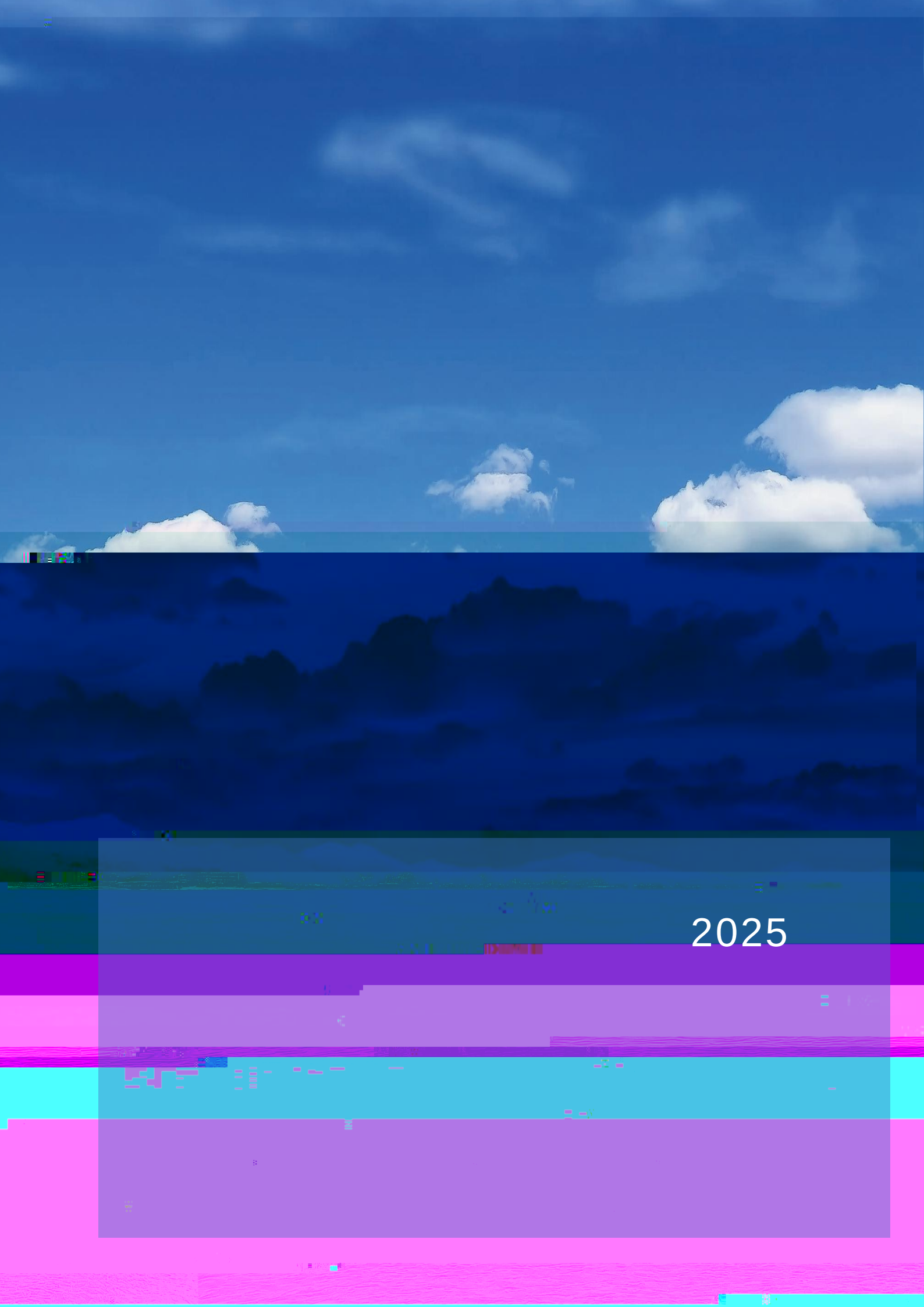

2025

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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 ñHuayue Nickel Cobalt,ò ñHuayue,ò ñthe Company,ò or ñweò) 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 ñOECD Guidanceò) and ***the China Due Diligence Guidelines for Mineral Supply Chains*** (Second Edition, hereinafter referred to as the ñChina Guidelinesò), 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 ñSix-Step Framework,ò 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 Companyôs official website: https://www.huayou.com. For any questions or suggestions regarding this report, please contact us via email at: csr@huayou.com.

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, or illegal control of resources in the extraction, trade, processing, and export of minerals from CAHRAs.

Responsible Minerals Initiative and its Responsible Minerals Assurance Process, an internationally recognized due diligence assessment system for smelters and refiners.

China Chamber of Commerce of Metals, Minerals & Chemicals Importers &

xporter s sib ro g ne f China mineral pply chain due diligence guidelines and c erp assessments.

n independent audit of a smelter or supplierôs due ence gement system conducted by a qualified third-party organization (e.g., UL).

Mitigation measures and action plans developed and implemented in response to identified risks, including tiered strategies such as continuing engagement, suspending engagement, or terminating cooperation.

A formal channel and process through which stakeholders can raise concerns, suggestions, or complaints related to supply chain due diligence.

Environmental, Social, and Governance, the core dimensions used to assess a companyôs sustainability performance.

Extractive Industries Transp ency I ative, a globa recognized framew k for transparency and good governance in the

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 business characteristics, global extractive industry practices, and international best practices, Huayue engages in comprehensive communication with stakeholders based on principles of integrity, equality, and transparency to understand their key concerns, and formulates and implements ESG policies and management systems accordingly. As a key ESG topic, responsible supply chain management has been given high priority. The Company continuously strengthens supply chain development by improving supplier management systems from multiple perspectives, including entry assessment, risk control, supplier communication, and capacity building. We are committed to establishing long-term and stable partnerships with upstream and downstream suppliers, enhancing the security and environmental performance of the supply chain. Mineral supply chain due diligence has become a cornerstone of Huayueôs sustainable development.

This report serves as the Companyôs annual summary of mineral supply chain due diligence efforts. In accordance with the OECD Guidance and the China Guidelines, Huayue has formulated 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. At the same time, the Company adopts a three-tier due diligence management structure of ñGroup ï Industry ï Subsidiaryò to ensure effective policy implementation. These efforts aim to meet customer and market expectations for responsible mineral sourcing, enhance the Companyôs international reputation and market recognition, improve internal supply chain management systems, strengthen subsidiariesô awareness and control of supply chain risks, enhance traceability and stability of the mineral supply chain, and reduce potential disruptions arising from conflict-affected and high-risk areas or weak regulatory environments.

The Company continues to improve mineral supply chain due diligence management system and strengthen capabilities in responsible sourcing management. In cooperation with suppliers, Huayue promotes responsible sourcing awareness and supports capacity building by communicating the Supplier Code of Conduct and mineral supply chain policies, incorporating due diligence requirements into commercial contracts, and requiring suppliers to provide KYC information. The Company conducts risk assessments based on multi-source information, and, depending on the results, carries out on-site assessments or requires independent third-party assessments. It also continuously tracks the effectiveness of risk mitigation measures, contributing to the sustainable development of the industry.

On the afternoon of November 26, 2025, Huayue Group's 2025 Annual Employee Conference, the theme of which was "Competing to Win, Creating a Shared Future," was grandly held at the Wuzhen International Internet Convention and Exhibition Center. More than 130 [illegible] organizations from [illegible] and abroad and [illegible] guests attended the conference. The event clearly emphasized [illegible] focus [illegible]

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 chain due diligence, while also proactively providing feedback on challenges encountered in our own implementation.

On September 11, 2025, Sun Lihui, Vice President of Huayou Cobalt, attended the Asia Vision Forum initiated by Caixin Global with strategic support from the Singapore government. The forum, themed ñAsian Opportunities in an Era of Transformation,ò focused on three key variables shaping business decisions: geopolitical dynamics, technological evolution, and the green transition. Sun Lihui participated in the roundtable discussion on ñReshaping Mobility: Innovation in Electric Vehicles and Power Batteriesò on behalf of the Company and was interviewed by Caixin Global.

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 ñChinaïIndonesia Community Sustainable Action Network ð Mobile Children Education Empowerment Project,ò sharing Huayouôs overseas community collaboration practices.

According to the Guidelines for Social Responsibility in Chinaôs 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, transparenin

During the reporting period, Huayue continued to advance mineral supply chain due diligence in accordance with the ñSix-Step Frameworkò and due diligence procedures. The Company established a ñMineral Supply Chain Due Diligence Working Groupò 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 Huayueôs 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 Companyôs 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 ñMineral Supply Chain Due Diligence Working Group,ò composed of members from the Groupôs Sustainability Center, the Raw Material Procurement Department, and Huayueôs ESG Department. As a specialized group under the ESG and Sustainability Management Committee, it is responsible for providing technical support and oversight for the Companyôs 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.

■

originate from identified high-risk areas. If so, suppliers are required to provide Huayue with reasonable written evidence of their sourcing practices and due diligence activities.

If a supplier violates the above Code or standards, or if its direct or indirect suppliers are found to be in violation, Huayue will require the supplier to implement corrective measures within a reasonably defined timeframe and to ensure that relevant supply chain participants address the identified risks. If direct suppliers fail to mitigate or eliminate the risks as required by Huayue, or refuse to take any corrective actions, Huayue will decide to terminate all or part of the contracts, agreements, purchase orders, or any other arrangements with such suppliers.

Island, Indonesia and transported by land from [illegible]

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 same time, Huayue supports suppliers in improving their supply chain due diligence performance

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 Companyôs 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, ñzero grievancesò does not equate to a perfect state of ñzero risk.ò Instead, it may indicate the existence of invisible barriers ð such as language, cultural differences, or lack of trust ð 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, traceability, and data accumulation. In response, the Company is actively advancing the digital upgrade of our ESG grievance management platform, aiming to establish a more transparent, efficient, and closed-loop grievance handling system. The design principles are as follows:

- End-to-end traceability with closed-loop management: Each grievance is assigned a unique case number, enabling full lifecycle traceability from intake and handling to closure, ensuring clear accountability and complete case resolution.

- Clear roles and responsibilities with efficient coordination: Define authority boundaries across all levels and roles, ensuring independence between accountability initiation and approval, and avoiding ambiguity or fragmentation in processes.

- Key controls with record retention and archiving: Focus on critical stages of grievance handling (such as commitments, approval decisions, and closure documentation) through

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 general and urgent grievances, balancing compliance for routine matters with responsiveness to emergencies.

- Data compliance with security and control: Strict role-based access control over data, with encryption of sensitive information to ensure the privacy of complainants 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 our stakeholders. Huayue will take this upgrade as an opportunity to continuously enhance our grievance management practices, carefully listen to every voice, and respond responsibly to every concern. We welcome all stakeholders to share valuable feedback through existing channels, and to work together with us to continuously improve Huayueôs ESG governance performance.

Risk identification and assessment form the foundation of due diligence management. To this end, Huayue has established a comprehensive system and procedures for risk identification to ensure a thorough identification and evaluation of risks. The main approaches are as follows:

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 suppliersô compliance status, sources of raw materials, transportation, and responsible sourcing practices.

We successfully distributed and collected the Know Your Counterparty (KYC) Questionnaire from suppliers. The summarized feedback is as follows:

The forms were [illegible] relatively comprehensive information including company [illegible] chain mapping, [illegible]); all participants in the supply chain are legally registered entities with complete licenses and qualifications;

- Laterite nickel ore raw materials originate from Indonesia. Suppliers declared that mining is conducted through large-scale mechanized operations, without involvement of artisanal mining, and that mine site management is well regulated.

In accordance with the company's established identification and management procedures for Conflict-Affected and High-Risk Areas (CAHRAs), we conducted a comprehensive assessment of whether source countries qualify as high-risk regions based on clear information such as [illegible] and transportation routes of minerals in the supply chain. The CAHRAs identification process primarily refers to resources and tools recognized by RMI.

During the reporting period, based on red flag screening of suppliers, Indonesia (the country of origin of laterite nickel ore) was not identified as a CAHRA. Therefore, no red flags were triggered regarding the origin or transit locations, supplier-related concerns, or specific circumstances, and the procurement was classified as low risk.

III. Through multiple channels (including official public information, media or NGO reports, and customer feedback), we assessed suppliers' due diligence performance in the mineral supply chain. We examined

(1) Risks of contributing to, benefiting from, assisting, facilitating, or engaging with entities that commit serious human rights abuses;

(2) Risks arising from direct or indirect support to non-state armed groups, or engagement with entities providing such support;

(3) Risks associated with public or private security forces;

(4) Risks of gross misconduct, including direct or indirect involvement by the Company or its business partners.

IV. For high-risk suppliers that trigger red flags, enhanced due diligence measures are required. The Company requires such suppliers to conduct independent third-party assessments and provide corresponding reports. For low-risk suppliers that do not trigger red flags, the Companyôs on-site assessment team conducts field visits to mines to understand on-site control over raw materials, thereby reducing source risks and improving supply chain transparency.

The Company places particular emphasis on conducting on-site visits to mines in Indonesia, which is classified as a low-risk region. At the same time, it collects 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 field assessment data. This ensures that all mines operate legally and compliantly with complete qualifications, while continuously promoting ESG development and risk assessment at mine sites.

V. The Company consolidates and summarizes risks identified through the above approaches, prepares risk assessment reports for mineral suppliers, and fully communicates the identified risks with suppliers and other stakeholders to jointly establish practical and feasible improvement actions.

The Companyôs 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 suppliersô 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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Public reporting is a fundamental responsibility for all stakeholders across the mineral supply chain and is essential for promoting responsible supply chains. Huayue publishes an annual Mineral Supply Chain Due Diligence Report, systematically disclosing key progress and performance in areas such as the development of due diligence management systems, risk identification and assessment, risk prevention and mitigation, and internal and external assessments. These reports have been made publicly available on the Companyôs official website, and feedback from all stakeholders is welcomed.

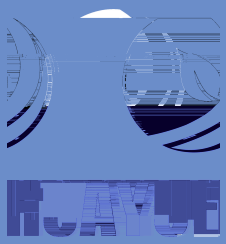
At the same time, the Company actively participates in global forums and industry initiatives related to mineral supply chain due diligence, proactively shares practical experience, and continuously learns from advanced practices of peers both domestically and internationally, thereby contributing to the overall improvement of due diligence standards across the industry.

Remediation is not a component of the due diligence process itself, but rather a separate and critical process that due diligence should enable and support. During the reporting period, no incidents occurred that required remediation measures.

PT Huayue Nickel Cobalt

April 20, 2026

Reader Feedback Form

Dear Reader:

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