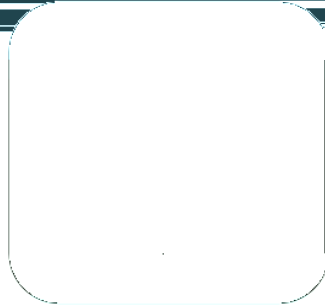


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The information

due diligence

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本公司遵循利益相关者参与和可持续发展原则，在
 和 背景下，阐述了公司尽职调查管理按照“五步法”原则
 下，并

The Company follows the principles of stakeholder participation and sustainable
 development background in and , expounds the
 Company's due diligence management in accordance with the "five-step method" under
 , and
 focuses on the compliance and performance of the Company's due diligence of responsible
 cobalt supply chain.

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Huayou Cobalt

作为新能源锂电池材料行业的重要参与者，华友钴业公司秉承创新发展、协调、绿色、开放和共享的发展理念，高度重视企业社会责任治理和可持续发展，同时也高度重视矿产供应链的尽责。

As an important participant in the new energy lithium battery material industry, Huayou Cobalt Company adheres to the development concept of innovation, coordination, green, openness and sharing, attaches great importance to corporate social responsibility governance and sustainable development, and also attaches great importance to the due diligence of responsible minerals supply chain.

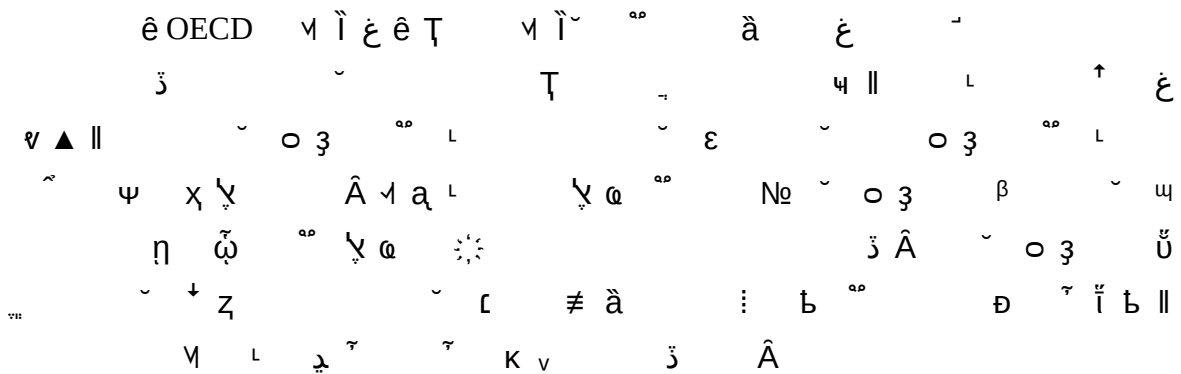
公司从建立企业社会责任管理体系开始，并持续完善对矿产合作供应商的要求。从基本文件的传递，如基本矿产供应链政策、供应商行为准则，到企业社会责任清单的填写，再到对关键和核心供应商的现场审计，公司逐步完善了矿产供应链的企业社会责任管理体系，为行业的可持续发展做出贡献。

The Company starts with building its own corporate social responsibility management system, and constantly improves the requirements for mineral cooperative suppliers. From the transmission of basic documents such as basic minerals supply chain policies and supplier code of conduct, the filling of corporate social responsibility checklist to the on-site audit of key and core suppliers, the Company has gradually improved the corporate social responsibility management system of minerals supply chain in order to contribute to the sustainable development of the industry.

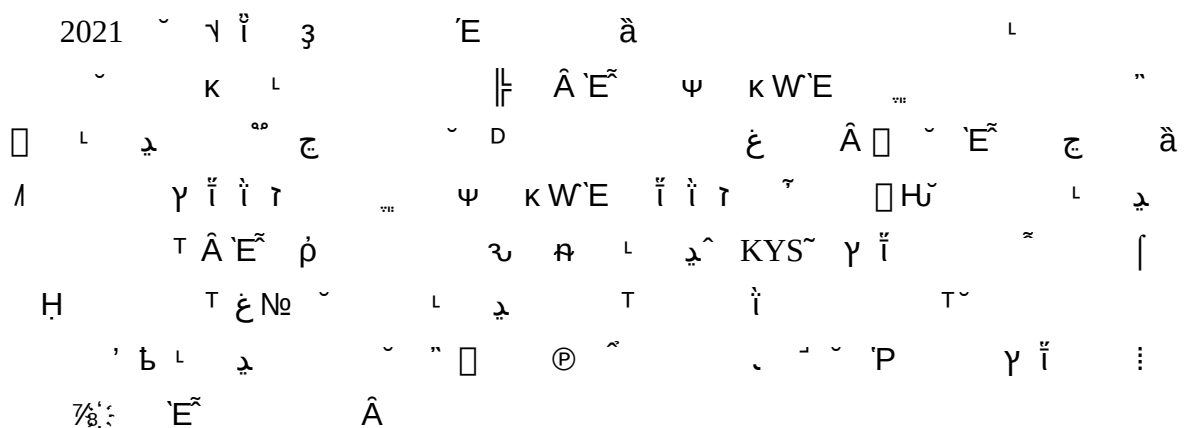
公司以钴产品为起点，作为锂电池生产的重要金属材料，钴在全球绿色转型过程中占据着非常重要的地位。刚果（金）拥有全球钴资源的三分之二，凸显了该国作为钴矿来源的重要性。然而，由于

The Company's due diligent of responsible minerals supply chain takes cobalt products as the starting point. As one of the important metal materials in the production of lithium batteries, cobalt occupies a very important position in the process of global green transformation. Congo (DRC) owns more than two-thirds of the global cobalt resources, highlighting the importance of this country as a source of cobalt ore. However, due to the

backwardness of politics and economy, human rights risks and poverty are widespread in Congo (DRC). Whether the purity and sustainability of the Company's cobalt supply chain can be guaranteed is crucial to the sustainable development of the whole industrial chain and winning the trust of customers.



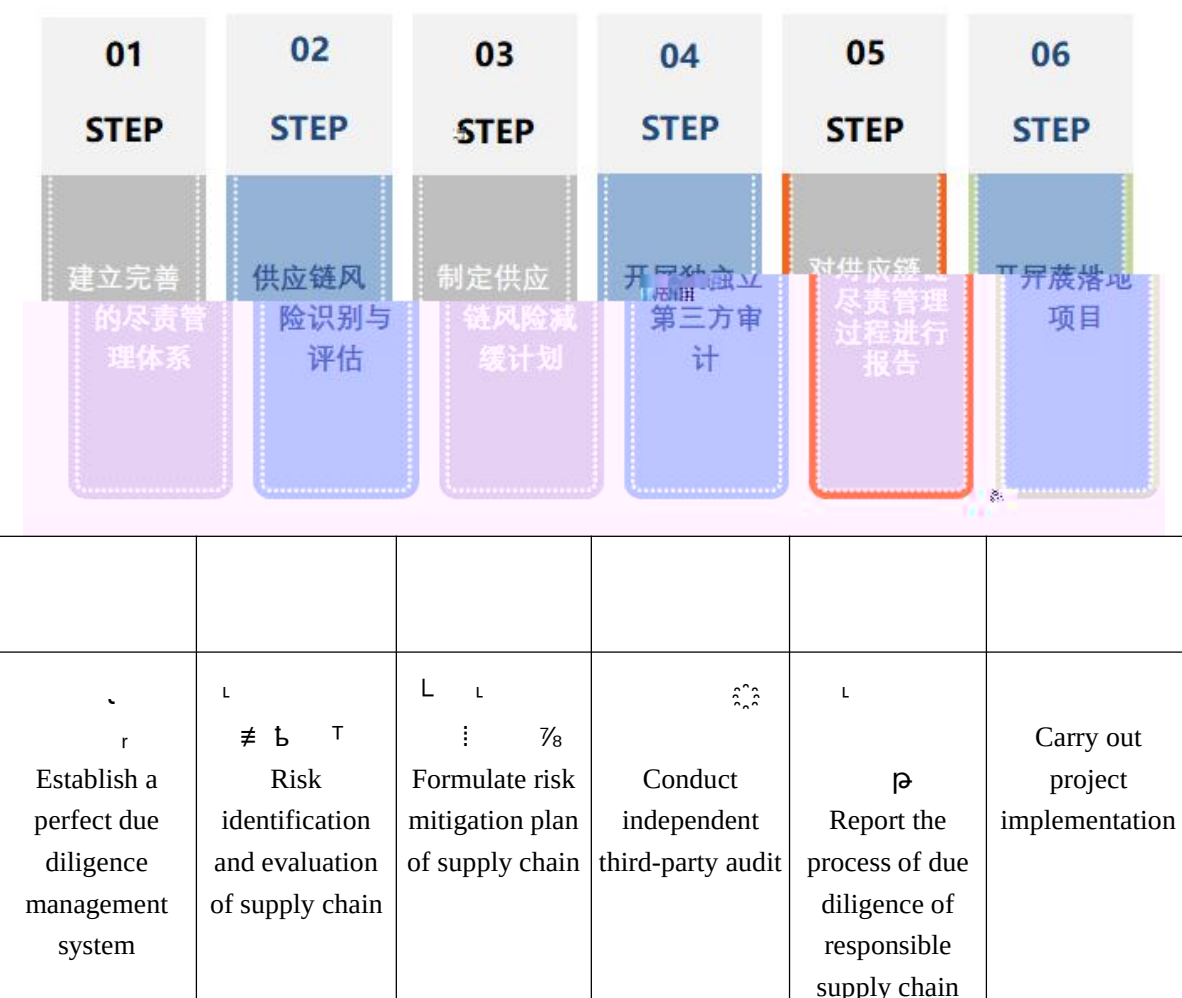
According to and , there are risks caused by fairly high and negative impacts in mineral mining, trading and processing activities, such as human rights risks in the mining process or risks of fuelling and aggravating conflicts such as financing conflicts. The minerals supply chains of enterprises are linked and interconnected. Therefore, the minerals supply chains of enterprises may face various risks. Even if the production links of the supply chain are scattered and the enterprise is located in an independent position, it is still impossible to completely avoid the direct or indirect negative impact on all links of the mineral industry. Therefore, enterprises shall take reasonable measures and strive to carry out due diligence management, so as to identify, prevent or mitigate any negative impact risks related to mineral mining conditions and supplier relations in conflict-affected or high-risk areas.



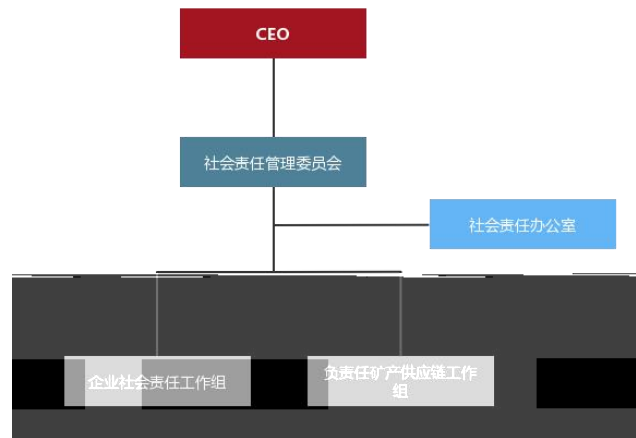
In 2021, Huayou Cobalt Company continued to carry out due diligence of responsible cobalt supply chain in accordance with the six-step framework and due diligence management procedures, and the building of responsible cobalt supply chain has moved

forward steadily. The corporate social responsibility office cooperates with the procurement management department to carry out mineral product awareness education for suppliers and convey due diligence management policies and requirements. At the same time, the Company's quality control department, raw material procurement department and other departments cooperate with the colleagues of the social responsibility office and other relevant departments to conduct site evaluation on key suppliers. The Company evaluates and analyzes the information collected by Know Your Supplier (KYS) and network platforms, evaluates the risk with the supplier risk evaluation form, communicates the corresponding risk situation with the supplier, jointly establishes practical improvement actions, and then reports the risk and risk mitigation plan to the Company's leaders for approval.

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CEO

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Social Responsibility Management Committee

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Social Responsibility Office

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Corporate Social Responsibility Working Group

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Responsible Minerals Supply Chain Working Group

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The supplier shall maintain a responsible transparency policy, especially in dealing with relevant minerals (including tantalum, tin, tungsten, gold, cobalt, etc.) from high-risk areas and countries. Huayou Company recognizes that there are risks that may have a significant negative impact when engaging in mineral mining, trading, processing and export in high-risk areas, and that we have the obligations to respect human rights and

suppliers' responsible procurement from high-risk areas.

reliability. Accordingly, Huayou Company has the same expectations for suppliers.

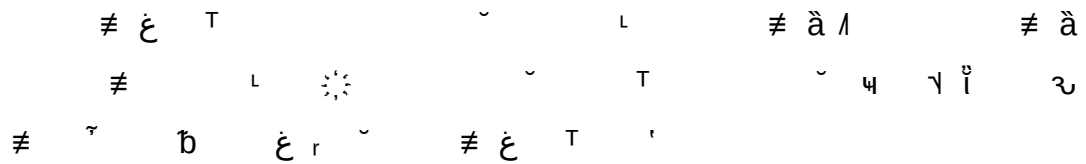
for [REDACTED] expectations for suppliers from the aspects of labor and human rights, health and

safety, and require suppliers to pass these terms to their suppliers. Huayou Company will

Based on the supplier code of conduct, Huayou Company has formulated special standards for suppliers of responsible cobalt procurement, requires cobalt suppliers to carry out due diligence management on the source of cobalt in cobalt products in their whole supply chain in accordance with and determine whether the cobalt comes from identified high-risk areas. If so, the supplier shall provide Huayou Company with reasonable written evidence of its reporting, procurement and due diligence management activities.

If the supplier violates the Code or the Standard, or its direct or indirect sub-supplier is deemed to have violated the Code or Standard, Huayou Company may, at its discretion, require the supplier to implement corrective measures before a reasonably determined date, so that the supplier can give priority to preventing, mitigating and affecting the violation event, and require the corresponding supply chain participants to deal with the identified risks. Huayou Company may, in its sole discretion, determine to terminate all or any part of contract, agreement, purchase order or any other arrangement with the supplier if such violating supplier fails to mitigate or eliminate risk or refuse to take any measure according to Huayou Company's requirement.

风险评估与识别



Risk identification and evaluation is the basis of due diligence management. Through the identification of supply chain, raw material source and transportation path, the risks existing in the supply chain are determined and the risk level is evaluated. Therefore, Huayou Company has established work processes and systems related to risk identification to identify and evaluate risks:

识别与收集KYS
 Sending and collection
 of KYS

Step 01

Step 02

Step 03

Step 04

CAHRAs
 Establish CAHRAs
 procedure document

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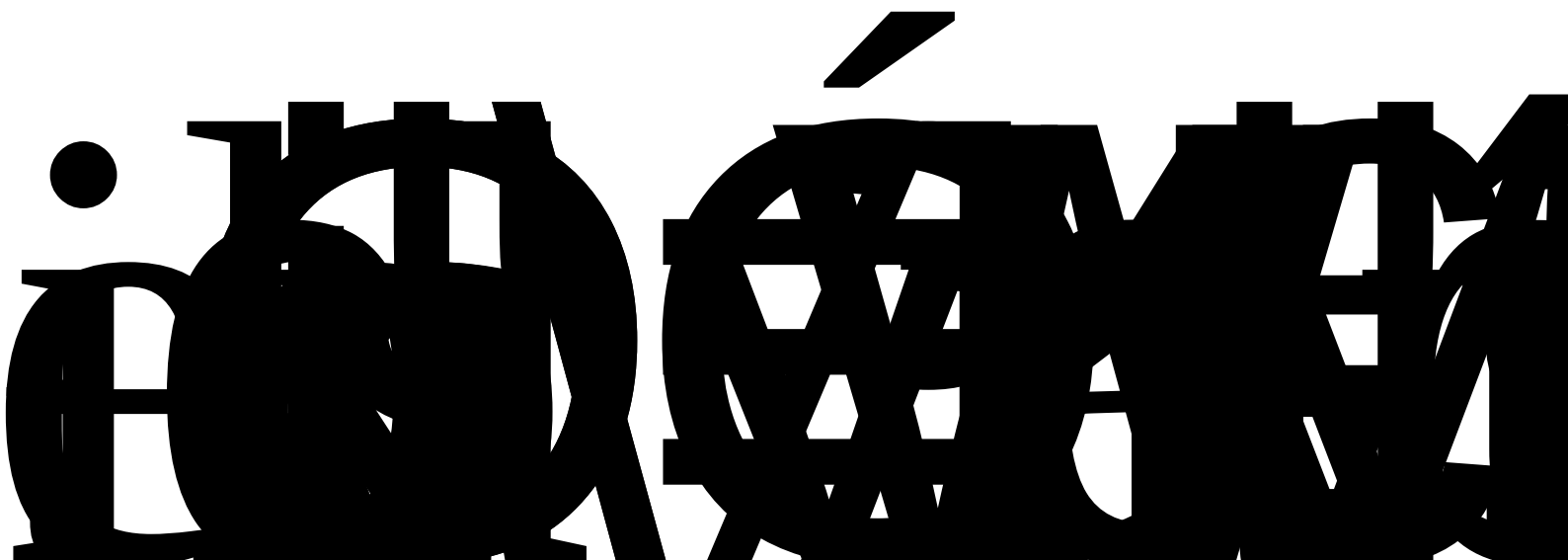
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The main risk evaluation and mitigation are described as follow:

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- Strengthen the development of the Company's own mechanized mines (LSM). Huayou Company manages in strict accordance with the requirements of due diligence management, and conducts mechanized mining. Child labor is not allowed to enter the mining area. At the same time, the Company controls human rights violations,

1 Huatong
Quality
Control

risk

mined mine area, it can not only eliminate the risk of serious human rights violations such as child labor, but also gradually improve other ESG risks of manually mined mines.

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Company name: Zhejiang Huayou Cobalt Co.

1. Establish CDM grants, screen students from surrounding schools every year, subsidize their admission fees, help them alleviate their education difficulties and encourage them to continue to study hard;

2. 4 1 k ,

2. Regularly donate materials to the nunnery school at Kolwezi;

3. h LUALABA ^ , 4 'H T w ,

3. Provide fund for LUALABA Provincial Education Fund; donate a batch of living materials to the Lukuni orphanage center;

4. 4 ≠ T 1 L ^ G 6 M ~ a ~
w 3 L V ~ i | 3 w A

4. Provide suppx K® KÆ



2022 年年度报告

