Zhejiang Huayou Cobalt Co., Ltd

Human Rights Risk Identification and Problem Handling Procedures

I Purpose

The purpose of this procedure is to regulate the identification and assessment process of human rights risks in the operation process of Zhejiang Huayou Cobalt Co., Ltd. (hereinafter referred to as "Huayou Cobalt", "Huayou", "the Company" or "us"), as well as the handling, remedy, prevention and improvement measures after discovering human rights problems, and strive to achieve the human rights management goal of "zero occurrence of human rights risk incidents and related complaints", Standardize and protect the legitimate rights and interests of employees and stakeholders, and improve the social responsibility and reputation of enterprises.

II Scope of application

This procedure is applicable to all human rights issues involved in the production and operation activities of Huayou and its suppliers, including but not limited to child labor, forced labor, harassment and discrimination, employee health and safety, working hours, wages and benefits, etc.

III Governance structure and responsibilities

As the highest responsible body, the Board of Directors approves and fully supports the implementation of this procedure; The ESG and Sustainable Development Management Committee are responsible for the interpretation, guidance and continuous improvement of this procedure, and for supervising and guiding the implementation of the procedure.

ESG and Sustainable Development Department and Human Resources Management Center are the implementing agencies of this procedure, responsible for monitoring and guiding the human rights issues of the company and its suppliers, and regularly reviewing and improving the effectiveness of this procedure.

IV Principles

This procedure follows the following principles:

Principle of Respect: The Company shall respect the basic human rights of all stakeholders and shall not commit any act that infringes or threatens human rights, nor condone or acquiesce to any act that infringes or threatens human rights by any third party.

Principle of prevention: The Company shall, through an effective risk assessment framework, timely identify and eliminate factors that may or have caused human rights problems in its operations, so as to minimize or avoid negative impacts on stakeholders.

Responsibility principle: The Company shall take the initiative to assume responsibility for human rights issues arising from or arising out of its operations, and take appropriate remedial and handling measures to restore the legitimate rights and interests of affected stakeholders.

The principle of transparency: The Company shall disclose and update this procedure and its implementation in a timely manner, proactively disclose to stakeholders the human rights issues encountered in the operation process and the progress and results thereof, and ensure the timeliness and accuracy of information.
Participation principle: The company should actively listen to and effectively respond to the opinions and suggestions of stakeholders on human rights issues in operation, and encourage and protect stakeholders to express their demands and grievances by establishing convenient reporting channels and complaint mechanisms.

V Human Rights Risk Assessment

The Company has established a human rights risk assessment framework to systematically identify, analyze, evaluate, control and monitor human rights risks to which we may be exposed in our operations and to take appropriate prevention and response measures:

Risk identification: Identify and determine the human rights issues that may be involved in the operation of the Company and the influencing factors that may cause human rights issues by collecting and analyzing internal and external information, in combination with the actual situation of the Company and the laws and regulations of each operation camp.

Risk analysis: Determine the possibility and impact of human rights issues through qualitative or quantitative analysis, and assess the severity and adaptability of the results after the occurrence of the issues.

Risk assessment: by ranking each human rights issue according to the risk analysis, determine the degree of threat to the company's strategic objectives and reputation, as well as the urgency and importance to be taken.

Risk control: prevent or reduce the occurrence or impact of human rights risks by formulating and implementing corresponding policies, procedures, measures and indicators.

Risk supervision: through the establishment and operation of an effective risk supervision mechanism, such as periodic reports, irregular sampling inspection, internal and external audits, etc., to inspect and evaluate the company's performance in human rights risk prevention and treatment, and to detect and correct problems in a timely manner.

VII Classification of human rights issues

The Company classifies human rights risk issues into three levels: minor, severe and urgent:

Minor: An issue that does not have a serious or lasting impact on the basic human rights of employees or suppliers but still needs improvement. For example, the working environment does not meet the safety standards, the training of employees is insufficient, and the suppliers do not pay wages on time.

For minor human rights problems of our own employees, we will investigate and verify them by relevant department heads after receiving complaints or finding problems, propose improvement measures within one month, and follow up and monitor the implementation on a regular basis.

For minor human rights problems of suppliers, after receiving complaints or finding problems, the head of the Procurement Department will communicate with the suppliers and ask them to put forward rectification plans within one month, and follow up and supervise the implementation on a regular basis.

Serious: An issue that has a serious or lasting impact on the fundamental human rights of employees or suppliers and requires immediate action. For example, child labor, forced labor, workplace harassment and discrimination.

For serious human rights problems of our own employees, after receiving complaints or finding problems, the head of the Human Resources Department will organize a special team to investigate and verify, propose corrective measures within one week, implement them immediately, and follow up and monitor the implementation on a regular basis. For cases involving illegal acts, we will report to relevant departments in a timely manner and cooperate with the investigation.

For serious human rights problems of suppliers, after receiving complaints or finding problems, the head of the Procurement Department will organize a special team to investigate and verify them, and ask the suppliers to put forward corrective measures within one week, implement them immediately, and follow up and supervise the implementation on a regular basis. For cases involving illegal acts, we will report to relevant departments in a timely manner and cooperate with the investigation. For suppliers who refuse or fail to rectify, we will consider terminating the partnership.

Urgent: An issue that poses a direct or indirect threat to the life, health or safety of employees or suppliers and requires urgent intervention. For

example, major safety accidents and violent conflicts occur.

For urgent human rights issues of our own employees, after receiving complaints or finding problems, the head of ESG and the Sustainable Development Management Committee will organize a special team to investigate and verify, propose emergency measures within 24 hours, implement them immediately, and follow up and supervise the implementation on a regular basis. For cases involving illegal acts, we will report to relevant departments in a timely manner and cooperate with the investigation.

For urgent human rights issues of suppliers, after receiving complaints or finding problems, ESG and the head of the Sustainable Development Management Committee will organize a special team to investigate and verify, and request suppliers to put forward emergency measures within 24 hours, implement them immediately, and follow up and monitor the implementation on a regular basis. For cases involving illegal acts, we will report to relevant departments in a timely manner and cooperate with the investigation. For suppliers who refuse or fail to rectify, we will consider terminating the partnership.

VIII Reporting channels

The Company has established channels for reporting human rights issues, so that the Company and its stakeholders can make complaints or reports related to human rights to the Company through hotlines, emails, websites, etc.

-Tel: 0573-88589103;
-Email:report@huayou.com

IX Supplementary provisions

This procedure is effective as of the date of approval by the Board of Directors, and we will regularly refine and update the relevant content to ensure that the changing expectations of various stakeholders and changes in relevant guidelines and standards are met.