity

100%
Coverage of internal business ethics assessments or reviews

100%
Coverage of business ethics training for employees in key areas

Footprint

4
Zero-carbon factories

1
Zero-carbon industrial park

100%
Proportion of clean power use at Chengdu B&M

Resources

4
National-level "green factories"

7
Provincial-level "green factories"

RMB 421 million
Environmental protection investment

100%
Coverage of internal environmental audits

99.95%
Comprehensive utilization rate of general solid waste

E-Quality

RMB 1.682 billion
R&D investment

667
Patents granted

318
Invention patents

2
National-level R&D platforms

17
Provincial-level R&D platforms

2
International standards developed with Huayou Cobalt's participation

12
National standards developed with Huayou Cobalt's participation

10
Industry standards developed with Huayou Cobalt's participation

Nurturing People

26,005
Employees trained

100%
Coverage of labor unions and collective agreements for employees

137,904
Participants in work safety training

100%
Coverage of health checkups for occupational diseases

Developing Community

RMB 42.828 million
Community public welfare donations

600,000+
Beneficiaries

Sustainable Supply Chain

100%
Supplier integrity agreement signing rate

100%
Proportion of new suppliers signing the *Supplier Code of Conduct*

50+
Suppliers with low-carbon transformation

Honors and Recognition

Group Honors

Awarding Organization	Award
Fortune China	★ Ranked 278th on the 2025 <i>Fortune</i> China 500
Forbes	★ Forbes Global 2000
Hurun Research Institute	★ No. 108 in the 2025 Hurun China 500
All-China Federation of Industry and Commerce	★ Ranked 101st among Top 500 Private Enterprises in China* ★ Ranked 70th among Top 500 Private Manufacturing Enterprises in China*
China Enterprise Confederation and China Enterprise Directors Association	★ China's Top 100 Multinational Companies*
Zhejiang Merchants Magazine	★ Ranked 51st among Top 500 Zhejiang Merchants Nationwide
China Brand Building Promotion Association and China Asset Appraisal Association	★ Ranked 28th in the "China Brand Value Energy and Chemical Industry List"

*The awards above were granted to Huayou Holding Group Co., Ltd. (Huayou Cobalt's parent company). As a core subsidiary of the Group, Huayou Cobalt made significant contributions to the Group's performance in the above rankings.



ESG Recognition

Awarding Organization	Award
S&P Global	★ Selected in the S&P's <i>Sustainability Yearbook 2026</i>
Ministry of Industry and Information Technology of the People's Republic of China	★ National Green Supply Chain Management Enterprise
International Poverty Reduction Center in China (IPRCC), World Bank, Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), World Food Programme (WFP), Asian Development Bank (ADB), and China Internet Information Center (CIIC)	★ The Africa CSR Report Project was selected in the list of the 6th global best poverty reduction case studies
Fortune China	★ 2025 <i>Fortune</i> China ESG Impact List
Forbes China	★ Forbes China Sustainable Development Industrial Enterprises ★ 2025 Best Practice Cases of Sustainable Development for Listed Companies
China Association for Public Companies	★ 2025 Best Practice Cases for Corporate Boards of Listed Companies
Chartered Global Management Accountant (CGMA)	★ Best Sustainability Award of CGMA Annual Awards 2025
China Securities Journal and China Reform Holdings Corporation Ltd. (China Reform)	★ China Reform Cup · ESG Golden Bull Top 100 Award
Bloomberg Businessweek	★ ESG Champion at Bloomberg Green's Watchlist 2026
China Charity Federation	★ Innovative Case of Business for Good 2025
Business Media International(BMI)	★ The Asia's Best Employer Brand Awards (Indonesia Region)
Zhejiang Entrepreneurs Development Research Institute (Zhejiang Merchants Think Tank) and Zhejiang Merchants Magazine	★ 2025 Zhejiang Entrepreneurs ESG Classic 100



01

Sustainable Development Management

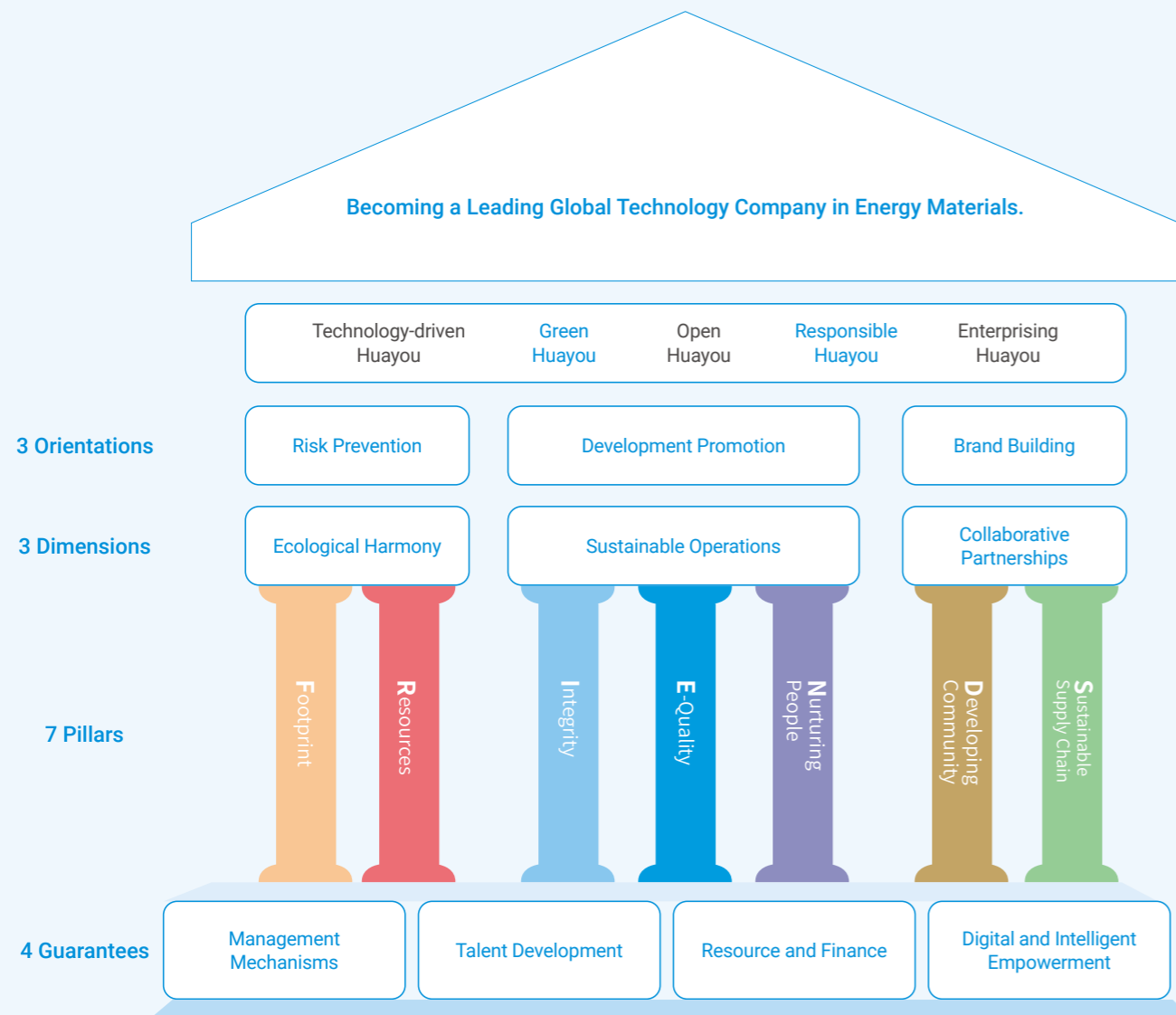
Against the backdrop of green and low-carbon transition and the reshaping of global value chains, sustainability has evolved from a “value-added option” into a core factor that determines long-term competitiveness. We deeply integrate sustainability into our corporate strategy, systematically build an ESG management system, and promote its full implementation from concept to action, making it a fundamental principle and guiding framework for driving innovation, operation, and global expansion.



Sustainability Strategy

In 2025, Huayou Cobalt officially initiated and systematically formulated its ESG strategic plan for the 15th Five-Year period (2026–2030). Guided by the vision of “becoming a leading global technology company in energy materials”, the plan is anchored in the dual strategic goals of “Green Huayou” and “Responsible Huayou”, and is based on three core management orientations of “risk prevention, development promotion, and brand building”. It covers all dimensions of environment, society, and governance, and is structured into seven strategic pillars, providing systematic guidance for the Company’s responsible practices and value creation over the next five years.

“FRIENDS” ESG Strategic Model



Goals and actions of strategic pillars

Strategic pillars	Topic management	2030 goals	Strategic actions	UN SDGs supported
Footprint (Climate resilience)	Climate change response Energy transition	To achieve carbon neutrality in operations of the cathode materials segment; to reduce the product carbon footprint (cathode and precursor materials) by 70% compared to the 2021 baseline; to achieve 100% clean electricity usage in the materials segment (cathode and precursor materials).	Establish a group-level carbon asset accounting and full life cycle assessment (LCA) management system Implement energy efficiency benchmarking and process decarbonization for key projects Promote zero-carbon power supply and green energy traceability Integrate climate risk assessment into business management	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Resources (Nature positive)	Environmental compliance management Pollutant and waste management Chemical management Water resource management Biodiversity conservation Circular economy Tailings management	To build a global benchmark for circular and regenerative environmental governance based on a “nature positive” approach for a green future with balanced resources; to achieve recycled material content of 25% nickel, 25% cobalt, and 15% lithium in products.	Establish global environmental compliance red lines and a management authorization matrix Set natural risk thresholds for new investments and capacity expansions and establish risk management mechanisms for existing projects Implement tiered water risk management and progressive governance Establish lifecycle risk governance and permitting red line management systems for key facilities Develop cross-border tailings standards coordination and full lifecycle tailings management systems Establish a circular economy strategy and traceability system	6 CLEAN WATER AND SANITATION 14 LIFE BELOW WATER 15 LIFE ON LAND
Integrity (Responsible governance)	Business ethics Risk management Corporate governance Sustainability governance Data and privacy protection	To build a globally leading sustainable governance system.	Promote proactive compliance management Implement business ethics audits across the full value chain Establish a global tiered whistleblowing investigation and anti-retaliation protection mechanism Enhance full lifecycle ESG data compliance and security protection	16 FAIR WORK AND ECONOMIC GROWTH 17 PARTNERSHIPS FOR THE GOALS
E-quality (Quality and intelligent manufacturing)	Technological innovation Product safety and quality	To deliver responsible and intelligent manufacturing solutions and provide global customers with high-quality, zero-carbon, and recyclable material solutions.	Establish a “digital passport” for sustainable market access aligned with global regulatory standards Implement lifecycle value retention and closed-loop manufacturing Build a risk-transparent control and quality collaboration mechanism for outsourced operations Strengthen proactive prevention and emergency response for major quality and compliance incidents Develop data asset governance and digital traceability foundations	9 INDUSTRY INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMER PROTECTION
Nurturing people (People-centric approach)	Occupational health and safety Human rights protection Labor practices	To build a diverse and inclusive global talent ecosystem, respect and safeguard the dignity and rights of workers, and establish an industry-leading employer brand.	Implement standardized lifecycle talent management Promote localization of recruitment and training at overseas bases and prevent cross-cultural conflict risks Implement a global Employee Assistance Program (EAP) Establish a human rights due diligence and red line control system covering all employment entities Build a global and integrated occupational health and safety risk prevention system	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Developing community	Community relations and development Stakeholder engagement	To establish a comprehensive community engagement mechanism and achieve win-win development with communities.	Establish a tiered and categorized community risk identification and management mechanism Improve community access and compliance operation mechanisms for global projects Establish standardized community engagement mechanisms and a two-way communication loop Develop a full-process digital anonymous grievance and risk management matrix Enhance the effectiveness of community investment	1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES
Sustainable supply chain	Sustainable supply chain	To build a transparent, traceable, responsible, and resilient supply chain for critical minerals.	Establish a responsible procurement governance system based on “upholding compliance and offering targeted empowerment” Promote supplier risk classification, intervention, and end-to-end traceability management Drive performance-based supply chain decarbonization and partner empowerment Foster a new paradigm for collaborative industry development	9 INDUSTRY INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMER PROTECTION

Sustainability Governance

Huayou Cobalt has established a top-down sustainability governance system with clear roles and responsibilities to strengthen the decision-making authority and engagement of the Board and management in ESG-related matters, thereby ensuring the deep integration of ESG strategy into daily operations. In 2025, the Company further optimized the sustainability governance structure by appointing a senior expert with professional experience in sustainable development as Vice President and Chief Sustainability Officer to effectively drive the implementation of ESG strategy and enhance performance. Huayou Cobalt attaches great importance to aligning management incentives with the Company's long-term sustainable value. We continue to promote the establishment of an ESG-linked remuneration mechanism that combines comprehensive evaluation with positive incentives. The mechanism ties the prevention and control of major compliance risks such as environmental protection and safety to executive performance assessments and incorporates ESG strategy execution as an important dimension of non-financial performance evaluation. To further strengthen ESG accountability, we plan to introduce an ESG performance-based remuneration program with clear linkage and well-defined weighting within the next two years, benchmarking against international best practices.

Huayou Cobalt ESG governance structure



To further enhance the effectiveness of sustainability governance, we strengthen our governance foundation from multiple dimensions, including institutional systems, digital tools, and awareness and capability development.

Establishing a "1+N" comprehensive management system

Centered on our *Cobalt ESG Policy*, we have developed and refined the "1+N" institutional system, covering ESG work management measures, indicator systems, management manuals, performance evaluation, and multiple topic-specific procedures, to promote standardized, process-driven, and efficient ESG management implementation.

Building a digital platform for refined and intelligent management

Based on the ESG indicator system, we have developed an ESG digital platform to enable the collection, dynamic monitoring, and intelligent analysis of key indicators, providing real-time and accurate data support for management decision-making.

Enhancing awareness and capabilities through ESG empowerment

We organize ESG-specific training sessions covering senior executives and management lines, jointly delivered by Huayou Cobalt's Vice President and external senior experts. At the same time, we incorporate ESG awareness enhancement and professional capability building into routine work. By aligning strategic consensus and deepening company-wide understanding, we aim to strengthen the talent foundation for sustainable global operations.

Stakeholder Communication

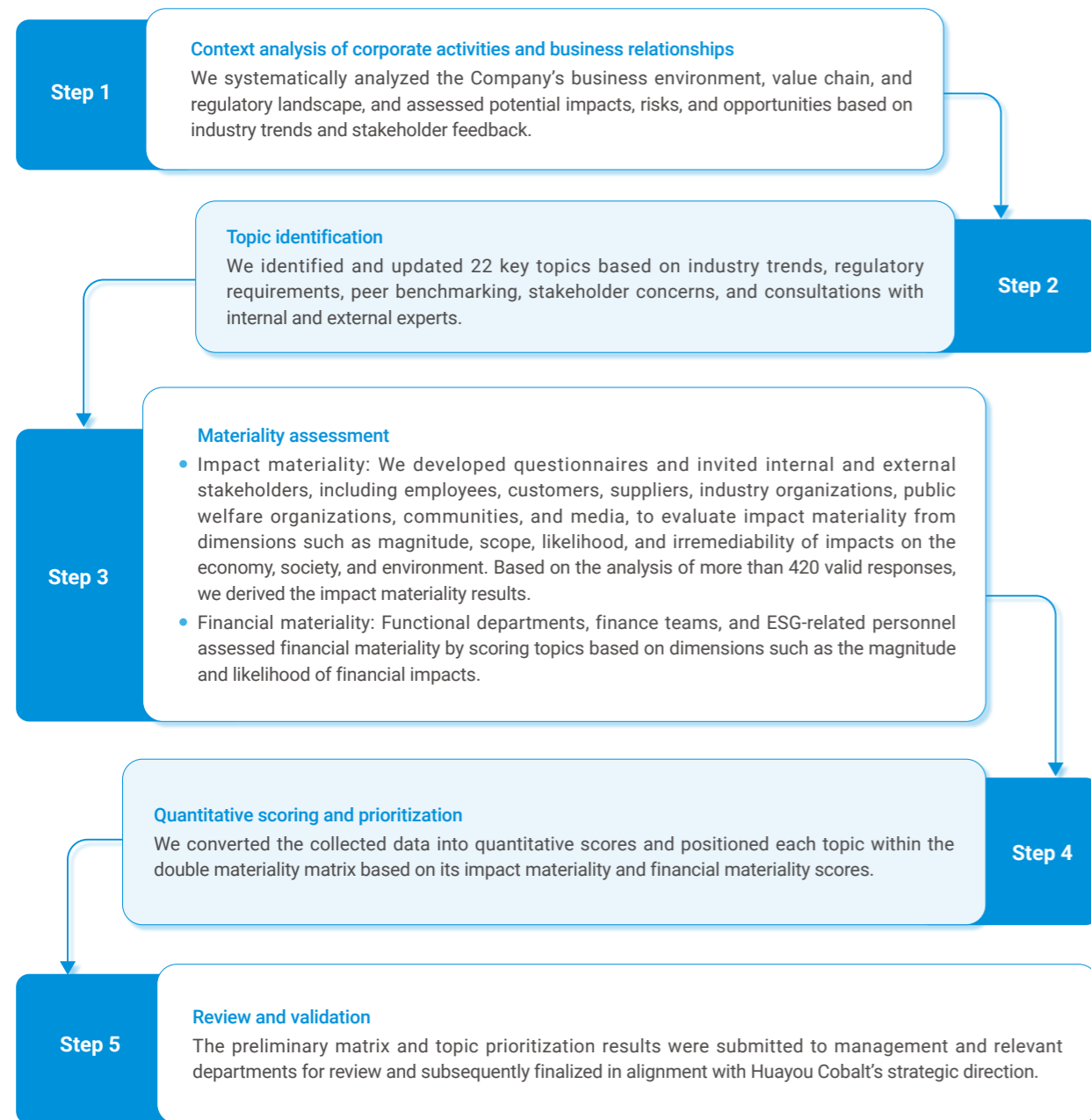
Stakeholder communication is a strategic cornerstone of corporate sustainable development. Huayou Cobalt has established a systematic and regular communication mechanism to maintain close dialogue with stakeholders, understand and respond to their expectations and feedback on our ESG planning and practices, and incorporate such feedback into operational decision-making. This mechanism helps build consensus, manage risks, drive value co-creation, and strengthen stakeholder trust.

Stakeholders	Stakeholder representatives	Issues of concern	Communication approaches and channels
Government and regulatory agencies	National/local governments, stock exchanges where operations are located	<ul style="list-style-type: none"> Environmental management Pollutant and waste management Tailings management Human rights protection Community relations and development 	<ul style="list-style-type: none"> On-site survey Correspondence Meetings Policy implementation Information disclosure
Shareholders/ Investors	Shareholders of the Company and potential investors	<ul style="list-style-type: none"> Circular economy Corporate governance Sustainability governance Business ethics 	<ul style="list-style-type: none"> General meeting of shareholders Information disclosure SSE E-interactive Brokerage strategy meetings, roadshows and reverse roadshows Results presentation and other communication activities
Supplier	Important domestic and foreign suppliers	<ul style="list-style-type: none"> Product quality and safety Sustainable supply chain 	<ul style="list-style-type: none"> Supply chain quality/safety/responsible management and audit Supplier training and enhancement Supplier exchange conference
Customer	Important domestic and foreign customers	<ul style="list-style-type: none"> Environmental management Pollutant and waste management Climate change response Product quality and safety Technological innovation 	<ul style="list-style-type: none"> Customer satisfaction survey Customer hotline Official media platform Customer conference
Employee	Employee representative	<ul style="list-style-type: none"> Occupational health and safety Labor practices 	<ul style="list-style-type: none"> Various employee activities Employee training Employee performance appraisal Trade union and workers' congress Internal information and communication platform Internal publication Employee satisfaction survey
Partner	National/local industry associations and chambers of commerce, standards working groups, partner universities in the country where operations are located	<ul style="list-style-type: none"> Circular economy Product quality and safety Sustainable supply chain Technological innovation Human rights protection 	<ul style="list-style-type: none"> Exchanges and visits Industry-related associations and working groups Strategic cooperation programs Information disclosure
Public and community	NGOs, charities, social organizations, mainstream media	<ul style="list-style-type: none"> Human rights protection Community relations and development 	<ul style="list-style-type: none"> Exchanges and visits Media interviews Official media platform Information disclosure Social welfare programs Community volunteer programs

Double Materiality Assessment

In 2025, Huayou Cobalt conducted a systematic double materiality assessment to identify key topics that have material financial impacts on the Company (financial materiality) and those where the Company has a significant impact on the economy, environment, and society (impact materiality), providing a core basis for strategic planning and daily sustainability management. The Company developed a scientific assessment framework with reference to mainstream international standards, including the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, the European Sustainability Reporting Standards (ESRS), and *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial)*. Through processes including identification, materiality assessment, review, and validation, ESG topics were identified, screened, and prioritized, and a double materiality assessment matrix was made.

Huayou Cobalt's double materiality assessment steps



Huayou Cobalt ESG issues materiality matrix



List of material topics and their business impacts

Topic	Double materiality	Financial materiality	Impact materiality	Key value chain stage	Impact period	Impact description	Corresponding Chapters for Management Actions
Sustainable supply chain	Yes	Yes	Yes	Upstream value chain Corporate operations	Medium to long term	Huayou Cobalt relies on the stable supply of critical mineral resources such as cobalt, nickel, and lithium. Environmental violations or labor rights disputes in upstream operations may lead to supply disruptions, cost increases, and reputation risks.	Sustainable supply chain
Occupational health and safety	Yes	Yes	Yes	Upstream value chain Corporate operations Downstream value chain	Medium to long term	Inadequate safety management may result in production suspension for rectification, capacity losses, and work-related injury compensation, leading to both direct and indirect financial losses, while also increasing employee turnover. A robust occupational health and safety management system safeguards employee rights, enhances organizational cohesion, reduces compliance risks, and supports long-term development.	Occupational health and safety
Tailings management	Yes	Yes	Yes	Corporate operations	Medium to long term	Improper tailings management may cause geological disasters and major safety incidents, leading to production interruptions, compensation liabilities, Closure and rectification due to environmental violations, and damage to brand image.	Tailings management
Human rights protection	Yes	Yes	Yes	Upstream value chain Corporate operations Downstream value chain	Medium to long term	Human rights issues may trigger international public opinion crises, supply chain disruptions, and legal sanctions, undermining compliance qualifications and access to global markets.	Human rights protection
Climate change response	Yes	Yes	Yes	Upstream value chain Corporate operations Downstream value chain	Medium to long term	Climate change brings operational risks such as extreme weather, while global carbon tariffs and green trade barriers may affect product competitiveness and production costs, accelerating the low-carbon transformation of our company.	Climate change response
Energy transition	Yes	Yes	Yes	Upstream value chain Corporate operations Downstream value chain	Medium to long term	Energy consumption and transition measures in production may affect the achievement of decarbonization targets, while the energy structure determines the carbon footprint of raw materials and may influence downstream customers' low-carbon supply chain requirements.	Energy transition
Pollutants and waste management	Yes	Yes	Yes	Upstream value chain Corporate operations	Medium to long term	Waste generated during upstream resource extraction and smelting, and its treatment effectiveness affect the environmental compliance of raw materials; improper handling of waste and pollutants during operations may result in environmental penalties and production interruptions.	Pollutants and waste management
Product quality and safety	Yes	Yes	Yes	Corporate operations Downstream value chain	Medium to long term	Inadequate quality and safety control may lead to rework and scrap, increased costs, and delivery disruptions, while also affecting downstream lithium battery material suppliers' production yield and partnership stability.	Product quality and safety

Topic	Double materiality	Financial materiality	Impact materiality	Key value chain stage	Impact period	Impact description	Corresponding Chapters for Management Actions
Risk management	No	Yes	No	Upstream value chain Corporate operations Downstream value chain	Short to medium and long term	Effective risk management across the value chain enhances operational stability, controls compliance costs, safeguards assets, and supports steady corporate development.	Risk management
Technological innovation	No	Yes	No	Corporate operations Downstream value chain	Medium to long term	Process innovation during operations helps reduce energy consumption, improve capacity, and control production costs; technological innovation enhances industry competitiveness and supports the development of the power battery sector.	Technological innovation
Community relations and development	No	No	Yes	Corporate operations	Medium to long term	Stable operations depend on community support; positive community engagement reduces social risks and facilitates project implementation and resource access.	Community relations and development
Water resource management	No	No	Yes	Corporate operations	Medium to long term	Production processes depend on water resources, and efficient water management helps reduce operational costs and environmental compliance risks.	Water resource management
Chemical management	No	No	Yes	Corporate operations	Short to medium and long term	Inadequate management of hazardous chemicals during production may lead to safety and environmental incidents.	Chemical management
Labor practices	No	No	Yes	Corporate operations	Medium to long term	Sound labor practices contribute to workforce stability and higher operational efficiency.	Labor practices
Biodiversity conservation	No	No	Yes	Upstream value chain Corporate operations	Medium to long term	Upstream resource extraction that breaches ecological red lines may affect project approvals and operating permits, constraining resource access; biodiversity conservation during operations also affects operational stability and community relations.	Biodiversity protection
Business ethics	No	No	Yes	Corporate operations	Short to medium and long term	The effectiveness of business ethics management may influence compliance risks, brand reputation, and partner trust, thereby affecting market access and long-term development.	Business ethics
Circular economy	No	No	Yes	Corporate operations Downstream value chain	Medium to long term	Resource recycling reduces raw material costs and environmental pressure, while developing circular industries supports downstream sectors in achieving green and low-carbon development.	Circular economy
Stakeholder engagement	No	No	Yes	Corporate operations	Medium to long term	Effective engagement with diverse stakeholders helps mitigate compliance risks, enhances decision-making quality, and strengthens social trust.	Stakeholder engagement

Impact Story

From “Industrial Layout” to “Global Ecological Co-prosperity”—Huayou Cobalt’s Sustainability Vision

As a key participant in the global new energy materials industry, Huayou Cobalt has established overseas operations across Asia, Africa, and Europe. The Company entered the DRC in 2003, expanded into Indonesia in 2018, established a presence in Zimbabwe in 2022, and launched operations in Hungary in 2023. Over the years, we have formed a global model of “global resources, international manufacturing, and worldwide markets”. By combining China’s ecological philosophy with local development needs, we seek to shape a sustainability vision that integrates green manufacturing, responsible governance, and shared prosperity with global communities.

🌿 Huayou in Indonesia: building a model of ecological and industrial co-development

Indonesia is a key source of critical metals in the global new energy industrial chain and a core region in our global operations. Since the launch of our first project in 2018, we have gradually developed a sustainable industrial pathway characterized by ecological friendliness, local integration, and community co-development.

🌿 Green coastal barrier

- On the International Day for the Conservation of the Mangrove Ecosystem in 2025, IPIP, together with tenant enterprise KNI, officially launched a mangrove planting project of 2,000 trees. During the reporting period, more than 19,700 mangroves were planted in total, demonstrating our active response to the goals in the *Paris Agreement* on climate change.
- Huayou Indonesia has established three modern nursery bases in Sulawesi and Halmahera (with a total area of 19,000 square meters), cultivating nearly 10 million vine plants to form ecological protection on mine slopes, while more than 4.5 million hedge plants have been used to green industrial parks.
- Our mangrove conservation practices in Indonesia have been recognized as a benchmark case of Chinese enterprises participating in international ecological protection and were included in the report *Research Report on China-Indonesia Mangrove Protection under the Belt and Road Initiative: Case Studies and Insights Based on Corporate Practices*.



Mangrove conservation practices in Indonesia

🌿 Talent development and industrial synergy

- Of the jobs Huayou Cobalt provides in Indonesia, 80% are offered to local employees, driving local employment.
- In 2024, Huafei Company launched a professional certification program for Indonesian employees. By 2025, a total of 284 employees had obtained professional qualifications, forming a virtuous cycle of “talent development - industrial employment”.



Launch of the professional certification program for Indonesian employees

🌿 Practical actions to support livelihood development

- In 2025, Huayou Cobalt, together with 19 partner organizations including UNGC, initiated the China-Indonesia Community Sustainable Development Action Network, with the communities surrounding the industrial park as a pilot, to explore sustainable livelihood solutions.
- During the Indonesian floods, we promptly provided emergency supplies and cash assistance; on the International Day of Persons with Disabilities, we donated medical rehabilitation supplies; and in Pomalaa Town, Kolaka County, we constructed 1.8 km of concrete roads to improve transportation, create temporary employment, and strengthen community engagement and sense of identity.

🌿 Huayou in DRC: creating a global model for poverty reduction

In the DRC, Huayou Cobalt is committed to integrating China’s ecological philosophy with the UN SDGs and exploring pathways for inclusive growth and sustainable development in resource-based regions through community investment and collaboration with local communities and international organizations. The practices of MIKAS and CDM were included in the first *White Paper on Community Development and Social Responsibility of Chinese-Funded Mining Enterprises in the DRC* released by the Chinese Embassy in the DRC, setting industry benchmark for community responsibility as a Chinese-funded enterprise.

Launch of education engine

- In 2025, CDM and the China Foundation for Rural Development (CFRD) delivered the first-phase flagship project, the Kawama Youth Vocational Education Center and three classrooms, providing local youth with opportunities to acquire practical skills and build a better future through technology. In August, CDM signed a second-phase agreement with the CFRD to expand this successful model to more communities and enhance long-term local human capital competitiveness.



Sewing training classroom at the Kawama Youth Vocational Education Center



CDM and the CFRD jointly launch the social responsibility project

Livelihood infrastructure improvement

- In 2025, MIKAS delivered three water wells in Kambove Town to improve access to clean drinking water and public health conditions for local residents. Huayou Cobalt also helped repair 3 km of roads in the Kasapa community, facilitating access to markets, services, and broader economic participation.



Improving access to clean drinking water in communities

Huayou in Zimbabwe: integrating resource development with community growth

Zimbabwe is an important source of lithium resources for Huayou Cobalt. Guided by the principle of integrating resource development with community growth, we focus on local talent development, sustainable livelihoods, low-carbon circular practices, and active participation in international public welfare cooperation networks.

Women's economic empowerment

- Together with the UNGC and corporate partners, we initiated the "Weaving the Future" women's empowerment project. By donating equipment, providing skills training, and offering stable orders, we support local women in establishing and operating workshops to enhance their employment and income-generating capacity.



Women's economic empowerment

Infrastructure enhancement

- Huayou Cobalt continuously supports local infrastructure development, including sponsoring agricultural exhibitions, upgrading clinics in the wellness community, and funding community water well projects. In addition, the Company invested USD 750,000 to upgrade the 8 km asphalt road from Majuru to the mining area, improving transportation and logistics conditions for the community.



Supporting infrastructure development

Huayou in Hungary: establishing a sustainable manufacturing base in Europe

During the construction of our cathode materials production base in Hungary, we adhered to principles of ecological protection and cultural integration.



Biodiversity protection

- During construction, we adopted a "simultaneous excavation and backfilling" approach to minimize disturbance to the nesting of sand martins. For areas requiring prolonged excavation, construction was postponed until after the breeding season. In addition, sandy wall structures were installed in areas such as groundwater collection pools to provide safe habitats for birds.

Cultural engagement and community integration

- Huayou Cobalt actively supports local cultural and sports activities to strengthen connections with the community. In 2025, we supported Ács, a Hungarian town, in hosting a sports gala to recognize outstanding athletes, young talents, and coaches. In June, we sponsored HUF one million for the Ács Day celebration, contributing to the town's anniversary and fostering deeper community integration.



Supporting cultural and sports activities in Ács

From mangroves in Indonesia to sand martins in Hungary, from women's workshops in Africa to accessible community roads, Huayou Cobalt demonstrates through concrete actions that a truly future-oriented enterprise should serve as a guardian of the environment, a developer of talent, a builder of communities, and a driver of sustainable value. Looking ahead, we will continue to deepen our practices and collaborate with partners to jointly create a green, inclusive, and prosperous global ecosystem.

02

Integrity



A robust governance system is fundamental to a company's long-term and steady development. To this end, Huayou Cobalt places responsible governance at a strategic level. We work to provide solid support for sustainable and steady growth through robust governance framework, a comprehensive operational risk control system, strong business ethics, and systematic data and privacy protection.

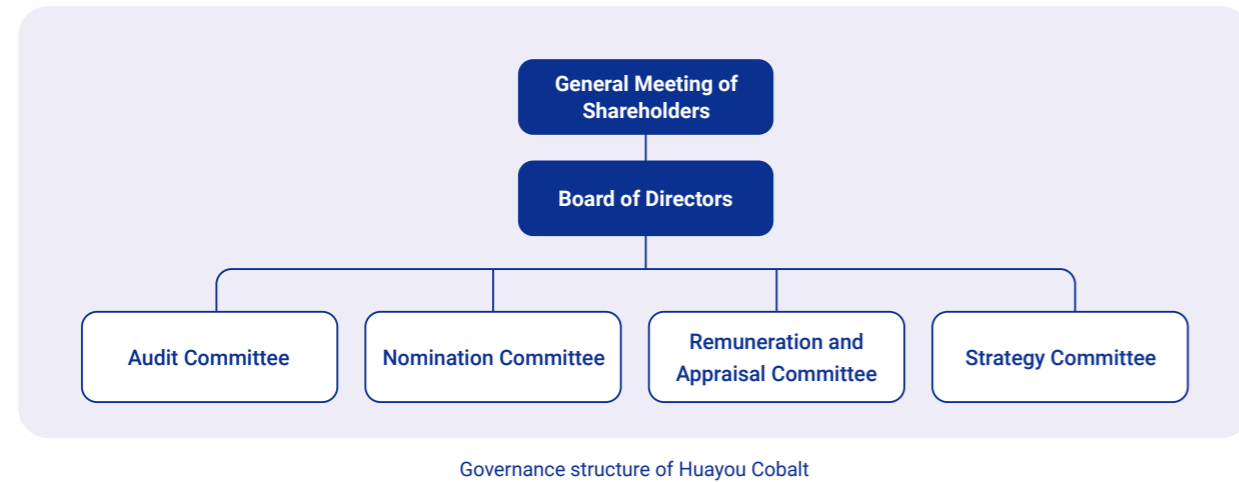


Corporate Governance

A sound governance mechanism serves as the cornerstone of sustainable operations and a key driver of high-quality development. Huayou Cobalt continuously enhances its corporate governance structure, strictly complies with applicable laws, regulations and stock exchange requirements, and improves information disclosure transparency to safeguard the lawful rights of investors.

Organizational Structure

In accordance with China's *Company Law* and the *Guidelines for the Articles of Association of Listed Companies*, we have established a well-structured governance system with clear roles and responsibilities to ensure stable operations.



Shareholders' Meeting

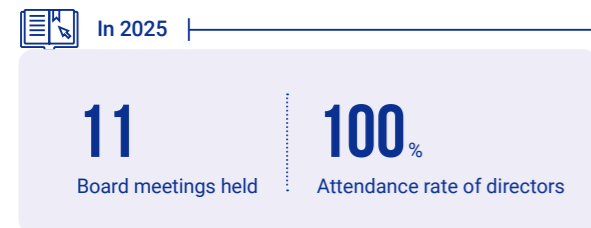
The Shareholders' Meeting is the Company's highest authority. It elects and replaces directors (excluding employee representatives) in accordance with the law, determines directors' remuneration, reviews and approves reports of the Board, and deliberates on equity incentive plans and employee stock ownership plans. During the reporting period, a total of five Shareholders' Meetings were convened.

Board of Directors

The Board of Directors is the executive body of the Company, responsible for business operations and management in accordance with the law. It is accountable to the Shareholders' Meeting and reports on its work. The Company prioritizes diversity in board composition, encompassing age, culture, gender, educational background, region, professional experience, skills, knowledge, tenure, and other regulatory requirements. As of the end of 2025, the Board comprised eight directors, including three independent directors and one employee director (female). Board members possess expertise across multiple fields, including industry, finance, law, risk management, and information security, enabling effective guidance on ESG initiatives.

Specialized committees under the Board

The Board has established four specialized committees: Nomination Committee, Audit Committee, Remuneration and Appraisal Committee, and Strategy Committee. These committees provide professional opinions and recommendations on major matters to ensure scientific and reasonable Board decisions.



- ★ China Association for Public Companies(CAPCO)
 - 2025 Best Practice in Board Governance of Listed Companies
 - 2025 Best Practice in Corporate Sustainability of Listed Companies

Investor Rights Protection

Excellent investor relations management plays a key role in connecting companies with the capital markets, communicating intrinsic value, and building long-term trust. Huayou Cobalt strictly complies with regulatory requirements such as the *Administrative Measures for the Disclosure of Information of Listed Companies* and has established a comprehensive information disclosure management system. We timely release corporate updates on our official website and official WeChat account, and engage with investors via multiple channels, including SSE E-Interaction platform, investor hotlines, investor email, on-site research and results presentations, to better respond to investor feedback.

Huayou Cobalt places strong emphasis on shareholder returns. While maintaining stable growth and long-term value creation, the Company improves its profit distribution framework and implements a clear, stable, and proactive cash dividend policy to establish a responsible investor return mechanism, ensuring that shareholders fairly share in the Company's development achievements.



Risk Management

Huayou Cobalt regards risk management as the lifeline of its development. Through a sound governance structure and a refined risk management framework, the Company systematically identifies and manages risks across strategic, operational, and market dimensions, thereby establishing a solid foundation for stable operations and high-quality development.

Governance

The Company has established a comprehensive risk management framework, supported by three lines of defense comprising business departments, compliance management-related functional departments and the Audit Committee. The Audit Committee, as the highest authority for risk management, oversees the effectiveness of the Group's risk management. Business departments support daily risk control efforts, ensuring the effective implementation of Group-wide risk management. We also provide regular risk management training to the Board to enhance its capabilities in risk identification and oversight.

Strategy

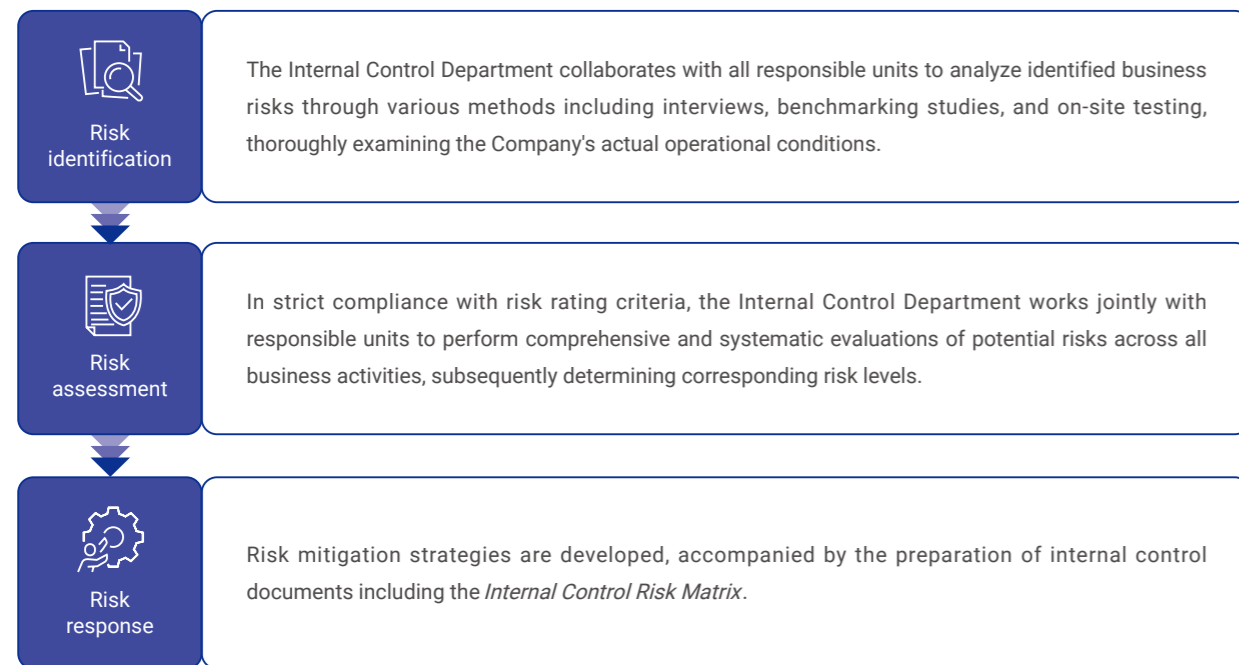
Huayou Cobalt has identified "strengthening risk prevention and control in safety, environmental protection, and operations" as a key priority for 2025. We incorporate risks associated with emerging topics—such as climate change, environmental compliance, labor management, and biodiversity conservation—into our risk identification and analysis processes. These risks are regularly assessed in terms of likelihood and potential impact, and the results are integrated into strategic planning to support our sustainable development.

Identification of emerging risks in Huayou Cobalt (partial)

Risk types	Description	Financial impact	Response measures
New energy battery technology substitution risk	Continuous advancements in new energy battery technologies, such as sodium-ion and cobalt-free batteries, may pose substitution threats to traditional cobalt-based battery materials.	Widespread adoption of these technologies could reduce demand for the Company's core products, adversely affecting profitability and market share.	Increase R&D investment to drive technological innovation and upgrades. Diversify product lines to accommodate multiple battery technology pathways and reduce reliance on a single technology. Strengthen collaborations with research institutions and universities to develop new technologies and products, thereby enhancing technological reserves and innovation capabilities.
Global ESG policy risks	Huayou Cobalt has a broad global footprint, including operations in Indonesia, the DRC, Zimbabwe, and Hungary. Increasingly stringent ESG policies and regulatory enforcement across these countries may affect project operations.	Increasingly stringent ESG policy may disrupt projects, increase costs, or reduce returns, negatively impacting profitability.	Monitor the international ESG policy landscape and promptly adjust operational strategies of overseas projects. Enhance partnerships with local governments and enterprises to mitigate policy risks. Diversify resource supply channels to reduce regional dependency and enhance risk resilience. Establish and continuously improve the ESG risk management mechanism, conduct comprehensive ESG risk assessments and monitoring for overseas projects, and ensure timely identification and response to potential ESG compliance risks.

Impact, Risk, and Opportunity Management

The Company embeds risk management into its internal management processes and has established a full-cycle risk control framework of "risk identification - risk assessment - risk response", to strengthen compliance management, audit oversight, as well as risk and compliance culture development.



Risk management process of Huayou Cobalt

Strengthening Compliance Management

Aligned with our operational framework of "global resources, international manufacturing, and worldwide operations", we aim for "full-process controllability, full-element traceability, and full-risk prevention". Compliance requirements are integrated into corporate strategy, operations, and business processes, making us shift from passive compliance to proactive risk control. In the context of global operations, the Company continues to advance compliance system development across overseas subsidiaries. Four key overseas subsidiaries have established compliance management systems aligned with ISO 37301 standard and obtained certification from external authoritative institutions, further strengthening our compliance foundation for international operations.



Case Huayou Cobalt releases the first industry compliance report

In 2025, Huayou Cobalt prepared and officially released its *2024 Compliance Report*, becoming the first company in China's new energy lithium materials industry to voluntarily disclose its compliance practices to the public. The report systematically outlines the Company's compliance management framework and development journey, and comprehensively presents achievements in key areas such as governance structure, business integrity, and supply chain compliance. Embracing external oversight, we demonstrate our commitment to maintaining compliance and sustainable operations.

Strengthening Audit-based Supervision

In accordance with our *Internal Audit Policy*, we formulate annual audit plans and conduct internal audits and risk assessments. Our audit covers key subsidiaries, major functional departments, performance, and economic responsibilities, with a target of achieving 100% audit coverage within five years. In addition, we regularly engage qualified third parties to conduct external audits, with audit opinions disclosed in the annual report.

Fostering a Risk Management Culture

To strengthen a culture of risk prevention, Huayou Cobalt has issued the *Code of Conduct* and conducted company-wide awareness activities. In 2025, we carried out empowerment training for liaison personnel with a focus on risk identification, practical risk and compliance management, and policy implementation. Covering over 300 participants, the training enhances their professional capabilities and cross-functional collaboration, strengthens the talent foundation for the development of the risk management system, and fosters a culture of risk management and compliance.



Huayou Cobalt's empowerment training for liaison personnel in 2025



Case Huayou Cobalt releases its *Code of Conduct* to foster a shared commitment to compliance

In 2025, Huayou Cobalt officially released its *Code of Conduct* for the first time. Closely aligned with employees' daily business scenarios, the code clearly communicates the Group's core values and global compliance commitments. It was released in five languages (Chinese, English, Indonesian, French, and Hungarian), followed by a global communication and awareness campaign reaching nearly 16,000 participants, significantly enhancing employees' compliance awareness and behavioral standards.



Code of Conduct

Metrics and targets

Huayou Cobalt continues to strengthen risk management and enhance compliance practices to a high standard, effectively reducing operational risks through robust compliance.



In 2025

0 major risk incident

Subsidiaries including Bamo Hungary, Huafei Company, Huaxiang, Indonesia Huaneng, and Guangxi Huayou New Materials obtained **ISO 37301** Compliance Management Systems certification in electrolytic nickel and cobalt operations.

Huafei Company, Huaxiang, and Indonesia Huaneng became the first companies in Indonesia to achieve integrated compliance certification across the full industrial value chain.



As of the end of 2025

15 operating entities had obtained **ISO 37301** Compliance Management Systems certification.

Business Ethics

Huayou Cobalt has established the *Code of Business Ethics* and the *Anti-Bribery Compliance Management Policy*. These documents affirm our "zero-tolerance" stance toward unethical conduct, including corruption, fraud, bribery, money laundering, kickbacks, improper benefits, monopolistic practices, unfair competition, discrimination, and harassment. We guide all employees to uphold business ethics through system development, cultural promotion, and whistleblowing mechanisms. In 2025, Huayou Cobalt recorded zero major violations related to conflicts of interest, money laundering or insider trading, and breaches of the code of conduct.

Integrity and Anti-corruption

Huayou Cobalt strictly complies with anti-bribery and anti-corruption laws and regulations in China and all operating countries (regions). The Company has established the Compliance Management Committee and the Audit and Supervision Center (directly reporting to the President), forming an integrity management structure led by top management, implemented by key personnel, and participated in by all employees. Based on our *Anti-Bribery Risk Management Rules*, we conduct annual anti-bribery risk identification and assessment, update risk inventories, and analyze bribery risk levels and characteristics across business processes. With targeted response measures in place, we strive to build a robust anti-bribery compliance framework.



Be honest and upright; seek truth from facts; honor commitments and deliver on every promise; uphold integrity with discipline.



— Huayou Guiding Principle

Anti-bribery management system certification

Huayou Cobalt passed the ISO 37001 Anti-bribery Management Systems audit by the British Standards Institution (BSI) in March 2024. In September 2025, Bamo Hungary became the first Chinese-funded enterprise in Hungary to obtain dual certification of ISO 37301 Compliance Management Systems and ISO 37001 Anti-bribery Management Systems. In October 2025, Chengdu B&M also obtained ISO 37001 certification.

Integrity culture development

The Company organized a total of 1,035 integrity promotion sessions, reaching 31,987 participants. Integrity and ethics courses were delivered both online and offline, including warning and awareness programs for new hires and management and forums for high-risk positions, with a total of 50 sessions reaching 5,544 participants. Regular integrity publicity was also promoted on a regular basis through multiple channels, including official WeChat account, Huayou Community, and bilingual integrity sections on the official website. Additional activities, such as the integrity-themed writing campaign and "Integrity Tea Talk", were carried out to further embed the integrity culture across the Company.

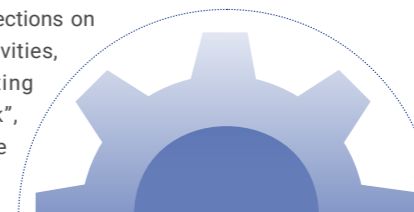
Conflict of interest management

In accordance with the *Prohibition on Business Cooperation with Entities Having Familial, Personal, or Commercial Interests with the Company's Management Personnel*, Huayou Cobalt conducted company-wide conflict of interest declarations to prevent risks associated with the misuse of position for the benefit of related parties.

Business ethics management for partners

We formulated the *Supplier Code of Conduct* to set clear requirements for supplier compliance and business ethics, with integrity commitment letters covering 100% of business partners. Targeted integrity training was also provided to key suppliers at supplier conferences. We also enhanced our integrity commitment letters in both Chinese and English to communicate our integrity culture to domestic and international partners.

Key integrity practices in 2025





In 2025

0

Corruption or bribery violation

3

Subsidiaries certified to ISO 37001 standard

100%

Percentage of internal business ethics assessments or reviews

100%

Coverage of anti-bribery management across all subsidiaries

100%

Coverage of business ethics training for employees in key positions

We have established a comprehensive reporting and complaint mechanism with multiple channels, including hotlines, mailboxes, emails, official WeChat accounts, bilingual integrity posters, and the compliance section on our official website. Moreover, our dedicated reporting management platform allows full monitoring of the receipt, registration, processing, and management of reports, ensuring that 100% of whistleblowing leads are addressed. In 2025, we updated policies such as the *Anti-Bribery Compliance Management Policy*, the *Whistleblowing Management Policy*, and the *Supervision Management Policy*, strengthened training on reporting channels and procedures, and enhanced confidentiality to protect whistleblowers and related personnel.

Huayou Cobalt integrity reporting channels

Email: report@huayou.com

Address: No. 79 Wuzhen East Road, Tongxiang Economic Development Zone, Zhejiang Province

Tel: +86 573-88589103

Head of Audit and Supervision Center, Zhejiang Huayou Cobalt Co., Ltd.

Fair Competition

Huayou Cobalt is committed to participating in global market competition in a fair, open, and transparent manner. Complying with laws and regulations such as China's *Anti-unfair Competition Law* and *Anti-Monopoly Law*, the Company firmly opposes all forms of monopoly and unfair competition. Through compliance reviews and confidentiality agreements, we safeguard partner interests and promote fair competition. In 2025, there were no recorded litigation cases related to unfair competition.



Data Security and Privacy Protection

Huayou Cobalt has established an information security governance system and clearly defined the responsibilities of the Chief Information Security Officer, the Information Center, and information security liaisons in each department in decision-making, supervision and execution to ensure the effective enforcement of information security and data protection measures. The Company has published the *Privacy Policy* on our official website and, in alignment with leading international standards, including ISO/IEC 27001 Information Security Management Systems and TISAX, has established a comprehensive information security policy framework covering all business segments of the Group, supported by policies including the *Information Security Management Manual*, *Information Security Management Measures*, and *Information Security Management Rules*. We strengthen personal data protection by clearly defining rules on data collection, use, disclosure, and protection, as well as user rights. We have also revised the *General Data Protection Regulation (GDPR) Compliance Manual* to refine operational requirements for personal data processing, cross-border data transfers, and responses to data subject rights, thereby fulfilling our data protection responsibilities to customers, employees, and partners. In 2025, the Company recorded no incidents of regulatory penalties due to violations of information security and privacy protection laws and regulations, and no customer data breaches.



Information Security Technology

To ensure data integrity and information security, the Company conducted a disaster recovery drill in 2025 to validate the stability and reliability of its "two-site and three-center" architecture under extreme scenarios. In response to evolving digital transformation and compliance requirements, we have developed a clear technology roadmap for data security management upgrades and plans to fully launch the establishment of the Zero Trust Architecture in 2026. Based on the principle of "never trust and always verify", this architecture incorporates mechanisms such as dynamic identity authentication, device health assessment, micro-segmentation, least-privilege access control, and continuous risk monitoring, enabling refined and end-to-end protection of critical data assets.

Information Security Audit

The Company has established a comprehensive information security audit system. We conduct annual internal audits of our information security management system, annual audits by third parties for ISO/IEC 27001 certification, and triennial external audits for TISAX certification. In addition, annual information system risk assessments are carried out across subsidiaries. In 2025, Huayou Cobalt and Chengdu B&M passed the surveillance audit of ISO/IEC 27001 Information Security Management Systems. Huayou Cobalt also achieved the highest TISAX AL3 assessment level in 2023 and is scheduled to undergo TISAX recertification and the version upgrade audit in 2026.

Information Security Culture

Huayou Cobalt has established a company-wide information security culture, clearly defining individual responsibilities for data security and setting information security requirements for third parties such as suppliers. The Company also conducts cybersecurity emergency drills and targeted information security inspections, and engages qualified third parties to carry out penetration testing and red team vs. blue team exercises to identify vulnerabilities, all of which have been remediated in a timely manner. In addition, company-wide phishing simulation exercises are conducted to enhance employees' ability to identify and prevent social engineering attacks.

03

Footprint



Amid global efforts to address climate change, Huayou Cobalt views addressing climate change and advancing energy transition as core corporate responsibilities. The Company integrates low-carbon principles into its operations and industrial development, continuously strengthening climate adaptation and resilience. Through concrete action aligned with the *Paris Agreement* global climate governance framework, we contribute to the global low-carbon transition.



Climate Change Response

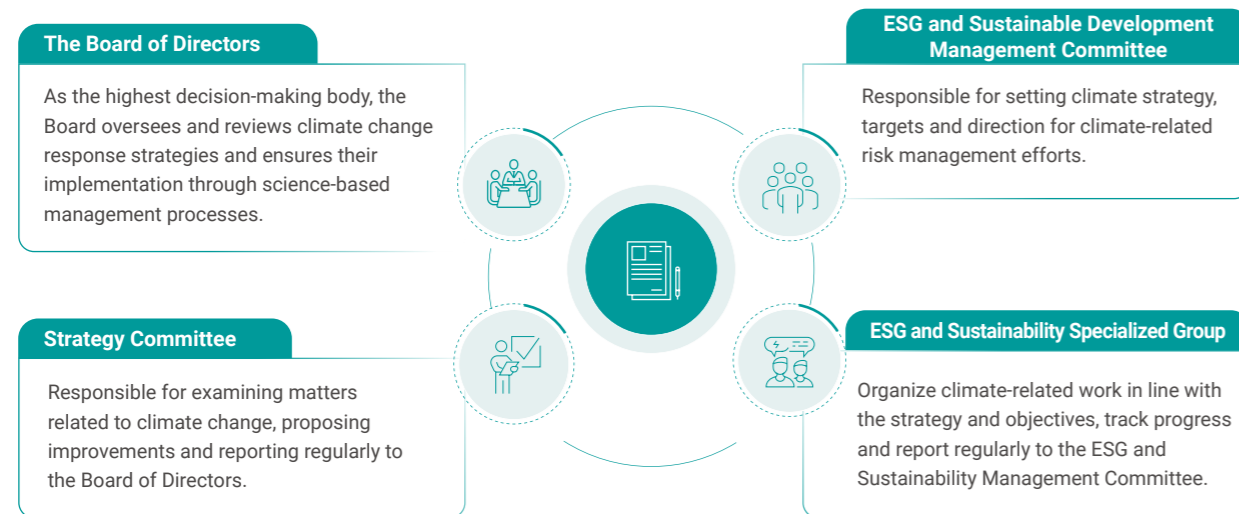
Huayou Cobalt continues to refine its climate governance framework, identifying and managing climate-related risks and opportunities across the board. The Company is building capacity to respond to these risks, executing a dedicated low-carbon transition plan, and driving greenhouse gas (GHG) emission reductions across the full value chain, transforming climate risks into drivers of green transformation.

Governance

Huayou Cobalt has established a climate governance structure led by the Board of Directors and the ESG and Sustainability Management Committee. Climate issues are a standing item on the Committee's agenda and are reviewed at least once a year. The Committee provides top-level oversight, approval, and evaluation of climate strategy, targets, and action plans, ensuring that climate governance stays aligned with corporate strategy, risks remain manageable, and targets are delivered. The ESG and Sustainability Task Force is responsible for developing strategies, driving execution, and evaluating outcomes, enabling cross-departmental and cross-level coordination. The Company also maintains active dialogue with government agencies, industry peers, and academic institutions to embed climate action throughout its responsibility framework for effective execution.

The Company has developed the *Climate Change Management Procedure* and established an information reporting mechanism to collect and analyze carbon emissions data on a regular basis. Policy updates, industry standards, and emerging technology insights are shared with relevant personnel on an irregular basis to keep management practices current. To support effective execution of climate-related strategies and plans, we engage external experts to participate in identifying climate risks and opportunities. Targeted training on climate change topics is provided to the ESG and Sustainability Management Committee and relevant business management. Implementation personnel receive specialized training in areas such as ISO 14064 Greenhouse Gas Inventory. Energy conservation and consumption reduction targets are incorporated into our annual performance assessments, with awards to incentivize progress. The Company is also working to integrate metrics, including climate target achievement rates and low-carbon project delivery rates, into the performance assessment framework for its climate governance structure, ensuring accountability is effectively cascaded throughout the organization.

Huayou Cobalt's organizational structure for climate change governance



Strategy

Huayou Cobalt has integrated climate change into its core sustainability agenda as a key consideration for business development. To identify the actual and potential impacts of climate change on its business, strategy, and financial performance, the Company has conducted scenario analysis in line with the recommendations of *IFRS S2 Climate-related Disclosures*. Three scenarios were selected: the International Energy Agency (IEA) Net Zero Emissions by 2050 scenario, the NGFS 2°C-or-below scenario, and the RCP 8.5 scenario through 2050. The analysis covers risks and opportunities across direct operations and the upstream and downstream value chain, spanning four time horizons: short-term (through 2026), medium-term (2026–2030), medium-to-long-term (2030–2040), and long-term (2040–2050).

Transition risk scenario analysis

Based on the IEA NZE 2050 and NGFS scenarios, combined with data on the Group's facilities, electricity consumption, and business growth projections, the analysis indicates that under a net-zero pathway, renewable energy can adequately support the Company's low-carbon transition. The risk of insufficient energy supply is minimal, and the industry outlook remains favorable.

Physical risk scenario analysis

Using the RCP 8.5 extreme climate scenario, the Company modeled impacts based on key parameters including extreme heat, heatwaves, typhoons, and flooding, factoring in the Group's operating environments and workforce health and safety conditions. Preliminary emergency response plans for the physical risks associated with climate warming have been developed accordingly.

Huayou Cobalt climate change risk analysis

Risk types	Description	Coverage	Time horizon	Financial impact	Response measures
Physical risk	Acute risk Extreme weather events (including heavy rains, typhoons, snow, floods, extreme heat and cold, etc.) may lead to disruptions in production processes, depreciation in the value of fixed assets, and loss of labor.	Production, logistics, plant operations, and employee work processes.	Short-term	Rising costs	Establish a regular tracking system for meteorological information, an extreme weather warning management process and an emergency disaster response plan to efficiently prevent and respond to sudden natural disasters such as typhoons, rainstorms and floods.
	Chronic risk The increase in average temperatures negatively affects the Group's production environment, which in turn pushes up operating costs.	Production, logistics, plant operations, and employee work processes.	Medium-to-long-term	Rising costs	Continuously identify potential climate-related risks and develop adaptation plans to enhance resilience to changes such as rising temperatures.
Transition risk	Policies and legal risk Increasingly stringent government policies and laws and regulations on carbon emissions have placed enormous pressure on companies in terms of compliance management.	The entire process of the Group's overall operation, production and manufacturing, energy consumption, and carbon emission management.	Medium-term	Rising costs	Strengthen the establishment of the carbon emission management system, build a digital carbon emission management platform to continuously monitor the progress of the established environmental targets, and establish a carbon emission performance indicator assessment mechanism; ensure compliance with existing regulatory standards by optimizing the allocation of the energy mix, and enhancing technological innovation capabilities, etc., while planning ahead to flexibly respond to potential or upcoming new regulations.
	Markets risk The risk of climate change will affect the stable supply of raw materials, which may lead to an increase in raw material prices and thus push up production costs. If the carbon emissions of the product cannot meet customer requirements, it may result in the loss of orders.	Raw material procurement and supply, product production, market sales, and customer supply chain.	Medium-to-long-term	Rising costs	Closely monitor raw material market dynamics to ensure rapid access to price information and energy policy changes, enabling timely responses; strengthen supplier management and regularly conduct risk assessments and analyses of raw material supply.
	Technology risk Stricter technological specifications for products using recycled materials, combined with mounting pressure on low-carbon R&D and innovation.	R&D, production processes, recycled material applications, and product manufacturing.	Long-term	Rising costs	Set an annual dedicated budget for low-carbon technology R&D to sustain investment in iterative technology upgrades. Establish a cost-effectiveness evaluation framework for R&D investment to conduct full-cycle feasibility studies on proposed projects, and leverage collaborative innovation strengths to link raw material supply with application-end technology demands, and form a closed-loop R&D mechanism.

Risk types	Description	Coverage	Time horizon	Financial impact	Response measures
Transition risk Reputation risk	Customers, consumers, and other stakeholders are placing greater emphasis on the Company's initiatives to address climate change. Failure to proactively respond to climate change may result in unmet stakeholder expectations, thereby damaging the Company's image and reputation.	Brand image, information disclosure, investor relations, and communication with stakeholders across the entire value chain.	Long-term	Reduced income	Align with the latest international climate disclosure standards to upgrade climate scenario analysis and risk management practices; proactively respond to global investor demand for climate-related disclosure and improve information transparency. Actively set climate targets, track climate action progress, and align with China's "dual carbon" goals (to peak carbon dioxide emission by 2030 and achieve carbon neutrality by 2060) and the global 1.5°C net-zero target.

Huayou Cobalt climate change opportunity analysis

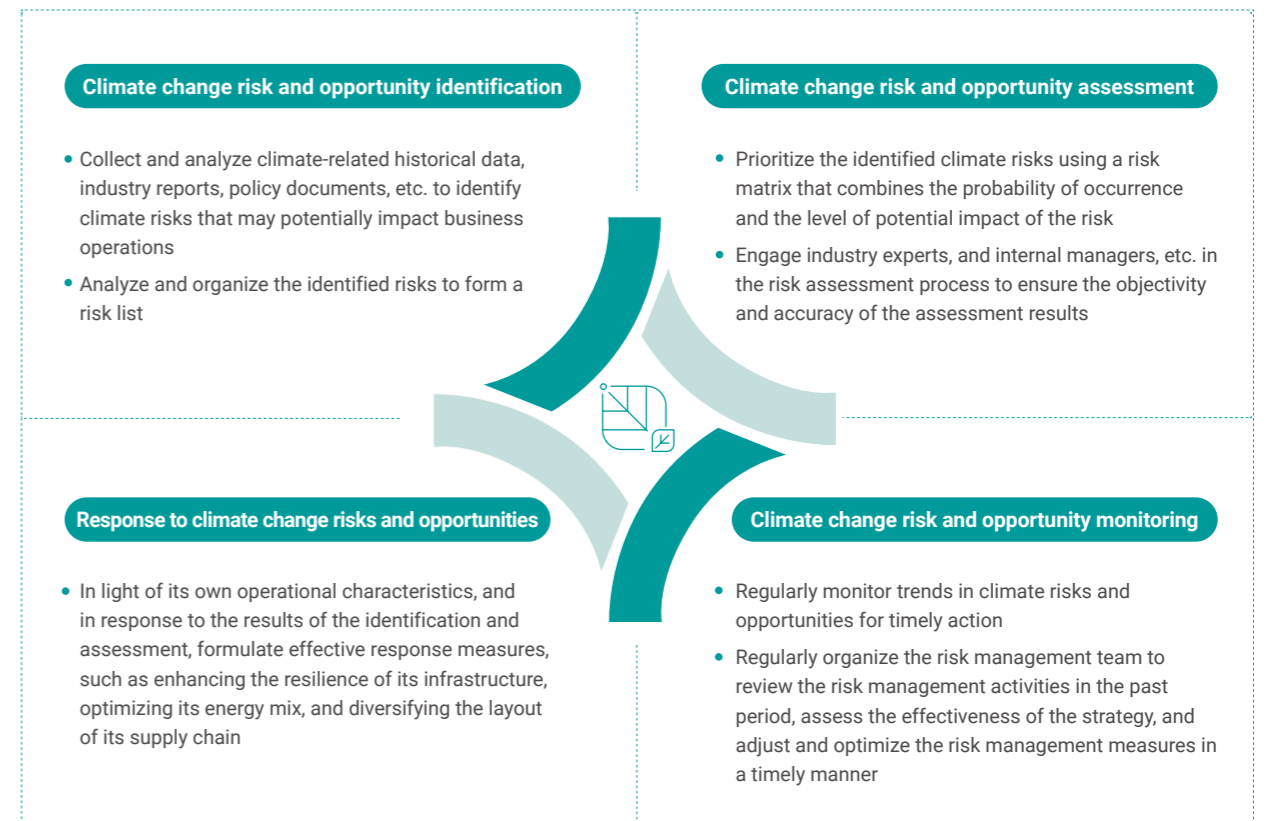
Opportunity type	Description	Time horizon	Financial impact	Response measures
Emerging markets in new energy and electrification	Driven by global carbon reduction policies, penetration rates in new energy vehicles, artificial intelligence, and low-altitude economy sectors continue to rise, increasing demand for critical metals such as cobalt, nickel, and lithium.	Medium-to-long-term	Revenue growth	Deepen the Company's integrated global value chain across nickel, cobalt, and lithium—covering resource development, refining, materials manufacturing, and recycling; expand production capacity at Indonesian projects and apply third-generation High-Pressure Acid Leaching (HPAL) technology to reduce carbon emissions; further expand partnerships in emerging new energy markets and deliver products and services tailored to market needs and expectations.
Renewable energy transition	Continued R&D and innovation in green technologies, coupled with supportive policy frameworks, are improving the availability of renewable energy while driving down costs over time.	Medium-to-long-term	Cost reduction	Increase the share of renewable energy in production operations to lower direct energy costs and meet downstream customers' green requirements. Coordinate across operating units to identify cost-effective renewable energy solutions, further reducing product carbon footprint and maintaining a competitive market position.
Domestic and international carbon policy drivers	China's "dual carbon" goals and emissions control policies are accelerating the green transformation of energy-intensive industries, with national policy support for the "new trio" sectors (EVs, lithium batteries, and solar cells). The EU Battery Regulation and similar frameworks favor low-emission material exports.	Medium-to-long-term	Cost reduction	Monitor climate policy developments across operating regions and leverage favorable policies to support business growth. Set corporate carbon neutrality targets and establish a top-down climate response mechanism to drive low-carbon development.
Circular economy and resource recovery	The power battery recycling market is expanding rapidly as recovery technologies have matured. Resource recycling reduces dependence on primary minerals and aligns with ESG investment trends.	Medium-to-long-term	Cost reduction	Scale up Huayou Recycling's capacity, build a waste power battery collection network, develop high-efficiency recovery technologies, and improve recovery rates for lithium, cobalt, nickel, and other metals to further strengthen the resource circularity system.
Technology innovation and energy efficiency improvement	Advanced process technologies reduce energy consumption and carbon emissions per unit of product. Technological iteration in solid-state batteries and high-nickel, low-cobalt materials drive battery innovation and cost optimization. Significant potential remains in waste heat recovery and energy-efficient equipment.	Medium-to-long-term	Cost reduction	Increase R&D investment focused on core technology innovation in hydrometallurgy and materials processing to lower project-level carbon emissions. Deploy intelligent control systems to optimize production processes and reduce energy intensity.
International carbon policy compliance and green premium	Low-emission products gain pricing advantages in international markets. ESG investment continues to grow, and green supply chain certification is becoming a prerequisite for international partnerships.	Medium-to-long-term	Cost reduction	Establish a carbon accounting system aligned with international standards, pursue product carbon footprint certification, and actively drive product-level decarbonization. Advance low-carbon transformation across the supply chain by requiring suppliers to provide carbon footprint data and set emission reduction targets.

Based on the identified impacts, risks, and opportunities, the Group has developed and continues to refine its carbon neutrality strategic plan to strengthen its climate risk response. The Group is building an integrated green, low-carbon value chain — from crude nickel, cobalt, and lithium materials through refining, precursors, cathode materials, and recycling — to create value for customers and advance the green development of the new energy lithium battery materials industry.

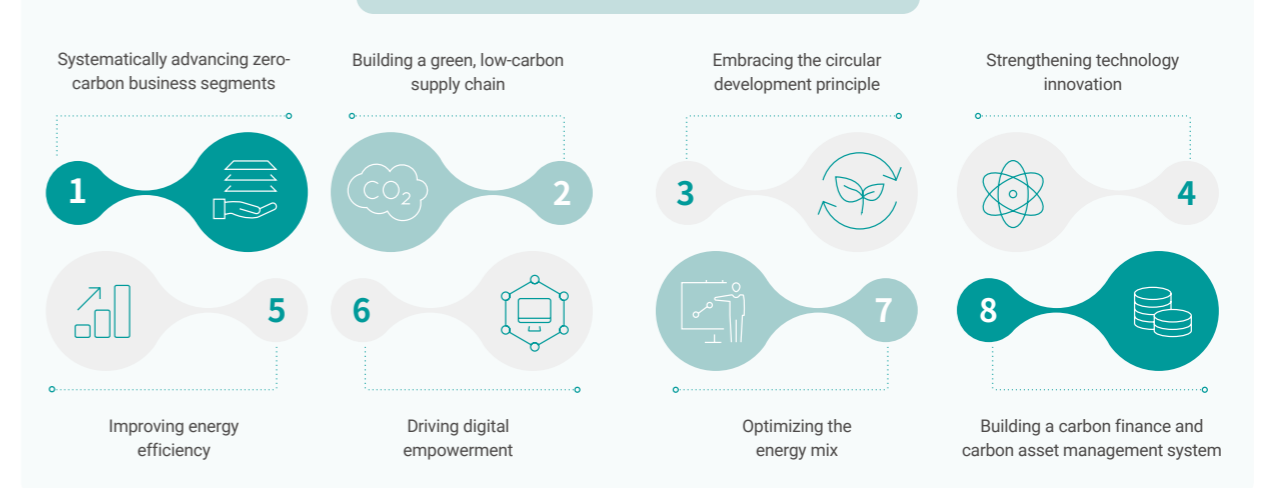
Impact, Risk, and Opportunity Management

To deliver on the "dual carbon" goals, Huayou Cobalt continues to strengthen its risk management framework and processes while systematically advancing eight key decarbonization actions. The Company pursues low-carbon development across multiple dimensions, including direct emissions, indirect emissions, product carbon footprint, and supply chain carbon footprint, as it accelerates its transition to a sustainable business model.

Huayou Cobalt climate-related risk and opportunity management process



Eight decarbonization actions of Huayou Cobalt



Eight key decarbonization actions of Huayou Cobalt for 2025

Systematically advancing zero-carbon business segments

Chengdu B&M pioneered a full lifecycle zero-carbon architecture for cathode materials, built on the concept of "dual synergy, six-pillar drive," deeply integrating intelligent manufacturing with green manufacturing. This approach encompasses production line automation, large-scale equipment, green production, smart manufacturing, short-range processes, and digital operations. Since establishing the industry's first Zero Carbon Factory for cathode materials in 2021, Chengdu B&M has passed the PAS 2060 carbon neutrality certification for four consecutive years. The Guangxi park was selected for the first cohort of the national "Zero-Carbon Park" pilot program.

Building a green, low-carbon supply chain

Huayou Cobalt maintains a customer requirements ledger tracking carbon emissions and green electricity needs, with a monthly update. The Supplier Code of Conduct sets clear green and low-carbon requirements for suppliers, and first-hand low-carbon emissions data is collected from the supply chain to enable collaborative decarbonization.

Our low-carbon supply chain initiatives span the full process, from equipment phase-outs and energy mix optimization to energy-saving technologies, carbon emissions and product carbon footprint (PCF) accounting. Through supply chain enablement, we helped one supplier achieve a 50% reduction in emissions, significantly lowering the value chain carbon footprint. As of the end of 2025, both Huayou Cobalt and its subsidiary Huayou Quzhou have been recognized as National Green Supply Chain Management Enterprises. Chengdu B&M has been named a Sichuan Province Green Supply Chain Management Enterprise.

Embracing the circular development principle

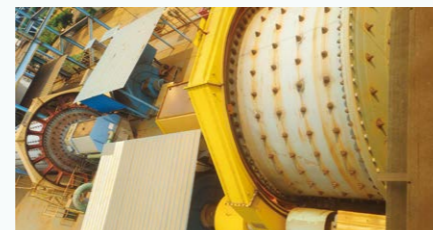
Huayou Cobalt has established the *Circular Economy Management Procedure* and developed supporting risk and opportunity management tools. In 2025, one additional product received recycled content certification. New Energy Quzhou, Huayou Quzhou's four cobalt products, and Resource Recycling have completed recycled content certification for a total of eight products. A full-process traceability system has also been implemented to meet downstream demand for recycled material traceability.



Recycled Content Certification

Strengthening technology innovation

Huayou Cobalt continues to explore green, low-carbon technologies and processes for production applications. Since April 2023, the Indonesian park has operated a gravel comprehensive recovery and carbon reduction project. By introducing a residual ore system, gravel is fed back into the process flow, replacing conventional landfill storage, to recover metallic nickel and effectively offset limestone consumption.



Gravel comprehensive recovery and carbon reduction project

Improving energy efficiency

In August 2025, the Quzhou base launched a pressure-reduction power generation project that uses high-speed turbo-expander technology to replace conventional pressure and temperature reduction devices, enabling efficient recovery of residual steam pressure. The project generates approximately 1.19 GWh annually and reduces carbon dioxide emissions by 632 tons. The technology is undergoing horizontal scaling research.



Deploying energy efficiency enhancement equipment

Driving digital empowerment

In 2025, the Company continued to enhance the Huayou Integrated Energy and Carbon Management Platform, enabling full-cycle digital management of energy and carbon data. A routine data accounting system has been established to map the carbon emissions baseline across production, logistics, and supply chain operations. The platform serves both Group-level oversight of subsidiary emissions and product-level identification of emission reduction and cost optimization opportunities from a life cycle perspective, driving green and low-carbon development.



Huayou Integrated Energy and Carbon Management Platform

Optimizing the energy mix

The Company is actively developing clean power plans tailored to the resource characteristics of each production base, with an aim to refine the energy mix. In 2025, the Guangxi base advanced its "Source, Grid, Load and Storage" integration project: 16.8 MW of distributed rooftop PV across the Guangxi Lithium, Guangxi B&M, and LFP zones is now operational, generating approximately 18 GWh annually. An 800MW wind power project is under construction, with expected annual generation of 1.6 TWh. At the Quzhou base, a 9.3MW Phase IV PV system is under construction, projected to generate approximately 9.3 GWh of electricity per year. In Africa, CDM's first 3 MW solar-plus-storage power plant (with 10 MWh storage capacity) has been connected to the grid, with cumulative generation reaching 1.87 GWh. Total installed PV capacity is expected to reach 51 MW, generating approximately 54.57 GWh per year.



Guangxi base "Source, Grid, Load and Storage" integration project

Building a carbon finance and carbon asset management system

In 2025, the Company secured RMB 3.157 billion in green credit through syndicated loans from Standard Chartered and the Bank of East Asia, and successfully issued its first RMB 500 million medium-to-long-term green technology innovation bond, further strengthening its carbon asset management and green finance capabilities.

The Company formally launched a product carbon reduction performance management system. Building on product carbon footprint accounting, the system applies customized, science-based accounting standards to incorporate products in stable mass production into quarterly carbon performance monitoring. Linked to organizational performance assessments, it closes the loop from carbon accounting to carbon management. As of the end of 2025, the Company has brought nine products under quarterly carbon performance monitoring, achieving a target completion rate exceeding 90% and delivering significant product-level decarbonization results.

In 2025, the Company used carbon credits to offset approximately 784 tons of carbon dioxide emissions. No carbon emission trading allowances were involved.

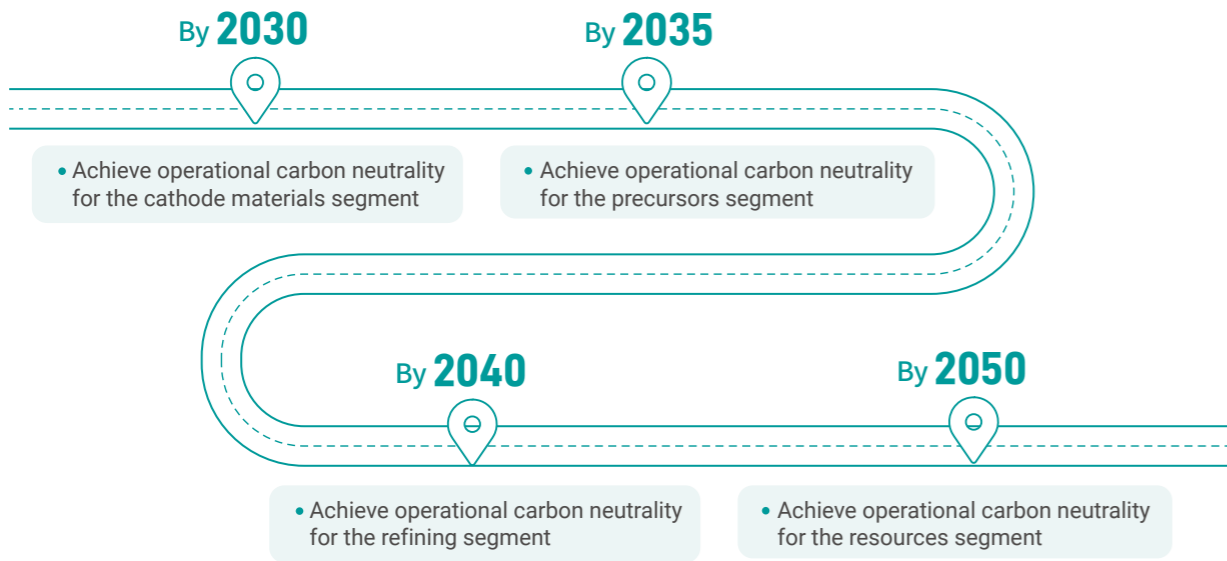
★ At the 5th Carbon Neutrality Forum Boao 2025 hosted by CECEP, Chengdu B&M and Huayou Resource Recycling were awarded the "First Prize of Science and Technology Progress Award for Energy Conservation and Emission Reduction (Carbon Neutrality Category) among the 2025 China Energy Conservation Association Innovation Award" for the second consecutive year.



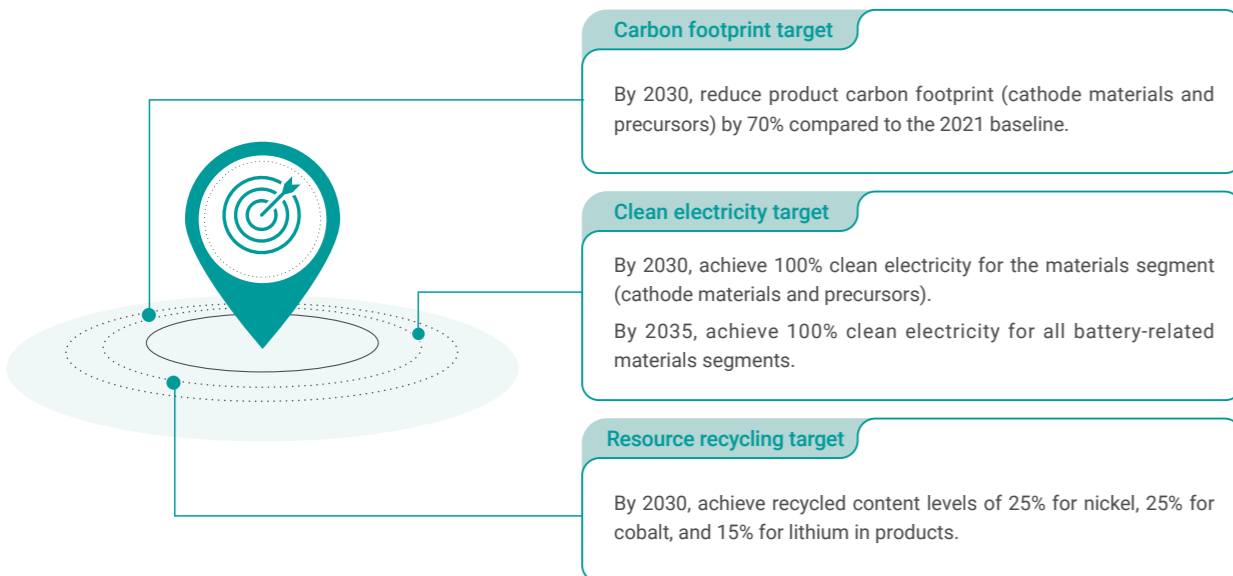
Metrics and Targets

Huayou Cobalt supports the Paris Agreement and the targets set by the Intergovernmental Panel on Climate Change (IPCC). The Company has established management and emission reduction targets aligned with the Science Based Targets initiative (SBTi) 1.5°C pathway, contributing to the goal of limiting global warming to within 1.5°C above pre-industrial levels. We have set a long-term vision of achieving full value chain carbon neutrality by 2050 and developed phased, sector-specific carbon neutrality targets accordingly. Progress is tracked through the Huayou Intelligent Carbon Platform, supported by internal policies such as the *Greenhouse Gas Inventory Procedures* to provide systematic carbon emissions monitoring and verification.

Huayou Cobalt phased carbon neutrality targets:



Core business segment climate action targets:



Indicator	2025 data (third-party verified)*
Scope 1 GHG emissions (tCO ₂ e)	4,398,741
Scope 2 GHG emissions - market(tCO ₂ e)	1,679,438
Total Scope 1 and Scope 2 GHG emissions (tCO ₂ e)	6,078,179
Scope 1 and Scope 2 GHG emission intensity per unit of electric nickel products(tCO ₂ e/ ton)	1.64
Scope 1 and Scope 2 GHG emission intensity per unit of Crude Nickel Cobalt Hydroxide (MHP) products (tCO ₂ e/ ton)	6.31
Scope 1 and Scope 2 GHG emission intensity per unit of cathode material products (tCO ₂ e/ ton)	1.26
Scope 1 and Scope 2 GHG emission intensity per unit of precursor products (tCO ₂ e/ ton)	1.41

* The calculation of the GHG emission indicators (Scope 1) is based on the *System of Greenhouse Gas Accounting (GHG Protocol)* issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* issued by the Intergovernmental Panel on Climate Change (IPCC). The mass balance method is used for calculation, and the operational control approach is adopted for consolidation.

Scope 2 GHG emissions are the greenhouse gas emissions that are indirectly generated by the consumption of energy, such as purchased electricity, heat, steam or cooling, in the course of the Company's operations. The mass balance method is used for calculation, and the operational control approach is adopted for consolidation.



Energy Transition

Huayou Cobalt is committed to advancing energy management and implementing its clean power development plan. Through systematic, full-process energy management covering energy procurement, conversion, use, and recovery, the Company plans, implements, monitors, and optimizes energy performance to improve energy efficiency and green operations.

Governance

With low-carbon operations as a guiding principle, Huayou Cobalt has established energy transition targets, developed a systematic energy management plan, and regularly evaluates energy-saving progress to continuously improve Group-level energy management. The Company operates a three-tier management structure across the headquarters, industrial groups, and subsidiaries, responsible for organizing, supervising, inspecting, and coordinating day-to-day energy management. Each industrial group has a dedicated energy management department at the site level; at the subsidiary level, energy management functions are embedded within equipment and production departments. The Company has developed a comprehensive set of institutional documents, including the *Energy Management System Manual*, *Energy Management System Operational Control Procedure*, *Energy and Resource Design Control Procedure*, *Energy Performance Monitoring and Evaluation Control Procedure*, *Energy and Water Resource Performance Parameters, Baselines, Targets and Indicators Control Procedure*, *Energy Metering Management Measures*, and *Energy and Resource Data Metering, Statistics, and Analysis Management Measures*. These policies are designed to implement the Company's energy policy, achieve energy performance targets, and drive continuous improvement in energy efficiency and consumption through systematic management approaches.

As of the end of 2025

55.6%

Operating entities in stable production have obtained ISO 50001 Energy Management System certification

Case Systematic energy efficiency training program

To strengthen energy-saving awareness and professional capabilities across the workforce, the Company conducts regular energy efficiency training for all employees. The training is structured in three tiers around energy efficiency optimization: first, general "dual carbon" goal training covering the policy shift from dual control of energy consumption to dual control of carbon emissions, along with energy auditing and energy-saving potential identification methods; second, GHG-related energy efficiency management training focused on practical skills such as improving the efficiency of key energy-consuming equipment and waste heat recovery; and third, carbon footprint and energy efficiency integration training covering full-process energy efficiency optimization pathways. The program spans all employee levels, strengthening energy-saving awareness and professional capabilities to drive continuous improvement in energy efficiency and support the Company's transition to green production.

Strategy

At Huayou Cobalt, energy transition is regarded as a core strategic lever for addressing climate change, and is deeply integrated into the Group's medium-to-long-term development plan. The Company systematically analyzes the policy, market, and technology risks and opportunities arising from the energy transition and continuously refines its energy management mechanisms. We are also actively implementing our clean power development plan through multiple pathways, including self-built PV systems and green electricity procurement. We advance the decarbonization of our energy mix, targeting 100% clean electricity across the Group by 2035. This green energy transition lays a solid foundation for our sustainable development and supports the delivery of "dual carbon" goals.

Impact, Risk, and Opportunity Management

To drive the energy transition forward, Huayou Cobalt has built an energy management system spanning energy efficiency improvement and clean energy substitution. Through an "identify, assess, respond, and monitor" management process, energy transition risks and opportunities are incorporated into strategic decision-making and daily operations. The Company reduces fossil fuel dependence through energy efficiency benchmarking and process innovation, while actively deploying renewable energy sources such as PV and wind power to capture low-carbon development opportunities.

Improving Energy Efficiency

Huayou Cobalt continues to advance refined energy management through system optimization, technology upgrades, and digital empowerment, driving energy use toward greater efficiency and lower-carbon intensity.

Key initiatives to improve energy efficiency

Routine energy audits

We conduct comprehensive diagnostics and data analysis of energy consumption structures, key energy-consuming processes, and equipment efficiency to identify energy-saving potential and opportunities for energy performance improvement.

Digital management platforms for refined energy control

Aligned with plant operational requirements, we have refined our three-tier metering system to collect real-time energy consumption data across all categories, feeding into site-level energy management centers for visualized, refined energy management. A robust energy efficiency KPI management system is in place, with monthly tracking and anomaly analysis of per-unit consumption indicators for key products, including electricity, water, steam, and natural gas. We also continuously identify and implement energy-saving and emission reduction projects to reduce per-unit product consumption.

Equipment and process optimization for energy efficiency

The Company consolidates production equipment and optimizes process parameters to reduce equipment energy consumption during production. Transformers, permanent magnet motors, water pumps, and other equipment are regularly updated and upgraded, phasing out low-efficiency equipment to improve production energy efficiency. Advanced energy-saving technologies such as low-oxygen-consumption roasting processes are adopted to reduce process energy consumption. Cascaded energy utilization technologies, including kiln waste heat recovery and steam pressure differential recovery, are applied to improve overall energy efficiency.

Case Efficient waste heat utilization to increase self-generation ratio

Huayou Cobalt's Indonesia Nickel Industry Group focuses on efficiently utilizing waste heat from smelting and acid production systems, ensuring stable operation of waste heat recovery power generation systems to improve energy efficiency. Both the Huafei and Huayue projects leverage waste heat recovery. The Huafei project achieved an average annual waste heat self-generation ratio of 77.69%, with cumulative electricity savings of approximately 741 GWh in 2025, reducing CO₂ emissions by 549,100 tons. The Huayue project achieved cumulative electricity savings of approximately 220 GWh in 2025, reducing CO₂ emissions by 236,200 tons.



Waste heat recovery equipment

Case Energy-saving retrofits of key equipment to reduce consumption

To reduce electricity consumption and improve equipment operational flexibility and energy efficiency, Huayue Company has advanced an energy-saving retrofit program for energy-intensive equipment, upgrading from soft-start to variable frequency drive (VFD) systems. A total of 28 units are planned for retrofit. As of the end of 2025, retrofitting work on 26 units of equipment had been completed. Upon full completion, annual electricity savings are expected to reach approximately 9.1352 GWh.

Case Smart HVAC system retrofit for precision energy efficiency



Huayou Cobalt New Materials Research Institute server room partial control interface

In 2025, Huayou Cobalt launched a smart retrofit of its HVAC systems. By replacing traditional manual controls with IoT-based automated control systems and optimizing the main HVAC system's programming and automated operation, we reduced the summer cooling energy consumption by 30.7% and winter heating steam consumption by 38%. This retrofit achieved precise HVAC energy management through technology empowerment, effectively improving energy efficiency and advancing green, low-carbon operations.

Metrics and Targets

To scientifically measure the effectiveness of the energy transition, Huayou Cobalt conducts quantitative tracking and dynamic assessment of energy efficiency and clean energy substitution progress. We set phased, quantifiable performance targets and ensure deep integration of energy transition goals with production and operations through real-time energy consumption tracking, target correction, and internal audit mechanisms.

In accordance with our annual energy conservation and carbon reduction requirements, each base and subsidiary develops corresponding energy-saving targets based on its own operational and production conditions. For example, certain subsidiaries at the Indonesia base have set a target to reduce energy consumption per unit product by approximately 5% year-on-year in 2025. The Quzhou base has set targets to reduce electricity consumption per unit of certain products by approximately 3% and steam consumption per unit by approximately 6% compared to the prior year.



Targets

By 2030, achieve **100%** clean electricity for the materials segment (cathode materials and precursors).

By 2035, achieve **100%** clean electricity for all battery-related materials segments.

Clean Energy Utilization

Huayou Cobalt actively participates in renewable energy substitution initiatives and continues to advance the replacement of fossil fuels with clean alternatives. Leveraging the local resource endowments, we are deploying solar, wind, and other renewable energy sources to build a diversified, synergistic clean energy supply system and drive the transition to a low-carbon energy mix.



Clean energy usage in 2025

The Zhejiang base made full use of rooftop space across its facilities, constructing distributed rooftop PV projects in four phases with a cumulative installed capacity reaching **23 MW**. The Tongxiang and Quzhou bases have reached a combined rooftop installed PV capacity of **14 MW**, generating **15.548 GWh** and reducing CO₂ emissions by **8,250 tons**. The Quzhou Phase IV **9.3MW** rooftop PV project is currently under construction.

The Guangxi base's 12.3MW distributed rooftop PV plant was successfully connected to the grid, generating **8.005 GWh** in 2025 and reducing carbon emissions by **4,247 tCO₂e**.

The supporting wind power projects of the Guangxi Zero-Carbon Industrial Park, the 100MW Yulin Luchuan Wushi project and the 100MW Yulin Beiliu Liurong project, were successfully connected to the grid, providing a cumulative **20.50 GWh** of wind power in 2025 and reducing CO₂ emissions by **10,877 tons**.

Chengdu B&M achieved a hydropower usage ratio exceeding **83.2%** for the full year and reached **100%** clean electricity through the purchase of Green Electricity Certificates (GECs).

In Indonesia, Huayue Company, Huafei Company, and other entities primarily rely on waste heat power generation from acid production steam, with clean electricity accounting for approximately **70%** of total consumption.

In the DRC, CDM's 3 MW solar-plus-storage power plant (with 10 MWh storage capacity) was formally connected to the grid, with cumulative generation of **2.51 GWh** in 2025.



04

Resources



International organizations including the World Wide Fund for Nature (WWF) have put forward the “Nature Positive” global initiative, which aims to reverse biodiversity loss by 2030 and achieve a net gain in global natural ecosystems. In line with this global consensus, Huayou Cobalt integrates environmental protection across its entire value chain. We work to reduce environmental impact and improve resource efficiency at each stage of operations, thereby promoting harmonious coexistence between human and nature.



Environmental Compliance Management

Huayou Cobalt strictly complies with China's *Environmental Protection Law* and *Law on Environmental Impact Assessment*, as well as environmental laws and regulations in Indonesia, the DRC, Zimbabwe, and other regions of operation, while continuously strengthening its environmental management system. To support this, the Group has issued the *Environmental Policy Statement* and the *ESG Policy*, which set out commitments and management requirements covering pollutant and waste emissions, water resource management, tailings management, and biodiversity protection. We have also developed and implemented a series of management policies and procedures, including *Environmental Information Management Regulations*, *Environmental Factor Identification and Management Control Procedures*, *Soil and Groundwater Management System*, *Emission Permit Management Regulations*, *Solid Waste Management Guidelines*, *Radiation Environment Management Regulations*, and conduct environmental impact assessments in accordance with regulatory requirements to ensure compliance.

Environmental Governance System

Huayou Cobalt has established a three-tier environmental management structure covering the "Group Headquarters – Industrial Groups – Subsidiaries", while strengthening accountability mechanisms by embedding performance evaluation, incentives, and disciplinary measures into the management system. In addition, we directly link management's performance incentives to the fulfillment of environmental performance objectives. In the event of a major environmental incident or discovery of a major environmental issue in the course of an internal review, the Company will, based on the level of significance of the environmental issue, penalize the relevant responsible departments and management personnel who are responsible with corresponding performance vetoes, economic penalties or administrative sanctions. This governance framework applies to key topics covered in this report, including pollutant and waste management, chemical management, water resource management, biodiversity protection, and tailings management.

Huayou Cobalt environmental management structure



In 2025

<p>13</p> <p>Environmental technical transformation initiatives executed</p>	<p>111</p> <p>Environmental training sessions</p>	<p>RMB 421 million+</p> <p>Invested in environmental protection *</p>	<p>*Primarily for environmental technology development, construction and operation of environmental protection facilities, and environmental compliance outreach.</p>
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Environmental Audit and Certification

We have built a full life-cycle environmental compliance management system covering all global operations, under which we oversee environmental performance across all sites and conduct annual internal and external environmental audits. For any non-compliance issues identified, we take active measures to rectify and establish internal tracking and review mechanisms to ensure effective management improvement. In 2025, Huaxiang, Indonesia Huaneng, and Guangxi New Materials obtained ISO 14001 Environmental Management Systems certification.

By the end of 2025

<p>18 subsidiaries and the headquarters across major operating bases—including Weda Bay and Morowali in Indonesia; Quzhou, Guangxi, Chengdu, Tianjin, Nanjing, and Tongxiang in China—had obtained ISO 14001 certification, achieving</p> <p>100% certification coverage</p>	<p>100%</p> <p>Internal environmental audit coverage</p>
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Environmental Emergency Management

Huayou Cobalt places strong emphasis on environmental emergency management. All subsidiaries have established respective *Environmental Emergency Response Plan* that specifies the response measures, such as fire and explosion, leakage of hazardous chemicals, atmospheric pollution, water pollution. They conduct retrospective assessments and revisions of this plan on a regular basis to improve the emergency preparedness and response capabilities. At the same time, the Company regularly identifies environmental factors to control risks at the source, implements targeted management measures based on key factors, and establishes a stringent control list to ensure effective risk prevention and control. In addition, digital tools are applied to support real-time assessment and analysis of environmental risks. No environmental penalties were recorded in 2025.

Pollutant and Waste Management

Huayou Cobalt reduces waste generation at the source through R&D innovation, process optimization, and supply chain management. We implement standardized, full-process management of wastewater, exhaust gas, and solid waste, covering collection, storage, transfer, disposal, and recycling, to ensure compliant handling.

Governance

Huayou Cobalt strictly complies with China's *Law on Prevention and Control of Water Pollution*, *Law on Prevention and Control of Air Pollution*, *Law on Prevention and Control of Environmental Pollution by Solid Wastes*, *Technical Specification for the Collection, Storage and Transportation of Hazardous Wastes*, *Measures for the Administration of Hazardous Waste Transfer*, as well as local environmental regulations and laws in regions of operation. This helps to reduce the environmental impact of wastewater, exhaust gas, and solid waste generated during production and operations. The Group's EHS Management Center provides overall leadership for pollutant and waste management, while industrial groups and site-level EHS departments are responsible for daily management (For the governance structure and specific responsibilities, please refer to the Environmental Management System section). For effective guidance on pollutant and waste management, the Group has implemented a series of policies and procedures, including *Air Pollution Prevention and Control Management Regulations*, *Water Pollution Prevention Management Regulations*, *Solid Waste Management Regulations*, and *Soil and Groundwater Management Regulations*.



Strategy

Huayou Cobalt identifies and analyzes potential risks and opportunities related to pollutant and waste emissions, and formulates targeted response strategies and optimization pathways accordingly. We strive to reduce emissions, minimize environmental impact, and promote coordinated progress between business development and environmental protection.

Risk and opportunity analysis for pollutant and waste emissions management

Risk types	Description	Financial impact	Response measures
Policy risks	Wastewater and exhaust gas discharge standards, as well as hazardous waste management requirements, are becoming increasingly stringent in China and overseas operating regions.	Continuous investment is required to construct or upgrade end-of-pipe treatment facilities to meet new standards.	Ensure strict compliance with environmental laws and regulations in all operating regions, and closely monitor regulatory updates and changes.
Legal risks	Incidents such as excessive emissions, leaks, or illegal dumping may result in fines, production suspension for rectification, or even criminal liability.	High administrative fines, revenue disruption due to production suspension, and costs related to emergency response and remediation.	
Reputation risks	Improper handling of pollutants, wastewater, and solid waste during operations may affect surrounding ecosystems and communities, leading to loss of trust and support from stakeholders, including investors, communities, and customers, thereby damaging corporate reputation.	Increased scrutiny and pressure from investors, potentially affecting share price and financing capability.	Strengthen monitoring of pollutant and waste emissions and enhance standardized management of wastewater, exhaust gas, and solid waste to ensure compliant discharge.
Technology risks	Continuous advancements in production technologies impose higher environmental requirements on equipment and processes; failure of existing production lines to meet new requirements may lead to obsolescence.	Additional R&D investment or procurement of new equipment is required to maintain compliance and technological competitiveness, resulting in higher costs.	Develop water recycling technologies, reduce resource consumption, promote wastewater reuse, and continuously optimize production processes through the adoption of new technologies, processes, and equipment.

Opportunity types	Description	Financial impact	Response measures
Technology opportunities	Reduced material consumption, and lower generation and treatment of waste and pollutants.	Reduction of the cost impact of raw material procurement and price volatility	Improve resource recovery rates and reduce waste generation through optimized process design, advanced equipment, and lean production practices.
	Recycling technologies enable material recovery and improvements in product process design.	Fresh revenue streams and increased income thanks to circular economy.	Promote recycling and reuse of end-of-life battery materials across the value chain to support circular economy and green growth.
Policy opportunities	Recognition as a national-level "Green Factory".	Potential access to government financial incentives.	Advance the development of "Green Factory" and "Zero-Carbon Factory" across all value chain segments and global production bases in line with relevant evaluation criteria.

Impact, Risk and Opportunity Management

Huayou Cobalt has established and continuously improves its environmental risk management system covering the full process of production and operations, which spans environmental factor identification and assessment, targeted pollution control for wastewater, exhaust gas, and solid waste, as well as emergency response and monitoring. Through standardized and procedural control mechanisms, the system ensures compliant environmental management and effective risk prevention in daily operations.

★ Huayue Company was awarded the Blue PROPER rating by Indonesia's Ministry of Environment and Forestry for 2023-2024*

*Note: PROPER (Program Penilaian Peringkat Kinerja Perusahaan) is a national environmental performance evaluation system led by the Indonesian government, covering 12 indicators, including compliant wastewater discharge, hazardous and non-hazardous waste management, water and air pollution control systems, marine pollution prevention, noise control, energy efficiency, greening initiatives, ISO 14001 certification, CSR project implementation, eco-efficiency practices, and senior management commitment. The system assigns ratings across five color levels (from black to gold) to evaluate and publicly disclose companies' environmental compliance and sustainability performance on an annual basis, with blue indicating full compliance with environmental regulations and a sound level of performance.



Wastewater management

Wastewater in Huayou Cobalt mainly includes industrial wastewater, domestic sewage, road runoff, and rainwater. The Company closely monitors the potential environmental impact of wastewater discharge and continuously strengthens water pollution risk control.

Wastewater discharge management

- According to management documents such as the *Water Pollution Prevention Management System*, we implement monitoring plans to track wastewater discharged, pollutant concentrations, and the environmental quality of surrounding surface water bodies.

Wastewater discharge monitoring

- We strictly monitor hazardous substances in water bodies, including oil-based pollutants, metal ions, and acid-alkali contaminants. A third-party institution is commissioned quarterly to test industrial wastewater, and all test results consistently meet 100% compliance standards.

Wastewater treatment

- Industrial wastewater treatment:** Industrial wastewater from smelting processes is treated using physical and chemical methods, including neutralization, sedimentation, and redox processes. MVR ammonia removal technology is applied to precursor cathode wastewater treatment. Wastewater from non-ferrous smelting lines contains characteristic pollutants such as nickel and cobalt. Through continuous process optimization, nickel and cobalt recovery has been improved, and heavy metals are removed via physicochemical precipitation, ensuring compliant discharge. In 2025, key equipment was upgraded, effectively enhancing the efficiency and stability of the wastewater treatment system.
- Domestic sewage treatment:** We have established the *Domestic Sewage Management Procedures* to standardize the collection, treatment, and discharge of domestic sewage. It ensures classified collection and differentiated treatment from industrial wastewater. We also strictly implement rainwater-sewage separation, rainwater recycling, and compliant discharge management on an ongoing basis.

Exhaust gas management



Huayou Cobalt is committed to reducing exhaust gas emissions during operations, establishing and implementing policies such as the *Administrative Regulations on Air Pollution Prevention and Control* to advance air pollution control. Through the online monitoring systems, efficient treatment facilities, and targeted control measures, and in accordance with emission permits and regulatory requirements, a comprehensive management framework covering source control, process monitoring, and compliant discharge has been established to ensure stable and continuous compliance.

Case Tail gas desulfurization system retrofit at Huafei Company sulfuric acid plant

Through the introduction of a limestone-gypsum flue gas desulfurization system, the tail gas desulfurization retrofit project at Huafei Company sulfuric acid plant achieves compliant pollutant discharge and reduces treatment costs, enhancing its automation and ESG performance. After implementation, tail gas SO₂ emission concentrations dropped from below 800 mg/m³ to less than 200 mg/m³, exceeding environmental regulatory requirements. Besides, no additional wastewater or exhaust gas is generated, and solid waste is properly treated in compliance. With the introduction of an automated control system and optimized equipment configuration, the operation rate of environmental protection facilities reaches 100%, ensuring the long-term stable compliance of atmospheric pollutant emissions while reducing the environmental footprint.

Waste management



Huayou Cobalt has established a full-process management system covering hazardous waste, general industrial solid waste, and domestic waste, with strict controls across their generation, collection, storage, transportation, and final disposal or utilization. To realize waste reduction, resource utilization, and harmless treatment, we conduct regular internal audits to enable efficient and compliant handling, with efforts to minimize risks to human health, safety, the environment, and surrounding communities. To strengthen employee capability and compliance awareness, we also conduct regular training on waste management, covering emergency response procedures and compliant operational practices.

General waste management

Comprehensive identification and procedural control: Each subsidiary identifies general industrial solid waste and establishes full-process management systems covering waste generation, collection, storage, transportation, utilization, and disposal, while standardizing third-party outsourcing management.

Source reduction and process control: Promote waste reduction and resource utilization, and implement prevention measures during operations to prevent dispersion, loss, and leakage.

Compliant utilization and facility maintenance: Ensure resource utilization complies with local operational standards, and regularly maintain related facilities and equipment for normal operation.

Inspection and rectification: Assess storage and disposal areas annually and promptly address identified issues.

Hazardous waste management

Classification, labeling, and safe storage: Set up hazardous waste labels in strict accordance with local regulatory requirements, implement classified storage, and prohibit mixing with general solid waste; pre-treat hazardous waste that is explosive, flammable, or emits toxic gases under normal conditions before storage.

Anti-seepage, leakage prevention, and emergency management: Install secondary containment systems in hazardous operation areas and establish leakage emergency response plans to strengthen full-process pollution control.

Resource utilization and compliant disposal: Encourage on-site resource utilization of hazardous waste; ensure off-site disposal is handled by qualified entities in compliance with regulatory transfer procedures.

Supervision and annual review: Conduct real-time monitoring of hazardous waste and regular on-site audits of disposal contractors; periodically assess and repair hazardous waste storage facilities and pipelines for hazardous liquids.

Case Huayue Company possesses full lifecycle traceability of hazardous waste

In 2025, Huayue Company completed the construction of a standardized hazardous waste storage facility in accordance with government-approved technical requirements, and established long-term partnerships with qualified third parties for compliant waste transfer and safe disposal. By implementing a digital tracking system covering the entire process—from waste generation and storage to temporary storage and off-site transportation—the company achieved full lifecycle traceability of hazardous waste, ensuring clear tracking, process transparency, and accountability for each batch.

Metrics and Targets

At the Group level, Huayou Cobalt has established a pollutant and waste management target system centered on “full compliance and continuous optimization”. In air pollution control, internal targets have been set for emission concentrations of nitrogen oxides (NO_x), sulfur oxides (SO_x), volatile organic compounds (VOCs), and particulate matter (PM) below national standards, with a commitment to 100% compliant disposal. In wastewater pollutant management, the Company sets a target to peak COD emissions by 2035.

In 2025

99.95%

Comprehensive utilization rate of general solid waste



1,987,337.79 tons

Mineral waste recycled and reused

Chemical Management

Huayou Cobalt strictly complies with the *Regulations on the Safety Management of Hazardous Chemicals* and the *List of Priority Controlled Chemicals* in China, as well as the EU's *Restriction of Hazardous Substances (RoHS) Directive* and the *Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation*. The Group has formulated and strictly implemented the *Chemical Safety Management Policy*, establishing a full lifecycle chemical management framework.

Benchmarking against the EU REACH Regulation, the RoHS Directive, and relevant battery industry standards, we advance the preparation and assessment of the *Restricted Substances List* and the *Production Restricted Substances List*. During the reporting period, we identified all chemicals used in production and conducted systematic screening of chemicals across major production sites, with a focus on substances of very high concern that may be involved in production processes. Chemical inventories and approved chemical lists (ACL) have been established, covering chemical composition, key physicochemical properties, hazard classifications, and regulatory control lists, with a requirement for a comprehensive chemical inventory review every three years. Based on assessment results, we commit to implementing strict graded control over substances with high toxicity, persistence, and bioaccumulation potential, and to formulating clear reduction plans. For chemicals identified as posing high environmental risks, we promote a “source substitution” strategy and are advancing the development of a green chemical substitution roadmap (2025–2030). We strive to phase out non-essential hazardous chemicals in production through staged process innovation and technological upgrades.



Short-term targets (2025–2026)

Complete company-wide chemical hazard assessments, issue a Group-level *Restricted Substances List*, and establish an EHS access review mechanism for newly introduced chemicals.



Medium- and long-term targets (2030)

Within the scope of technical feasibility, strengthen industry collaboration to identify safer alternatives, gradually phase out substances of great concern in core product lines, and increase the share of environmentally friendly chemicals.

We standardize full-process control requirements covering supplier qualification review, transportation and handling, classified storage and safety measures, use-phase protection, and compliant waste disposal, supported by a strict approval and permitting mechanism to ensure all hazardous chemical-related activities remain legal, safe, and controlled.

Access

- Strengthen supplier screening and substance compliance review to avoid the introduction of high-risk chemicals; require suppliers to sign *Environmental Compliance Commitments* and provide safety data sheets (SDS) and compliance declarations.

Storage management

- Store chemicals by category according to their properties, in strict accordance with relevant SDS.
- Fully implement the online warehouse management system to enable digital tracking from storage to use, ensuring clear and traceable records.

Storage management

Utilization

- Conduct regular chemical exposure assessments to ensure employee exposure limits meet occupational health standards, with appropriate emergency response facilities in place.
- Prohibit the use of polychlorinated biphenyls (PCBs) and all forms of asbestos in products, components, production, and services; eliminate sensitizers, carcinogens, mutagens, and reproductive toxic substances, and strictly prohibit any form of exposure; minimize or eliminate ozone-depleting substances, VOCs, biocides, ecotoxic substances, and other hazardous substances.
- Ensure operational safety through qualification reviews, dedicated emergency response plans, and regular training and drills.
- For waste disposal, cooperate with qualified third parties to ensure compliant and harmless treatment of waste chemicals and packaging.
- Require subsidiaries engaged in the production, operation, or use of hazardous chemicals to complete mandatory administrative approvals and registrations, obtain relevant permits, conduct regular assessments, classify chemical hazards, and label chemicals in accordance with regulatory or Globally Harmonized System of Classification and Labelling of Chemicals (GHS) requirements.

Storage management

- Integrate green chemistry principles into the R&D and design stage, prioritizing the development of cleaner production processes.

R&D

Water Stewardship

Water is a critical resource in hydrometallurgical processes. Huayou Cobalt places strong emphasis on water resource management, with the ESG and Sustainability Management Committee overseeing strategy development and implementation for efficient and compliant water use. The Group complies with China's *Water Law* and the *Regulations on Water Withdrawal Permits and Collection of Water Resources Fees*, as well as applicable regulations in overseas operating regions. Water resource availability and environmental carrying capacity are fully considered in our project planning and construction. We apply the *Aqueduct Water Risk Atlas* developed by the World Resources Institute to assess baseline water stress and identify regional risks and opportunities across all major global production bases, thereby identifying opportunities to improve water efficiency and setting scientific water conservation objectives. We also apply strict management measures in high-risk areas, while exploring diversified water sourcing strategies, including the use of unconventional water sources. Meanwhile, we maintain regular communication with surrounding communities and stakeholders, promote water conservation awareness among all employees, and implement incentive mechanisms to avoid potential community conflicts related to water use, supporting shared and sustainable water management.

In 2025, guided by the principles of "compliant use, efficient circulation, and systematic consumption reduction", Huayou Cobalt reduced water consumption through energy-saving upgrades and recycling practices, establishing a closed-loop water management system from source to discharge. This approach ensures production needs while reducing water withdrawal and consumption intensity per unit of product and enhancing water resilience.

Huayou Cobalt strengthens water resource management

We improve efficiency across the full process from treatment to workshop use through refined management and incremental technological innovation. At the MIKAS hydrometallurgical plant, wastewater from the cobalt workshop is recycled into reclaimed water, saving approximately 444,649 cubic meters of water, while process innovation in the copper workshop enables triple reuse of a single water source, saving a total of 168,700 cubic meters of water.



We plan and improve centralized water supply systems within industrial parks, promote the installation of reclaimed water reuse systems in new projects, and carry out secondary regulation and purification through on-site elevated water tanks and treatment facilities to reduce ecological pressure on local natural water bodies. At the same time, we construct and optimize rainwater collection and reuse networks, treating collected rainwater to replace part of the freshwater required for production and thereby reducing overall water withdrawal. In mining areas in Indonesia, surface runoff collection systems are installed to capture rainwater and reduce reliance on external water sources.

Case Dual companies in Quzhou achieve ISO 46001 certification

In 2025, both Huayou Quzhou and Zhejiang New Energy Quzhou obtained ISO 46001 Water Efficiency Management Systems certification, making Huayou Cobalt the first enterprise in the global battery materials industry to receive this international accreditation. The certification covers water management across the value chain—requiring the establishment of standardized mechanisms from water withdrawal and use to drainage—and emphasizes water-related risk prevention and control. This milestone will further enable both companies to reduce freshwater consumption, increase the reuse rate of reclaimed water, and strengthen partner confidence in our environmental compliance and green development capabilities.

Case Huafei Company rainwater reuse project

Facing the challenge of uneven seasonal precipitation in North Maluku Province in Indonesia, Huafei Company has developed an innovative rainwater reuse project centered on rainwater collection and recycling. The project enables dual-stage storage and dynamic reuse of rainfall: during rainy periods, collected rainwater is prioritized for use as raw water in the concentrator; when the rainwater harvested exceeds immediate demand, excess rainwater is transferred via self-priming pumps to an artificial lake for clarification and storage, and subsequently supplied to the raw water treatment section based on production needs. As of December 2025, the project has cumulatively reused 876,700 cubic meters of rainwater, saving approximately RMB 1.7533 million in raw water procurement costs. It significantly enhances water resource resilience, enabling resource-efficient storage during wet seasons and stable supply during dry periods, and providing a model for intensive industrial water management in high-rainfall regions.



Huafei Company rainwater storage pond

Biodiversity Conservation

Huayou Cobalt is committed to protecting natural habitats and endangered species across its operational areas. The Company actively responds to and supports the Kunming–Montreal Global Biodiversity Framework and China’s Biodiversity Conservation Strategy and Action Plan (2023–2030), and has formulated and publicly released the *Biodiversity Conservation Policy* and the *Zero Deforestation Policy*. Following the mitigation hierarchy of “avoid – minimize – restore – offset”, we integrate ecological protection into project design, construction and operational management, as well as long-term community engagement. By applying tools such as the Biodiversity Impact Assessment Tool (BIA), we conduct biodiversity impact assessments for new projects, identify endangered species in surrounding areas, and systematically advance biodiversity conservation and ecological restoration throughout the full project lifecycle, striving for harmonious coexistence between corporate development and nature.



Case Avoidance/minimization stage practice: ecological monitoring and community collaboration for marine conservation

Huayou Cobalt places strong emphasis on the livelihoods of coastal communities in Indonesia, particularly those engaged in sea cucumber and mud crab aquaculture. To ensure the harmonious coexistence of marine aquaculture and industrial operations, we have established a marine environmental monitoring system covering both industrial water outlets and aquaculture areas, enabling comprehensive tracking of seawater, sediments, and aquatic organisms. Recent monitoring results indicate that key indicators—including dissolved oxygen, salinity, and concentrations of nickel, copper, zinc, and arsenic—comply with applicable regulatory and ecological safety standards. Biological community surveys further confirm that the marine ecosystem remains stable and healthy. At the same time, we deliver on our environmental commitments through concrete community engagement initiatives. On June 5, 2025, we organized a themed beach cleanup campaign—Love, Protect, and Care for the Ocean—mobilizing employees to remove plastic bottles, discarded fishing nets, and foam debris entangled among plant roots, and to treat areas with accumulated organic waste, helping restore the vitality of the coastline.



Themed beach cleanup campaign—Love, Protect, and Care for the Ocean



Case Restoration/offset stage practice: building a new model for mangrove conservation and shared ecological value

Indonesia is home to Southeast Asia’s largest mangrove ecosystem. These “coastal guardians” not only serve as a natural defense against typhoons and storm surges but also form a vital “blue carbon” reservoir, with carbon sequestration efficiency up to five times that of tropical rainforests. Moreover, mangroves provide essential habitats for fish and shellfish, supporting the livelihoods of millions of coastal residents. However, in recent years, industrial development and land reclamation have led to the degradation of some mangrove areas—weakening their ecological function and threatening the sustainability of marine-dependent communities. Huayou Cobalt remains deeply committed to its global biodiversity conservation commitments. Since Earth Day 2024, through scientific planning, targeted planting, and multi-stakeholder collaboration, we have established a comprehensive mangrove conservation system—taking concrete action to safeguard Indonesia’s vibrant and resilient coastal ecosystems.

- We prioritize the selection of native, high-carbonsequestration mangrove species such as *Rhizophora mucronata* and *Avicennia marina*, utilizing drone-assisted planting to improve survival rates and maximize their potential as carbon sinks and coastal ecological barriers.
- More than 22,000 mangrove trees have been planted at the KNI, Sopura, and IPIP ports. Through systematic mangrove restoration, we are helping safeguard the local coastal ecosystem.
- We empower local communities to transition from passive observers to active stewards of the mangroves, supporting the development of alternative livelihoods such as ecotourism and sustainable fisheries to create stable employment opportunities for local communities.
- We have built a multi-stakeholder partnership model that unites local governments, environmental organizations, community members, and business partners to collectively advance mangrove protection and restoration efforts.



Our mangrove conservation initiative in Indonesia was highlighted as a model case of Chinese corporate participation in international ecological protection in the *Research Report on China-Indonesia Mangrove Protection Under the Belt and Road Initiative: Case Studies and Insights Based on Corporate Practices*.



In March 2025, the Africa Resource Industry Group carried out tree planting and seedling donation activities, donating 340 saplings to the Lubumbashi municipal government, demonstrating its strong commitment to ecological protection and low-carbon living through concrete actions.

In March 2025, Huafei Company organized a tree-planting activity themed "Planting for a Green Huafei, Building a Low-Carbon Future", enhancing regional biodiversity through scientifically planned vegetation systems.

Tailings Management

Huayou Cobalt follows the core principle of coordinating mineral development with ecological restoration, and addresses environmental and safety challenges in tailings management with reference to best international practices. Through full lifecycle management covering planning, construction, operation, closure, and restoration, the Company ensures compliance with mining regulations while promoting the coordinated development of resource extraction, environmental protection, and community sustainability.

Governance

Huayou Cobalt strictly complies with applicable laws and regulations in its operating regions and has established the *Tailings Management Policy*, under which the Board of Directors serves as the highest governing body for tailings management, while the Sustainability Center and the EHS Management Center are responsible for implementation. Tailings management is integrated into daily operations, with regular reporting to the Board on progress and performance. We have also established management procedures such as the *Mine Land Reclamation Management Procedures* and the *TSFs Management Procedures*, under which dedicated personnel execute tasks. Meanwhile, site-specific emergency response and incident recovery plans are developed and implemented to strengthen lifecycle risk control, and minimize impacts on human health, safety, and the environment, ensuring long-term safe operation of TSFs.

Strategy

Tailings management involves complex and high-risk challenges that affect not only operational efficiency but also community safety and health as well as ecological balance. In response, Huayou Cobalt systematically identifies and analyzes risks and opportunities related to tailings management and takes proactive measures accordingly. The Company references the *Global Industry Standard on Tailings Management (GISTM)*, jointly issued by the United Nations Environment Programme (UNEP), the Principles for Responsible Investment (PRI), and the International Council on Mining and Metals (ICMM), to implement full lifecycle management of tailings facilities.

Risk and opportunity analysis for tailings management

Risk type	Description	Financial impact	Response measures
Acute physical risks	TSFs failure or leakage may cause severe environmental pollution, ecological damage, and safety incidents, leading to regulatory penalties and operational disruption.	High costs for emergency response, environmental remediation, and ecological compensation; major incidents may result in indefinite suspension of related facilities, causing revenue disruption and asset impairment.	Establish the <i>Emergency Prevention Plan for TSFs</i> to regulate discharge operations, seepage control, full-process monitoring and early warning, and emergency support measures; reinforce dam structures when necessary to mitigate risks and ensure safe and stable operation.
Chronic physical risks	Residual heavy metals or chemical agents in tailings may leach into surrounding soil and groundwater through rainfall, leading to future remediation liabilities.	Long-term and substantial costs for soil and groundwater remediation, creating ongoing financial liabilities.	Enhance anti-seepage systems, standardize tailings discharge and implement rainwater-wastewater segregation, strengthen soil and groundwater monitoring, and enforce emergency response and accountability mechanisms to prevent and control the risk of soil and water contamination caused by the leaching of heavy metals and chemical agents from tailings, thereby reducing potential environmental remediation liabilities.
Policy risks	Increasingly stringent requirements for TSFs design, operation, closure, and disclosure across countries.	Continuous investment required for facility upgrades, technological improvements, and monitoring system development in alignment with new regulations.	Track regulatory developments dynamically, enhance TSFs design, operation, and closure management, and improve disclosure and compliance review mechanisms to ensure ongoing compliance and risk control.

Opportunity type	Description	Financial impact	Response measures
Technology opportunities	Investment in R&D and application of advanced technologies and processes that reduce tailings generation, improve recovery rates, or enable the resource utilization of tailings (e.g., for building materials production or underground backfilling).	Reduced tailings at source, lowering construction, operation, and closure costs.	Conduct pilot trials on producing bricks from residues generated by hydrometallurgical processing of laterite nickel ore, and collaborate with external partners to explore land stabilization solutions using tailings.
Market opportunities	Strengthen the Company's position as a responsible industry leader by obtaining internationally recognized certifications, publishing independent tailings management reports, and adopting the highest standards.	Meet stringent ESG requirements of global automakers and battery giants, securing stable long-term orders and potential green premiums.	Implement refined TSFs management and continuously advance relevant audits and certifications.
Reputation opportunities	Sound tailings management practices enhance corporate reputation and stakeholder recognition.	Stable community relations support long-term project operation and reduce disruptions, safeguarding investment returns.	Regularly disclose accountability and performance data for tailings facilities, and maintain ongoing engagement with stakeholders to track the views of communities and other stakeholders on tailings management.

Impact, Risk and Opportunity Management

The Company emphasizes the design and construction of tailings facilities and has established the *Environmental and Social Risk Management for the Mining Lifecycle*. Facility design is based on lifecycle and risk analysis, including risk level and incident impact assessments, while also considering socio-economic, environmental, technical, and project economic factors to minimize impacts through responsible siting, design, and construction.

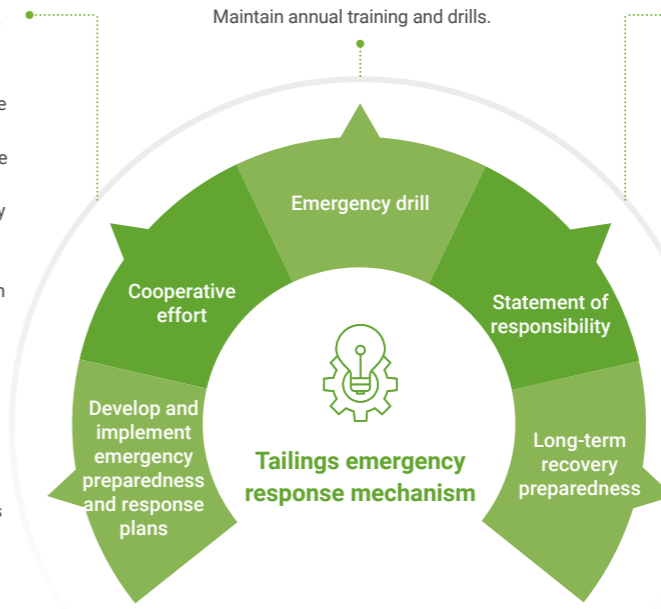
Huayou Cobalt's full lifecycle management of TSFs



Facing potential environmental and safety challenges in TSFs operations, Huayou Cobalt adheres to the principle of "prevention first and comprehensive control," and has established a scientific and efficient emergency response system. By strengthening early warning and monitoring capabilities, optimizing emergency response procedures, and enhancing professional emergency response capacity, the Company is committed to proactive risk control and precise mitigation. This ensures that lifecycle risks of tailings facilities are minimized, reinforcing a solid foundation for safe development.

Establish close links with public sector agencies, emergency responders, local authorities and institutions, take reasonable measures to assess the capacity of emergency response services, identify shortcomings in emergency response capacity and develop a long-term cooperation plan to enhance emergency response capacity in a targeted manner.

Customize and implement emergency preparedness and response plans for site-specific tailings facilities based on credible flow damage scenarios and potential accident impact assessments.



Metrics and Targets

Huayou Cobalt is committed to developing TSFs into safe, stable, controlled, and environmentally friendly long-term assets, ensuring standardized storage and minimizing environmental risks. We actively explore advanced tailings utilization and disposal technologies aligned with international trends and sustainable development goals. Based on the *Tailings Residue Management Procedures*, we strictly control all operations, including loading, transportation, and storage. We also implement environmental monitoring plans (e.g., groundwater and leachate monitoring), and conduct routine inspections and emergency drills to sustain management effectiveness.

Circular Economy

With long and deep engagement in the circular economy, Huayou Cobalt has built a closed-loop ecosystem for end-of-life power batteries covering "reuse – refined dismantling of end-of-life batteries – recycled material production – green battery manufacturing – lithium battery product system development". We aim to provide customers with a globally integrated, safe, and sustainable end-to-end solution for new energy lithium battery recycling, supporting the sustainable development of the global battery recycling industry.

Circular Economy Management System Development

We strictly comply with China's *Circular Economy Promotion Law* and relevant domestic and international regulations, and embed circularity principles into corporate strategy and operations. In 2025, we formulated dedicated targets in boosting the circular economy and incorporated them into our internal planning for the "15th Five-Year Plan" period(2026-2030), reinforcing the positioning toward a leading role in circular economy development. To support implementation, we set an ESG and Sustainability Task Force responsible for identifying and managing risks and opportunities in resource circulation. We also established the *Circular Economy Management Procedure* and supporting systems, along with risk and opportunity management tools, to enable effective implementation of our strategic objectives.

Efficient Recycling of Core Resources

In response to the upcoming large-scale phase-out of power batteries worldwide, Huayou Cobalt has proactively positioned itself in the battery recycling industry. One of its subsidiaries, Huayou Recycling focuses on lithium battery recycling, building a closed-loop ecosystem covering “reuse – precision dismantling of end-of-life batteries – recycled material production – green battery manufacturing – lithium battery product system development”. Leveraging a full lifecycle traceability management system for batteries, we identify environmental compliance risks in resource recovery and reuse processes, and promote the industrial application of recycling technologies for key metals such as nickel, cobalt, and lithium, capturing opportunities under a low-carbon circular economy model. In addition, we have established a clear product recycling plan, focusing on new energy vehicle power batteries and consumer electronics lithium batteries, and plan phased expansion of recycling networks across regions. By promoting coordinated development of reuse and resource recovery of end-of-life batteries, we steadily improve the recovery rates of key metals such as nickel and cobalt, achieving efficient resource circulation.

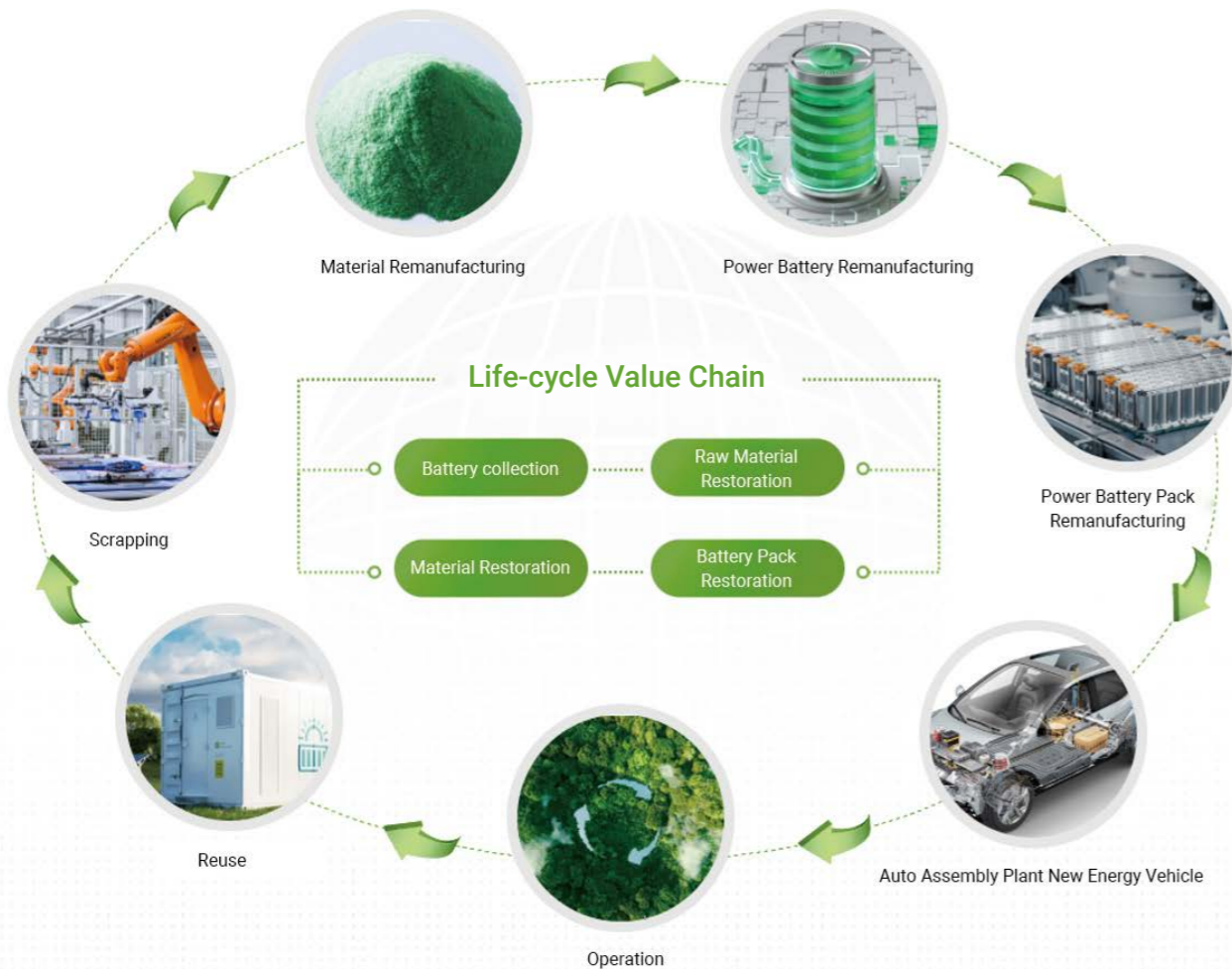
Targets

25%
By 2030,
Recycled nickel

25%
Recycled cobalt

15%
Recycled lithium

Closed-loop ecosystem for end-of-life power battery recycling



★ With its integrated innovation model featuring technology leadership, zero-carbon operations, and global presence, Huayou Recycling was selected as one of the Best Practices for New Quality Productive Forces in the Automotive Industry, jointly released by China Economic Information Service (CEIS) and China Automotive Engineering Research Institute Co., Ltd. (CAERI), becoming the only enterprise in the lithium battery recycling sector to be recognized.



Case Collaborative innovation drives breakthroughs in battery recycling technology

In response to the upcoming large-scale phase-out of power batteries worldwide and the requirements for sustainability and resource circularity set by the *Regulation on Batteries and Waste Batteries* (EU 2023/1542), Huayou Cobalt actively advances R&D through international collaboration to promote technological breakthroughs and industrial implementation in battery recycling.

Since 2024, Huayou Recycling has partnered with Fraunhofer IPA to launch a CTP advanced dismantling research project. The research provides a systematic methodology for the automated disassembly and resource recovery of end-of-life power batteries, enabling the recovery and reuse of intact battery cells. This significantly reduces environmental impacts and lays a solid foundation for the industrial deployment of dismantling production lines.

In December 2025, Huayou Recycling and Encory deepened their strategic cooperation. The two parties will jointly develop innovative next-generation battery recycling technologies for automotive power batteries and related applications, working together to build an international circular ecosystem.

Case Nickel and cobalt in precursor products verified under ISO 14021 for recycled content, gaining international recognition for their recycled attributes

In August 2025, Resource Recycling and Huayou Quzhou successfully obtained ISO 14021 verification for the recycled content of their nickel and cobalt metals. This verification, based on the internationally recognized Type II environmental labelling standard, verifies the full-chain traceability and production compliance of recycled metals. It delivers a threefold benefit: offering downstream customers green and compliant raw material choices, providing authoritative endorsement for companies to participate in global competition, and driving the continuous enhancement of its recycled metals management system.

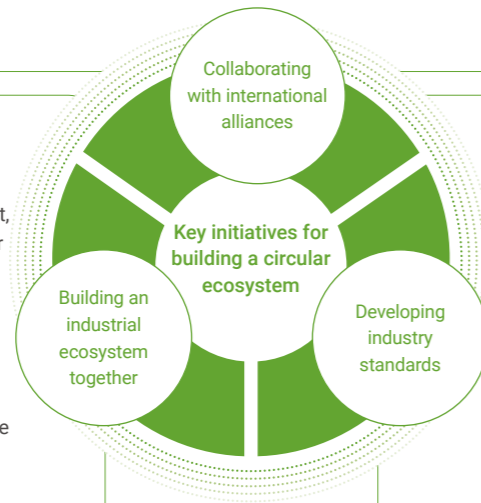


Nickel and cobalt in precursor products verified under ISO 14021 for recycled content

Integrated Circular Industrial Ecosystem

Huayou Cobalt focuses on industrial chain collaboration and promotes cross-stakeholder co-development of a circular ecosystem. We break traditional circular boundaries by working with upstream suppliers to jointly develop recycled materials and building a closed-loop industrial chain covering resource extraction, production, and recycling. Leveraging our industrial advantages, we collaborate across the value chain to build an ecosystem of resource sharing, shared responsibility, and value co-creation, contributing to overcoming bottlenecks in circular development and driving the industry toward a more efficient, green, and sustainable future.

- Huayou Recycling joined the Circularity and Critical Minerals Advisory Group (CCMAG) Steering Committee, a core body of the Global Battery Alliance (GBA), reaffirming its leadership in promoting sustainability across the global battery value chain.
- Huayou Recycling also became a member of NAATBatt International (the U.S. National Alliance for Advanced Technology Batteries) in advancing global technological progress in lithium battery material recycling.



- Huayou Recycling signed a strategic cooperation agreement with Robestec Energy, jointly building a green, efficient, and sustainable circular ecosystem for the energy storage industry.
- Huayou Recycling contributed to the *White Paper on Powering the Future: Overcoming Battery Supply Chain Challenges with Circularity*, jointly developed by the Global Battery Alliance (GBA), the World Economic Forum (WEF), and the Responsible Minerals Initiative (RMI). The publication aims to advance the update of the global policy framework for battery circularity.

- Huayou Recycling participates in the development of multiple national standards, including those on the recycling and utilization of automotive power batteries, the use of recycled materials, and greenhouse gas emissions assessment for waste battery chemical recycling, contributing to the standardization of the industry.
- Huayou Energy participated in the formulation of the national occupational standard, *Battery and Battery System Maintenance Technician* (occupational code: 4-12-01-03), and engages in the development of group standards related to cascade utilization of end-of-life power batteries, including storage system health grading and life cycle assessment methodologies.

Case Huayou Cobalt sees the first overseas recycled black mass import

On August 1, 2025, China officially lifted restrictions on black mass imports. In rapid collaboration with China Resources Recycling International (CRR), Huayou Recycling completed the nation's first import of 20 tons of recycled black mass for lithium ion batteries. The shipment arrived in Ningbo on August 15 and successfully cleared customs inspection, marking one of the country's first compliant black mass import cases. This milestone establishes a complete, end-to-end pathway for importing recycled materials, effectively expanding resource supply channels across the new energy value chain and representing a critical step forward in the circular utilization of renewable resources.

Case Huayou Recycling launches a global integrated solution for new energy lithium battery recycling

To address the evolving global landscape of end-of-life lithium battery utilization, Huayou Recycling launched the Global Integrated Solution for New Energy Lithium Battery Recycling, along with the "Huayou Recycling Partnership 2025 initiative"—a call to action for multi-stakeholder collaboration to accelerate the sustainable development of the global battery recycling sector. In the domestic market, Huayou Recycling is building a "Domestic Circular Service Ecosystem". In overseas markets, a global-oriented regional "Service Network" is being constructed through self-built facilities. Together, these efforts aim to create a globally integrated closed-loop system that is both economically viable and compliant with local policies.

Case Huayou Recycling participates in international industry events, shares innovative solutions, and promotes global cooperation

In 2025, Huayou Recycling was invited to participate in multiple international industry events, showcasing its strategic layout and innovative solutions for full lifecycle closed-loop management of lithium battery materials to the global market, while promoting cross-regional industrial cooperation.

In June 2025, at the European Electronic Waste, Battery and Metal Recycling Exhibition and Conference (EBM), Huayou Recycling focused on European and global markets and presented its full-chain closed-loop business model covering battery recycling, resource regeneration, and material remanufacturing. Through this platform, the Company engaged in in-depth discussions with European automakers, battery manufacturers, and energy sector representatives on pathways and trends in industrial low-carbon transition.



European EBM Exhibition

In July 2025, during the NAATBatt International Annual Forum, Huayou Recycling presented its strategic planning and circular business model in European and American markets, and held multiple closed-door discussions with over 100 industry-leading enterprises to explore potential cooperation mechanisms, laying a foundation for future business expansion.

In addition, in November 2025, Huayou Recycling was invited to attend the WRF Asia 2025 International Summit. At the summit, over 260 experts, scholars, and corporate representatives from 25 countries and regions, discussed the cutting-edge technologies and industrial chain collaboration in battery, automotive, and electronic waste recycling. Notably, Huayou Recycling delivered a keynote speech, sharing its practical experience and forward-looking insights on integrated solutions for new energy lithium battery recycling with global industry partners.



WRF Asia 2025 International Summit

05

E-Quality



Driven by technology and anchored in quality, Huayou Cobalt embeds technological innovation across its operations and business development. By scaling up R&D investment and tightening end-to-end quality control, the Company strengthens product reliability through process innovation and has built a modern manufacturing system centered on smart, green, and safe operations.



Technological Innovation

Technological innovation is our strategic pillar for shaping industry ecosystems and building lasting competitive edges. Huayou Cobalt reinforces governance over product R&D and technological innovation, formulates innovation strategies, and identifies and responds to associated risks and opportunities to deliver on its long-term goals.

Governance

Guided by our overarching technology strategy, deep insight into and swift response to customer needs, we have established a well-structured and highly efficient R&D and innovation management framework. Multiple dedicated R&D units led by top senior experts across core research areas and key technology fields are established, each dedicated to developing and executing innovation their roadmaps. These units explore frontier technologies and develop critical products, leveraging regular reviews to refine R&D pathways, deepen cross-business and interdisciplinary collaboration, and accelerate the industrial and commercial application of innovation outcomes.



Strategy

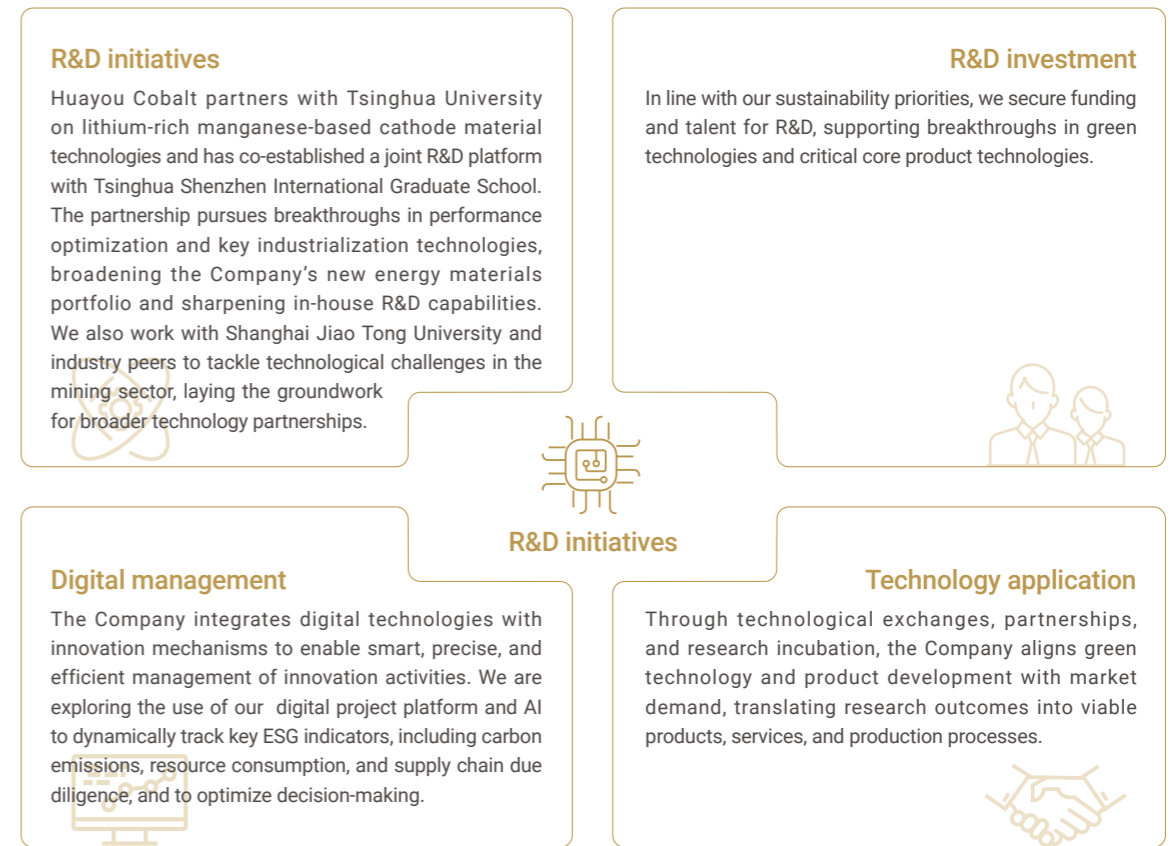
Huayou Cobalt pursues an innovation strategy of "supporting the industry, leading the future." We sustain R&D investment at scale to underpin three pillars: a competitive strategy of product and cost leadership, a business strategy targeting top-tier market positions, and a transformation strategy for low-carbon, green, and sustainable development. In 2025, we revised the *R&D Project Management Framework and the R&D Project Management Measures* to deepen institutional reform, establish a technology management platform, and pursue independent innovation as a driver of high-quality growth.

Impact, Risk, and Opportunity Management

The Company accelerates technological progress and strengthens innovation, with a focus on breakthroughs in core technologies for new energy lithium battery materials. To bolster our in-house R&D capabilities, we are building a high-caliber research team anchored by internationally leading talents, high-end industry professionals, and early-career researchers.

R&D Enhancement

The Company has built a digital project platform that integrates R&D budgeting, project and researcher management, resource allocation, and post-project review. The platform intelligently tracks project progress and resource utilization, advancing a digital- and AI-driven innovation system.



Research Team Development

Huayou Cobalt fosters a long-term innovation ecosystem through multi-dimensional R&D platforms and tiered talent development programs that energize innovation across the entire workforce. The Company has established R&D incentives covering technical breakthroughs, process improvements, and invention patents, supported by well-defined technology transfer pathways and career advancement tracks, so that innovation outcomes and individual growth reinforce each other. Key R&D talent is trained following the *Group's 2025 Implementation Plan for Technology Talent Development*, which centers on R&D project managers and engineers. Our goal is to create a sustainable, project-driven talent empowerment system that powers long-term R&D capacity.

As of the end of 2025, the Company has established 17 provincial-level and 2 national-level R&D platforms, including a National Enterprise Technology Center, a Zhejiang Provincial Key Enterprise Research Institute, and a Postdoctoral Research Station. Seven subsidiaries have received high-tech enterprise certification. We conduct ongoing technical exchanges with research and educational institutions in Australia, Germany, Indonesia, and Hungary, enhancing our global R&D capabilities.

As of the end of 2025

2
National-level R&D platforms

17
Provincial-level R&D platforms



Huayou Cobalt's inaugural Innovation and Development Conference

R&D Incentive Mechanisms

R&D incentives

The Company grants project-based incentives upon acceptance. We have established awards for new product development, technological innovation, and process engineering integration innovation. Each year, teams and individuals with outstanding contributions are selected and recognized through financial bonuses and honorary awards.

Special incentives

The Company has established and refined a tiered incentive mechanism for service inventions across the full innovation cycle, directing researchers toward high-value and key technology innovation outcomes while bolstering our international patent portfolio. This approach elevates both innovation quality and strategic value. As of the end of 2025, service invention rewards have been granted four times, totaling over RMB 800,000 and covering more than 680 recipients across all industrial groups.

Case Huayou Cobalt builds an integrated R&D management platform

Huayou Cobalt has built an information platform that links R&D, finance, and HR systems, enabling unified management of research resources. The digital project management platform facilitates coordination of project tasks, R&D resources, and research outputs. With intelligent tracking and visual analysis of project progress and resource use, it supports informed decision-making and improves project execution and management efficiency.

We have integrated and optimized the allocation of innovation resources. The platform centrally manages and allocates various types of R&D resources to maximize their value and safeguard smooth project delivery.

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We have established a budget allocation system. The system cascades technology strategy and R&D objectives to each level, visualizes budget allocation and spending, and holds sub-target owners accountable at every tier to ensure strategy execution.

We ensure timely and accurate recording and sharing of research outcomes. All R&D outputs are documented in detail and categorized for storage. Team members can access and draw on them at any time, fostering knowledge transfer and innovation, and providing valuable insights for future projects.

Intellectual Property Protection

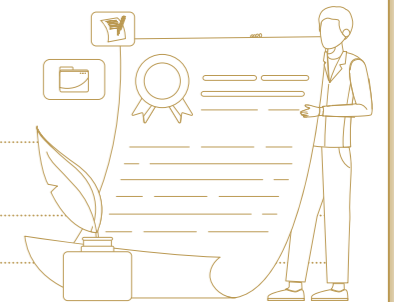
We comply with applicable laws, regulations, and international treaties. We have issued the *Intellectual Property Management Measures*, *Intellectual Property Risk Management Measures for Overseas Investment Projects*, and *Trade Secret Management Measures*, and have revised the *Trademark Management Measures* and *Intellectual Property Operations Management Control Procedures*. These documents support us to build an integrated technology system and intellectual property (IP) protection framework for our new energy lithium battery business. Building on this framework, we advance scenario-based technology branding, refine our IP strategic ecosystem, expand our global trademark portfolio and brand value management, and pursue forward-looking registration and extended protection for core trademarks. In 2025, we expanded our global patent and trademark coverage, identified and updated IP risks in our risk inventory, and conducted systematic freedom-to-operate (FTO) reviews ahead of product development and overseas market entry. We also established an overseas risk early-warning and dispute response mechanism to support major investments in Indonesia, Hungary, and other markets. In the same year, we passed the surveillance audit for the intellectual property management system under ISO 56005.



ISO 56005 innovation management-intellectual property management system certificate

IP protection initiatives

- The Company prioritizes trademark and brand protection. The "HUAYOU and drawings" trademark has been included in Zhejiang Province's Key Trademarks for Protection list, and Huayou Cobalt became the first company in the non-ferrous metals industry to receive an AAA Well-Known Trademark Brand rating.
- We drive technology sharing through industry-academia-research collaboration and contribute to industry standard setting.
- We mandate the respect for third-party IP and trade secrets.
- We foster an IP-aware culture by promoting company-wide IP training.



Metrics and Targets

Under Huayou Cobalt's "330 Plan," the Company invests RMB 3 billion in R&D every three years across the full value chain of green cobalt, nickel, and lithium smelting, lithium battery materials, and resource recycling. The plan prioritizes high-performance materials, green and low-carbon technologies, and smart manufacturing. We aim to be designated as a National IP Demonstration Enterprise and a Provincial Trade Secret Protection Demonstration Site, while building high-value and green patent portfolios. By 2026, we target 200 new innovation outcomes in patents and technical secrets.

In 2025

1,708

R&D personnel

RMB 1.682 billion

R&D investment

2.08%

Share of revenue

2

International standards co-developed

12

National standards co-developed

10

Industry standards co-developed

8

IP training sessions held

covering patents, trademarks, copyrights, and trade secrets

500+

IP training participants

217

Overseas patent applications filed via PCT / Paris Convention

667

Valid patents

- ★ **2 China Outstanding Patent Awards** (“A Multi-Layer Dense-Coated High-Nickel Cathode Material for Power Applications and Its Preparation Method”; “A Low-Sulfur, High-Tap-Density Nickel-Cobalt”)
- ★ **China Nonferrous Metals Industry Science and Technology Awards**
 - 2 First Prizes (“Key Technologies for High-Quality Recycling and Regeneration of End-of-Life LFP Batteries”; “Development and Industrialization of High-Performance High-Nickel Composite Cathode Materials for Long-Range Electric Vehicles”)
 - 2 Second Prizes (“Preparation Technology and Application of Ultra-High-Voltage Lithium Cobalt Oxide Precursors”; “Development of Novel Nickel-Cobalt Extractants and Their Industrial Application in Lithium Battery Recycling and Nickel-Cobalt Resource Utilization”)
 - 1 Third Prize (“Flexible Disassembly and Low-Carbon Recycling Technology for Key Components of End-of-Life Lithium-Ion Batteries”)
- ★ **China Petroleum and Chemical Industry Patent Award**
 - 1 Gold Award (“A Cobalt-Doped High-Pressure Cobalt-Iron Separation Method for High-Concentration Cobalt-Iron Leaching Solutions”)
- ★ Huayou New Energy Technology (Quzhou) Co., Ltd. was designated as a **Zhejiang Provincial Key Laboratory of Specialty Battery Materials and Technology**
- ★ Ultra-high-nickel NCM9-series single-crystal ternary precursor (93DS) received the **“Zhejiang Premium Manufacturing” Award**
- ★ **M50 high-nickel large-particle NCM precursor included in the first batch** of Zhejiang Province’s new materials certification in 2025



Product Quality and Safety

Huayou Cobalt pursues a “product leadership” competitive strategy grounded in the core business principle of “creating value for customers”. The Company has developed a digitally enabled, full-chain collaborative quality management model and is accelerating the development of a closed-loop quality control process that spans the entire product lifecycle. We optimize our product mix and respond to customer needs, delivering reliable products that meet customer expectations.

Governance

The Company has established a three-tier quality management structure across headquarters, industrial groups, and subsidiaries. Headquarters operates a quality management department; each industrial group has a quality center; and each subsidiary maintains a product quality management department, with accountability for quality control cascading through every tier. Leaders at each tier assume direct accountability for product quality under a principal responsibility system. Guided by a performance excellence philosophy and leveraging systematic and institutional management, the Company continuously refines its quality management system, strengthens policy execution, and ensures effective operation of management standards, fully supporting business objectives and development outcomes.

Strategy

Huayou Cobalt’s quality strategy centers on the pursuit of excellence. The Company upholds a “Three Firsts” quality culture, builds a closed-loop quality control process covering the full product lifecycle, and contributes to setting industry sustainability standards. We go all out to deliver reliable products that meet the needs and expectations of domestic and international customers.

“Three Firsts” quality culture

If we do it, we aim to be first

Get it right the first time

Quality always comes first



Impact, Risk, and Opportunity Management

The Company strengthens product quality management by pursuing integrated quality management system development. We have unified the management of key policies including the *Change Management Procedure*, *Non-Conforming Product Control Procedure*, *Emergency Response Management Procedure*, and *Quality Reward and Penalty System*, and embed risk criteria into product and service development assessments. We have established a quality target accountability system. Each level of the organization commits to quality targets in its performance contracts, and quality KPIs are cascaded down through strategic deployment to ensure clear accountability at every position.





Quality system development

With a forward-looking approach that goes beyond compliance, the Company proactively benchmarks against and integrates ISO 9001 and IATF 16949 international management system standards, embedding quality excellence and intrinsic safety requirements into our operations. As of the end of 2025, nine subsidiaries hold ISO 9001 quality management systems certification, and eight hold IATF 16949 automotive quality management system certification.



Full lifecycle quality management

We reinforce product lifecycle management and embed environmental principles across every stage of the value chain. In R&D and design, we prioritize raw materials and components with lower environmental impact to cut the ecological footprint at source. In direct operations and manufacturing, we refine processes to minimize resource consumption and emissions. In distribution, storage, and transportation, we boost logistics efficiency and lower greenhouse gas emissions. In the product use phase, we focus on operational and maintenance energy efficiency to help customers achieve low-carbon operations. We also place strong emphasis on end-of-life management, advancing product recovery and recycling to build a closed-loop system.



Quality culture

We cultivate a quality culture by organizing quality knowledge competitions across all sites, strengthening the foundation of quality control through quality awareness. We deliver eight specialized training programs for quality engineers, covering quality management system fundamentals, Advanced Product Quality Planning (APQP), control plan development and application, and customer audit coordination. We also compile materials such as the *Quality Incident Casebook* and produce short videos on the theme of *The Ten Quality Commandments: Our Shared Commitment*, spreading quality culture through diverse channels.

Case Advancing quality culture through multiple initiatives



The New Energy Industry Group launched the Quality Improvement Task Force Team (TFT) program and held Quality Control Circle (QCC) Project Competitions to inspire craftsmanship across the workforce. Through deeper industry exchange and outcome application, multiple QCCs and work groups won 2025 national non-ferrous metals industry awards, including one Grand Prize, two First Prizes, two Second Prizes, and one Third Prize.

The New Materials Industry Group held a quality month campaign under the theme of “building a quality foundation, cultivating outstanding talent, and setting industry benchmarks.” The campaign featured four activities: a quality debate, a knowledge competition, short video creation, and community posts. By connecting awareness, practice, and communication, the campaign sharpened quality consciousness across the organization and strengthened management foundations, positioning the company as an industry benchmark.



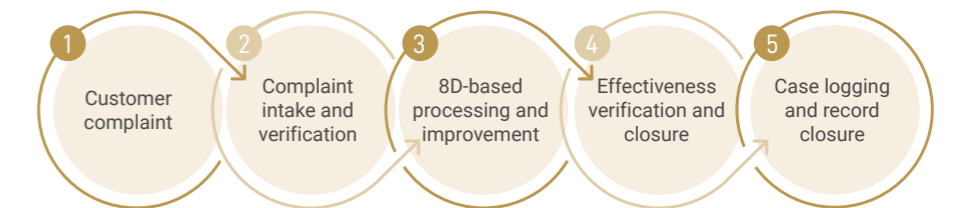
Supply chain quality management

We manage quality across the supply chain, ensuring raw material quality from the source. We have established Supplier Quality Engineer positions responsible for the full process, including raw material certification, incoming quality SPC analysis, and hazardous substance control. Our subsidiaries led the development of two national industry standards: *Raw Material of Crude Nickel-Cobalt (YS/T 1757-2025)* and *Nickel Matte (YS/T 1758-2025)*, providing quality references for nickel producers and leading industry development.



Customer service

Each industrial group has established a customer quality management system that covers the full after-sales process, including return inspection, complaint handling, issue closure, and customer service. These are formalized in the *Customer Quality Management Measures*, supplemented with product recall requirements. The approach enables end-to-end management from issue identification through process control to final resolution, enhancing quality assurance and customer experience.



Metrics and Targets

Huayou Cobalt reinforces product quality management, maintains rigorous quality controls, and ensures product safety. We strive to reduce customer complaints, elevating customer recognition.

In 2025

0 Major product quality incident

100% Customer complaint resolution rate

0 Product recall over the past four years



06

Nurturing People



Huayou Cobalt upholds the "striver-centered" philosophy and pursues a talent-first strategy, integrating global resources to provide a growth platform for outstanding talent. The Company firmly believes that its success is both driven by and shared with those who strive. Guided by a culture of continued effort, we have built a rights protection system covering the full employee lifecycle. Through structured strategic planning and mechanism implementation, we deepen our efforts in human rights protection, labor practices, and occupational health and safety, enabling employees and the Company to create value and share success together.



Human Rights Protection

Huayou Cobalt follows the *UN Guiding Principles on Business and Human Rights* and embeds human rights protection across the full operational chain. We have established a closed-loop accountability mechanism covering identification, prevention, response, and improvement, integrating human rights principles with day-to-day practice.

Governance

Huayou Cobalt strictly complies with international human rights instruments including the *Universal Declaration of Human Rights*, the *International Covenant on Economic, Social and Cultural Rights*, and the *UN Guiding Principles on Business and Human Rights*. We fulfill the requirements of the *ILO Declaration on Fundamental Principles and Rights at Work* and embed the spirit of international conventions into our human rights governance practices. In 2025, the Company developed or revised a number of policies, including the *Labor and Human Rights Policy*, the *Human Rights Risk Identification and Issue Handling Procedures*, the *Huayou Cobalt Human Rights Policy Guidelines*, and the *Human Rights and Security Management Procedures*. These documents provide a solid foundation for advancing internal human rights standards, fair labor practices, and compliance.

The Company has established a clear and stable governance framework for human rights protection, with core responsibilities defined at each level to ensure end-to-end accountability.



Strategy

As a member of the UN Global Compact, the Company adheres to its ten principles covering human rights, labor standards, and other areas, providing the commitment framework and foundation for our human rights protection efforts. Based on deep insights into our global business footprint, we have identified core human rights risks and developed targeted strategies.

Huayou Cobalt human rights risk identification

Risk type	Description	Financial impact	Response measures
Human rights risks transmitted through the supply chain	Risks such as child labor or poor working conditions in local operations may trigger chain reactions, including sanctions by international organizations and cooperation termination by downstream customers.	Negative human rights ratings may lead to credit rating downgrades and higher financing costs. Human rights violations in the supply chain may disrupt cooperation and trigger asset impairment risks.	Build localized compliance systems at business sites and reinforce human rights controls across the supply chain. Expand employee training and communication, such as rolling out human rights compliance training for frontline teams. Establish robust whistleblowing channels and whistleblower protection mechanisms.
Cross-regional employment compliance risks	Our workforce spans multiple countries and regions, and labor regulations vary widely across jurisdictions. This creates compliance risks in areas such as compensation standards, working hours, and social security.		Roll out differentiated benefits programs to protect the rights of expatriate employees. Build mechanisms for preventing and handling work-related injuries, such as upgrading safety equipment and providing group accident insurance.
Community relations and indigenous rights risks	Land use for our operations may affect indigenous rights. Failure to follow the principle of Free, Prior and Informed Consent (FPIC) may lead to community conflict.		Enhance communication and consultation mechanisms, and conduct due diligence in advance to ensure our operations meet local community rights protection requirements.

Impacts, Risks, and Opportunities Management

Huayou Cobalt has built a full-cycle human rights management mechanism. Through a structured and well-regulated management system, we protect the legitimate rights and interests of employees and other stakeholders, integrate human rights protection with business development, and lay a solid foundation for sustainable value co-creation.

Human Rights Due Diligence

Drawing on the *UN Guiding Principles on Business and Human Rights* and the *OECD Due Diligence Guidance for Responsible Business Conduct* and guided by our *Human Rights Due Diligence Charter*, we have built a comprehensive human rights due diligence mechanism covering both our own operations and the supply chain. Due diligence is embedded across the full business process, with standardized procedures in place to proactively identify, prevent, and mitigate adverse human rights impacts at every stage of our operations and value chain.



Huayou Cobalt human rights due diligence process

In 2025, the Company conducted a company-wide internal audit of human resources compliance, focusing on core areas such as equal employment, prohibition of forced labor and harassment, and employee privacy protection. The audit provided a comprehensive review of how our human rights policies are implemented and followed. At the same time, we carried out dedicated human rights due diligence across the supply chain, covering all global operating sites, core suppliers, and joint venture projects. The due diligence centered on potential human rights risks such as labor practices and community rights protection. To ensure the independence and credibility of our due diligence, we regularly undergo human rights compliance audits by regulators, downstream customers, and qualified third parties, benchmarking and validating the effectiveness of our internal management against external standards. Over the past three years, no major human rights violations have been identified.

In 2025

0 Major human rights violations

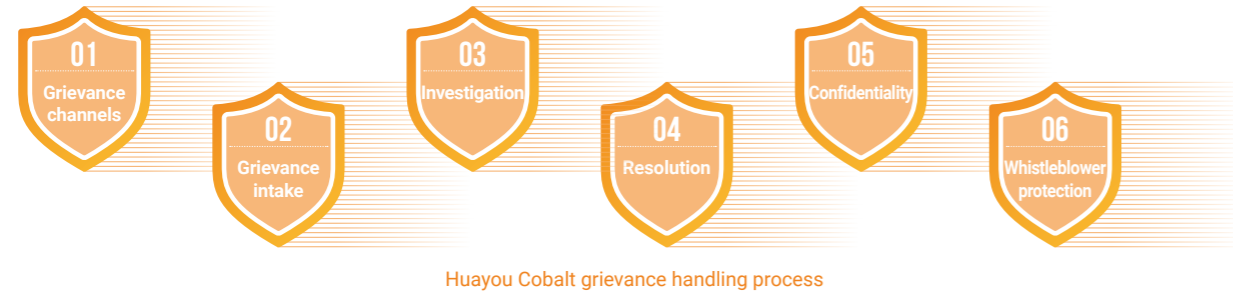
Capacity Building and Culture Development

The Group uses training to bring human rights principles to life. Training content is designed around local labor laws and regulations as well as corporate social responsibility norms in the regions where we operate, with dedicated compliance guidance for high-risk overseas positions. This helps employees across regions and roles understand our human rights standards and requirements. For international human rights exchange and cooperation, we take part in initiatives such as the UNGC Target Gender Equality Accelerator, have adopted the WEPs Gender Gap Analysis Tool, and are systematically refining our gender equality management system. We also joined the UNGC Living Wages international symposium to benchmark against leading international standards and elevate the professionalism of our human rights management.



Oversight and Whistleblowing Mechanism

The Company has established a multi-faceted, coordinated oversight and whistleblowing system with accessible, confidential, and secure channels for raising concerns. Reasonable requests from internal and external stakeholders are handled promptly and fairly. We apply tiered management to human rights risks with clearly defined escalation and remediation procedures, reinforcing our human rights defenses.



Human rights protection is embedded in our global operations. We have set up accessible whistleblowing channels at major business sites so that employees, community members, and other groups can raise concerns without barriers, all under strict confidentiality and whistleblower protection principles. For verified complaints, we apply remediation measures based on our human rights risk classification. Specifically, for minor risks involving employees or suppliers, an improvement or corrective action plan is developed and tracked within one month; for severe risks, corrective actions are initiated within one week; and for urgent risks, emergency responses are activated within 24 hours. In cases of severe or urgent risks, any unlawful conduct shall be reported promptly, and cooperation with suppliers may be terminated if remediation is inadequate.

- China Contact Number:** +86 573-8858-7878
- Email:** CSR@huayou.com
- Address:** ESG & Sustainable Development Department, Huayou Cobalt R&D Building, No.79 Wuzhen East Road, Tongxiang City (Group Headquarters)

- DRC Contact Number:** +243 841206837
- Email:** RSE@huayou.com
- Address:** CDM (Huayou Africa Resources Industry Group), Likasi Road, Jolisite District, Annex Area, Lubumbashi, Haut-Katanga Province

- Indonesia Contact Number:** +081223930989/+082198735711
- Email:** HYNC@huayou.com
- Address:** Indonesia Morowali Industrial Park (IMIP), Central Sulawesi, Indonesia (Huayou Nickel Indonesia Group)

- Zimbabwe Contact Number:** +263 0778651372

- Hungary Contact Number:** +36 202634154

Human Rights Reporting Channel



Metrics and Targets

Huayou Cobalt joined the UNGC in July 2024. Guided by the UNGC's Ten Principles and aligned with the human rights goals and action plans set out in our ESG Strategic Plan for the 15th Five-Year Plan period (2026-2030), we are integrating human rights protection with business development to build a governance foundation where compliance and value co-creation reinforce each other.

Labor Practice

Huayou Cobalt adheres to its "talent first, employee well-being" philosophy and has established a human-centric management system that spans the full employee lifecycle—from recruitment and onboarding to development and retention. With a robust governance structure and robust systems, we strengthen rights protection and define clear career pathways. This approach effectively safeguards employees' rights, supports personal growth, and promotes coordinated development between the Company and its workforce.



HR Asia Best Companies to Work for in Asia, Winner of Indonesia 2025

Liepin Extraordinary Employer 2025

51job Top Employer 2025

Fair Employment

The Company upholds compliant recruitment as a fundamental principle and promotes diversity and inclusion as a core orientation. We strictly comply with the laws and regulations of all jurisdictions in which we operate, as well as international standards, including the International Labour Organization (ILO) *Convention No. 111 on Discrimination (Employment and Occupation)* and *Convention No. 138 on the Minimum Age for Admission to Employment*. We have also established a comprehensive set of policies and procedures, including the *Recruitment Management Measures*, *Labor Contract Management Measures*, and *Procedures on Prohibition of Child Labor, Forced Labor, and Inhumane Treatment and Discrimination*, to regulate employment practices. Huayou Cobalt adheres to the principle of equal employment, ensuring fair treatment regardless of gender, age, nationality, or ethnicity. The Company maintains zero tolerance for any form of harassment, bullying, or discrimination in the workplace and strictly prohibits physical, psychological, or verbal abuse. Regular anti-discrimination and anti-harassment training is conducted, alongside the establishment of employee advisory hotlines and independent reporting channels. All reports are handled promptly with strict confidentiality, ensuring the protection of whistleblowers and preventing retaliation. Meanwhile, we continuously improve labor dispute mediation mechanisms, promptly address conflicts, review employment documents, and standardize labor contract management, fostering harmonious and stable labor relations and fortifying the defense line for labor rights and human rights protection. The Company does not employ flexible or gig workers. During the reporting period, no major labor disputes occurred.

Reporting channels for discrimination and harassment

Women's rights advisory hotline: +86 13486326037

Women's rights consultation in Indonesia

Tel: +62 82189040631

Email: ynnnxqy@huayou.com

Huayou cobalt grievance mechanism

Tel: +86 573-88589103

Email: report@huayou.com

Huayou Cobalt attracts talent globally through diversified recruitment channels, strong employer branding, and deep integration of industry and education. In response to talent development needs for global operations, we develop innovative joint training models with academic institutions to balance the cultivation of high-end talent with the development of localized skilled workers, achieving synergy between talent acquisition and local development.

Case Huayou scholarship empowers “Chinese + skills” talent development

To address structural shortages of skilled labor at overseas operations, Huayou Cobalt has introduced a dual-track training model combining Chinese language proficiency and technical skills. Through targeted scholarships and multi-dimensional university-enterprise collaboration, the Company enables both talent pipeline development and local capacity building. In partnership with Shaanxi Polytechnic University, we established a dedicated program for Indonesian students, aligned with operational needs at our Indonesian bases. Each cohort enrolls at least 30 students and is supported by RMB 300,000 in scholarships, totaling RMB 900,000 across three cohorts. This mode systematically develops technically skilled and locally adaptable talent.

Case Tripartite collaboration cultivates leading industry talent for China-Indonesia cooperation

Huayou Cobalt signed a tripartite memorandum of understanding with Indonesia’s Coordinating Ministry for Infrastructure and Regional Development Affairs and Northeastern University (China) to jointly develop a graduate training program in metallurgy. This innovative model breaks the traditional boundaries of university-enterprise cooperation. It integrates enterprise demand, government support, and academic resources to cultivate professionals with both strong technical expertise and cross-cultural competencies. By 2025, a total of 73 students had been enrolled, contributing to the development of high-caliber talent for China-Indonesia industrial cooperation.



Opening ceremony of the Joint Master’s Program between Northeastern University, the Government of Indonesia, and Huayou Cobalt

Case Indonesia Huaneng advances gender equality through inclusive employment practices

In active response to global gender equality initiatives and to further advance fair employment practices, Indonesia Huaneng organized the themed event “Empowering Equality, Building the Future Together” in 2025. Through a variety of interactive and engaging formats, the event translated gender equality principles into concrete action. An interactive “Gender Equality Pictionary” session challenged stereotypes around gender roles in different professions, while female employees from diverse functions shared personal stories of overcoming bias and achieving career growth, reinforcing the importance of equitable employment. In addition, the management and employees jointly signed a “Stand for Equality” commitment wall, contributing nearly 100 practical recommendations, including flexible working arrangements, anti-harassment training, and the enhancement of career advancement pathways for women. Through these initiatives, Indonesia Huaneng actively advanced the UNGC Sustainable Development Goals and has emerged as a leading example of gender-equal employment practices in Indonesia’s mining sector.

Employee Rights and Well-being

Huayou Cobalt places employee needs at the center of its approach. We safeguard employee rights and improve their well-being and sense of belonging through a comprehensive compensation and benefits system, well-established communication and consultation mechanisms, and strong care and logistical support.

Compensation and Incentives

We continuously refine our compensation and performance incentive mechanisms to build a remuneration system that balances internal equity and external competitiveness. We have publicly committed on the UNGC website to accelerating the achievement of fair and decent pay goals. To maintain market competitiveness and consistency, we conduct comprehensive compensation benchmarking across more than 30 dimensions, and regularly monitor industry trends and role-specific salary levels, enhancing employee remuneration to ensure that wages meet or exceed local living wage.

Huayou Cobalt has established policies such as the *Compensation Management Measures* and developed a value contribution-based compensation framework comprising six components: position-based salary, performance-based pay, allowances and subsidies, incentive bonuses, equity incentives, and benefits. The Company adheres to the principle of equal pay for equal work, ensuring that compensation is determined based on position, performance, and capability, and that employees in comparable roles with similar experience and performance receive equal pay regardless of gender, age, or other factors. Differentiated incentive strategies are applied across employee groups. For long-term overseas employees, we enhance incentives through increased performance bonuses, dedicated talent development programs (such as the “Pillar Talent Program”), additional long-term overseas allowances, and fast-track approval mechanisms for promotion and salary adjustments. For high-potential and high-performing employees in critical roles, timely salary adjustment mechanisms are in place to recognize and reward their contributions. In addition, we have established a structured performance feedback system, with clear communication of evaluation policies. All employees undergo monthly, quarterly, and annual performance reviews. Evaluation results are directly linked to year-end bonuses, promotions, and salary adjustments, effectively motivating employees and enhancing performance. Detailed information on employee compensation and social insurance contributions is disclosed in the 2025 Annual Report.



Benefits and Employee Care

The Company has established a diversified benefits system guided by the principles of comprehensive coverage, targeted support, and human-centered care. All employees are provided with statutory benefits in compliance with national regulations, including social insurances and the housing provident fund. We ensure the proper implementation of legally mandated leave, including paid annual leave, maternity leave, and paternity leave, while maintaining reasonable working hours under a standard working hour system. Overtime is strictly controlled, with employees’ willingness fully respected during peak periods. Overtime work on statutory holidays is compensated in accordance with applicable regulations, while weekend overtime is, where possible, offset with compensatory leave. In addition, the Company places strong emphasis on employee well-being support. We have introduced supportive policies for families, including incentives for employees with three children, and continue to strengthen care for female employees. Dedicated nursing rooms equipped with access control systems are provided to ensure privacy and safety, along with facilities such as refrigerators and sterilization cabinets to support pregnant and lactating employees with convenient and considerate services. The Company also prioritizes employees’ mental health by organizing a wide range of engagement activities and plans to roll out dedicated mental health support services for employees over the next two years.



*Huayou Cobalt implements maternity leave policies in strict compliance with the legal standards of each employee’s contracted work location, providing equal paid leave duration for both primary and non-primary caregivers.



On the occasion of International Women's Day, Guangxi Huayou organized a series of activities for more than 800 female employees, including health knowledge lectures, illustration workshops, and handicraft sessions.



A dedicated nursing room has been established in the R&D headquarters building, providing convenient and private facilities for lactating employees.



At Indonesia Huafei Company, a fitness center in the employee residential area was officially opened, offering a more comfortable, healthy, and vibrant living environment.



Huayou Quzhou Industrial Park hosted the 2025 Employee Sports Season under the theme "Shared Success, Constant Progress" in fostering teamwork and employee vitality.

Case Targeted assistance programs deliver care and support

In 2025, Huayou Cobalt further strengthened its targeted employee assistance initiatives through the Huayou Care Fund. Multi-dimensional support programs benefited 37 employees in need, two partner organizations, and eight families—reaching nearly 100 individuals in total. We provided RMB 250,000 in emergency assistance to two families facing severe hardship and ensured income protection for an employee undergoing treatment for a serious illness, demonstrating our strong commitment to a people-centered approach.

Open and Inclusive Workplace

Huayou Cobalt is committed to fostering an open, inclusive, and engaging workplace culture that promotes a strong sense of belonging. We place two-way communication and responsiveness to employee needs at the heart of our people-centered approach, creating a transparent, efficient, and well-connected working environment. Leveraging our global, multi-regional operations, we have established a comprehensive cross-cultural integration framework that respects local religious beliefs and customs, enhances communication between Chinese and international employees, safeguards the cultural rights of local staff, and strengthens team cohesion.

The Company conducts annual employee surveys to assess job satisfaction, engagement, and organizational climate, covering key areas such as career development, employee expectations, corporate governance, and workplace support. Based on the findings, we identify the needs and potential management risks of different employee groups across core dimensions, including career pathways, fairness of compensation and incentives, and the effectiveness of internal processes and delegation. Targeted improvement measures are then developed in areas such as compensation and benefits optimization, process streamlining, employee development, and overseas human rights protection. Clear responsibilities, action plans, and timelines are defined to ensure effective implementation, enabling a seamless transition from insight to action and addressing employees' key concerns. In 2025, the Company's employee satisfaction rate reached 78%.

Strengthening institutional frameworks

Huayou Cobalt has established a comprehensive policy framework to safeguard employee rights and standardize management practices. Key policies include the *Procedures on Prohibition of Child Labor, Forced Labor, Inhumane Treatment, Discrimination, and Protection of Freedom of Association*, the *Huayou Cobalt Human Rights Guidelines*, and the *Local Employee Communication and Feedback Management Guidelines for Africa*. These documents define clear principles for communication, channel management, and rights protection. We respect employees' rights to join lawful organizations and to participate in collective bargaining, and strictly prohibit interference or discrimination. In 2025, Huayou Cobalt achieved 100% coverage by labor unions and collective agreements across all operations.

Expanding communication channels

Huayou Cobalt has established comprehensive communication channels covering full-time, part-time, and contract workers across all operating locations. Online platforms—including AI-powered customer service tools, DingTalk, and email—enable timely communication of employee concerns. Offline channels such as employee satisfaction surveys, internal labor dispute mediation mechanisms, employee representative assemblies, and on-site suggestion boxes provide accessible engagement opportunities. Together, these channels form an integrated online-offline communication system.

Enhancing closed-loop management

We continue to optimize our intelligent customer service platform with a rotating team of over ten dedicated service personnel. In 2025, a total of 2,504 inquiries were handled, covering areas such as policy interpretation, process support, and system operations.

Employee communication and complaint channels

Email : report@huayou.com

Online platforms: "Integrity Huayou" official WeChat account

Tel: +86 573-88589103

Offline complaint channels: physical suggestion/complaint boxes



CDM organizes a Women's Day event in the DRC under the theme "Celebrating Women, Empowering Excellence" in promoting meaningful exchange and integration between Chinese and local female employees.



A Christmas-themed "Sweet Gratitude, Warm Baking" cake-making workshop was held at the base in Zimbabwe in 2025, fostering cross-cultural interaction and team cohesion.

Career Development

Talent is the foundation of our business. Huayou Cobalt builds a broad platform where talent can grow quickly and unleash their full value, keeping individual development in step with the organization. We have established the Management Academy to serve as the Group's hub for talent development, culture, knowledge sharing, and management research. By integrating training resources, refining the promotion system, and building mobility mechanisms, we have created an integrated talent development framework.

Training System

In 2025, driven by our dual framework of value and capability, we continued to refine our training system. A modular training system was built covering general, management, and professional capabilities, alongside dedicated training on digital transformation. Tiered programs target management, professional, production, and new employees, supporting talent growth across multiple dimensions. The Company continues to increase our investment in training. Under the *Employee Training Management Regulations*, coverage extends across the full growth cycle of our own employees (including full-time and part-time staff). Combining internal development with external enablement, we deliver training through lectures, hands-on drills, and project-based learning, tailored to the characteristics of each role. Against the backdrop of digital transformation, we regularly host digital workshops and sharing sessions, develop digital practice projects suited to our business, and offer AI application courses on our online learning platform to build employees' practical digital capabilities.

Management track

- We delivered empowerment training for 399 newly promoted managers to support their transition from business specialists to leaders.
- We provide incumbent managers with targeted training in languages for overseas operations and business management to address key management challenges.
- We have built management capabilities systematically through programs such as the Iron Force Program and the Management Rotation Program.

Professional track

- For professional streams including EHS, finance, and HR, we adopted a coursework + project-based learning + outcome presentations training model. In 2025, we delivered 1,538 training sessions covering 36,858 participants, driving targeted improvements in specialized capabilities.

Production track

- In line with our "excellence in manufacturing" strategy, we developed 6 sets of position standards and learning maps for 679 employees in key roles, and completed the development of 24 professional courses.
- Huayou's four new energy bases developed 132 sets of position standards and learning maps, delivered training for team leaders and team instructors, and completed frontline mentoring and coach certification.

New employees

- For experienced hires, we have launched the three-stage You Strive program. Since May 2021, 45 sessions have been held, serving nearly 3,000 people.
- For campus hires, the Rising Star Plan applies a 5S development model. Over the past five years, we have brought in more than 4,100 graduates, with a promotion rate of around 40%.

The data was compiled by Chinese employees.



In 2025

25.30 hours

Average training hours per employee

RMB **1.946** million

Investment in employee training



Case Targeted capability building in the technology stream strengthens the foundation for innovation talent

To support our product leadership and cost leadership strategy, the Company delivered targeted capability-building training for R&D engineers and R&D project managers. Anchored on strong organization, strong expertise, and agile delivery, the program adopted a closed-loop training model, linking knowledge input with real-world application. By the end of 2025, 18 in-person sessions had been held, covering 678 participants and producing 167 project topics. The program sharpened the R&D team's technical problem-solving and project management capabilities, providing solid talent support for delivering our technology strategy.

By the end of 2025

18

Offline training sessions held

678

Participants covered

167

Project topics produced



R&D engineer targeted capability program

Case Professional certification training for Huafei Company's Indonesian employees supports local talent growth

To deepen our localization strategy for talent development, Huafei Company has advanced a professional certification program spanning multiple roles and disciplines, aligned with production, operations, and compliance needs. The program covers 44 certifications across 10 categories, including environmental management and special operations, and combines online and offline learning with a strong focus on both theory and practice. By the end of 2025, more than 500 local employees had taken part. Of these, 284 obtained professional qualification certificates issued by Indonesia's Ministry of Manpower, and 10 earned the K3 Chemical Operator certification. Going forward, Huafei Company will expand the scope of certifications and enhance support mechanisms, providing employees with a sustainable growth path and helping local talent advance professionally.

By the end of 2025

500 +

Local employees participated

284

Obtained professional qualification certificates from Indonesia's Ministry of Manpower



Promotion and Development

Guided by the philosophy of maximizing every employee's potential, the Company has built an integrated framework for development, promotion, and incentives. By refining career paths, sharpening talent standards, and opening up mobility channels, we have created a "U-shaped" development path with vertical promotion ladders and horizontal cross-functional mobility, enabling talent and the Company to grow together. We have established well-defined talent standards: a three-dimension, six-capability framework for management roles, a five-tier qualification system for professional and technical roles, and a six-tier skill grading system for operational roles. These standards cover more than 200 positions across 18 career tracks, ensuring the right person is in the right role. To unlock internal talent potential, the Company has developed policies such as the *Huayou Leadership Standards* and the *Position & Grade Management Measures*. Cross-business and cross-regional rotation and internal competitive recruitment mechanisms have been set up, and regular talent reviews are conducted to make the most of every employee's strengths.



Occupational Health and Safety

Huayou Cobalt upholds the work safety principle of "safety first, prevention foremost, and comprehensive governance." We have built an end-to-end EHS management system to safeguard employees' occupational health and safety, laying a solid safety foundation for sustainable growth.

Governance

The Company has established a well-structured governance framework for occupational health and safety, with clearly defined responsibilities at each level. The Safety and Environmental Management Committee, directly overseen by the President, serves as the highest accountable body for health and safety management, leading strategic planning and major risk controls. The EHS departments of each industrial group and business unit work in coordination, forming a management network with full coverage.

We implement a unified *Occupational Health and Safety Policy* that applies to all employees as well as on-site contractors and suppliers. To refine our occupational health and safety management system, we have developed or revised a series of policies and operating procedures, including the *Respiratory Protection Management Policy*, *Personal Protective Equipment Management Procedure*, *Management Standards for Detection of Occupational Hazardous Factors in Workplaces*, and *Contractor Safety Management Procedure*. These documents apply to all global operating entities of Huayou Cobalt (including subsidiaries, branches, and industrial facilities) and their business activities. Our *ESG Policy* also sets out our commitments and requirements for safeguarding the health and safety of employees (including dispatched workers) and contractors working at project sites. Each industrial group develops tailored management documents based on its business context to drive EHS improvements. We communicate our occupational health and safety policies to contractors and partners, and require them to uphold the same standards.

In 2025, 18 subsidiaries were certified under the ISO 45001 Occupational Health and Safety Management System, with a certification coverage rate of 81.82%.* Huaxiang obtained SGS certification on June 17, and Huajin was certified by NOA on September 28, establishing a standardized management foundation. All operating sites apply the Group's unified EHS management policies. Non-certified production units have completed internal occupational health and safety audits to ensure consistent safety standards across the Group.

*Note: In 2025, four new subsidiaries—Huaxiang, Huaneng, Huake, and Guangxi New Materials—were added to the Group. Excluding these newly added sites, the certification rate of existing operating sites remained consistent with that of the previous year.

Strategy

Drawing on the characteristics of our diverse business scenarios and global operating footprint, we have identified three core risks in occupational health and safety. We have systematically assessed their impacts on operations and the value chain, and developed tailored control strategies to keep risks controllable and traceable throughout the process.

Huayou Cobalt occupational health and safety risk analysis

Risk type	Description	Financial impact	Response measures
Workplace safety risks	In mining, smelting, and project construction, risks include mechanical injury, lifting accidents, falls from height, object strikes, electric shock, and fire and explosion. Chemical burns may also disrupt operations.	Safety incidents may cause direct losses, including compensation for casualties, medical expenses, and equipment repair costs.	Advance the three-year action plan to tackle root causes of workplace safety issues and refine management policies; establish dedicated EHS positions to ensure effective implementation and continuous improvement of the management system. Rigorously enforce the dual prevention mechanism of tiered risk control and hazard identification and remediation.
Exposure to occupational disease hazards	Long-term exposure to dust, noise, heavy metal fumes, and toxic chemicals may put employees at risk of pneumoconiosis, occupational poisoning, noise-induced hearing loss, and other occupational diseases.		Conduct regular company-wide safety, environmental, and occupational health inspections, with particular attention to critical zones, hazardous processes, and equipment, and distribute personal protective equipment. Reinforce training on safety awareness, skills, and occupational disease prevention for all employees—particularly new hires, reassigned staff, and contractor personnel—to ensure familiarity with operating procedures and emergency response measures.
Safety risks from contractors and dispatched workers	Contractors and dispatched workers may lack safety awareness, fall short of operational skill requirements, or fail to comply with the Company's safety policies. Coupled with high personnel turnover and weak risk identification, these factors can lead to accidents and heighten the risks of concurrent operations.	Incidents may result in compensation for casualties, equipment repair costs, and production downtime losses. The Company may also bear joint liability, facing regulatory penalties and civil claims.	Establish a safety qualification review mechanism for contractors and dispatched workers; those who do not meet requirements are barred from entering the site. Deliver targeted safety training to build safety awareness, and integrate contractors and dispatched workers into the Company's on-site safety management system.

Impact, Risk, and Opportunity Management

The Company integrates occupational health and safety strategy with business development. Through system building, risk management, training, and emergency drills, we have established an end-to-end risk prevention and control system. This has enabled a fundamental shift from reactive response to proactive prevention, helping advance the effectiveness of our safety management.

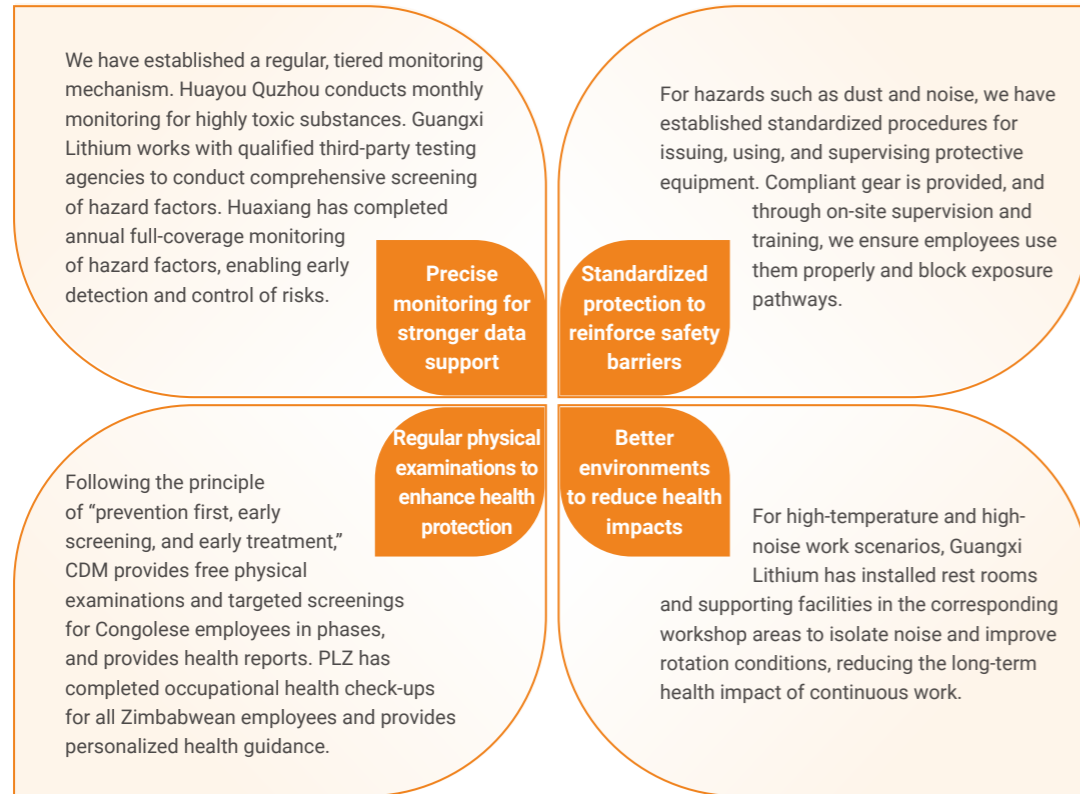
Risk Identification and Hazard Inspection

The Company has established a regular mechanism for risk identification and hazard inspection. Combining annual plans with dedicated campaigns, we deliver risk control across all areas and processes.

<p>Precise risk control at the job level</p> <p>Based on the <i>Occupational Hazards Reporting Procedure</i> and related policies, Huayou Quzhou breaks down production processes by job position to identify risk sources such as mechanical injury and dust exposure. Risk levels are assessed based on monitoring data and task frequency, with control measures adjusted dynamically.</p>	<p>Multi-dimensional inspection and remediation</p> <p>Each industrial group carries out inspections at different tiers. The Africa Region and CDM conduct monthly and quarterly comprehensive and targeted inspections. Guangxi Lithium conducts monthly comprehensive inspections, hazardous chemical inspections, holiday inspections, and several other targeted inspections.</p>	<p>Innovative practices to eliminate hazards</p> <p>The New Energy Industry Group has rolled out KYT (Kiken Yochi Training) activities and compiled inspection standards and accident case studies. The Sodium Battery Division of the New Materials Industry Group has redesigned lifting methods to eliminate work-at-height risks. Huaxiang, Huajin, and other subsidiaries have installed warning signs in hazardous areas to reinforce on-site protection.</p>
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Occupational Health Protection

Employee occupational health is our top priority. Targeting risk points across every stage of production and operations, we have built an end-to-end, multi-layered occupational health protection system. Through precise measures, we strengthen the defense line for employees' physical and mental health and safeguard their occupational health rights.



Safety Training and Culture

The Company has built a safety training system that is comprehensive, multi-tiered, and results-driven. Online courses on safety regulations, operating procedures, and risk identification are delivered through the Youxuehai training platform. Offline activities include regular safety briefings, case-based warnings, and on-the-job spot checks, alongside targeted training and hands-on drills. We also promote safety awareness through activities such as Safety Culture Week and knowledge competitions, fostering a safety culture in which every employee actively takes part.



CDM organizes a range of training sessions, including the Golden Rules for Protecting Life, mechanical injury prevention, and confined space safety.



Huaxiang holds a safety speech contest, using real-life cases to convey safety principles.



Huayou holds a health seminar on Decoding the Three Highs (hypertension, hyperglycemia, and hyperlipidemia) and Obesity to raise employee health awareness, alongside accessible health management services.



Huayou partners with the Chinese Medical Team to Zimbabwe to deliver first aid training and free medical consultations for local employees.



Guangxi Lithium arranges CPR and AED certification training for 210 employees to build their emergency response capabilities.

Emergency Management

Guided by the principle of "prevention first, combined with practical drills," the Company has built an end-to-end emergency management system. Focusing on core businesses such as mining and smelting, we address a range of high-risk scenarios including hazardous chemical leaks, fire and explosion, and earthquakes. Drills are conducted regularly in a real-world, scenario-based format to sharpen employees' emergency response skills, improve response precision, and reinforce our safety defenses.



The 2025 Firefighting and Emergency Skills Competition strengthens employees' ability to respond to emergencies.



PLZ organizes a range of emergency drills across departments and with contractors, building a solid foundation for coordinated, company-wide emergency response.

Metrics and Targets

Anchored on the core goal of "zero accidents and zero harm," the Company drives goal delivery through quantitative controls, dynamic tracking, and closed-loop reviews. We continue to elevate end-to-end safety management, reinforcing the safety foundation for our global operations. The Group's 2025 EHS target was a Lost Time Injury Rate (LTIR, including contractors and dispatched workers) of ≤ 0.4 per million hours worked, which has been met.



07

Community Development

Huayou Cobalt has always practiced the philosophy of "contributing to the local economy and society wherever we invest." Through resource investment, innovative approaches, and multi-stakeholder collaboration, the Company safeguards community rights, enhances residents' sense of participation and belonging, and fosters a mutually beneficial ecosystem where the Company and communities thrive together.



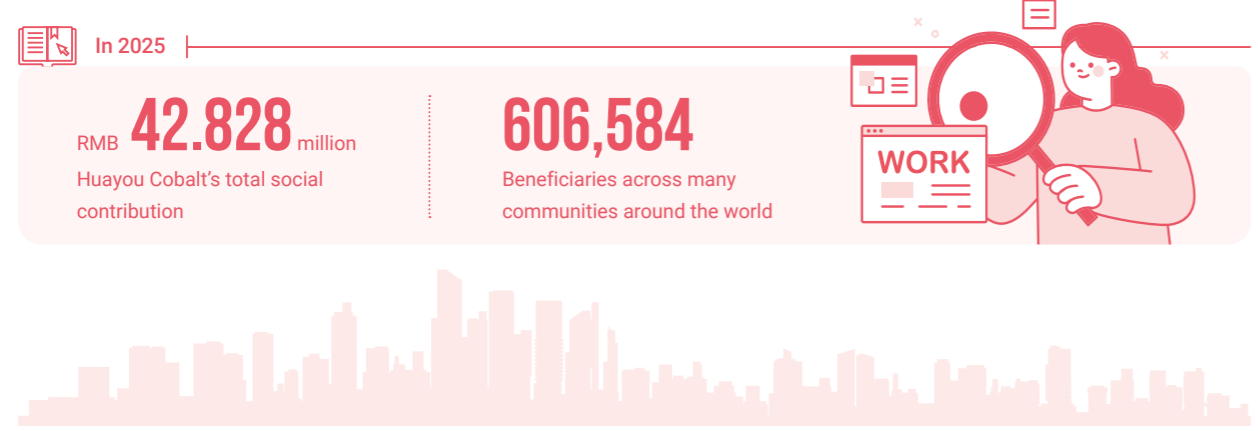
1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 
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Community Relations and Development

As a global enterprise, Huayou Cobalt recognizes that respecting local community rights and promoting collaborative local development are fundamental to achieving long-term, stable operations and social acceptance. Incorporating community relations and development into project design and implementation, we strictly comply with host country laws and regulations and have established a series of public policies, including the *Aboriginal Protection Policy* and the *Community Communication and Consultation Policy*, which set out clear commitments and guidelines on community engagement, conflict prevention, and human rights protection. For key projects, third-party consulting firms are engaged to conduct environmental and social impact assessments in reference to IFC standards and other international frameworks. Meanwhile, we actively implement community development initiatives in our operating regions, striving to build long-term, trust-based, and mutually beneficial partnerships, and to achieve coordinated growth and sustainable development with local communities.

Key measures for advancing community relations and development

- Land acquisition and settlement**
 - Prioritize site selection in unused land or abandoned mining areas to minimize disruption, while optimizing plant layout and processes to reduce land use and community impact.
 - Establish integrated support systems—including local hiring, skills training, industrial support, and infrastructure development—to align land acquisition with community development and deliver shared benefits.
- Protection of indigenous rights**
 - If applicable, obtain Free, Prior and Informed Consent (FPIC) from affected Indigenous communities.
 - Establish regular communication platforms, such as grid-based management systems and dedicated meetings, to ensure equal voice and participation rights.
 - Promote local employment and build full-cycle career development and training systems to achieve mutual benefits for both the Company and communities.
- Cultural heritage management**
 - Comply with laws and regulations of host countries in project design and implementation; avoid development in World Heritage sites; protect and respect the cultural heritage of communities and indigenous peoples.
- Community health and safety**
 - Fully assess potential health and safety risks to communities within the project scope, and take measures to avoid or minimize impacts, ensuring the safety of people and their properties.



Overseas Community Development

Based on the practical needs of overseas communities, Huayou Cobalt has established a diversified community empowerment framework. Through rights protection, livelihood support, and cultural integration, the Company ensures that the benefits of industrial development are fully shared, and strengthens the foundation for localized operations.

Case Huayou Cobalt's Africa community development project listed in *Global Solicitation on Best Poverty Reduction Practices*

In 2025, Huayou Cobalt, in collaboration with the China Foundation for Rural Development, submitted the project *China's Comprehensive and Collaborative Poverty Alleviation Model Bears Fruit in the Democratic Republic of Congo: A Case Study of Community Development Around Zhejiang Huayou Cobalt*, which was successfully selected as one of the 6th *Global Solicitation on Best Poverty Reduction Practices*. The project innovatively established a four-party collaboration mechanism involving government, enterprises, social organizations, and local communities. Implemented in Kawama Village in the DRC, it delivered initiatives in quality education, clean water access, and livelihood improvement. Through a systematic approach combining infrastructure development, education empowerment, and livelihood enhancement, the project achieved tangible poverty reduction outcomes. The initiative has directly benefited over 25,000 local residents. The "Smiling Children" meal program has enabled nearly 1,500 students to move beyond a "one-meal-a-day" condition, serving as a replicable model for international poverty alleviation. Looking ahead, we will continue to fulfill our overseas responsibilities and contribute to building a global community with a shared future.



Huayou Cobalt's Africa community development project listed in *Global Solicitation on Best Poverty Reduction Practices*

Promoting local employment and employee support



The ATZ project in Zimbabwe aims for targeted recruitment, attracting 214 local applicants. A total of 166 candidates were hired and gradually onboarded, achieving a win-win outcome for both project staffing and local employment.

Expanding community livelihoods



MIKAS collaborated with the Community Development Committee (CLD) to launch a "seed credit" program that provides seeds, fertilizers, and farming tools to address food security challenges among beneficiary households.

Infrastructure development



MIKAS initiated well-drilling projects at three sites—MITUMBA, MIKUBA, and TP—with a total investment of USD 41,328. Upon completion, the projects benefited nearly 800 villagers and reduced water collection time by 1.5 hours per trip.



CDM constructed a campus water supply system, providing a more stable and safe water source, effectively preventing waterborne diseases such as diarrhea and parasitic infections, and meeting students' daily drinking water needs.

Safeguarding health and safety

PLZ, in collaboration with Boke Technology, donated 38 disease prevention board game kits to three schools and trained three teachers, benefiting approximately 3,000 adolescents through gamified health education.



Public welfare donations

In November 2025, CDM donated flour, cooking oil, and other supplies to the KASAPA, KAMATETE, and KAMISEPE communities, strengthening trust between the company and local communities and fostering a harmonious operating environment.



Promoting cultural exchange



In May 2025, the Africa regional headquarters organized the "Huayou Africa Cultural Festival: Ink & Light, A Fusion of Arts". Through calligraphy, painting, music, dance, and musical instruments, the event built cultural bridges between China and the DRC, showcasing diversity and fostering cohesion.



PLZ organized community football matches and cultural food exhibitions, attracting over 150 participants and more than 300 local residents.

Domestic Community Development

Focusing on domestic community needs, we leverage initiatives such as the Common Prosperity Fund and targeted assistance programs to integrate public welfare with local development and contribute to shared prosperity.

Case Empowering education through the Common Prosperity Fund

In 2025, supported by an RMB 50 million Common Prosperity Fund, Huayou Cobalt continued to advance its "Golden Autumn" education support program. Since its inception, the Company has awarded nearly RMB 1.5 million in scholarships through the "Huayou Academic Excellence Award", benefiting more than 1,600 students in Tongxiang. In 2025 alone, 451 students received awards, including special financial support for students in need. During the same period, Huayou Cobalt awarded RMB 10,000 each through the "Huayou Dream Builder" Scholarship to 37 students admitted to C9 League universities, encouraging them to excel academically and contribute to their hometowns in the future. Moving forward, we will continue to strengthen our flagship education support programs and contribute to high-quality local education development.

Case Advancing community development through diverse cultural and sports initiatives

In response to national fitness initiatives, Huayou Cobalt leverages cultural and sports activities to strengthen connections between the Company and communities. We have organized an Employee Fitness Month featuring mini marathons, fun sports events, and reward-based fitness programs to stimulate participation among employees and local residents. By collaborating with local stakeholders to build inclusive fitness platforms, we have enhanced community engagement, enriched cultural life, and deepened integration with the community.

08 

Sustainable Supply Chain

A sustainable supply chain serves both as a cornerstone of global industrial competition and as a key enabler for companies to realize long-term value and fulfill their social responsibilities. Huayou Cobalt has embedded sustainability throughout its supply chain management, from end to end. We have enhanced governance mechanisms, systematically addressed ESG risks, and promoted coordinated sustainability across the value chain, thereby building a resilient supply chain foundation for high-quality development.



2025 HUAYOU
SUPPLIER CONFERENCE

2025年华友供应商大会

以竞求胜 共赢未来 STRIVE FOR SUCCESS, WIN THE FUTURE TOGETHER

2025年11月26日 中国·乌镇
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Governance

Huayou Cobalt has established a sustainable supply chain governance system with clear responsibilities and efficient coordination. In terms of organizational structure, the Company has built a three-tier reporting structure consisting of the General Manager of the Purchasing Center (Group Vice President), the Director of the Supplier Management Department and the Supplier Management Manager. Together, they oversee the full life cycle management of suppliers and ESG management of suppliers, and report the overall matters related to suppliers to the President, forming a top-down full-chain accountability mechanism. In terms of the institutional framework, we have established a system covering the entire supplier lifecycle, including supplier admission, evaluation, management, and exit. In 2025, we formulated and revised the *Localized Procurement Policy*, the *Supplier Code of Conduct*, and the *Policy on Responsible Global Mineral Supply Chain from High Risk Regions*, effectively enhancing the standardization and operability of supply chain due diligence management.



Huayou Cobalt supplier management structure

Strategy

Based on the characteristics of its global supply chain footprint, industry trends, and ESG risk and opportunity assessments, Huayou Cobalt has defined the direction for supply chain upgrading. Through targeted measures and prioritized actions, the Company continues to enhance supply chain resilience and create sustainable value.

Huayou Cobalt sustainable supply chain risks/opportunities analysis

Risk type	Description	Financial impact	Countermeasures
Supply chain disruption risk	Production disruption and delivery delays may arise due to natural disasters, geopolitical conflicts, and fluctuations in supplier capacity. This will affect the Company's reputation and customer relationships.	The disruption could lead to spikes in raw material, transportation and labor costs, further squeezing the Company's profit margins. Prolonged disruptions may result in loss of market share.	Promote diversified global resource allocation, strengthen industrial chain coordination mechanisms for price stabilization and supply security, and establish alternative supplier pools to enhance supply chain resilience to disruptions.
Supply chain ESG risks	The risks cover product quality, business ethics, occupational health and safety, labor practices, and environmental protection, which may result in inconsistent raw material quality, negative public exposure, and damage to brand image.	The risks may lead to legal disputes and penalties, thereby increasing compliance costs.	Establish a full-process ESG management system, and strengthen supplier ESG access and dynamic evaluation; deepen localized operations, build trust-based win-win partnerships, and promote responsible practices across the entire value chain.
Mineral supply chain risk	Mineral prices are highly volatile due to market supply-demand dynamics and geopolitical factors, while political unrest and trade barriers in mineral-supplying may further exacerbate the instability of the supply chain.	The risk may increase uncertainty in purchasing costs and weaken profitability.	Build a green mineral supply chain, deepen full value chain integration, and improve resource self-sufficiency; establish price monitoring and hedging mechanisms to mitigate geopolitical risks.

Opportunity type	Description	Financial impact	Countermeasures
Establishment of integrated layout and globalized resource network	Through the whole industrial chain layout of "cobalt and nickel resources mining - smelting - precursor - cathode materials", the Company can realize the increasing self-sufficiency rate of nickel, and further reduce the dependence on outsourced raw materials after the commissioning of the wet smelting project in Indonesia. The Company has been deeply engaged in the Democratic Republic of Congo and Indonesia for many years and strives to build a globalized resource network.	The opportunity strengthens resource acquisition and bargaining power and enhances core competitiveness.	Build a green mineral supply chain and deepen full value chain integration to improve resource self-sufficiency.
Green supply chains	As global climate action deepens, carbon footprint management across the value chain has become a key pathway for emission reduction in the industry. Advancing green supply chain development enables precise alignment with regulatory requirements, meets downstream low-carbon demand, expands the market for green products, and builds differentiated competitive advantages.	The opportunity may enhance product competitiveness, expand market share, and improve profitability.	Strengthen green procurement management and collaborate with suppliers to promote green product R&D.

Impact, Risk, and Opportunity Management

Huayou Cobalt has established a full-process and multi-level management mechanism for sustainable supply chain risks and opportunities. Through measures including risk control, supervision and grievance mechanisms, due diligence management, full lifecycle operations, and responsible green procurement, we effectively prevent supply chain risks, efficiently convert development opportunities, and continuously enhance overall supply chain competitiveness to achieve the coordinated growth of economic and social value.

Risk Identification and Control Mechanism

The Company has established the full lifecycle risk identification and control process. During the admission stage, risks are identified through questionnaires, public information searches, and business registration system verification, and suppliers beyond the Company's control capacity are firmly rejected. For qualified suppliers, we conduct annual comprehensive risk screening and suspend business with high-risk suppliers until risks become controllable. In daily management, system-based automatic real-time risk alerts are applied to ensure early identification and timely control of risks.

Supervision and Grievance Mechanism

The Company has established a multi-dimensional sustainable supply chain supervision mechanism to ensure that supply chain management complies with ESG standards and institutional requirements through regular audits and dynamic monitoring. We have established a grievance mechanism and set up multiple contact points worldwide to encourage stakeholders to responsibly raise opinions or suggestions regarding the Company's ESG and sustainability practices, including supply chain due diligence. We commit to the strict confidentiality of whistleblowers' information and provide feedback within seven working days. All grievances about ESG and supply chain due diligence are handled in a fair and transparent manner.

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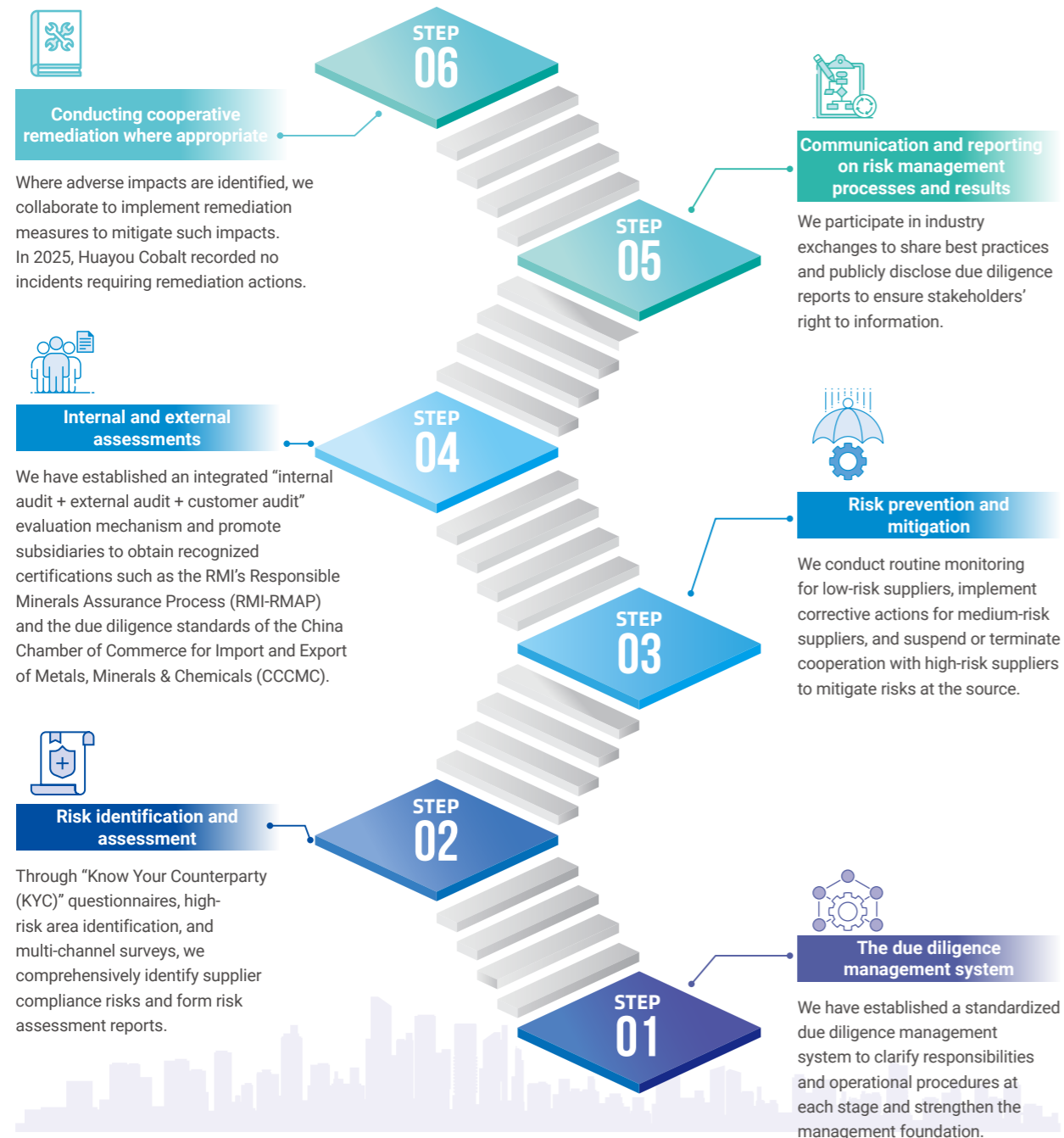
Email: HYNC@huayou.com

Address: Indonesia Morowali Industrial Park (IMIP), Central Sulawesi, Indonesia (Huayou Nickel Indonesia Group)



Mineral Supply Chain Due Diligence Management

Huayou Cobalt implements rigorous mineral supply chain due diligence. In accordance with the core requirements of international and domestic standards, including the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* and the *Chinese Due Diligence Guidelines for Mineral Supply Chain*, the Company has formulated the *Huayou Cobalt Supplier Code of Conduct*, the *Policy on Responsible Global Mineral Supply Chain from High Risk Regions*, and the *Supplier Standards for Responsible Mineral Procurement*. Under our three-tier due diligence management structure comprising the Group, industrial groups, and subsidiaries, the Mineral Supply Chain Due Diligence Working Group is responsible for task execution. In parallel, we conduct due diligence on the relevant mineral supply chain in accordance with the six-step framework set out below.



Huayou Cobalt 2025 mineral supply chain due diligence management third party audit

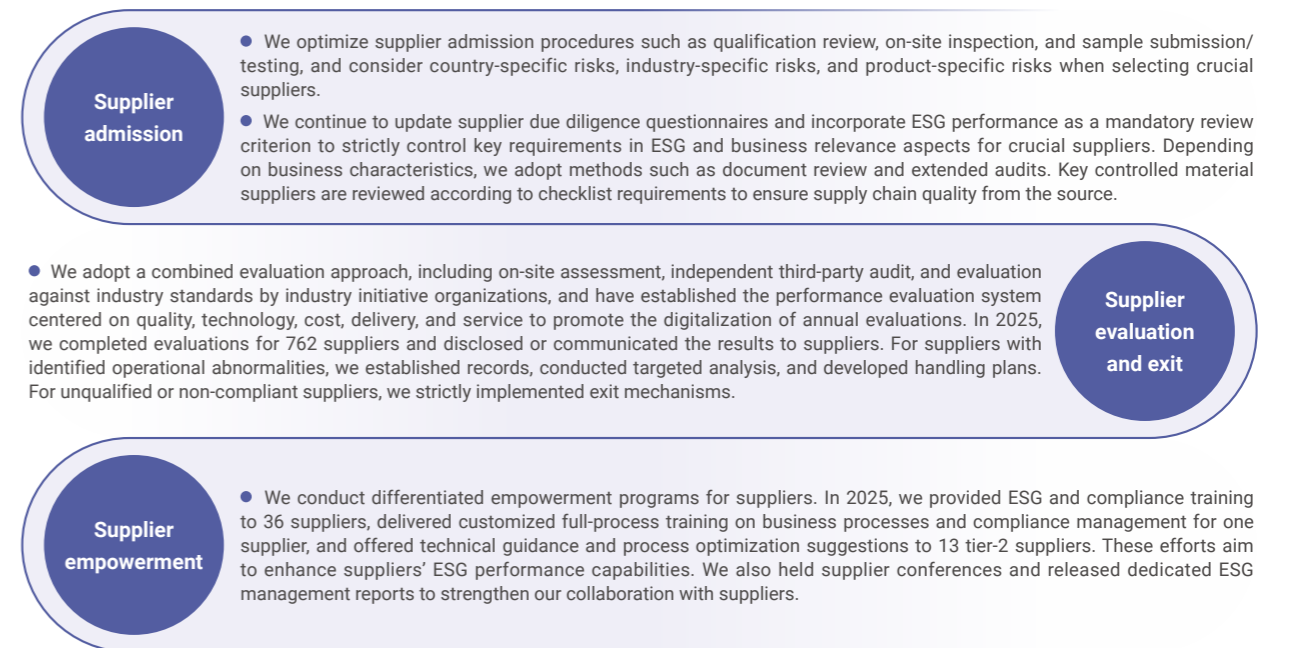
Audit entity name	Entity scope	Country	Material type	Auditor	Audit result
Huayou Cobalt	Refinery	China	Cobalt	RMI	Passed
Huayou Quzhou	Refinery	China	Nickel, Cobalt	RMI	Passed
Indonesia Huafei Company	Refinery	Indonesia	Nickel, Cobalt	RMI	Passed
Indonesia Huayue Company	Refinery	Indonesia	Nickel, Cobalt	RMI	Passed
Guangxi New Materials	Refinery	China	Nickel	CCCMC	AA



The subsidiaries have passed the mineral supply chain due diligence assessments and obtained RMI-RMAP and CCCMC certifications.

Supplier Lifecycle Management

Huayou Cobalt, guided by the principles of "precise admission, dynamic control, and collaborative empowerment", has established a management system covering the full lifecycle of suppliers. In 2025, the Company revised the *Supplier Code of Conduct* and the commitment letter to clarify ethical and behavioral requirements for suppliers in business operations, regarding them as a key foundation for our cooperation with suppliers. We also guide suppliers and partners in adopting responsible practices and building a responsible supply chain ecosystem. We protect supplier rights and interests and ensure fair treatment for SME suppliers. In 2025, no overdue payments to SME suppliers occurred.





Case 2025 Huayou Cobalt supplier conference strengthens a collaborative supply chain ecosystem

In 2025, Huayou Cobalt held its annual supplier conference under the theme "Competing for Excellence for a Bright Future Together", bringing together more than 130 domestic and international partners and over 400 guest representatives. At the conference, Huayou Cobalt interpreted new trends in the new energy industry and the concept of a "community of shared future," to promote the ecological practice of "shared development and collaborative governance". Taking this conference as an opportunity, the Company continued to deepen strategic collaboration with suppliers and jointly built a high-quality and sustainable supply chain ecosystem through resource integration and the sharing of technologies, standards, and experience.



2025 Huayou Cobalt supplier conference



Case Supply chain collaboration for quality enhancement – "Zero Foreign Matter" supplier initiative empowers high-quality development

In 2025, the New Materials Industry Group held a dedicated supplier conference focused on achieving Zero Foreign Matter, bringing together 83 core suppliers to explore pathways for upgrading control mechanisms. Focusing on the implementation of "zero foreign matter," the conference opened control standards, provided laboratory support, and clarified three priorities (source control, collaborative development, and mechanism optimization). Supplier representatives exchanged experiences and signed the *Zero Foreign Matter Quality Initiative* to strengthen consensus on collaboration. Going forward, Huayou Cobalt will continue to focus on "Zero Foreign Matter," strengthen control systems and risk prevention, and jointly build a high-quality supply chain ecosystem to support the sustainable development of the new energy industry.



A dedicated supplier conference on achieving Zero Foreign Matter

Responsible Procurement and Green Procurement

The Company continues to deepen responsible procurement practices by integrating requirements related to business ethics, compliance, and green and low-carbon development into procurement processes, thereby building a responsible and green procurement system. We have formulated and released the *Sustainable Raw Materials Policy*, committing to eliminating conflict minerals from products and supply chains and ensuring that minerals or metals contained in procured raw materials are not associated with human rights violations, unethical practices, or environmental harm during extraction or trading. Meanwhile, we comprehensively assess and classify the environmental impacts, social risks, and supply stability of various raw materials to determine procurement priorities, ensuring that resource allocation favors low-carbon, compliant, and responsible materials. Through training sessions, workshops, and other initiatives, we systematically empower internal stakeholders across all stages to strengthen their understanding of sustainable raw material management policies and responsibilities, and promote the deep integration of sustainability principle into procurement, production, and R&D processes.

★ In January 2025, Huayou Cobalt was listed among the National Green Supply Chain Management Enterprises by the Ministry of Industry and Information Technology (MIIT).



Responsible procurement

- We upgrade bilingual integrity commitment letters in both Chinese and English by adding ESG compliance clauses for all suppliers and potential partners.
- To strengthen contractual compliance constraints, we incorporate supplier ESG performance and mineral supply chain due diligence outcomes into core contractual terms, introduce occupational health and safety standards, and embed responsible practices throughout the procurement process.
- We integrate supplier audits, KYC due diligence, and third-party verification to achieve full traceability of raw materials from extraction and processing to procurement, thus ensuring supply chain transparency and compliance.

Green procurement

Prioritizing green raw materials to increase the proportion of sustainable and recycled materials

- We prioritize raw materials that minimize natural resource consumption, pollutant emissions, and waste generation during production, and continuously increase the proportion of third-party certified sustainable and recycled materials, gradually reducing reliance on primary materials.

Optimizing raw material supply management to drive green transformation

- Focusing on energy efficiency, we incorporate energy consumption indicators as key evaluation criteria to promote suppliers' green production transformation and the adoption of clean production technologies. We also prioritize environmentally friendly and energy-efficient equipment and technologies. Furthermore, we expand sourcing channels for low-carbon raw and auxiliary materials to support supply chain decarbonization.
- We set clear quantitative targets, define standards for the share of third-party verified sustainable raw materials, and specify procurement ratios for recycled materials. Through regular disclosure in mineral supply chain due diligence reports and ESG reports, we publicly disclose progress toward achieving the procurement target of third-party verified sustainable raw materials.

Metrics and Targets

Huayou Cobalt anchors on the long-term direction of sustainable supply chain development. Based on industry trends, regulatory requirements, and overall corporate strategy, the Company has established a comprehensive monitoring indicator system. Through progress tracking against key indicators, we drive the continuous upgrading of sustainability capabilities in the supply chain.



In 2025

100%

Proportion of suppliers having signed the integrity agreement

100%

Signing rate of the *Supplier Code of Conduct* * among new suppliers

237

Suppliers passed on-site assessments

635

Suppliers suspended or disqualified

96

Suppliers supported in corrective action plan implementation

*Including requirements such as environmental and social risk assessments

Appendix 1: Performance Indicator

Economic Performance

Indicators	Unit	2023	2024	2025
Revenue	RMB billion	66.304	60.946	81.019
Net profit attributable to the owners of the parent company	RMB billion	3.351	4.155	6.110

Governance Performance

Indicators	Unit	2023	2024	2025
Company Governance				
Number of periodic reports disclosed	/	4	4	4
Number of temporary announcements	/	178	129	136
Number of general meetings of shareholders	/	5	5	5
Number of board meetings	/	22	12	11
Attendance of directors at board meetings	%	/	100	100
Number of members of the board of directors	Person	7	7	8
Number of independent directors	Person	2	3	3
Number of executive directors	Person	/	4	3
Number of non-executive directors	Person	/	3	2
Number of independent or non-executive directors with industry experience	Person	/	1	4
Average term of office of board members	Years	/	5.6	5.34
Risk Management				
Conflict of interest violations	/	/	0	0
Money laundering or insider trading	/	/	0	0
Unfair competition litigation incident	/	/	0	0
Business Ethics				
Total hours of directors' participation in integrity and anti-corruption training	Hours	/	12	8
Percentage of directors who participated in integrity and anti-corruption training	%	/	57	50
Total hours of management's participation in integrity and anti-corruption training	Hours	/	774.5	2,960
Percentage of management who participated in integrity and anti-corruption training	%	/	100	100
Total hours of staff's participation in integrity and anti-corruption training	Hours	/	35,691	47,980

Indicators	Unit	2023	2024	2025
Percentage of staff who participated in integrity and anti-corruption training	%	/	91	98
Corruption and bribery violations by directors	/	/	0	0
Corruption and bribery violations by management	/	/	0	0
Corruption and bribery violations by employees	/	/	0	0
Data Security and Customer Privacy Protection				
Incidents penalized for violations of information security and privacy protection laws and regulations	/	/	0	0
Total monetary value of penalties for violations of information security and privacy protection laws and regulations	RMB	/	0	0

Environmental Performance

Indicators	Unit	2023	2024	2025
Climate change response ^①				
Scope 1 GHG emissions	tCO ₂ e	598,881	4,350,956	4,398,741
Scope 1 GHG emissions (excluding newly operational plants in 2025)	tCO ₂ e	/	/	4,398,535
Scope 2 GHG emissions (market-based)	tCO ₂ e	1,118,281	1,515,791	1,679,438
Scope 2 GHG emissions (excluding newly operational plants in 2025)	tCO ₂ e	/	/	1,666,902
Total Scope 1 and Scope 2 GHG emissions	tCO ₂ e	1,717,162	5,866,747	6,078,179
Total scope 1 and scope 2 GHG emissions (excluding newly operational plants in 2025)	tCO ₂ e	/	/	6,065,438
Scope 3 GHG emissions (excluding newly operational plants in 2025)	tCO ₂ e	9,767,259	15,576,369	13,658,111
Scope 1 & 2 GHG emission Intensity per ton of product – Electrolytic nickel	tCO ₂ e/t	3.71	2.29	1.64
Scope 1 & 2 GHG emission intensity per ton of product – MHP	tCO ₂ e/t	9.11	7.71	6.31
Scope 1 & 2 GHG emission intensity per ton of product – Cathode material	tCO ₂ e/t	1.74	1.66	1.26
Scope 1 & 2 GHG emission intensity per ton of product – Precursor	tCO ₂ e/t	1.67	1.62	1.41
Energy Transition ^②				
Coal consumption	tons	117,140	1,698,876	1,607,664
Gasoline consumption	litre	266,811	210,729	200,644.74
Diesel consumption	litre	53,149,281	115,568,139	153,498,166
Natural gas consumption	m ³	10,616,190	29,285,145.62	37,945,194
Liquefied petroleum gas consumption	kg	38,839	3,604,976.21	1,936,161.53
Direct energy consumption	tce	151,339	1,405,369.18	1,396,945.56
Outsourced steam	GJ	4,384,809	4,810,816	3,998,173
Purchased electricity	kWh	1,985,222,224	4,684,401,095	3,351,378,607.51

Indicators	Unit	2023	2024	2025
Of which: purchased green power	kWh	825,814,054	600,761,097	519,051,324
Purchased electricity intensity per ton of product – Electric nickel	kWh/ton	4,436	4,878	4,614
Purchased electricity intensity per ton of product – MHP	kWh/ton	2,800	2,268	1,661
Purchased electricity intensity per ton of product – Cathode material	kWh/ton	8,692	8,536	8,130
Purchased electricity intensity per ton of product – Precursor	kWh/ton	2,507	2,782	1,788.17
Indirect energy consumption	tce	243,984	739,761.71	548,222.14
Installed capacity of clean electricity	MW	12	14	24
Clean electricity generation – photovoltaic	MWh	2,270	11,006	23,977
Non-renewable energy consumption	kWh	1,157,138,993	4,072,829,093	2,810,860,476
Use ratio of clean electricity	%	34	40	39
Water Management^③				
Total amount of water withdrawn	tons	34,613,021.17	65,886,999.87	63,216,084.26
Water withdrawal intensity per ton of product – Electric nickel	tons/ton	/	36.30	30.47
Water withdrawal intensity per ton of product – MHP	tons/ton	/	253.67	170.96
Water withdrawal intensity per ton of product – Cathode material	tons/ton	/	9.76	9.17
Water withdrawal intensity per ton of product – Precursor	tons/ton	/	10.30	5.15
Total water consumption	tons	6,027,428.72	20,951,174.52	15,070,700.46
Recycled water consumption	tons	39,748,463.56	103,173,957.20	123,755,916.60
Water recycling rate	%	53.45	61.03	66.19
Total wastewater discharge	tons	28,585,592.45	44,935,825.35	48,145,383.80
Wastewater discharge intensity per ton of product – Electric nickel	tons/ton	/	29.31	34.85
Wastewater discharge intensity per ton of product – MHP	tons/ton	/	255.09	133.36
Wastewater discharge intensity per ton of product – Cathode material	tons/ton	/	7.16	7.71
Wastewater discharge intensity per ton of product – Precursor	tons/ton	/	9.17	11.96
Total COD emissions	tons	361.51	6,643.69	6,360.05
Total ammonia nitrogen emissions	tons	17.53	256.12	295.21
Air Emissions^④				
Total air emissions	million m ³	21,846.23	50,839.65	52,258.86
Total particulate emissions	tons	288.47	1,684.38	934.40
Total non-methane hydrocarbon emissions	tons	3.54	4.11	4.75
Total sulfur dioxide (SO ₂) emissions	tons	1,944.87	7,160.12	7,817.68
Total nitrogen oxide (NOx) emissions	tons	341.03	1,716.64	1,540.57

Indicators	Unit	2023	2024	2025
Total VOCs Emissions	tons	/	/	5.87
Waste Management^⑤				
Total hazardous waste generation	tons	11,572.34	36,773.81	55,911.66 ^⑥
Hazardous waste generation intensity per ton of product – Electric nickel	tons/ton	/	0.11	0.15
Hazardous waste generation intensity per ton of product – MHP	tons/ton	/	0.0029	0.0012
Hazardous waste generation intensity per ton of product – Cathode material	tons/ton	/	0.0003	0.0006
Hazardous waste generation intensity per ton of product – Precursor	tons/ton	/	0.0052	0.0040
Total hazardous waste landfilled	tons	563.72	6,403.94	352.15
Total hazardous waste incinerated with energy	tons	6,447.50	3,882.87	34,135.27 ^⑦
Total hazardous waste recycled/ reused	tons	3,997.81	21,219.99	21,211.92
Total general solid waste generation	tons	148,100.82	2,849,167.26	2,878,155.27
General solid waste generation intensity per ton of product – Electric nickel	tons/ton	/	0.11	0.03
General solid waste generation intensity per ton of product – MHP	tons/ton	/	0.0330	0.0278
General solid waste generation intensity per ton of product – Cathode material	tons/ton	/	0.1088	0.103
General solid waste generation intensity per ton of product – Precursor	tons/ton	/	0.0009	0.0003
Total waste rock generated	tons	1,219,704.49	22,747,907.73	23,156,709.92
Total tailings generated	tons	/	32,121,252.07	33,945,491.92
Total general solid waste landfilled	tons	182.50	920.50	1,477.89 ^⑧
Total general solid waste incinerated with energy recovery	tons	15.20	755.41	1,717.81 ^⑨
Total general solid waste recycled/ reused	tons	99,144.33	2,459,043.77	3,170,106.56 ^⑩
General solid waste utilization rate	%	66.94	86.30	99.95
Environmental Compliance Management				
Environmental investment	RMB billion	0.46	0.402	0.421

① The Company further standardized its statistical methodology and strengthened data monitoring, and made retrospective revisions to the 2024 figures for Scope 1 GHG emissions, Scope 2 GHG emissions (market-based), and Scope 3 GHG emissions (excluding newly operational plants in 2025).

② The Company further standardized its statistical methodology and strengthened data monitoring, and made retrospective revisions to the 2024 figures for coal consumption, natural gas consumption, liquefied petroleum gas consumption, direct energy consumption, purchased electricity intensity—Electrolytic nickel, indirect energy consumption, and clean power installed capacity.

③ The Company further standardized its statistical methodology and strengthened data monitoring, and made retrospective revisions to the 2024 figures for total water consumption, recycled water consumption, water recycling rate, total wastewater discharge, wastewater discharge intensity per ton of product—Electrolytic nickel, total COD emissions, and total ammonia nitrogen emissions.

④ The Company further standardized its statistical methodology and made retrospective revisions to the 2024 figures for total air emissions and total nitrogen oxides (NOx) emissions.

⑤ The Company further standardized its statistical methodology and strengthened data monitoring, and made retrospective revisions to the 2024 figures for hazardous waste generation intensity per ton of product—Electrolytic nickel, total general solid waste generation, general solid waste generation intensity per ton of product—electrolytic nickel, total general solid waste recycled/ reused, and general solid waste utilization rate.

⑥ The increase in total hazardous waste generated in 2025 was primarily attributable to changes in the production process of a certain subsidiary; all waste generated was handled in 100% compliance with regulations.

⑦ The increase in total hazardous waste sent for energy-recovery incineration in 2025 was primarily attributable to process changes at a subsidiary, which led to higher spent activated carbon generation; all incremental spent activated carbon was incinerated with energy recovery.

⑧ The increase in total general waste sent to landfill in 2025 was primarily due to the inclusion of two additional plants in the statistical scope.

⑨ The increase in total general waste incinerated in 2025 was due to changes in the disposal methods of certain subsidiaries.

⑩ The increase in total general solid waste comprehensively utilized in 2025 was primarily attributable to a certain subsidiary receiving government approval to use general solid waste for site backfilling; this comprehensive utilization volume includes the 2024 carry-over stock.

Social Performance				
Indicators	Unit	2023	2024	2025
Sustainable Supply Chain				
Total number of suppliers	/	2,771	3,156	4,629
Number of suppliers in China	/	/	2,891	4,015
Number of suppliers in Indonesia	/	/	208	508
Number of suppliers in other regions	/	/	57	106
Newly introduced suppliers	/	695	997	1,854
Total number of significant suppliers	/	/	735	972
Proportion of supplier integrity agreements signed	%	100	100	100
Total number of suppliers assessed via desk assessments/ on-site assessments	/	/	593	237
Number of suppliers frozen or eliminated	/	73	420	635
Total number of suppliers supported in corrective action plan implementation	/	/	57	96
Technological Innovation				
R&D investment	RMB billion	1.441	1.300	1.682
R&D investment as a percentage of total revenue	%	2.17	2.13	2.08
Number of technical R&D personnel	Person	2,084	1,559	1,708
Provincial R&D Platforms	/	12	15	17
National R&D platforms	/	2	2	2
Numbers of international standards involved in formulating	/	/	2	2
Numbers of national standards involved in formulating	/	8	10	12
Numbers of industrial standards involved in formulating	/	12	11	10
Intellectual Property Rights				
Cumulative authorized patents	/	397	562	667
Cumulative authorized invention patents	/	/	281	318
Of which: proportion of cumulative authorized invention patents applied to the main business	%	/	50	48
Cumulative authorized utility model patents	/	169	278	349
Cumulative authorized design patents	/	3	3	4
Newly granted patents	/	52	157	105

Indicators	Unit	2023	2024	2025	
Newly authorized invention patents	/	29	53	32	
Newly authorized utility model patents	/	23	103	72	
Newly authorized design patents	/	/	1	1	
Labor Practices ^①					
Total number of employees	Person	29,548	25,372	26,466	
Number and percentage of employees by gender	Male	Person	24,493	21,150	22,040
		%	82.89	83.36	83.28
	Female	Person	5,055	4,222	4,426
		%	17.11	16.64	16.72
Number and percentage of employees by age group	Number of employees aged 50 and above	Person	1,425	1,583	1,665
		%	4.82	6.24	6.29
	Number of employees aged 30 to 50 (exclusive)	Person	17,920	13,997	15,066
		%	60.65	55.17	56.93
	Number of employees under 30 years old (exclusive)	Person	10,203	9,792	9,735
		%	34.53	38.59	36.78
Number and percentage of employees by grade	Senior management	Person	/	177	201
		%	/	0.70	0.76
	Middle management	Person	/	879	1,020
		%	/	3.46	3.85
	General staff	Person	/	24,316	25,245
		%	/	95.84	95.39
Number and percentage of employees by region	China	Person	15,426	11,819	119,26
		%	52.21	46.58	45.06
	Zimbabwe	Person	1,377	1,217	1,158
		%	4.66	4.80	4.38
	Indonesia	Person	9,985	9,713	10,864
		%	33.79	38.28	41.05

Indicators		Unit	2023	2024	2025
Number and percentage of employees by region	Democratic Republic of the Congo	Person	2,698	2,514	2,395
		%	9.13	9.91	9.05
	Other regions	Person	62	109	121
		%	0.21	0.43	0.46
Localized employment rate		%	87.40	82.85	88.54
Localized employment rate by region	China	%	99.76	99.91	99.95
	Zimbabwe	%	85.33	82.00	88.18
	Indonesia	%	82.36	62.98	76.76
	Democratic Republic of the Congo	%	82.13	82.74	81.09
	Other regions	%	/	22.02	19
Share of women in all management positions		%	/	14.19	15.62
Share of women in junior management positions		%	/	12.37	16.50
Share of women in top management positions		%	/	7.91 ^⑩	9.23
Share of women in management positions in revenue – generating functions		%	/	12.18	41.11
Share of women in STEM related Positions (STEM: Science, Technology, Engineering, and Mathematics positions. STEM talent at Huayou Cobalt includes employees in R&D, engineering, IT and finance positions.)		%	/	33.18	42.63
Total number of new employees		Person	/	5,152	5,240
Total number of employees trained		Person	/	21,394	26,005 ^⑪
Total duration of training		Hours	959,373	464,819	682,087
Average hours per FTE of training		Hours	31.44	18.32	25.30
Total financial investment in training		RMB million	4.7757	3.1635	1.9460
Percentage of employees trained by gender and average training hours per employee	Male	%	/	86.04	98.54
		Average Training Hours	/	17.38	13.00
	Female	%	/	94.95	96.84
		Average Training Hours	/	23.05	19.04
Percentage of employees trained by job level and average training hours per employee	Senior management	%	/	75.71	80.39
		Average Training Hours	/	18.83	15.16

Indicators		Unit	2023	2024	2025
Percentage of employees trained by job level and average training hours per employee	Middle management	%	/	94.20	91.75
		Average Training Hours	/	27.78	17.22
	General staff	%	/	87.37	96.83
		Average Training Hours	/	17.97	13.86
Total wastage rate		%	/	17.04	17.95
Coverage of trade unions and collective agreements		%	100	100	100
Occupational Health and Safety ^⑫					
Number of work-related deaths		Person	1	2	2
Annual lost work hours from accidents		Hours	14,792	8,542	11,680.50
Number of lost time accidents at work		/	31	20	25
Lost time injury rate (LTIR) per million work hours		/	0.62	0.33	0.39
Total recordable injury frequency rate (TRIFR) per million work hours		/	/	0.56	0.76
Lost time rate per million work hours		/	296.63	122.56	182.57
Coverage of medical examinations for occupational disease positions		%	100	100	100
Number of occupational diseases		/	0	0	0
Amount invested in workers' compensation insurance		RMB million	/	12.7597	11.9147
Employee coverage rate of work-related injury insurance		%	/	100	100
Personal accident insurance coverage		%	/	100	100
Community Development					
Charitable and public welfare investment		RMB million	/	69.2516	42.8280
Rural revitalization investment		RMB million	/	2.3248	2.3709

⑩ Employee data covers Huayou Cobalt's directly employed staff only.

⑪ The Company further standardized its statistical methodology and made retrospective revisions to the 2024 figures.

⑫ Excludes departed employees.

⑬ Data covers the Group's directly employed staff only.

Appendix 2: Indicator Index

Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 – Sustainability Report (Trial) Benchmarking Index

Dimension	Topic	Clauses	Chapters
Sustainability Framework	/	Articles 11-19	Sustainability Management/Corresponding Chapters for Each Topic
Environment	Climate response	Articles 21-28	Climate Change Response
	Pollutant discharge	Article 30	Resources
	Waste disposal	Article 31	Resources
	Ecosystem and biodiversity protection	Article 32	Resources
	Environmental management	Article 33	Resources
	Energy utilization	Article 35	Energy Transition
	Water resources utilization	Article 36	Resources
	Circular economy	Article 37	Circular Economy
Community	Rural revitalization	Article 39	Developing Community
	Social contributions	Article 40	Developing Community
	Innovation	Article 42	E-Quality
	Ethics of science and technology	Article 43	The Company is not engaged in scientific research in ethically sensitive fields such as life sciences and artificial intelligence, and therefore this topic is not currently applicable
	Supply chain security	Article 45	Sustainable Supply Chain
	Equal treatment of SMEs	Article 46	Sustainable Supply Chain
	Product and service safety and quality	Article 47	E-Quality
	Data security and customer privacy	Article 48	Integrity
Governance	Employees	Article 50	Nurturing People
	Due diligence	Article 52	Nurturing People/Sustainable Supply Chain
	Stakeholder engagement	Article 53	Sustainability Management
	Anti-commercial bribery and anti-corruption	Article 55	Integrity
	Fair competition	Article 56	Integrity

GRI Content Index

Statement of use

Huayou Cobalt has reported in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025.

Applicable GRI Sector Standard(s)

GRI 1: Foundation 2021

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	7
	2-2 Entities included in the organization's sustainability reporting	3
	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	116
	2-5 External assurance	127
	2-6 Activities, value chain and other business relationships	7
	2-7 Employees	118
	2-8 Workers who are not employees	/
	2-9 Governance structure and composition	31
	2-10 Nomination and selection of the highest governance body	31
	2-11 Chair of the highest governance body	See Annual Report for details
	2-12 Role of the highest governance body in overseeing the management of impacts	31
	2-13 Delegation of responsibility for managing impacts	31
	2-14 Role of the highest governance body in sustainability reporting	19
	2-15 Conflicts of interest	36
	2-16 Communication of critical concerns	20
	2-17 Collective knowledge of the highest governance body	5
	2-18 Evaluation of the performance of the highest governance body	19
	2-19 Remuneration policies	89
	2-20 Process to determine remuneration	89
	2-21 Annual total compensation ratio	/

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	17
	2-23 Policy commitments	31
	2-24 Embedding policy commitments	/
	2-25 Processes to remediate negative impacts	See "Impact, Risk and Opportunity Management" in each topic for details
	2-26 Mechanisms for seeking advice and raising concerns	17
	2-27 Compliance with laws and regulations	31
	2-28 Membership associations	11
	2-29 Approach to stakeholder engagement	20
	2-30 Collective bargaining agreements	91-92
GRI 3: Material Topics 2021	3-1 Process to determine material topics	21
	3-2 List of material topics	22
	3-3 Management of material topics	23-24
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	11
	201-2 Financial implications and other risks and opportunities due to climate change	42
	201-3 Defined benefit plan obligations and other retirement plans	90
	201-4 Financial assistance received from government	/
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	/
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	101
	203-2 Significant indirect economic impacts	101
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	/
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	36
	205-2 Communication and training about anti-corruption policies and procedures	36
	205-3 Confirmed incidents of corruption and actions taken	37
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	37

GRI standard	Disclosure	Location
GRI 207: Tax 2019	207-1 Approach to tax	See Annual Report for details
	207-2 Tax governance, control, and risk management	See Annual Report for details
	207-3 Stakeholder engagement and management of concerns related to tax	See Annual Report for details
	207-4 Country-by-country reporting	/
GRI 301: Materials 2016	301-1 Materials used by weight or volume	/
	301-2 Recycled input materials used	68-72
	301-3 Reclaimed products and their packaging materials	68-72
GRI 302: Energy 2016	302-1 Energy consumption within the organization	49-52
	302-2 Energy consumption outside of the organization	49-52
	302-3 Energy intensity	115
	302-4 Reduction of energy consumption	49-52
	302-5 Reductions in energy requirements of products and services	49-52
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	61-62
	303-2 Management of water discharge-related impacts	58
	303-3 Water withdrawal	115
	303-4 Water discharge	115
	303-5 Water consumption	115
GRI 101 Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	63
	101-2 Management of biodiversity impacts	63
	101-3 Access and benefit-sharing	/
	101-4 Identification of biodiversity impacts	63
	101-5 Locations with biodiversity impacts	/
	101-6 Direct drivers of biodiversity loss	/
	101-7 Changes to the state of biodiversity	64
	101-8 Ecosystem services	64

GRI standard	Disclosure	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	48
	305-2 Energy indirect (Scope 2) GHG emissions	48
	305-3 Other indirect (Scope 3) GHG emissions	48
	305-4 GHG emissions intensity	48
	305-5 Reduction of GHG emissions	48
	305-6 Emissions of ozone-depleting substances (ODS)	/
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	115
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	56-60
	306-2 Management of significant waste-related impacts	56-60
	306-3 Waste generated	56-60
	306-4 Waste diverted from disposal	56-60
	306-5 Waste directed to disposal	56-60
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	112
	308-2 Negative environmental impacts in the supply chain and actions taken	110
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	120
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	90
	401-3 Parental leave	90
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	/
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	95-98
	403-2 Hazard identification, risk assessment, and incident investigation	95-98
	403-3 Occupational health services	95-98
	403-4 Worker participation, consultation, and communication on occupational health and safety	95-98
	403-5 Worker training on occupational health and safety	95-98
	403-6 Promotion of worker health	95-98
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	95-98

GRI standard	Disclosure	Location
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	95-98
	403-9 Work-related injuries	120
	403-10 Work-related ill health	120
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	119
	404-2 Programs for upgrading employee skills and transition assistance programs	93-94
	404-3 Percentage of employees receiving regular performance and career development reviews	95
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	88
	405-2 Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	88
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	86
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	86
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	85-87
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	101-104
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	101-104
	413-2 Operations with significant actual and potential negative impacts on local communities	101-104
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	112
	414-2 Negative social impacts in the supply chain and actions taken	110
GRI 415: Public Policy 2016	415-1 Political contributions	/
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	/
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	/
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	/
	417-2 Incidents of non-compliance concerning product and service information and labeling	/
	417-3 Incidents of non-compliance concerning marketing communications	/
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	114

Appendix 3: Assurance Statement



ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN ZHEJIANG HUAYOU COBALT CO., LTD. 'S SUSTAINABILITY REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by Zhejiang Huayou Cobalt Co., Ltd. (hereinafter referred to as Huayou Cobalt) to conduct an independent assurance of the Sustainability Report for 2025 (Chinese version) for the period of January 1, 2025 to December 31, 2025.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Zhejiang Huayou Cobalt Co., Ltd.'s Stakeholders.

RESPONSIBILITIES

The sustainability information in the Sustainability Report for 2025 and its presentation are the responsibility of Huayou Cobalt. SGS-CSTC has not been involved in the preparation of any of the material included in the Sustainability Report for 2025.

Our responsibility is to express an opinion on the sustainability performance information within the scope of assurance based upon sufficient and appropriate objective evidence.

SGS-CSTC hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS Group ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the ISAE 3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE

The scope of the assurance included evaluation of quality, accuracy and reliability of performance information in the Sustainability Report for 2025 and evaluation of adherence to the following reporting criteria:

Reporting Criteria
GRI Standards 2021 (With Reference to)
Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at No. 79, Wuzhendong Road, Economic Development Zone (Phase II), Tongxiang City, Jiaying, Zhejiang Province, P.R. China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of Zhejiang Huayou Cobalt Co., Ltd. and did not include traceability of all original data from subordinate institutions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the Huayou Cobalt's Sustainability Report for 2025 has been directly adopted from the independent third party verification data and has not been double verified in this audit.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. As an affiliate of SGS Group, SGS-CSTC affirm our independence from Zhejiang Huayou Cobalt Co., Ltd., being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, no inaccuracies or reliability issues were identified within the scope of the sustainability performance information covered by the Huayou Cobalt's Sustainability Report for 2025.

ADHERENCE TO GRI STANDARDS 2021

The assurance team concludes that the Huayou Cobalt's Sustainability Report for 2025 has been prepared with reference to the requirements of GRI Standards 2021.

ADHERENCE TO GUIDELINES NO.14 OF SHANGHAI STOCK EXCHANGE FOR SELF-REGULATION OF LISTED COMPANIES—SUSTAINABILITY REPORT (TRIAL)

The assurance team concludes that the Huayou Cobalt's Sustainability Report for 2025 has been prepared in accordance with the requirements of Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

Signed:

For and on behalf of SGS-CSTC

David Xin

Sr. Director – Business Assurance

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Apr. 2nd, 2026

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Appendix 4: Reader Feedback Form

Thank you for reading the *Zhejiang Huayou Cobalt 2025 Sustainability Report*. In order to better provide valuable information to you and other stakeholders, and to promote Huayou Cobalt to enhance the capacity and level of ESG management, the Company sincerely invites you to make valuable comments and suggestions on this report.

1. Which of the following categories of stakeholders do you belong to:

- Investors
 Regulators
 Customers
 Employees
 Suppliers
 Industry associations
 External experts
 Media
 Others

2. Your overall evaluation of Huayou Cobalt's sustainability report:

- Very satisfied
 Comparatively satisfied
 Generally satisfied
 Comparatively dissatisfied
 Unsatisfied

3. Your evaluation of Huayou Cobalt's fulfillment of its environmental, social and governance responsibilities:

Environmental responsibility

- Very satisfied
 Comparatively satisfied
 Generally satisfied
 Comparatively dissatisfied
 Unsatisfied

Social responsibility

- Very satisfied
 Comparatively satisfied
 Generally satisfied
 Comparatively dissatisfied
 Unsatisfied

Governance responsibilities

- Very satisfied
 Comparatively satisfied
 Generally satisfied
 Comparatively dissatisfied
 Unsatisfied

4. Your assessment of the clarity, accuracy and completeness of each of the ESG disclosures in this report:

Clarity

- Very satisfied
 Comparatively satisfied
 Generally satisfied
 Comparatively dissatisfied
 Unsatisfied

Accuracy

- Very satisfied
 Comparatively satisfied
 Generally satisfied
 Comparatively dissatisfied
 Unsatisfied

Completeness

- Very satisfied
 Comparatively satisfied
 Generally satisfied
 Comparatively dissatisfied
 Unsatisfied

5. Your comments on the organization and layout of the report:

- Very satisfied
 Comparatively satisfied
 Generally satisfied
 Comparatively dissatisfied
 Unsatisfied

6. Other observations and recommendations:



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