HUAYOU

2025

Mineral Supply Chain Due Diligence Report

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Executive Summary

This report systematically discloses Huayou Cobalt's practices and performance in responsible mineral supply chain management for the year 2025 (January 1, 2025 to December 31, 2025). The Company continues to refine its responsible supply chain management system in accordance with the "Six-Step Framework" outlined in the *OECD Guidance* (Third Edition) and the *Chinese Guidelines* (Second Edition).

Management System and Policy: The Company has established a "Responsible Mineral Supply Chain Management Working Group," and has formulated and implemented the *Huayou Supplier Code of Conduct*, the *Policy for Responsible Global Mineral Supply Chains from High-Risk Areas*, and the *Supplier Standards for Responsible Mineral Procurement*. A three-tier management structure comprising "Group—Business Group—Subsidiary" has been established to ensure effective policy implementation.

Risk Identification and Assessment: During the reporting period, the Company conducted KYC questionnaires and CAHRAs identification for all mineral suppliers. The Democratic Republic of the Congo (DRC), the country of origin for cobalt raw materials, was identified as a high-risk area, triggering a warning signal; Indonesia, the country of origin for nickel raw materials, was classified as a low-risk area. The Company found no Category 1 risks, such as those contributing to conflict or serious human rights abuses.

Risk Prevention and Mitigation: The Company has established a tiered mitigation strategy (continue trading, suspend trading, terminate cooperation). High-risk suppliers are required to undergo independent third-party assessments, while low-risk suppliers are subject to on-site visits. All DRC cobalt suppliers have passed RMI/RMAP or CCCMC assessments; Indonesian mines have completed multiple rounds of on-site evaluations.

Internal and External Assessment: Domestic refineries Zhejiang Huayou (cobalt) and Quzhou Huayou Cobalt New Materials (cobalt, nickel) have passed RMI/RMAP compliance assessments; Guangxi Huayou New Materials (nickel) has obtained a Grade AA certification for responsible mineral supply chain management from CCCMC; Indonesian primary refineries Huayue and

Huafei (nickel, cobalt) have passed RMI/RMAP assessments.

Communication and Reporting: The Company publicly releases its responsible management report and ESG report annually, actively participates in industry forums (such as the SMISC Forum and the Asia Vision Forum), and communicates responsible management requirements to upstream and downstream partners.

Remediation: No incidents requiring remedial measures occurred during the reporting period.

Grievance Mechanism: Zero grievances were received during the reporting period. The Company is currently advancing the digital upgrade of its ESG grievance management platform to establish a closed-loop management mechanism featuring end-to-end traceability, tiered response, and data security.

Outlook: Huayou will continue to prioritize ESG competitiveness as its core strategy, deepen strategic mutual trust with suppliers, and jointly build a transparent, resilient, and sustainable mineral supply chain.

About This Report

Reporting Scope

This report aims to systematically disclose Zhejiang Huayou Cobalt Co., Ltd.'s (hereinafter referred to as "Huayou Cobalt," "Huayou," "the Company," or "we") practices and performance in responsible mineral supply chain management during the period from January 1, 2025 to December 31, 2025. To ensure the continuity and comparability of the report, certain content is appropriately extended to preceding and subsequent years. We recognize that responsible mineral supply chain management is a continuous improvement initiative, and Huayou will maintain a responsible approach, continuously enhancing its ability to identify and control supply chain risks through effective management, and jointly building a transparent and sustainable responsible supply chain with suppliers.

Compilation Principles

This report is compiled with reference to the stakeholder engagement principles and sustainable development context principles of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (Third Edition, hereinafter referred to as the "OECD Guidance") and the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains* (Second Edition, hereinafter referred to as the "Chinese Guidelines"). It also refers to relevant standards and tool requirements of the Responsible Minerals Initiative (RMI) to enhance the standardization of the report. In accordance with the "Six-Step Framework," the Company systematically elaborates on its compliance and performance in responsible mineral supply chain management for 2025.

Publication Method

This report is published in electronic format in both Chinese and English. In case of any discrepancy in the interpretation of the two texts, the Chinese version shall prevail. You may visit the Company's official website at https://www.huayou.com to read the electronic version of the report. Should you have any questions or suggestions regarding this report, please send

an email to csr@huayou.com.

Reference Notes

In this report, Zhejiang Huayou Cobalt Co., Ltd. is abbreviated as "Huayou Cobalt," "Huayou," "the Company," or "we"; Quzhou Huayou Cobalt New Materials Co., Ltd. is abbreviated as "Quzhou Cobalt New"; Guangxi Huayou New Materials Co., Ltd. is abbreviated as "Guangxi New Materials"; PT Huayue Nickel Cobalt (Indonesia) is abbreviated as "Huayue"; and PT Huafei Nickel Cobalt (Indonesia) is abbreviated as "Huafei"; PT Huaxiang Refining Indonesia is abbreviated as "Huaxiang". Any other terms not defined in this section are explained within the main text.

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Glossary

Term	Definition
Responsible Mineral Supply Chain Management	The entire process through which enterprises, in accordance with internationally recognized guidelines such as the OECD Guidance and the Chinese Guidelines, identify, prevent, mitigate, remediate, and disclose information on risks such as conflict, human rights, and governance that may exist in the mineral supply chain
OECD Guidance	OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition)
Chinese Guidelines	Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (Second Edition)
Six-Step Framework	The core due diligence management framework established by the OECD Guidance and the Chinese Guidelines, comprising: establishing a management system, risk identification and assessment, risk prevention and mitigation, internal and external assessment, communication and reporting, and providing remediation in a timely manner
CAHRAs	Conflict-Affected and High-Risk Areas, referring to geographical areas characterized by armed conflict, widespread violence, governance failure, or other high risks
KYC	Know Your Counterparty, through which the Company collects due diligence documents from suppliers regarding basic information, ownership structure, and raw material sources
Warning Signal	Risk indicators triggered during the due diligence process that require further investigation, such as raw materials originating from CAHRAs or opaque supplier information
Category 1 Risk	As defined by the Chinese Guidelines, risks arising from the extraction, trading, processing, and export of minerals from conflict-affected and high-risk areas that contribute to serious human rights abuses, armed conflict, or illegal control of resources
RMI / RMAP	Responsible Minerals Initiative and its Responsible Minerals Assurance Process, an internationally recognized due diligence assessment system for smelters and

	refiners
CCCMC	China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters, responsible for promoting the implementation of Chinese due diligence guidelines and enterprise assessments
Independent Third-Party Assessment	An independent audit of a refiner's or supplier's due diligence management system conducted by a qualified third-party organization (such as UL, TUV, or CQM)
Risk Management Plan	Mitigation measures and action plans formulated and implemented for identified risks, including tiered strategies such as continuing trading, suspending trading, or terminating cooperation
Grievance Mechanism	Formal channels and procedures through which stakeholders may submit suggestions, opinions, or complaints regarding supply chain due diligence management
ESG	Environmental, Social, and Governance, the core dimensions for measuring corporate sustainable development performance
EITI	Extractive Industries Transparency Initiative, a globally recognized framework for transparency and good governance in the extractive industries, jointly implemented by multiple stakeholders (governments, enterprises, and civil society) to promote the disclosure and accountability of natural resource revenues.

Mineral Supply Chain Responsibility Management

Through over two decades of business operations, Huayou Cobalt has come to deeply understand that ESG and sustainable development are not only inevitable requirements for responding to global sustainable development goals and national policies, but also important strategic pathways for addressing risks associated with global energy structure transformation and climate change.

Since 2015, the Company has been building its ESG and sustainable development management system. Combining its own business characteristics with global extractive industry standards and international best practices, and based on principles of integrity, equality, and transparency, the Company has engaged in comprehensive communication with stakeholders to understand their major concerns, and has formulated and implemented ESG policies and management systems accordingly. As an important ESG topic, responsible supply chains have received high priority from the Company, which continuously strengthens supply chain development and improves supplier management systems from multiple perspectives, including supplier qualification, risk control, supplier communication, and capacity building. We are committed to establishing long-term stable cooperative relationships with upstream and downstream suppliers, enhancing supply chain security and environmental performance. Responsible mineral supply chain management has become an important cornerstone of Huayou Cobalt's sustainable development.

This report is the Company's annual summary of responsible mineral supply chain management work. In accordance with the requirements of the OECD Guidance and the Chinese Guidelines, Huayou has formulated the *Huayou Supplier Code of Conduct*, the *Policy for Responsible Global Mineral Supply Chains from High-Risk Areas*, and the *Supplier Standards for Responsible Mineral Procurement*. At the same time, it manages through a three-tier responsible mineral supply chain management structure of "Group—Business Group—Subsidiary" to ensure policy implementation. This aims to meet customer and market expectations for responsible procurement while enhancing the Company's international reputation. Furthermore, it improves our internal management systems by increasing subsidiary awareness and risk control, thereby

enhancing supply chain traceability and reducing potential disruptions from conflict or weak governance areas.

The Company continuously improves its responsible mineral supply chain management system and enhances its responsible procurement management capabilities for mineral suppliers. In the process of cooperating with suppliers, the Company communicates the Huayou Supplier Code of Conduct and mineral supply chain policies, incorporates due diligence management requirements into commercial contracts, and requires suppliers to provide KYC information, thereby enhancing their responsible procurement awareness and assisting in their capacity building. The Company conducts risk assessments of suppliers based on multi-channel information, implements on-site assessments or requires independent third-party assessments according to assessment results, and continuously tracks the effectiveness of risk mitigation, contributing to the sustainable development of the industry.

Figure 1: On the afternoon of November 26, 2025, Huayou's 2025 Annual Supplier Conference, themed "Winning Through Competition, Shaping the Future Together," was hosted at the Wuzhen International Internet Exhibition and Convention Center. Over 130 partner organizations and more than 400 guests from home and abroad attended the conference, which explicitly proposed "placing greater emphasis on sustainable development and broadening development horizons through ESG competitiveness." Mr. Lyu Jicheng, Assistant General Manager of the Sustainable Development Center, delivered the report **Co-creating the Future, Building Sustainability Together—Hand in Hand to Build a Sustainable Supply Chain** on behalf of the Company, clarifying specific action directions for Huayou to work with suppliers to build a transparent, resilient, and sustainable mineral supply chain across key areas such as due diligence management, green and low-carbon development, and supplier capacity building.

The Company actively participates in international and industry dialogues, keeps abreast of the latest information on industry solutions for responsible mineral supply chain management, and proactively shares feedback on the challenges encountered during its own system implementation.

Figure 2: On September 11, 2025, Mr. Sun Lihui, Vice President of Huayou Cobalt, participated in the Asia Vision Forum initiated by Caixin Global and strategically supported by the Singapore government. This year's forum, themed "Asian Opportunities in an Era of Transformation," focused on three key variables affecting business decisions—geopolitical landscape, technological evolution, and green transformation. Mr. Sun represented the Company in the roundtable discussion on "Reshaping Mobility: Electric Vehicles and Power Battery Innovation" and gave an exclusive interview to Caixin Global.

Figure 3: From September 23 to 25, 2025, the 3rd Sustainable Mineral Supply Chain International Forum (SMISC Forum), hosted by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters, was held at the Xiamen International Conference Center. Mr. Lyu Jicheng, Assistant General Manager of Huayou Cobalt's Sustainable Development Center, was invited as a guest speaker at the main forum on September 24, sharing Huayou's overseas community cooperation under the topic "China-Indonesia Community Sustainable Action Network—Mobile Children's Education Empowerment Project."

As noted in the *Guidelines for Social Responsibility in Chinese Outward Mining Investment* (2017 Edition), the mineral resources industry is a capital-intensive industry characterized by long investment cycles and high specialization. The sustainable development of mineral resource investment and cooperation requires not only a safe, stable, transparent, and predictable political, economic, and social environment, but also has a series of profound impacts on the economy, society, and environment. During overseas investment and operations, Huayou Cobalt balances economic benefits with sustainable development. We continuously advance our performance in respecting human rights, fair operations, reducing our ecological footprint, and managing community relations, thereby steadily improving our overall corporate social responsibility.

During the reporting period, Huayou Cobalt continued to advance responsible mineral supply

chain management work in accordance with the "Six-Step Framework" and due diligence management procedure requirements. The Company established a "Responsible Mineral Supply Chain Management Working Group" to coordinate and promote the implementation and continuous improvement of various tasks.

The Group Headquarters Sustainable Development Center, in collaboration with the supply chain due diligence management functional departments of each business group and with the assistance of the raw material procurement department, conducts responsible mineral supply chain management awareness training for suppliers and communicates due diligence management policies and requirements. The Company collects *Know Your Counterparty Questionnaires* (KYC) and publicly available information from online platforms to conduct risk analysis and assessment of suppliers. After risk assessment results and risk mitigation plans are approved by the Company, they are communicated to suppliers, and the implementation of corresponding risk mitigation measures is supervised. Key nodes in the Company's mineral supply chain have undergone independent third-party audits, and management performance is publicly disclosed through this report and the *Huayou Cobalt 2025 Environmental, Social and Governance (ESG) Report*.

"Six-Step Framework"

Step 1: Establishing a Due Diligence Management System

In accordance with the OECD Guidance and the Chinese Guidelines, the Company has established a responsible mineral supply chain management system and related procedure documents, including the *Huayou Supplier Code of Conduct*, the *Policy for Responsible Global Mineral Supply Chains from High-Risk Areas*, and the *Supplier Standards for Responsible Mineral Procurement*.

To ensure the orderly advancement of responsible mineral supply chain management work, the Company has established a "Responsible Mineral Supply Chain Management Working Group," comprising personnel from the Group Headquarters Sustainable Development Center, the Group Headquarters Raw Material Procurement Department, and the supply chain due diligence management departments of each business group. As a professional working group under the "ESG and Sustainable Development Management Committee," it is responsible for providing technical and supervisory support for the Company's responsible mineral supply chain management work.

■ Responsible Mineral Supply Chain Management Policy

In accordance with the requirements of the OECD Guidance and the Chinese Guidelines, the Company has established responsible mineral supply chain management policies and management systems, and has incorporated supply chain due diligence management policies into the daily management of responsible procurement from high-risk areas.

■ Huayou Supplier Code of Conduct

The Company has established the *Huayou Supplier Code of Conduct*, which sets expectations for suppliers in areas such as labor and human rights, health and safety, while requiring suppliers to cascade these requirements to their upstream suppliers. In specific procurement operations, the Company treats these provisions as important considerations for supplier qualification and actively monitors supplier compliance. Any violation of this Code may damage the business

relationship between the supplier and Huayou, and may even lead to the suspension or termination of the business relationship.

- **Supplier Standards for Responsible Mineral Procurement**

Based on the *Huayou Supplier Code of Conduct*, the Company has formulated specific standards for mineral suppliers regarding responsible procurement, requiring mineral suppliers to conduct due diligence on the source of minerals throughout their supply chain in accordance with the OECD Guidance and the Chinese Guidelines to determine whether they originate from identified high-risk areas. If so, suppliers shall provide Huayou with adequate written evidence regarding their procurement and due diligence activities.

If a supplier violates the above standards, or if its direct or indirect suppliers are deemed to have violated these standards, Huayou will require the supplier to implement corrective measures within a reasonable timeframe, so that the supplier may require the corresponding supply chain participants to address identified risks. If a non-compliant supplier fails to mitigate or eliminate risks as required by Huayou or even refuses to take any measures, Huayou reserves the right to terminate all or part of the contract, agreement, purchase order, or any other arrangement with the supplier.

(The scope of application of the above three documents includes all subsidiaries under Huayou Holdings, and they can be accessed on Huayou's official website. Meanwhile, the Company has integrated relevant requirements into its internal management systems, clarifying the due diligence management responsibilities and work content of each department.)

- **Establishing Supply Chain Control and Transparency Systems**

To better manage supply chain risks and increase supply chain transparency, the Responsible Mineral Supply Chain Management Working Group supervises the raw material procurement department, supply chain due diligence management department, production and warehousing departments, and other relevant departments to implement management process requirements and maintain proper work records, ensuring that all supply chain traceability information is

collected and archived. There are clear written requirements that relevant supporting documents and record documents be retained for at least ten years. The Company requires suppliers of smelters to provide origin information that can prove the source of raw materials, the full name and geographical location of suppliers, transportation routes and methods, and the commodity name and type of minerals, and collects ownership information (including beneficial ownership information) of direct suppliers and other known upstream enterprises. If warning signals are discovered during the "warning signal review" for risk identification, the Company will require suppliers to provide additional chain of custody or mineral supply chain traceability information.

Currently, the refineries processing nickel, cobalt, and other mineral raw materials are: (1) Quzhou Huayou Cobalt New Materials Co., Ltd., Address: No. 18 Nianxin Road, Phase II, Quzhou High-tech Industrial Park, Zhejiang; (2) Guangxi Huayou New Materials Co., Ltd., Address: No. 28 Huayou Avenue, Longtan Industrial Park, Bobai County, Yulin City, Guangxi Zhuang Autonomous Region; (3) Zhejiang Huayou Cobalt Co., Ltd., Address: No. 18 Wuzhen East Road, Tongxiang City, Jiaxing, Zhejiang Province; (4) PT Huaxiang Refining Indonesia, Address: IWIP Industrial Park, Central Halmahera Regency, North Maluku Province,Indonesia.

Quzhou Cobalt New's nickel raw materials are mainly MHP (mixed hydroxide precipitate) supplied by Huayou subsidiaries Huayue and Huafei. Huayue's production address is the Morowali Industrial Park (IMIP) on Sulawesi Island, Indonesia, and the transportation route is mainly from the Indonesian port Labota Jetty to the Chinese ports of Zhapu and Ningbo. Huayue's laterite nickel ore mainly originates from mines on Sulawesi Island, Indonesia[1]. Huafei's production address is the Weda Bay Industrial Park (IWIP) on Halmahera Island, Maluku Province, Indonesia, and the transportation route is mainly from the Indonesian port Weda Port to the Chinese ports of Zhapu and Ningbo. Huafei's laterite nickel ore raw materials mainly originate from mines on Halmahera Island.

[1] The nickel supply chain map of Quzhou Huayou Cobalt New Materials Co., Ltd. (traced back to the mine) cannot be fully disclosed due to confidential procurement information, but was presented with full transparency during the audit period.

Quzhou Cobalt New's cobalt raw materials partially come from MHP (mixed hydroxide precipitate) from Indonesian subsidiaries Huayue and Huafei, and partially from crude cobalt hydroxide from the Democratic Republic of the Congo. The transportation route is overland transport across the African continent to the Port of Durban, South Africa, and then by sea from the Port of Durban to the Chinese ports of Zhapu and Ningbo[2].

Guangxi New Materials currently only involves the smelting of nickel metal, and its nickel raw materials are mainly MHP (mixed hydroxide precipitate) supplied by Huayou subsidiaries Huayue and Huafei.

Zhejiang Huayou's cobalt raw materials mainly come from crude cobalt hydroxide from the Democratic Republic of the Congo. The transportation route is overland transport across the African continent to the Port of Durban, South Africa, and then by sea from the Port of Durban to the Chinese ports of Zhapu and Ningbo[3].

Huaxiang’s nickel and cobalt raw materials are sourced from Huafei’s MHP (mixed hydroxide precipitate), and are transported by truck from Huafei to the Huaxiang plant.

To better monitor supplier risks, the Company's overseas primary refineries have established supplier access standards, requiring their suppliers to provide basic information such as mining licenses, certificates of origin, business registration certificates, and company articles of association.

We deeply understand that transparency is the foundation for establishing cooperation with all stakeholders. The two intermediate processing facilities are located in Indonesia, which is a member country of the Extractive Industries Transparency Initiative (EITI). They strictly adhere to local Indonesian EITI principles, effectively demonstrating the organization's commitment to

[2] The cobalt supply chain map of Quzhou Huayou Cobalt New Materials Co., Ltd. (traced back to the mine) cannot be fully disclosed due to confidential procurement information, but was presented with full transparency during the audit period.

[3] The cobalt supply chain map of Zhejiang Huayou Cobalt Co., Ltd. (traced back to the mine) cannot be fully disclosed due to confidential procurement information, but was presented with full transparency during the audit period.

supporting EITI principles and promoting transparency and accountability in the extractive industries.

- **Strengthening Cooperation with Suppliers**

Huayue and Huafei, as controlled subsidiaries, are internal suppliers that maintain long-term stable cooperative relationships with us. The Company provides them with guidance and supervision on ESG system construction, assisting them in improving responsible mineral supply chain management practices.

Huayue and Huafei, according to work needs, hold periodic communication meetings with mine suppliers to promptly coordinate relevant matters. Topics of discussion include: supply status, quality status, and transportation status of laterite nickel ore; suppliers' progress in improvements regarding environmental, social, and governance (ESG) aspects and compliance status; newly emerging risk factors, etc. Through continuous communication, suppliers are ensured to understand and comply with the Company's responsible procurement policies, and improvement suggestions and support are provided when necessary to consolidate the cooperative relationship in responsible supply chain management.

- **Stakeholder Communication**

Huayou not only maintains good communication with upstream suppliers but also actively cooperates with downstream customers' audits into the Company's supply chain due diligence management, and promptly submits various materials as required. During the rectification process based on on-site assessment results of direct suppliers, the Company also actively communicates with external customers and other enterprises within the industrial park, listening to rectification suggestions from all parties, and making continuous efforts to build a green and sustainable supply chain.

Furthermore, to enhance the Company's supply chain due diligence management capabilities, Huayou actively participates in relevant industry training, industry conferences, and industry standard formulation, such as recent 2025 training sessions.

■ Record Retention System

The Company requires that documents and records related to supply chain due diligence management activities be retained for at least ten years. Qualification documents and communication records related to suppliers are updated and archived regularly in accordance with Company requirements to meet the requirements of the OECD Guidance and the Chinese Guidelines.

■ Grievance Mechanism

Huayou has established and publicly disclosed a grievance mechanism on the Company's website (www.huayou.com). The Company encourages stakeholders to submit suggestions, opinions, or grievances regarding ESG and mineral supply chain due diligence management matters. They may contact us by telephone or by completing the Information Collection Form. Stakeholders may also submit grievances to the CCCMC grievance email (rbc@cccmc.org.cn). Upon receiving a grievance, the Company will organize investigation and analysis, fully communicate with relevant parties regarding handling opinions, and commits to strictly maintaining the confidentiality of information regarding those who provide suggestions, opinions, or grievances. The following are the grievance contact details:

	China	**Africa (DRC)**	**Indonesia**
Telephone:	+86 573 8858 9950	+243 841 206 837	+62 812 2393 0989 +62 821 9873 5711
Email：	CSR@huayou.com	RSE@huayou.com	HYNC@huayou.com
Address：	Huayou Cobalt R&D Building (ESG & Sustainable Development Department), No. 18 Wuzhen East Road, Tongxiang City, Jiaxing, Zhejiang, China	CDM (Africa Resources Business Group), Likasi West District, Anex District, Joli Site Street, Lubumbashi City, Haut-Katanga Province, DRC	IMIP Park (Indonesia Nickel Industry Group), Morowali Regency, Central Sulawesi Province, Indonesia

During this reporting period, the Company received no stakeholder grievances. We are keenly aware that in the complex social environment of cross-border operations, "zero grievances" does not equate to perfect "zero risk." It may indicate that existing communication channels still have invisible barriers related to language, culture, or trust, making it difficult for grassroots voices to effectively reach us. Precisely for this reason, we deeply understand that the value of the grievance mechanism lies not only in providing a window to reflect problems but also in efficiently, fairly, and traceably promoting problem resolution and driving continuous improvement of the management system.

Reviewing past practices, we recognize that the Company's grievance management still has room for improvement in terms of channel uniformity, process standardization, process traceability, and data accumulation. To this end, the Company is actively advancing the digital upgrade of its ESG grievance management platform, aiming to build a more transparent, efficient, and closed-loop grievance handling system. Design principles:

- End-to-end traceability, closed-loop management: Each grievance is assigned a unique case number, achieving full lifecycle traceability from receipt, handling to case closure, ensuring that case handling is fully tracked from start to finish with clear accountability.

- Clear authority, collaborative efficiency: Clearly defining the authority boundaries of each level and role, ensuring that grievance initiation and approval are independent of each other, preventing blurred lines of accountability or disjointed processes.

- Key control, documented archiving: Focusing on key nodes in grievance handling (such as handling commitments, approval conclusions, closure documents, etc.) for online recording and archiving, ensuring that management is well-documented while respecting the flexibility of offline execution.

- Risk visualization, proactive intervention: Headquarters can monitor the dynamics of grievance handling in real time across the Group, achieving automatic early warning and process intervention for abnormal risks, driving risk management from reactive accountability to proactive prevention.

- Tiered response, flexible efficiency: Establishing dual-track parallel handling processes for ordinary grievances and emergency grievances, balancing the compliance of routine matters with the response efficiency of emergencies.

- Data compliance, security and control: Strictly controlling data access permissions by role, implementing encrypted storage for sensitive information, ensuring the privacy of grievance submitters and the security of case data.

We firmly believe that a sincere, efficient, and traceable grievance mechanism is the most direct bond of trust between the Company and stakeholders. Huayou will take this upgrade as an opportunity to continuously improve grievance management practices, ensure all stakeholder feedback is heard, and respond responsibly to all raised issues. We welcome all stakeholders to provide valuable opinions through existing channels, jointly promoting the continuous improvement of Huayou's ESG governance level.

Step 2: Risk Identification and Assessment

Risk identification and assessment are the foundation of due diligence management. To this end, Huayou has established a risk identification work system and process to comprehensively

identify and assess risks, mainly adopting the following methods:

Ⅰ. During the reporting period, the Company continued to carry out various tasks in accordance with supply chain due diligence management procedure requirements, and conducted the following for raw material suppliers:

（1）Seminars on responsible mineral supply chain management to raise awareness and build capacity;

（2）Sending and collecting KYC questionnaires to understand suppliers' compliance, raw material sources, transportation, and responsible procurement practice information.

At the same time, we also require direct suppliers of refineries to effectively cascade supply chain management requirements upstream through the supply chain until it reaches the mine level. Through continuous efforts and multiple exchanges, we are seeing measurable progress.

We successfully sent and received the *Know Your Counterparty Questionnaire (KYC)* from suppliers. The feedback summary is as follows:

- KYC forms were submitted with comprehensive details (including company information, mine information, supply chain maps, and transportation routes); participants in the supply chain are all legally registered companies with all necessary licenses and qualifications;

- Cobalt raw materials mainly come from the Democratic Republic of the Congo and Indonesia. According to questionnaire feedback, suppliers declare that their mining methods are mechanized large-scale mining, not involving artisanal mining, and they have standard mine management systems in place;

- Nickel raw materials mainly come from Indonesia. Suppliers declare that their mining methods are mechanized large-scale mining, not involving artisanal mining, and provided self-assessments indicating standardized mine management.

Ⅱ. In accordance with the Company's established CAHRAs identification management measures, we conducted a comprehensive assessment of whether raw material source countries are high-risk countries and regions based on clear information such as raw material source countries and transportation route countries in the mineral supply chain. The CAHRAs identification procedure mainly refers to RMI-recognized resources and tools.

During the reporting period, through warning signal review of suppliers, we identified that the Democratic Republic of the Congo, a country of origin for cobalt, is classified as a high-risk country on the aforementioned list, triggering a warning signal and constituting high-risk procurement; the nickel and cobalt country of origin, Indonesia, is not classified as a CAHRA, and therefore did not trigger source or transit warning signals, supplier-related warning signals, or warning signals under specific circumstances, constituting low-risk procurement.

Ⅲ. Through multiple channels such as official public information, media or NGO reports, and customer feedback, we identified the responsible mineral supply chain management status of raw material suppliers, checked for any negative information or reports, and assessed whether Category 1 risks existed in the supply chain (risks related to extraction, trading, processing, and export from "conflict-affected and high-risk areas" that contribute to conflict and serious human rights abuses) and whether there were violations of national laws and other relevant international instruments.

During the reporting period, we did not identify the following risks[4]:

(1) Risks of contributing to, benefiting from, assisting, facilitating, procuring from, or contacting any entity that contributes to, benefits from, assists, or facilitates serious human rights abuses;

(2) Risks arising from providing direct or indirect support to, or procuring from, non-state armed groups, or risks arising from contacting any party that provides direct or indirect support to, or procures from, non-state armed groups;

[4] Risks refer to "Category 1 Risks" as defined in the Second Edition of the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains*.

(3) Risks related to public or private security forces;

(4) Risks of contributing to gross negligence, including actions in which the enterprise or any of its business relationships directly or indirectly participates.

Ⅳ. For high-risk suppliers that trigger warning signals, enhanced due diligence management work is required. The Company requires them to conduct independent third-party assessments and provide assessment reports. For low-risk suppliers that do not trigger warning signals, the Company's on-site assessment team conducts mine site visits to understand mine suppliers' on-site control of ore materials, thereby reducing source risks and enhancing supply chain transparency.

During the reporting period, cobalt suppliers located in the high-risk area of the Democratic Republic of the Congo all passed independent third-party assessments, including RMI/RMAP and CCCMC responsible mineral supply chain management assessments. We assess their risk control status by monitoring their audit report status.

The Company focuses on conducting site visits to mines located in the low-risk area of Indonesia, while collecting necessary internal and external ESG-related assessment reports and mine information, including but not limited to certificates of origin, mining licenses, business registration certificates, and on-site assessment materials, ensuring that all mines are legally compliant with complete qualifications, and continuously promoting mine ESG development and risk assessment.

Ⅴ. We compile and summarize risks identified through the above multiple channels, formulate risk assessment reports for mineral suppliers, and fully communicate the corresponding risk situations with suppliers and other stakeholders to jointly establish practical and feasible improvement actions.

Step 3: Risk Prevention and Mitigation

The Company's supply chain due diligence management department reports the risk assessment results identified in Step 2 (including actual risks and potential risks) to the Responsible Mineral

Supply Chain Management Working Group. After consulting with relevant suppliers and affected stakeholders, a risk management plan is formulated and approved. The risk management plan is implemented after review and approval by the leader of the Responsible Mineral Supply Chain Management Working Group. The supply chain due diligence management department regularly tracks suppliers' risk mitigation progress and promptly reports to superiors. If significant changes occur in the supply chain situation, the Company will adjust the risk management plan or conduct supplementary risk assessments as needed. The supply chain due diligence management department continuously urges suppliers to implement corrective actions as required until all non-conformities are closed.

In accordance with the relevant requirements of the OECD Guidance and the Chinese Guidelines, the Company has formulated the following tiered mitigation strategies in the risk management plan:

1. Continue trading while implementing risk mitigation measures: applicable to situations where risks are controllable and can be effectively reduced through management measures;

2. Suspend trading while implementing risk mitigation measures: applicable to situations where risk levels are higher and stricter control measures need to be adopted;

3. Terminate the supplier relationship: applicable to situations where risk mitigation efforts fail, the Company determines that risks cannot be effectively mitigated, or risks exceed acceptable levels.

In implementing the above tiered strategies, the Company emphasizes enhancing supply chain resilience through supplier capacity building. In accordance with the Company's due diligence management standard procedures, if management weaknesses constituting non-Category 1 significant risks are identified during routine assessments, the Company will require them to formulate a *Corrective Action Plan (CAP)* . Although no extreme cases requiring significant supplier relationship downgrades or dedicated CAP remediation occurred during the reporting period, the Company will continue to use this corrective mechanism as a cornerstone to urge and coach upstream partners to continuously improve their responsibility fulfillment capabilities.

Step 4: Conducting Internal and External Assessments

Huayou actively maintains its responsible mineral supply chain management system, actively cooperates with downstream customers' supply chain audit requirements, and communicates with upstream enterprises regarding existing problems and improvement plans, driving continuous improvement across supply chain due diligence management. During the reporting period, Huayou Headquarters conducted ESG and supply chain due diligence management audits of subsidiaries, and invited independent third parties to conduct external audits. For problems identified during audits, risk mitigation plans (CAP) were formulated for rectification as required.

Domestic refinery Zhejiang Huayou's cobalt metal, and Quzhou Cobalt New's cobalt and nickel metals have passed RMI/RMAP assessments; Guangxi New Materials' nickel metal has passed the CCCMC responsible mineral supply chain management assessment, obtaining AA-level certification; Indonesian primary refineries Huayue and Huafei's nickel and cobalt metals have passed RMI/RMAP assessments. Detailed results can be found on the RMI and CCCMC official websites.

Company Name:	**Zhejiang Huayou Cobalt Co., Ltd.**
Company ID:	CID003225
Company Address:	No. 18 Wuzhen East Road, Tongxiang City, Jiaxing, Zhejiang Province, China
Assessed Metal:	Cobalt
Assessment Date:	October 28, 2025
Assessment Scope:	October 1, 2024 – September 30, 2025
Assessment Company:	UL Responsible Sourcing
Assessment Status:	Conformant
Report Link:	https://www.responsiblemineralsinitiative.org/media/docs/Public%20Reports/Zhejiang%20Huayou%20Cobalt%20Public%20Report.pdf

Company Name:	**Quzhou Huayou Cobalt New Materials Co., Ltd.**

Company ID:	CID003255 | CID005375
Company Address:	No. 18 Nianxin Road, Quzhou High-tech Industrial Park, Zhejiang Province, China
Assessed Metal:	Cobalt | Nickel
Assessment Date:	October 29–30, 2025
Assessment Scope:	October 1, 2024–September 30, 2025
Assessment Company:	UL Responsible Sourcing
Assessment Status:	Conformant
Report Link:	https://www.responsiblemineralsinitiative.org/media/docs/Public%20Reports/Quzhou%20Huayou%20Cobalt%20Public%20Report.pdf

Company Name:	**Guangxi Huayou New Materials Co., Ltd.**
Assessment ID:	DDMSC-CNNi0158
Company Address:	No. 28 Huayou Avenue, Longtan Industrial Park, Bobai County, Yulin City, Guangxi Zhuang Autonomous Region, China
Assessed Metal:	Nickel
Assessment Date:	December 4–5, 2025
Assessment Scope:	December 1, 2024–November 30, 2025
Assessment Company:	China Quality Mark Certification Group
Assessment Result:	AA
Report Link:	https://www.shuzih.com/pub/be5308b5badcc0e51953493d8b927935/d1b8720be0584db082d5a121731ccfae.pdf

Company Name:	**PT Huayue Nickel Cobalt (Indonesia)**
Company ID:	CID004004 |CID004524
Company Address:	IMIP Industrial Park, Morowali, Central Sulawesi Province, Indonesia
Assessed Metal:	Nickel | Cobalt
Assessment Date:	August 12–13, 2025

Assessment Scope:	July 1, 2024 – June 30, 2025
Assessment Company:	UL Responsible Sourcing
Assessment Status:	Conformant
Report Link:	https://www.responsiblemineralsinitiative.org/media/docs/Public%20Reports/PT%20HUAYUE%20NICKEL%20COBALT%20Public%20Report.pdf

Company Name:	**PT Huafei Nickel Cobalt (Indonesia)**
Company ID:	CID005214 |CID005213
Company Address:	Weda Bay Industrial Park (IWIP), Halmahera Island, Maluku Province, Indonesia
Assessed Metal:	Nickel | Cobalt
Assessment Date:	April 21–24, 2025
Assessment Scope:	March 15, 2024–March 15, 2025
Assessment Company:	TUV-Rheinland
Assessment Status:	Conformant
Report Link:	https://www.responsiblemineralsinitiative.org/media/docs/Public%20Reports/PT%20HUAFEI%20Public%20Report.pdf

Company Name:	**PT Huaxiang Refining Indonesia**
Company ID:	CID005685|CID005684
Company Address:	Weda Bay Industrial Park (IWIP), Halmahera Island, Maluku Province, Indonesia
Assessed Metal:	Nickel | Cobalt
Assessment Date:	June 30, 2026
Assessment Scope:	June 1st,2026 – May 31, 2026
Assessment Company:	UL Responsible Sourcing
Assessment Status:	Active
Report Link:	To be updated

Step 5: Communicating and Reporting on Risk Management Processes and Results

Public reporting is a fundamental responsibility of all upstream and downstream stakeholders in the mineral supply chain, making the supply chain more responsible. Huayou publicly releases its responsible mineral supply chain management report and Environmental, Social, and Governance (ESG) report annually, systematically disclosing the Company's main progress and performance in due diligence management system construction, risk identification and assessment, risk prevention and mitigation, and internal and external assessments. Relevant reports have been made publicly available on the Company's official website, and all stakeholders are welcome to provide feedback.

Meanwhile, the Company actively participates in global mineral supply chain due diligence management-related forums and industry activities, proactively sharing practical experience in due diligence management, and continuously learning from advanced practices from domestic and international peers, helping to elevate due diligence management standards across the industry.

Step 6: Facilitating or Cooperating on Remediation in a Timely Manner

Remediation is not part of the due diligence process, but a separate critical process that should be facilitated by effective due diligence management. During the reporting period, the Company did not experience any incidents requiring remedial measures.

Zhejiang Huayou Cobalt Co., Ltd.

April 18, 2026

Reader Feedback Form

Dear Reader,

Thank you very much for taking the time to read Huayou Cobalt's *2025 Responsible Mineral Supply Chain Management Report*. In order to provide more valuable information to you and other stakeholders, and to effectively help the Company continuously improve its supply chain due diligence management capabilities, we sincerely look forward to your opinions and suggestions.

Multiple Choice Questions (Please check ✓ in the corresponding position)

1. Your overall evaluation of this report:

□ Excellent □ Good □ Fair □ Poor □ Very Poor

2. How well does the report respond to and disclose information regarding issues of concern to stakeholders?

□ Excellent □ Good □ Fair □ Poor □ Very Poor

3. How do you think Huayou Cobalt performs in supply chain due diligence management?

□ Excellent □ Good □ Fair □ Poor □ Very Poor

4. Do you find the content arrangement and layout design of this report convenient for reading?

□ Yes □ No

Open-ended Questions

Please share any opinions or suggestions you have regarding Huayou Cobalt's responsible mineral supply chain management and this report:

HUAYOU