
2025

Executive Summary 1

Description of the report 3

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During the reporting period, no incidents requiring remediation measures occurred.

No grievances were received during the reporting period. The Company is advancing the digital upgrade of our ESG grievance management platform, establishing a closed-loop management mechanism featuring full traceability, tiered response, and data security.

Huayue will continue to strengthen our ESG competitiveness, deepen strategic mutual trust with suppliers, and jointly build a transparent, resilient, and sustainable mineral supply chain.

This report aims to systematically disclose the practices and progress of PT Huayue Nickel Cobalt (hereinafter referred to as “Huayue Nickel Cobalt,” “Huayue,” “the Company,” or “we”) in mineral supply chain due diligence management during the period from January 1, 2025 to December 31, 2025. To ensure continuity and comparability, certain content may appropriately extend to prior or subsequent years. We recognize that due diligence in mineral supply chains is a continuous and systematic process of improvement. Huayue will uphold a responsible approach, continuously strengthening our ability to identify and manage supply chain risks through effective management, and working together with suppliers to build a transparent and sustainable responsible supply chain.

This report is prepared with reference to ***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 China Due Diligence Guidelines for Mineral Supply Chains*** (Second Edition, hereinafter referred to as the “China Guidelines”), particularly their principles on stakeholder engagement and sustainable development context. It also draws on relevant standards and tools of the Responsible Minerals Initiative (RMI) to enhance the standardization of the report. Following the “Six-Step Framework,” the Company systematically presents our compliance and performance in mineral supply chain due diligence management in 2025.

This report is published in electronic format in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail. The electronic version of the report is available on the Company’s official website: https://www.huayou.com. For any questions or suggestions regarding this report, please contact us via email at: csr@huayou.com.

In this report, Zhejiang Huayou Cobalt Co., Ltd. is referred to as “Huayou Cobalt” or “Huayou”; PT Huayue Nickel Cobalt is referred to as “Huayue Nickel Cobalt,” “Huayue,” “the Company,” or “we.” Any other references not specified here shall be defined in the main text.

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A comprehensive management process by which a company, in accordance with internationally recognized guidelines such as the OECD Guidance and the China Guidelines, identifies, prevents, mitigates, remediates, and discloses risks related to conflict, human rights, governance, and other issues within the mineral supply chain.

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition)

The China Due Diligence Guidelines for Mineral Supply Chains (Second Edition)

The core due diligence framework established by the OECD Guidance and the China Guidelines, including: establishing management systems, risk identification and assessment, risk prevention and mitigation, internal and external assessment, communication and reporting, and providing remediation where appropriate.

Conflict-Affected and High-Risk Areas, referring to geographic regions characterized by armed conflict, widespread violence, governance failure, or other high-risk conditions.

Know Your Counterparty, referring to due diligence documentation collected by the Company from suppliers, including basic information, ownership structure, and source of materials.

Risk indicators identified during the due diligence process that trigger further investigation, such as sourcing from CAHRAs or lack of supplier transparency.

As defined in the China Guidelines, risks related to serious human rights abuses, direct or indirect support to armed conflict, illegal control of resources in the extraction, trade, p

Exporters, responsible for promoting the implementation of China’s mineral supply chain due diligence guidelines and conducting enterprise assessments.

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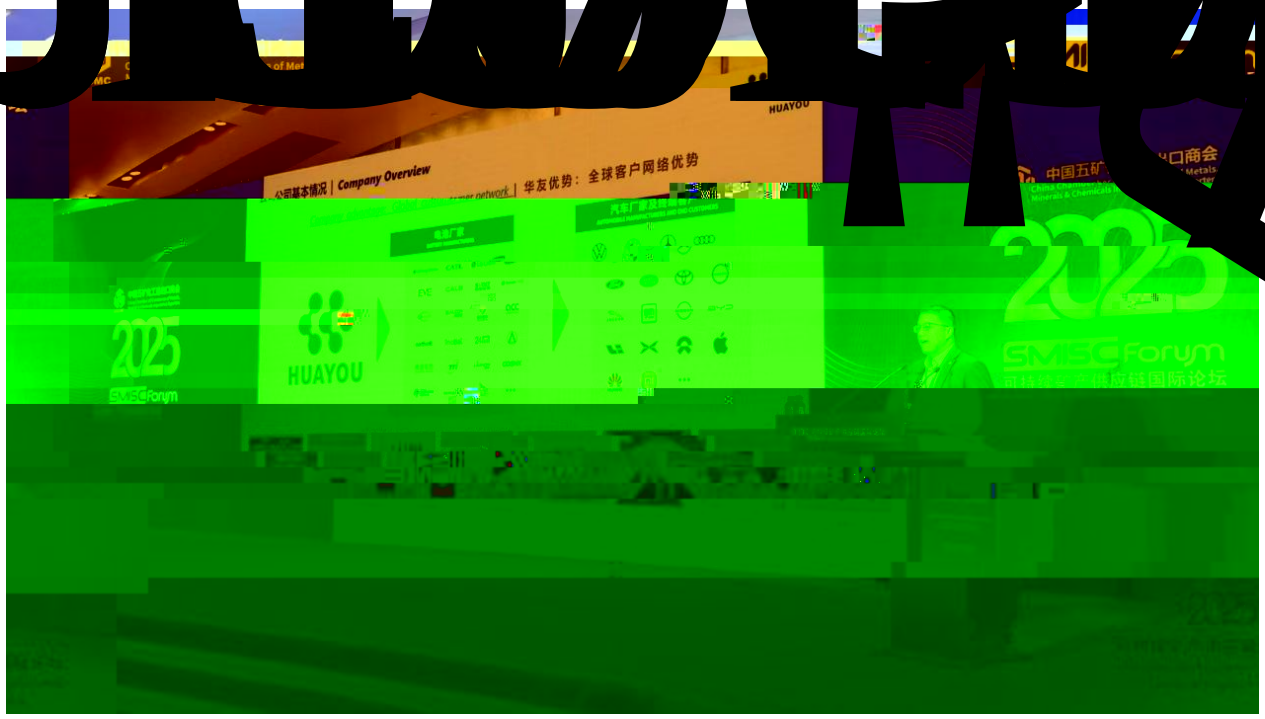
Since establishment, Huayue has recognized that ESG and sustainable development are not only essential for responding to global sustainability goals and national policies, but also a critical strategic pathway to address the global energy transition and climate change risks.

Since 2018, the Company has been developing our ESG and sustainability management system. Taking into account busine characteristics, global extractive industry practices, and international best practices, Huay ages in co nsive communication with stakeholders based on pri es of ty, equ nd tra parency to unde d the formulates a mplem SG m es management systems ordingly topic, respo e supp ain gemen been given ority continuous engthen ly c levelopmen impro ppli sy from multiple p pectives, includi

The Company continues to imp

build a transparent, resilient, and sustainable mineral supply chain.

The Company actively participates in international and industry dialogues to stay informed of the latest developments and solutions in responsible mineral supply

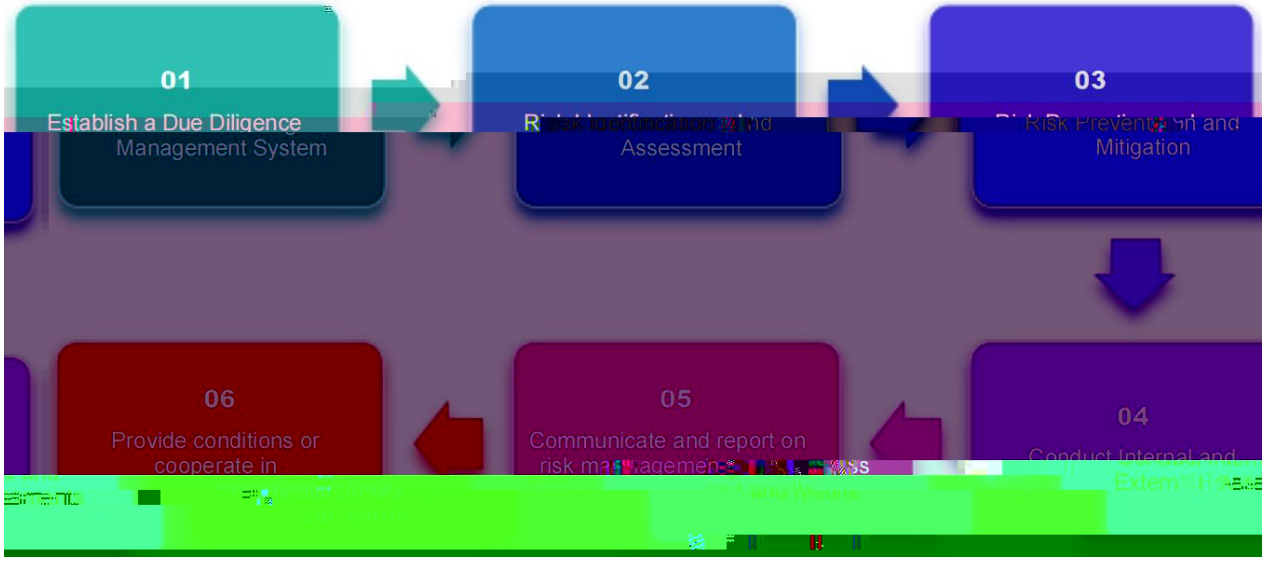


3 Figure 3: From September 23 to 25, 2025, the 3rd Sustainable Mineral Supply Chain International Forum (SMISC Forum), hosted by CCCMC, was held at the Xiamen International Conference Center. Lv Jicheng, Assistant General Manager of the Sustainability Center of Huayou Cobalt, attended the main forum on September 24 as a special guest and delivered a presentation titled “China–Indonesia Community Sustainable Action Network — Mobile Children Education Empowerment Project,” sharing Huayou’s overseas community collaboration practices.

According to the Guidelines for Social Responsibility in China’s Outbound Mining Investment (2017 Edition), the mineral resources industry is a capital-intensive sector characterized by long investment cycles and a high degree of specialization. The sustainable development of mineral resource investment and cooperation requires a secure, stable, transparent, and predictable political, economic, and social environment, while also exerting far-reaching impacts on the economy, society, and the environment. While investing and developing business in Indonesia and achieving economic benefits, Huayou incorporates economic, environmental, and social sustainability into our overall considerations. The company continues to advance our efforts in areas such as respect for human rights, fair development, reduction of

During the reporting period, Huayue continued to advance mineral supply chain due diligence in accordance with the “Six-Step Framework” and due diligence procedures. The Company established a “Mineral Supply Chain Due Diligence Working Group” to coordinate the implementation and continuous improvement of related work.

The Sustainability Center at the Group headquarters, together with the ESG and Sustainability Center of Industry Group and Huayue’s ESG Department, and with the support of the raw material procurement department, conducted awareness training for suppliers on mineral due diligence and communicated due diligence policies and requirements. The Company carried out risk analysis and assessment of suppliers by collecting Know Your Counterparty (KYC) questionnaires and utilizing publicly available information from online platforms. Based on the assessment results, risk mitigation plans are reviewed and approved by the Company, communicated to suppliers, and their implementation is monitored. Key nodes within the Company’s mineral supply chain have undergone independent third-party audits, and management performance is publicly disclosed through this report.



In accordance with the OECD Guidance and the China Guidelines, the Company has established a mineral supply chain due diligence management system and related procedural documents, including the Supplier Code of Conduct, the Policy for Responsible Global Mineral Supply Chains from Conflict-Affected and High-Risk Areas, and the Supplier Standards for Responsible Mineral Sourcing.

To ensure the orderly advancement of due diligence management, the Company has established a “Mineral Supply Chain Due Diligence Working Group,” composed of members from the Group’s Sustainability Center, the Raw Material Procurement Department, and Huayue’s ESG Department. As a specialized group under the ESG and Sustainability Management Committee, it is responsible for providing technical support and oversight for the Company’s mineral supply chain due diligence management.

In accordance with the OECD Guidance and the China Guidelines, the Company has established a mineral supply chain due diligence policy and management system, and has integrated the policy into the routine management of responsible sourcing from high-risk areas within supply chain.

The Company has established a Supplier Code of Conduct, which sets out expectations for suppliers in areas such as labor and human rights, as well as health and safety. Suppliers are also required to cascade these requirements to their upstream suppliers. In procurement practices, these requirements are treated as key criteria for supplier admission, and the Company actively monitors supplier compliance. Any violation of this Code may adversely affect the business relationship between the supplier and Huayue, and may result in suspension or termination of the relationship.

Based on the S

[redacted] Indonesia, and transported [redacted] land from the mines to the processing plant.

To further strengthen supplier risk management, the Company has established supplier admission criteria, requiring suppliers to provide key documentation such as mining licenses, certificates of origin, business registration certificates, articles of association, and tax identification numbers.

We recognize that transparency is the foundation for building cooperation with stakeholders. Indonesia, where the Company operates, is a member of the Extractive Industries Transparency Initiative (EITI). The Company strictly adheres to the principles of Indonesia's EITI framework, demonstrating commitment to supporting EITI principles and promoting transparency and accountability in the extractive sector.

To enhance our influence over suppliers, the Company urges suppliers to implement the established supply chain policies, requires them to sign the Supplier Code of Conduct, incorporates mineral supply chain due diligence requirements into commercial contracts, and requests suppliers to complete and submit KYC questionnaires based on actual conditions. At the

support for improvement when necessary, thereby further strengthening collaboration on responsible supply chain management.

Huayue not only maintains effective communication with upstream suppliers, but also actively cooperates with downstream customers in their due diligence assessments of the Company's supply chain, providing relevant information and documentation in a timely manner upon request. During the process of implementing corrective actions based on on-site assessments of direct suppliers, the Company also engages proactively with external customers and industrial park enterprises, seeking feedback and recommendations to support continuous improvement. Through these efforts, Huayue remains committed to building a green and sustainable supply chain.

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

Huayue has established and publicly disclosed a grievance mechanism on our official website (www.huayou.com). The Company encourages stakeholders to raise suggestions, comments, or grievances related to ESG and mineral supply chain due diligence. Stakeholders may contact the Company via telephone or by completing an Information Collection Form. They may also submit grievances to CCCMC via the email address: rbc@cccmc.org.cn.

Upon receiving a grievance, the Company will organize investigation and analysis, communicate fully with relevant parties regarding the proposed resolution, and strictly maintain the confidentiality of the information of those providing suggestions, comments, or grievances. The contact details for grievances are as follows:

During the reporting period, the Company recorded zero stakeholder grievances. We clearly recognize that, within the complex social environment of cross-border operations, “zero grievances” does not equate to a perfect state of “zero risk.” Instead, it may indicate the existence of invisible barriers—such as language, cultural differences, or lack of trust—within existing communication channels, which can hinder grassroots voices from being effectively heard. For this reason, we fully understand that the value of a grievance mechanism lies not only in providing a channel for raising concerns, but also in enabling efficient, fair, and traceable resolution of issues, thereby driving the continuous improvement of our management systems.

Reflecting on past practices, we acknowledge that there is still room for improvement in our grievance management in areas such as channel integration, process standardization, and

online recording and archiving, ensuring auditability while maintaining flexibility in offline execution.

Risk visibility with proactive intervention: Real-time monitoring of grievance handling progress, with automatic alerts and intervention for abnormal risks, shifting risk management from ex-post accountability to ex-ante prevention.

Tiered response with flexibility and efficiency: Establish parallel processes for gen

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I. During the reporting period, the Company continued to carry out due diligence management in accordance with supply chain due diligence procedures. For raw material suppliers, the following actions were taken:

(1) Organized workshops on mineral supply chain due diligence to enhance awareness and build capacity;

(2) Distributed and collected KYC (Know Your Counterparty) questionnaires to obtain information on suppliers' compliance status, sources of raw materials, tran orti tion,



(1) Risks of contributing to, benefiting from, assisting, facilitating, or engaging with

The Company's supply chain due diligence management department reports the risk assessment results identified in Step 2 (including both actual and potential risks) to the Mineral Supply Chain Due Diligence Working Group. After consulting relevant suppliers and affected stakeholders, a risk management plan is formulated and approved. The plan is implemented upon review and approval by the head of the Working Group. The supply chain due diligence management department regularly tracks suppliers' progress in risk mitigation and reports updates to senior management in a timely manner. In the event of significant changes in the supply chain, the Company will adjust the risk management plan or conduct supplementary risk assessments as needed. The department continuously urges suppliers to carry out corrective actions until all non-conformities are closed.

In accordance with the requirements of the OECD Guidelines and the China Guidelines, the Company has established the following tiered mitigation strategies within its risk management plan:

(1) Continue engagement while implementing risk mitigation measures: Applicable where risks are controllable and can be effectively reduced through management measures;

(2) Temporarily suspend engagement while implementing mitigation measures: Applicable where risks are relatively high and stricter control measures are required;

(3) Disengage from the supplier: Applicable where mitigation efforts fail, or where the Company determines that risks cannot be effectively mitigated or exceed acceptable thresholds.

In implementing the above tiered strategies, the Company emphasizes strengthening supply chain resilience through management empowerment. In accordance with due diligence standard procedures, if weaknesses in supplier management related to non-Category 1 significant risks are identified during routine assessments, the Company requires suppliers to develop a Corrective Action Plan (CAP). Although no extreme cases requiring major escalation measures or dedicated CAP remediation were identified during the reporting period, the Company will continue to rely

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Reader Feedback Form

Dear Reader:

Thank you very much for taking the time out of your busy schedule to read Huayue's 2025 Mineral Supply Chain Due Diligence Report. In order to provide you and other stakeholders with more valuable information and to effectively enhance the Company's capabilities and performance in supply chain due diligence management, we sincerely welcome your feedback and suggestions.

Multiple-choice Questions (please tick where appropriate):

1 What is your overall evaluation of this report?

☐ Excellent ☐ Good ☐ Average ☐ Poor N t



