



2024

# Zhejiang Huayou Cobalt Co., Ltd. Sustainability Report

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# About This Report

Zhejiang Huayou Cobalt Co., Ltd. released its first Corporate Social Responsibility Report in 2015 and has subsequently published annual Corporate Social Responsibility/Environmental, Social, and Governance (ESG) reports each year. This year's Sustainable Development Report (referred to as "this Report") will systematically elaborate on the Company's governance, strategies, initiatives, and achievements in environmental, social, and governance (ESG) aspects during the 2024 reporting period.

## Report Period

This Report covers the information and data in the period from January 1, 2024, to December 31, 2024 (hereinafter referred to as "the Reporting Period"). To enhance the comparative and forward-looking nature of this Report, some of the contents may contain retrospective information or forward-looking descriptions as appropriate.

The publication cycle of this Report aligns with the financial year, occurring annually.

## Boundary of the Report

This Report defines the organizational scope based on the principle of materiality. The material information disclosed in the Report covers Zhejiang Huayou Cobalt Co., Ltd., and its subsidiaries, with scope consistent with that disclosed in the Annual Report. In case of partial inconsistency between some indicators in the Reported and those disclosed in the Annual Report, it will be subject to remarks in the text.

## References

To facilitate presentation, unless the context requires otherwise, the following expressions shall have the meanings hereby assigned to them, except where the context otherwise requires:

Huayou Cobalt/Huayou/the Group/the Company/we	—	Zhejiang Huayou Cobalt Co., Ltd. and its subsidiaries
Huayou Quzhou	—	Quzhou Huayou Cobalt New Materials Co., Ltd.
Zhejiang New Energy Quzhou	—	Zhejiang Hauyou New Energy Technology Co., Ltd.
Huajin Company	—	Huajin New Energy Materials (Quzhou) Co., Ltd.
Resource Recycling	—	Quzhou Huayou Resource Recycling Technology Company Limited
Guangxi New Materials	—	Guangxi Huayou New Materials Co., Ltd.
Guangxi Huayou	—	Guangxi Huayou Lithium Co., Ltd.
Huayou New Energy Technology	—	Zhejiang Huayou New Energy Technology Co., Ltd.
Tianjin B&M	—	Tianjin B&M Science and Technology Co., Ltd.
Chengdu B&M	—	Chengdu B&M Science and Technology Co., Ltd.
Guangxi B&M	—	Guangxi B&M Technology Co., Ltd.
Zhejiang B&M	—	Zhejiang B&M Science and Technology Co., Ltd.
Bamo Hungary	—	Bamo Technology Hungary Kft
Huayou Energy	—	Jiangsu Huayou Energy Technology Co., Ltd.
Huayou Recycling	—	Zhejiang Huayou Recycling Technology Co., Ltd.
Huayue Company/Indonesia Huayue Company	—	PT. HUAYUE NICKEL COBALT
Huafei Company/Indonesia Huafei Company	—	PT. HUAFEI NICKEL COBALT
Huake/ Huake Indonesia	—	Huake Nickel Indonesia Co., Ltd.
KNI	—	PT KOLAKA NICKEL INDONESIA
CDM	—	CONGO DONGFANG INTERNATIONAL MINING SAS
MIKAS	—	LA MINIERE DE KASOMBO SAS
PLZ	—	PROSPECT LITHIUM ZIMBABWE (PVT) LTD

## Source of Information

The information and data disclosed in this Report are sourced from the Company, and have been reviewed by relevant departments. The monetary unit adopted in the Report is RMB (yuan) unless otherwise specified.

## Report Access

This Report is available for your reading in printed and electronic versions. It is written in both Chinese and English. In case of any discrepancies, the Chinese version shall prevail.

The electronic version may be downloaded and/or browsed on the official websites of <https://www.huayou.com>. Please feel free to contact us if you have any questions, suggestions, or comments via email at [csr@huayou.com](mailto:csr@huayou.com).

## Basis of the Report

The Report is prepared in accordance with the *SSE Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial)* issued by the Shanghai Stock Exchange, the *Global Reporting Initiative Sustainable Reporting Standards (GRI Standards, 2021)*, *2030 Sustainable Development Goals (SDGs)* of the United Nations, as well as the Chinese CSR Report Preparation Guide (CASS-ESG 5.0) issued by the Chinese Academy of Social Sciences.





# Message from the Chairman



“The year 2024 marked a pivotal year for the Company's transformation and development, a deepened commitment to strategic orientation, and accelerated progress toward completing our "Ten-Year Mission in Five Years". Through the collective efforts and relentless dedication of all Huayou employees, we achieved new breakthroughs, advancements, and results by "seeking progress in stability and victory in advancement".

”

陈雪峰

HUAYOU COBALT  
Chairman

**This year, we stabilized operations and achieved breakthroughs in production.** The monthly output of lithium concentrate at Prospect Lithium Zimbabwe significantly increased, while PT Huayue Nickel Cobalt and PT Huafei Nickel Cobalt in Indonesia surpassed their designed capacity targets. Domestically, cobalt and nickel products set new production and sales records, solidifying our leadership in the cobalt industry and positioning us as a key player in nickel. New breakthroughs were also realized in resource development and non-ferrous metallurgical processes.

**This year, we expanded overseas markets and advanced open development.** Bamo Technology Hungary Kft's cathode materials project broke ground, engineering design **accelerated for the Zimbabwe lithium sulfate project**, products from PT Huaneng Huayou New Energy Materials' ternary precursor project in Indonesia were launched, and the Huafei project was listed in the Practical Cooperation Project List of the 3rd Belt and Road Initiative (BRI) Summit. The construction of overseas projects and industrial parks marked major progress in building our global operational framework integrating overseas resources, international manufacturing, and worldwide markets.

**This year, we strengthened innovation capabilities and delivered new R&D achievements.** The Group surpassed 700 valid patents, with two receiving the China Outstanding Patent Award. Two collaborative research projects won the **Second Prize of the National Science and Technology Progress Award in 2023, while our leading project—"Integrated Key Technologies and Applications for Green Metallurgical Processes and High-Quality Nickel Product Preparation"—was awarded the First Prize of the China Nonferrous Metals Industry Science and Technology Award in 2024. Breakthroughs in R&D across cobalt products, precursors, cathode materials, and sodium-ion batteries provided** robust technological support for high-quality development.

In the past year of 2024, the Company was once again recognized in the lists of China's Top 500 Enterprises, Top 500 Private Enterprises, Top 500 Manufacturing Enterprises, and **Top 100 Global Companies**. This recognition reflects our hard work, making this year a time of new achievements and extraordinary significance.

Perseverance ensures a promising future. The year 2025 marks the conclusion of the 14th Five-Year Plan (2021-2025), the planning phase for the 15th Five-Year Plan (2026-2030), and a pivotal year to deliver greater outcomes in Huayou's "Ten-Year Mission in Five Years". With unwavering determination, exceptional performance, and transformative achievements, we will conclude the 14th Five-Year Plan and embrace the 15th Five-Year Plan.

**To ensure high-quality development, we must elevate safety**

**production standards.** "Safety and Environmental Protection Are Our Top Priorities"—failure to address critical issues could result in severe consequences. High-quality development cannot coexist without high-level safety. Safety production, environmental protection, and compliance management remain our foremost responsibilities across all operations and regions. In the Company's production operations and development, all levels of management and staff must diligently assume responsibility for safety production, improve safety production capabilities, and achieve a synergy between high-quality development and high-level safety. High-quality development should elevate safety production levels, while high-level safety production should safeguard high-quality development.

**To strengthen independent innovation and support high-quality development,** R&D investment is our most strategic priority. We will intensify investment in technology management, R&D, and engineering design, aligning with the principles of "Robust Organization, Specialized Competence, Agile Execution" to optimize our R&D system and elevate technological capabilities. We will accelerate technological progress, particularly in overcoming key core technologies related to new energy lithium battery materials. Furthermore, we will strengthen the development of a high-caliber scientific and technological talent pool to ensure comprehensive coverage of leading talents across all sectors of the industrial chain, thereby significantly enhancing the Company's independent innovation capability and supporting high-quality development through advanced technological innovation.

**We must enhance our strategic thinking capabilities and plan for the Company's high-quality development.** For a ship without direction, any wind is not a favorable wind. Strategy involves making choices and identifying the path forward. By 2025, building on the strategic implementation of the 14th Five-Year Plan, **we will strengthen research on the environmental context, phase characteristics, and structural features of the 15th Five-Year Plan, enhance our industrial insight, and deepen strategic understanding. Centered on Technology-Innovative Huayou, Green Huayou, Globally Integrated Huayou, and Socially Responsible Huayou, we will formulate the 15th Five-Year Development Strategy with industrial planning at its core,** ensuring steady and sustainable progress on the right path.

Though mountains tower high and roads stretch far, boundless vistas await; through rugged trails and rushing rivers, our advance remains resolute. Facing new realities, missions, and goals, we **must confront challenges with clarity while strengthening confidence,** overcoming obstacles through innovation, and advancing high-quality development to expand the achievements of the 14th Five-Year Plan, thereby laying a robust foundation for the even greater promise of the 15th Five-Year Plan.



# About Huayou Cobalt

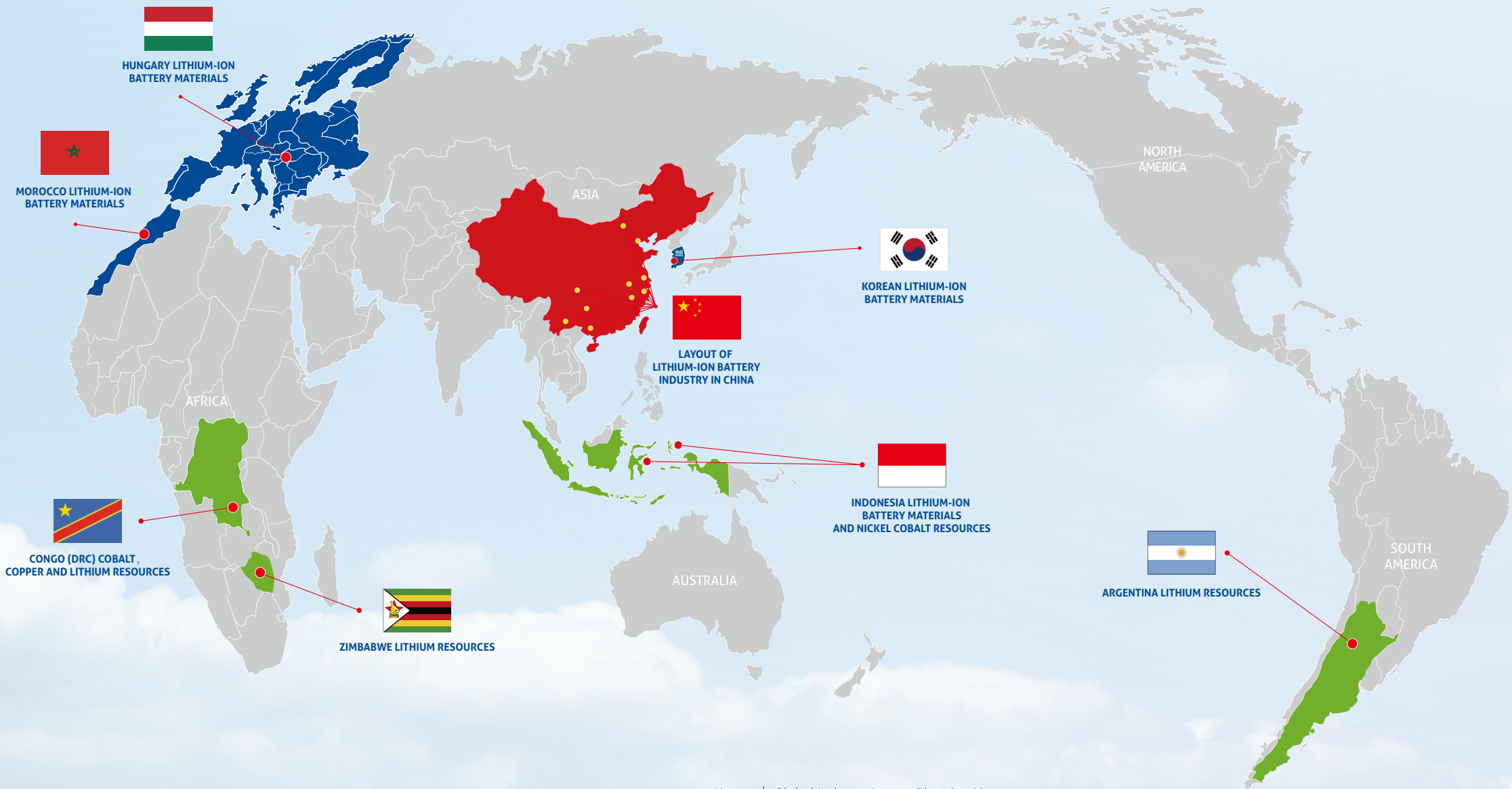
## Company Overview

Zhejiang Huayou Cobalt Co., Ltd.(SH603799) is founded in 2002 and headquartered in Tongxiang, Zhejiang, is ranked among the China's Top 500 Enterprises and the China's Top 500 Private Enterprises. As a high-tech enterprise specializing in the R&D and manufacturing of new energy lithium battery materials and advanced cobalt-based materials, the Company has, over two decades, established a global operational framework encompassing global resources, international manufacturing, and worldwide markets. It has built five core business sectors: New Energy Industry, New Materials Industry, Indonesia Nickel Industry, Africa Resource Industry, and Circular Economy Industry, covering the full industrial chain of new energy lithium battery materials—from the development of nickel, cobalt, lithium, and copper resources; green refining of non-ferrous metals; R&D and manufacturing of lithium battery materials; to resource recycling. Guided by its mission to "Create Customer Value and Lead Industrial Development", Huayou steadfastly pursues the transformation path of "Securing Upstream Resources, Expanding Downstream Markets, and Enhancing Midstream Capabilities", adhering to the "Two New and Three Modernizations" development strategy. As a global leader in green integrated manufacturing of new energy lithium battery materials and a benchmark for ESG practices among listed companies, the Company is committed to becoming the global leader in new energy Li-ion materials industry, promoting green and sustainable development, and creating a brighter future for humanity.

## Global Presence

With over twenty years of strategic planning, the Company has established a "Trinity Framework" comprising "Zhejiang Headquarters - Overseas Resource Security Base - Multinational Manufacturing Cluster - Global Market Network," thereby achieving a global strategic configuration for research and development, production, and sales across the entire industrial chain.

In its strategic transformation, Huayou has been guided by the "Trinity Strategy"—Securing Upstream Resources, Expanding Downstream Markets, and Enhancing Midstream Capabilities—to systematically build a vertical integration system for new energy lithium battery materials. Building upon the full industrial chain of new energy lithium battery materials—which includes the lithium-ion industrial ecology from nickel, cobalt, and lithium mineral resources, green low-carbon refining technology, high-end lithium battery material research and manufacturing, and the recycling of renewable resources—we have established five strategic business clusters: New Energy Industry, New Material Industry, Indonesian Nickel Industry, African Resource Industry and Recycling Industry.



Huayou's Global Industry Layout Planning Map

Huayou's Advantages

Leadership in the Industry

Huayou's new cobalt material market share and lithium ternary material total share in the industry both rank first in the world; our nickel, cobalt, and lithium supply chain are leading across the globe, and our leading products have been incorporated into the supply chains of many leading manufacturers for power battery.



Vertically Integrated Value Chain

Huayou has created a new energy lithium-ion battery industrial ecology from resources development, green refining, R&D, and manufacturing to resource recycling and reusing.



Cutting-Edge R&D Capabilities

Huayou regards technological innovation as the core engine for enterprise development. The Company boasts a strong R&D team, and has established a number of advanced scientific research institutions and open scientific research platforms such as the National Enterprise Technology Center, the Zhejiang Provincial Key Enterprise Research Institute, and the Postdoctoral Research Station. In terms of process technology, the Company boasts the world's leading hydrometallurgy process.



Secure Resource Access

Huayou's global resource layout covers cobalt, copper, and lithium resources in Congo (Kinshasa), nickel and cobalt resources in Indonesia, and lithium resources in Zimbabwe and Argentina.



HUAYOU COBALT



- MAIN PRODUCTS:
- Crude Cobalt Hydroxide
  - Eelectrodeposited Copper
  - Lithium Concentrate Lithium Salt

- MAIN PRODUCTS:
- Crude Nickel Cobalt Hydroxide
  - Nickel Matte
  - Nickel and Cobalt Refining and Metals



- MAIN PRODUCTS:
- Precursors (Ternary, Sodium)
  - Cobalt New Materials
  - Cobalt Cathodes
  - Nickel Cathodes
  - Lithium Carbonate

- MAIN PRODUCTS:
- Ternary Cathode
  - LCO



- MAIN BUSINESS:
- Recycling of Waste Batteries
  - Cascade Utilization of Retired Batteries



# 2024 Sustainable Development Events

## Industrial Development

January 8



On January 8, Huayou Cobalt successfully secured a cross-border, multi-currency sustainable syndicated loan valued at \$300 million

January 11



On January 11, Indonesia's first long-distance transportation pipeline for laterite nickel ore was successfully commissioned

March 6



On March 6, Huayou Cobalt successfully completed the formal delivery with WKM

March



In March, Huayou Cobalt's Huafei project in Indonesia successfully achieved production capacity

March 15



On March 15, Huayou Cobalt successfully completed the formal delivery with the AJB mine in Indonesia

April 12



On April 12, the "HUAYOUgx" brand of electrolytic nickel produced by Guangxi Huayou New Materials Co., Ltd. received brand registration from the LME. The "HUAYOU" brand of electrolytic nickel (Phase II) produced by Quzhou Huayou Cobalt New Materials also obtained brand registration from the Shanghai Futures Exchange

November 17



On November 17, the fifth anniversary of the construction of Huayou's integrated green manufacturing base for lithium battery materials in Indonesia was celebrated, along with the launch ceremony for ternary precursor products

October 26



On October 26, Huayou Nonferrous (Guangxi) Company completed its project for an annual production of 70,000 tons of nickel sulfate and 8,000 tons of cobalt products

May 18



On May 18, the groundbreaking ceremony for Huayou Energy's lithium battery cascaded utilization and energy storage system production project was held

December 28



On December 28, Huayou, Ford, and Vale's Indonesian KNI Company completed the National Development and Reform Commission's filing for the annual production of 120,000 tons (nickel metal content) of nickel hydroxide cobalt wet process project and received the filing notice



August 28



On August 28, Huayou successfully rolled off the production line and delivered the world's first sodium battery polycation NFS precursor mass product



Cooperation and Communication

February 1



On February 1, Tatsuya Watannuki, Chief Representative for East Asia Region of Toyota Tsusho Corporation, visited the Tongxiang Headquarters for discussions and exchanges

February 19



On February 19, President Yoon Chun-seong of LX International from South Korea visited the Group's headquarters for a tour and exchange

February 21



On February 21, Jeffrey, the President of Strategic Innovation at Ehman Group, visited the Group's headquarters for a tour and exchange

February 26



On February 26, Ge Honglin, the Secretary of the Party Committee and President of the China Nonferrous Metals Industry Association, visited the Group's headquarters for research

February 28



On February 28, Huayou signed a strategic partnership agreement with LG Energy Solution in Nanjing

April



In April, LG Energy Solution CEO Kim Dong-myung met with Chairman Chen Xuehua in Seoul for discussions

September 10



On September 10, LGC President Xin Xuezhe visited the Huayou Quzhou base for the first time in five years

August 1



On August 1, Huayou Recycling Technology Co., Ltd. officially signed a Memorandum of Understanding (MOU)<sup>1</sup> with Hyundai Glovis, a subsidiary of Hyundai Motor Group, at the Huayou Quzhou Industrial Park

July 30



On July 30, Kim Ik-hyun, Vice President of Samsung SDI, visited the Huayou Guangxi base for a tour and exchange

June 29



On June 29, Chen Yanbin, Secretary of the Party Committee, Chairman, and General Manager of Beijing Dangsheng, visited the Huayou Quzhou Industrial Park

April 3



On April 3, Huayou Recycling officially signed an agreement with South Korea's Sonid.inc to establish a joint venture for pre-treatment

November 6



On November 6, Chairman Chen Xuehua visited Shanghai Pudong Development Bank and met with President Xie Weixing

November 26



On November 26, Huayou engaged in discussions with EVE Energy Co., Ltd. and BMW Group

<sup>1</sup> MOU: Memorandum of Understanding.





Initiatives for sustainable development



On May 8, the children's playground donated by Huayou's European base was officially inaugurated in the City of Ács



On June 5, Huayou launched the "Huayou Smart Carbon" integrated digital management platform



In July, Huafei provided humanitarian assistance to communities affected by rare flooding disasters around K Island in Indonesia



On August 3, Huayou continued to sponsor local agricultural exhibitions in Africa, providing support for community farmers to participate



On November 29, Huayou Cobalt's product carbon footprint has decreased by 10% compared to 2022, offering customers low-carbon, green products



On September 27, Central South University hosted a technical cooperation signing ceremony under the theme "Unity of Knowledge and Action, Working Together to Create the Future"



On September 13, Huayou, Northeastern University, and the Indonesian Ministry of Marine Affairs held the opening ceremony for the second Master's program in Metallurgical Engineering in Indonesia



On September 5, Huayou was invited to participate in the Indonesia Sustainable Forum, where it delivered a keynote speech



As of the end of December, Huayou Africa implemented a road rehabilitation project for local communities



By the end of December, Huayou Africa constructed 4 solar-powered wells and completed the tap water supply project in the KAMATETE community, providing residents with access to clean water



By the end of December, Huayou Africa awarded scholarships to 100 students at CAREO School for the 2023-2024 academic year, completed the expansion of LEMERA Primary School, and constructed Mabondo Primary School



By the end of December, Huayou Indonesia officially launched the mangrove conservation initiative at the IPIP Industrial Park



2024 Sustainable Development Highlights and Performance

Sustainability Performance Rating

Huayou Cobalt is selected for the first time in the S&P Sustainability Yearbook (China Edition) 2025



Sustainable Development International Initiatives

UNGC

Member of the United Nations Global Compact (UNGC)

WEPS

Signatory to the United Nations "Women's Empowerment Principles" (WEPS)

Financial Performance

Operating Revenue

RMB 61.5 billion

Net Profit Attributable to Parent Company

RMB 4.15 billion



Building Foundations Together with Partners

Internal Risk Management Audit

42 instances

Integrity Promotion

725 events

Percentage of Management Completing Integrity and Anti-Corruption Training

100 %

Green Development, Co-creating a Sustainable Future

Environmental Investment

RMB Over 402 million

The Recycling Water Rate Reached

71.39 %



Investment in Energy-Saving Technology Upgrades

RMB 8.77 million

The Proportion of Clean Power Usage Reached

40 %

Clean Electricity Generation -Solar

11,006 MWh

Green Development, Co-creating a Sustainable Future

Comprehensive Utilization of Hazardous Waste

21,219.99 tons

Special Audit on Site Waste Management

6 Sites

CDP Rating

B, the global industry average is B-

The Carbon Footprint of Internally Supplied Raw Material Products has Decreased on Average Compared to the previous Year

10 %

Innovation Leads, Prosperity with Friends

R&D investment

RMB 1.3 billion

Involvement in the Formulation of National Standards

10

Contribution to the Development of Industry Standards

11

Total granted patents

562

Audit and Due Diligence Coverage rate at Key Nodes of the Mineral Supply Chain

100 %

Signed the "Collaborative Carbon Reduction Alliance Agreement" with Core Suppliers.

11 groups

Proportion of Supplier Integrity Agreement Signatures

100 %

Promoting Low-Carbon Practices Among Suppliers

More than 50

Huayou, Together, for the Future

Average Training Hours per Employee

18.32 hours

Total Duration of Training

More than 460 thousand

New Hires

5,152 people

Percentage of Women in STEM-related Positions <sup>2</sup>

33.18 %

Local Employment Rate

82.85 %

Investment in Safety Production

RMB 188 million

Union and Collective Agreement Coverage Rate

100 %

Friends all Over the World, Creating Common Prosperity

Total Investment in Public Welfare Donations

71,580,000

Welfare donations cover nearly

200,000 people worldwide

<sup>2</sup> STEM: Science, Technology, Engineering, and Mathematics positions. STEM talent at Huayou Cobalt includes employees in R&D, engineering, and finance positions.



2024 Sustainable Development Honors

Group Honors

Top 500

Enterprises in China

Top 100

Multinational Corporations in China

Top 500

Global New Energy Enterprises

Leading Enterprises

Private Economy Headquarters in Zhejiang Province

being the only one in Zhejiang Province

Huayou's Indonesia IPIP Industrial Park has been recognized as one of the "Newly Designated Provincial Overseas Economic and Trade Cooperation Zones"

Top 500

Private Enterprises in China

Top 100

Leading Enterprises in China's Strategic Emerging Industries

Top 500

Private Enterprises in China by R&D Investment

Index Sample

CSI A50

Zhejiang Huayou Cobalt Co., Ltd. was honored as the "2024 Philanthropic Enterprise of the Year"

by the Jiaxing Charity Federation

Top 500

Manufacturing Enterprises in China

500

Fortune China

Top 500

Zhejiang Merchants Nationwide

"Standard Pioneer Award"

BSI

Scientific Research Achievements

Second Prize for National Science and Technology Progress

Huayou was awarded the

laboratory accreditation certificate

The Testing Center of Huayue Nickel Cobalt (Indonesia) Co., Ltd. has passed the CNAS review and received the

National Catalog of Advanced Pollution Prevention Technologies

Huayou's "Short-Process Recycling and Pollution Control Technology for Waste Ternary Lithium Batteries" has been included in the

Champion Enterprise in the Manufacturing Sector

Huayou has been awarded the

Champion Product in the Manufacturing Sector

Huayou's Tetrahydrocobalt Oxide has been recognized as the

Innovation and Intellectual Property Management Capability Level 3 Evaluation Certificate

Huayou has received the ISO 56005

ESG Special Recognition

"Leader"

2024 China's Industrial Carbon Peak

China ESG Influence Ranking

2024 Fortune

Exemplary Cases of Green and Low-Carbon

Manufacturing in Zhejiang Province

2024 IPC China ESG Benchmark Enterprise Award

from the International Printed Circuit Association

"SMK3 Occupational Safety and Health" Gold Certificate by the Indonesian Ministry of Manpower

Huayue Nickel Cobalt (Indonesia) Co., Ltd. Awarded the

Top 100 List

2024 Global Zhejiang Business ESG Classic Case

Best Practice Cases Over the Past Decade

of Chinese Listed Companies in Building the "Belt and Road Initiative"

Outstanding Examples from the 2024 Corporate Social Responsibility Report

of Zhejiang Province

Domestic Certification for Cascaded Utilization of Power Battery Products for New Energy Vehicles

Jiangsu Huayou Energy Receives the First

ESG raw materials category at the Indonesia Stock Exchange in 2024

Huayou Indonesia received the major award in the

Exemplary Case

2024 Annual National Private Enterprises' Green and Low-Carbon Development

National Assembly of South Korea

Huayou has been honored by the

Top 100 Listed Companies

in Zhejiang for ESG Performance

Outstanding Circular Economy Case by the World Circular Economy Forum

Huayou Recycling Recognized as an





Special Topic

Seeking Progress While Maintaining Stability

Huayou Bamo Hungary's Sustainable Development in 2024

Amid the global energy transition and industrial chain restructuring, the Huayou Bamo Hungary cathode project represents not only a pivotal step in Huayou's global strategy but also a significant practice of Sino-European green cooperation. As a leading enterprise in China's new energy materials sector, Huayou leverages Hungary as a strategic hub to deeply integrate into the European power battery industrial chain, directly addressing market demands in light of the EU's carbon neutrality objectives. The project's realization signifies Huayou's shift from "Made in China" to "Intelligently Made Globally," providing Chinese solutions to the European green industry through technology export and localization integration, while concurrently advancing the Company's technological evolution and enhancing its international management capabilities.

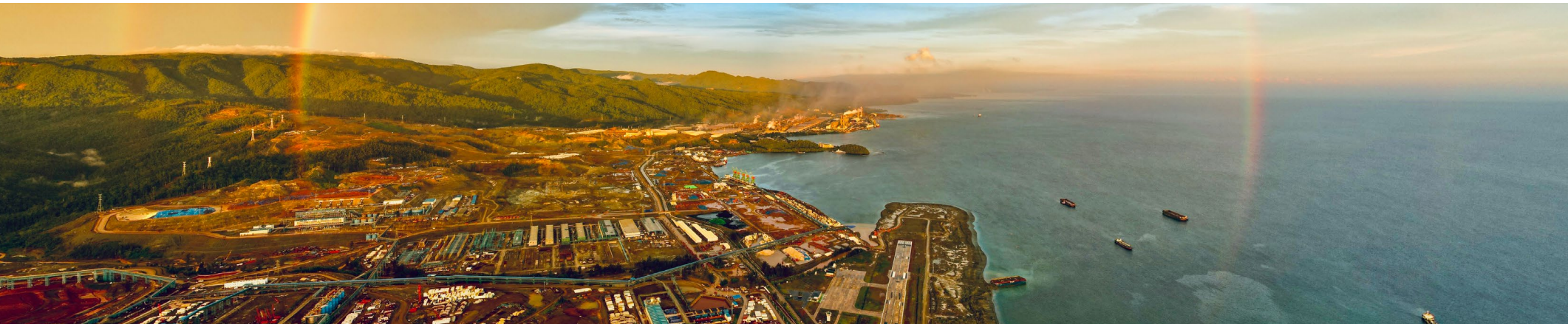
The Huayou Bamo Hungary cathode project is not only a milestone in Huayou's globalization strategy but also serves as a model for Chinese enterprises "going global." Anchored by technology and responsibility, it contributes Chinese wisdom to global sustainable development while achieving commercial value. Its innovative practices span the entire lifecycle, from the ecological closed-loop design of the rainwater recovery system during the construction phase to collaboration with local universities to develop a green engineer training program during the operational phase. This project consistently integrates environmental friendliness, social inclusiveness, and governance optimization throughout all stages of the value chain, embedding ESG principles into the corporate DNA.

Implementing green commitments and leading industry standards

In the context of global climate change and resource scarcity, a company's environmental responsibility has become a crucial indicator of its sustainable development capabilities. From the very beginning, the Huayou Bamo Hungary cathode project has prioritized environmental protection, aiming to establish a green factory that complies with international standards. During the site selection phase, environmental considerations were thoroughly evaluated, opting for a location distant from noise-sensitive areas to ensure that production operations do not disrupt nearby residents. This proactive decision not only demonstrates the Company's strong commitment to environmental issues but also establishes a robust foundation for future environmental management.

To ensure compliance with the project's environmental protection requirements, the project has engaged a reputable third-party environmental assessment agency from Hungary to collaborate with the design team in conducting a comprehensive environmental impact assessment. This assessment encompasses various aspects, including air quality, surface water, and solid waste, ensuring that the design of pollution prevention facilities adheres to the European Union's Best Available Techniques (BAT) requirements. In May 2024, the project successfully obtained the EU's Environmental Unified Use Permit (EIA-IPPC), signifying that the project has met international standards in environmental protection.

Furthermore, the project has innovatively implemented several environmental protection facilities, including rainwater collection and purification systems, as well as groundwater monitoring systems. These initiatives not only significantly reduce water resource waste and enhance resource utilization efficiency but also ensure that pollutants generated during the production process are discharged in compliance with standards, thereby effectively protecting groundwater resources.



Building harmonious communities and empowering local development

In the context of global economic integration, the concept of corporate social responsibility has evolved from simple economic contributions to a profound integration with local communities and empowerment for sustainable development. HuayouBamo Hungary's cathode project has consistently prioritized social responsibility as a strategic focus, systematically establishing a community-inclusive development framework aimed at fostering harmonious coexistence with local communities. In 2024, the project proactively conducted a social impact assessment, identifying ten potential community risks and developing several management plans to address these associated risks.

Develop a Labor Management Plan

Including the Code of Conduct and preventive measures,Aimed atAlleviating pressure on public infrastructure and services

Develop stakeholder engagement Approaches Participate in the program

Clearly communicate strategies and methods,Aimed atEffectively convey project progress and address key concerns

Measures for Addressing Social Risks

The Huayou Bamo Hungary cathode project has established deep connections with local residents through institutionalized and regular communication mechanisms. In 2023, the project organized community resident forums, transparently addressing residents' concerns regarding environmental protection, the harmful substances used in the production process, etc. Additionally, as the first company in Hungary's battery-related industry to publicly and transparently disclose production plans, we have gained the trust of the local community through our open approach.

To enhance the symbiotic relationship with the community, the Huayou Bamo Hungary cathode project has actively engaged in local public welfare activities, fostering positive interaction and value sharing between the enterprise and the community.



Children's Playground Donation Initiative

In May 2024, the project donated a modern children's playground to the City of Ács, featuring accessible facilities and a safety education area, benefiting over 2,000 local families. Moving forward, we will continue to implement additional community-benefiting initiatives in the areas of education, culture, and environmental protection, contributing to the development of a harmonious community.



Ács Days Donation Initiative

Guided by the strategy of deepening community relations and promoting cultural integration, in June 2024, the project donated 1.5 million Hungarian Forints (approximately 4,000 Euros) to the annual event "Ács Days," embodying the principle of "Cultural Empowerment for Community Development." This donation specifically supports the knowledge-sharing and artistic performance segments of the event. In the future, we will persist in our investment in community cultural development, aiming to establish Ács Days as a significant platform for showcasing local characteristics and fostering cultural integration, thereby contributing to the

creation of a diverse and inclusive community ecosystem.



Driven by technological innovation and safeguarded by compliance with safety standards

Amid the wave of intelligent transformation in global manufacturing, Huayou Bamo Hungary's cathode project stands at the forefront of the industry, thanks to its highly automated production technology and rigorous compliance management. The project is built on a foundation of highly automated production, securing a competitive advantage in the global market.

Production Line Automation Solution

In the Huayou Bamo Hungary cathode project, the implementation of the production line automation solution is particularly impressive. This solution focuses on AGV intelligent forklifts, facilitating the efficient feeding and transportation of raw materials. At the feeding station, the automated guided vehicle (AGV) intelligent forklift docks with precision, significantly improving both feeding efficiency and accuracy. Simultaneously, robotic arms within the automated warehouse system collaborate to ensure rapid retrieval and precise positioning of goods. By integrating 4G network technology, the entire system achieves remote monitoring and intelligent scheduling, further enhancing the production line's flexibility and responsiveness.

To ensure that the equipment complies with the legal and regulatory requirements of the European Union and Hungary, the project engaged a third-party certification body for Conformité Européenne (CE) certification and Hazard and Operability Study (HAZOP). Comprehensive guidance was provided throughout the procurement, installation, and acceptance processes. This not only ensured that the equipment's performance fully met the European Machinery Directive (Machinery Directive 2006/42/EC) and Hungarian national technical standards but also established a technical documentation database for the equipment, achieving traceability management and laying a solid foundation for the project's compliant operation.

In the field of safety production management, the project engaged an expert team to develop a comprehensive Health, Safety, and Environment (HSE) management system, and implemented innovative smart safety management measures. Through the deployment of the Dalux digital management platform, real-time monitoring and intelligent analysis of key HSE performance indicators were realized. The project established a first aid station compliant with EN ISO 7010 standards, staffed by professionals certified by the European First Aid Council (EFAC). Furthermore, the Dalux system facilitated the digital management of first aid supplies inventory, personnel qualifications, and emergency plans, elevating the safety protection level to an industry-leading position.



Dalux Digital Management Platform HSE Key Performance Indicators

Underpinned by the dual drivers of employee welfare and localization strategy, Huayou Bamo Hungary's cathode project has developed a distinctive talent value co-creation system. This system provides high-quality employment opportunities, enhances career development pathways, and supports educational initiatives, thereby ensuring a reserve of professional talent for the project and fostering the sustainable development of the local economy and society.

The project has established a clear roadmap for the development of localized talent, with the goal of achieving a 70% localization rate for employees by 2029, thus creating more job opportunities for local residents. The project primarily recruits talent from Komárom-Esztergom County and actively promotes university-industry collaborations with institutions such as Széchenyi István University and Edutus University. Plans include the establishment of dedicated scholarships and support for curriculum development to create a deeply integrated talent training system that merges industry, academia, and research. As of the end of the Reporting Period, the proportion of local employees in the project has risen to approximately 25%.



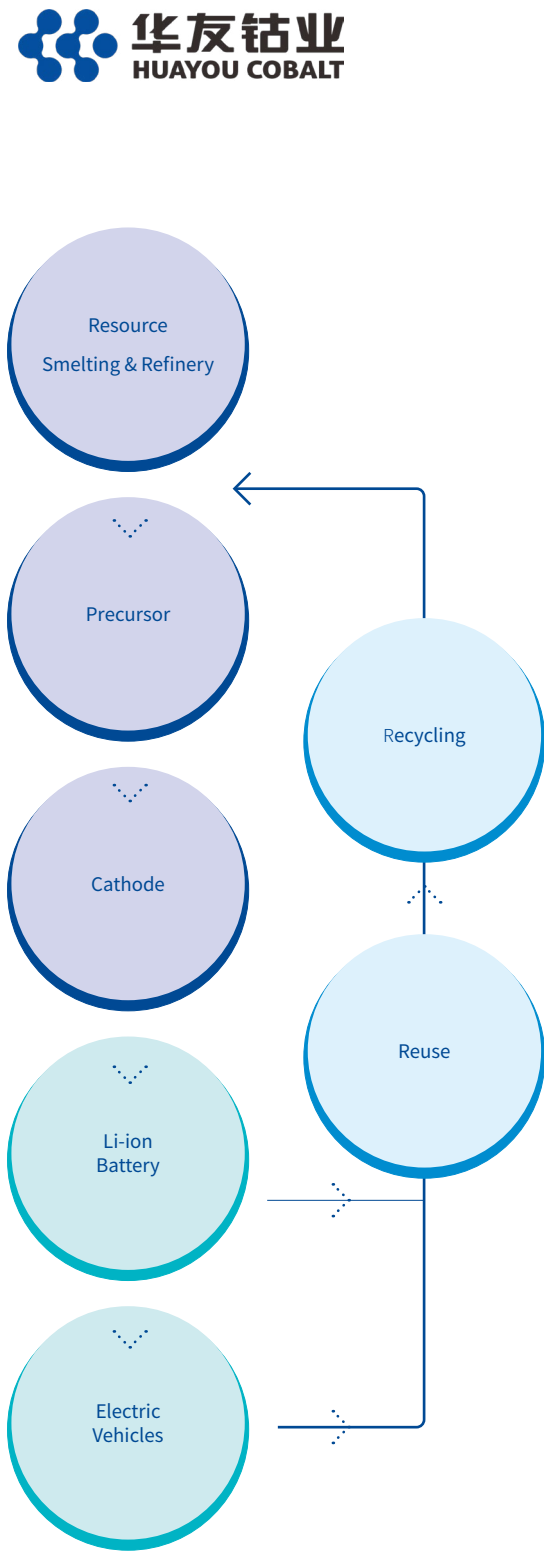
Special Topic

Breaking New Ground  
in Circular Economy

Huayou Leads  
the Industry  
in Sustainable  
Development

Huayou adheres to the 14th Five-Year Plan for Circular Economy Development and the European Union's Circular Economy Action Plan, along with other relevant domestic and international policies and initiatives. The Company actively develops its circular recycling business and has established Huayou Green Energy Technology Co., Ltd., which focuses on the research and implementation of new circular regeneration technologies. Huayou is committed to creating a new energy lithium battery industry ecosystem that encompasses the development of nickel, cobalt, and lithium resources, green smelting and processing, the manufacturing of ternary precursors and cathode materials, and resource recycling and utilization. As of the end of the Reporting Period, three subsidiaries of Huayou have been included in the Ministry of Industry and Information Technology's list of enterprises that meet the Comprehensive Utilization Industry Norms for Waste Power Batteries of New Energy Vehicles.

The Company has established a recycling network system, developed cascaded utilization, implemented resource utilization, exchanged waste materials for new materials, and innovated business models in battery repair and remanufacturing. It has engaged in extensive cooperation with mainstream automotive manufacturers and leading battery companies, both domestically and internationally, providing customers with global, non-hazardous, and sustainable solutions for used batteries.



Huayou achieves outstanding results in cascaded utilization technology

At the 2024 New Energy Battery Recycling and Utilization Conference organized by the China Industrial Energy Conservation and Clean Production Association, Huayou's Multi-Scenario Adaptive Cascaded Utilization Technology for Retired Power Batteries of New Energy Vehicles was successfully recognized as an outstanding achievement in cascaded utilization technology.



Collaboration between Schools and Enterprises to Jointly Establish New Standards for Recycled Batteries

In 2024, Huayou Cobalt will continue to strengthen its collaboration with universities, actively engage in the development of industry standards, jointly explore new technologies for recycled batteries, and promote the high-quality development of the industrial chain. During the Reporting Period, we contributed to the formulation of national standards such as the Guidelines for Assessing Greenhouse Gas Emission Reduction Benefits of Retired Power Battery Cascaded Utilization and Battery and Battery System Maintenance Technicians. Jiangsu Huayou was involved in the development of the standard for Technical Specifications for Fire Safety Systems in Electrochemical Energy Storage Power Stations.

Project on "Whole-Chain Optimized Safe Recycling Technology for Decommissioned Lithium-Ion Batteries and Integrated Demonstration"

Led by Huayou Recycling, a subsidiary of Huayou, the project titled "Whole-Chain Optimized Safe Recycling Technology for Decommissioned Lithium-Ion Batteries and Integrated Demonstration" has successfully been selected for the 2024 National Key Special Project on "Key Technologies and Equipment for Circular Economy", in collaboration with ten renowned universities and research institutes.

Research on "Core Technologies for Electric Motor and Battery Recycling in New Energy Vehicles: Development of Sustainable Short-Haul Recycling Systems and Equipment for End-of-Life NEV Batteries"

Huayou Recycling's subsidiary, Huayou Green Energy, has been shortlisted for the 2025 "Jianbing" and "Lingyan" Technology Program with the project titled "Core Technologies for Electric Motor and Battery Recycling in New Energy Vehicles: Development of Sustainable Short-Haul Recycling Systems and Equipment for End-of-Life NEV Batteries", submitted in collaboration with the Chinese Academy of Sciences and renowned universities.



Collaborating with Customers to Promote a Green and Low-carbon Industrial Chain

In 2024, Huayou Cobalt signed strategic cooperation agreements and initiated collaborative projects with multiple companies along the industrial chain, exploring circular low-carbon solutions.

Huayou power battery cascaded utilization pilot project

Huayou and Mercedes-Benz announced the launch of a pilot project for the cascaded utilization of power batteries at Fujian Benz Automotive Co., Ltd., transforming retired batteries into renewable energy storage systems to maximize their utilization value.

Huayou has achieved new progress with BMW in cascaded battery reuse, establishing a 185KWh outdoor cascaded energy storage system for commercial use at BMW dealerships, generating economic benefits by leveraging peak shaving and valley filling to profit from electricity price differentials.



Huayou's integrated business cooperation model for green transportation battery asset management

Huayou and Qiyuanxin Power have signed a strategic cooperation agreement, focusing on the fields of green transportation and green logistics, to collaboratively develop an integrated business model for new energy heavy trucks and electric vessels in the realm of green transportation battery asset management.



Overseas Cooperation to Establish a New Framework for Lithium Battery Recycling

In 2024, Huayou Cobalt entered into strategic cooperation agreements with partners in regions including Asia and Europe to jointly develop the battery resource recycling market and implement the principles of the circular economy.

Huayou and Sonid have jointly established an overseas pretreatment company

Huayou has officially signed an agreement with South Korea's Sonid to establish a joint venture for pre-treatment, marking the formal establishment of Huayou's first overseas pre-treatment facility, which will serve as a vital hub in Huayou Recycling's global battery network.



Huayou and Ono set up a joint venture

Huayou and Ono jointly set up a joint venture company. The two sides will jointly explore the Japanese market, build a full-life cycle industrial chain of the battery industry, carry out in-depth cooperation in the field of waste battery resource recycling, and make contributions to the creation of a recycling society and the realization of global sustainable development.



Huayou and TRICERA jointly develop cascade utilization solutions

Huayou and TRICERA, a German energy technology company, signed a memorandum of strategic cooperation on cascade utilization in January 2024. In June 2024, TRICERA Energy showed the cascade utilization solution jointly developed by the two sides for the first time at ESS Europe, a battery storage exhibition in Munich, Germany. The two sides give full play to their respective R&D and technological advantages to provide high-performance, highly reliable cascade and energy storage solutions for the European market, and help enterprises achieve green and efficient energy management.



During the Reporting Period, Huayou Recycling received multiple honors for its "Low-Carbon Circular Ecology Solution for the Full Lifecycle Management of Lithium Batteries".

- 1 Huayou Energy was awarded the "SET Energy Transition Startup Award".
- 2 Huayou Recycling received a nomination for the "Paulson Sustainable Award".
- 3 Huayou Recycling was awarded the "Fastmarkets Voltas Award".
- 4 Huayou Recycling received the "WCEF Outstanding Circular Economy Case Award".
- 5 Huayou Recycling was awarded the "First Financial Green Supply Chain Management Award".
- 6 Huayou Recycling received the Excellence Contribution Award at the 8th China Recycling Resources Industry Conference.
- 7 Huayou Recycling received the "Sedex Environmental Contribution Award".





# Sustainability Management

Huayou Cobalt firmly believes that sustainable development is not only the cornerstone for building long-term value and strengthening our industry leadership, but also the core driver propelling us forward. We remain unwavering in integrating sustainability principles into our corporate strategy and daily operations, while meticulously establishing and continuously improving a distinctive Huayou-style sustainable development management system. Through a comprehensive and efficient governance framework, we are committed to creating sustainable value for all employees, broader stakeholders, and the communities we operate in, contributing Huayou's wisdom and strength.

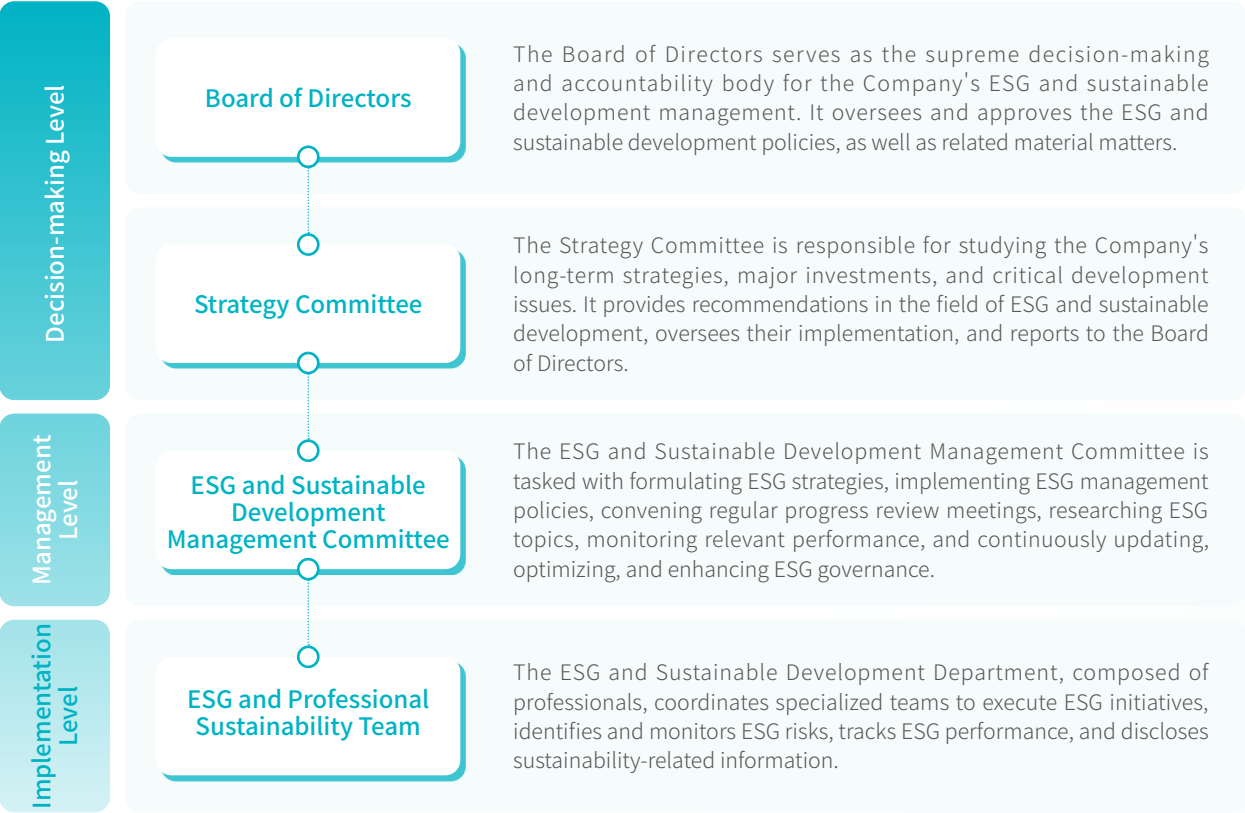
Supported UN Sustainable Development Goals (SDGs):





# ESG Governance

To achieve more effective sustainability governance, in 2024, we further strengthened the decision-making power and engagement of the Board of Directors and senior management in the Group's ESG efforts. We established a four-tier ESG governance structure with clearly defined responsibilities at each level, while implementing regular oversight and review of related initiatives.



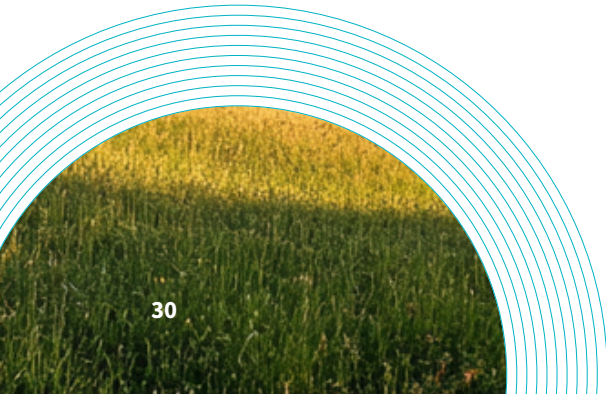
Huayou Cobalt ESG Governance Structure

# ESG Development Strategy

Huayou Cobalt recognizes that sustainable development is not only an essential pathway for the new energy sector, but also a critical strategy to address global energy transition and climate change challenges. Currently, the Company is further strengthening the development of its ESG planning and management system. We have meticulously formulated and rigorously implemented the Huayou Cobalt ESG Policy<sup>3</sup>, which covers climate action, pollution prevention, biodiversity conservation, responsible supply chain management, and other key areas, while ensuring the consistency, comprehensiveness, and robustness of sustainable development management. Looking ahead, Huayou Cobalt will continue to advance the in-depth implementation of its ESG planning and management system initiatives to achieve its short-term, medium-term, and long-term objectives, contributing to the global sustainable development agenda.







<sup>3</sup> For details, please refer to: <https://www.huayou.com/Public/Uploads/ueditor/upload/file/20240109/1704789121639211.pdf>.





# Stakeholder Communication

Huayou Cobalt attaches great importance to stakeholder communication, proactively soliciting and incorporating their feedback on our ESG planning and implementation. We maintain dedicated engagement channels to address specific concerns and foster long-term, trust-based collaboration. Committed to inclusive and balanced materiality assessment, we continuously refine our ESG management practices. Based on our industry characteristics and operational context, we have identified key stakeholder groups including government and regulatory agencies, shareholders/Investors, supplier, customer, management staff, non-management employees, partner, public and community. For each stakeholder category, we have established appropriate communication mechanisms to effectively capture and respond to their concerns.

Stakeholders	Stakeholder representatives	Issues of concern	Communication approaches and channels
<div>Government and regulatory agencies</div> <div></div>	National/local governments, stock exchanges where operations are located	<ul style="list-style-type: none"><li>• Environmental management</li><li>• Pollutant discharge management</li><li>• Tailing Management</li><li>• Labor and human rights</li><li>• Promoting community relations and development</li></ul>	<ul style="list-style-type: none"><li>• On-site survey</li><li>• Correspondence</li><li>• Meetings</li><li>• Policy implementation</li><li>• Information disclosure</li></ul>
<div>Shareholders/ Investors</div> <div></div>	Shareholders of the Company and potential investors	<ul style="list-style-type: none"><li>• Circular economy</li><li>• Corporate governance</li><li>• Sustainability governance</li><li>• Business ethics</li></ul>	<ul style="list-style-type: none"><li>• General meeting of shareholders</li><li>• Information disclosure</li><li>• SSE E-interactive</li><li>• Brokerage strategy meetings, roadshows and reverse roadshows</li><li>• Results presentation and other communication activities</li></ul>
<div>Supplier</div> <div></div>	Important domestic and foreign suppliers	<ul style="list-style-type: none"><li>• Product quality and safety</li><li>• Sustainable supply chain</li></ul>	<ul style="list-style-type: none"><li>• Supply chain quality/safety/responsible management and audit</li><li>• Supplier training and enhancement</li><li>• Supplier exchange conference</li></ul>
<div>Customer</div> <div></div>	Important domestic and foreign customers	<ul style="list-style-type: none"><li>• Environmental management</li><li>• Pollutant discharge management</li><li>• Greenhouse gas emissions and management</li><li>• Product quality and safety</li><li>• R&amp;D innovation</li></ul>	<ul style="list-style-type: none"><li>• Customer satisfaction survey</li><li>• Customer hotline</li><li>• Official media platform</li><li>• Customer conference</li></ul>

Stakeholders	Stakeholder representatives	Issues of concern	Communication approaches and channels
<div>Management Staff</div> <div></div>	General manager, Deputy general manager, Department heads	<ul style="list-style-type: none"><li>• Environmental management</li><li>• Labor and human rights</li><li>• Corporate governance</li><li>• Sustainability governance</li><li>• Business ethics</li></ul>	<ul style="list-style-type: none"><li>• Internal management meetings and reports</li><li>• Corporate governance-related training</li><li>• Internal communication platforms</li><li>• Internal mail exchanges</li></ul>
<div>Non-management employees</div> <div></div>	Employee representatives of workers serving the Company	<ul style="list-style-type: none"><li>• Occupational health and safety</li><li>• Employee rights and benefits</li><li>• Employee training and development</li></ul>	<ul style="list-style-type: none"><li>• Employee activities</li><li>• Employee training</li><li>• Employee appraisal</li><li>• Labor union and staff council</li><li>• Internal information communication platform</li><li>• Internal publications</li><li>• Employee satisfaction survey</li></ul>
<div>Partner</div> <div></div>	National/local industry associations and chambers of commerce, standards working groups, partner universities in the country where operations are located	<ul style="list-style-type: none"><li>• Circular economy</li><li>• Product quality and safety</li><li>• Sustainable supply chain</li><li>• R&amp;D innovation</li><li>• Labor and human rights</li></ul>	<ul style="list-style-type: none"><li>• Exchanges and visits</li><li>• Industry-related associations and working groups</li><li>• Strategic cooperation programs</li><li>• Information disclosure</li></ul>
<div>Public and community</div> <div></div>	NGOs, charities, social organizations, mainstream media	<ul style="list-style-type: none"><li>• Labor and human rights</li><li>• Philanthropy</li><li>• Promoting community relations and development</li></ul>	<ul style="list-style-type: none"><li>• Exchanges and visits</li><li>• Media interviews</li><li>• Official media platform</li><li>• Information disclosure</li><li>• Social welfare programs</li><li>• Community volunteer programs</li></ul>



# Dual Materiality Assessment

Huayou Cobalt fully recognizes the critical significance of ESG and sustainable development for both the Company and its stakeholders. Material topics form the core focus of our sustainable development management. We proactively and comprehensively identify topics materially relevant to the Company, strictly adhering to stakeholder engagement principles to deeply understand their concerns. This enables us to effectively integrate stakeholder feedback into our ESG and sustainable development management practices. Based on materiality levels, we conduct scientific prioritization and incorporate associated ESG risks into our enterprise risk management system.

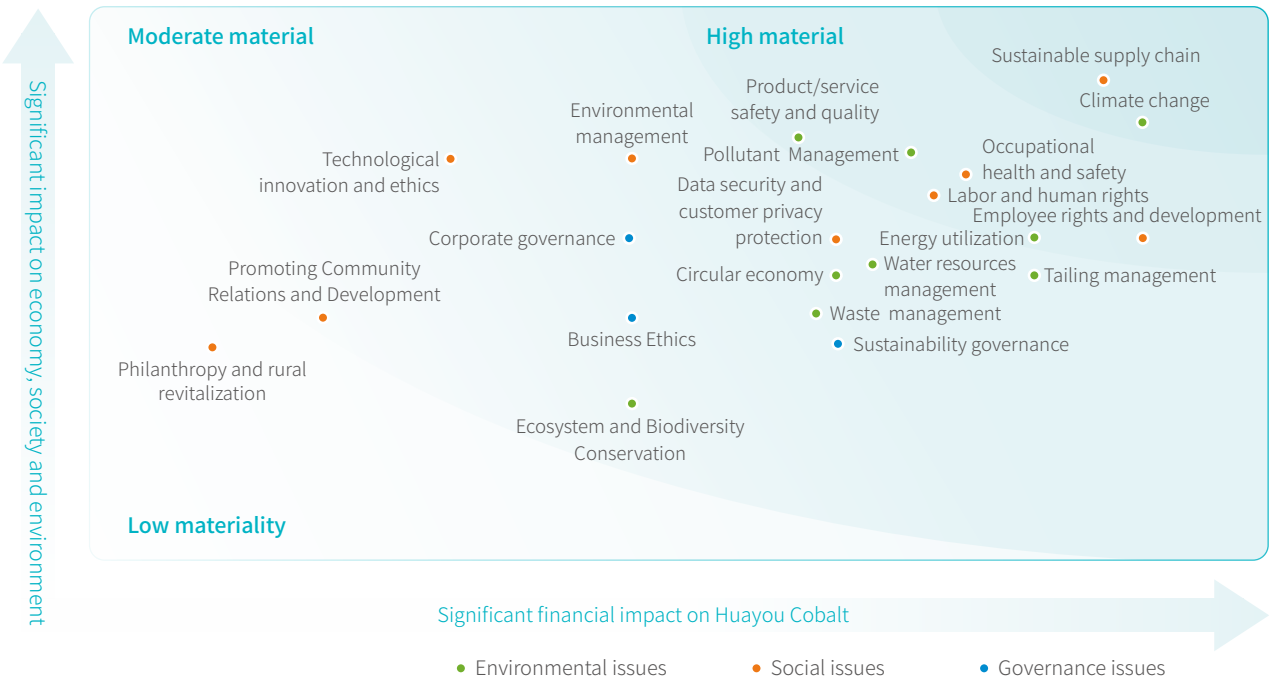
## Dual Materiality Topic Evaluation

In 2024, to precisely identify and dynamically adjust the focus of our ESG management, Huayou further implemented a dual materiality assessment strategy. This systematic analysis evaluates topics through two dimensions: financial materiality and impact materiality, identifying key ESG issues most relevant to our sustainable development.

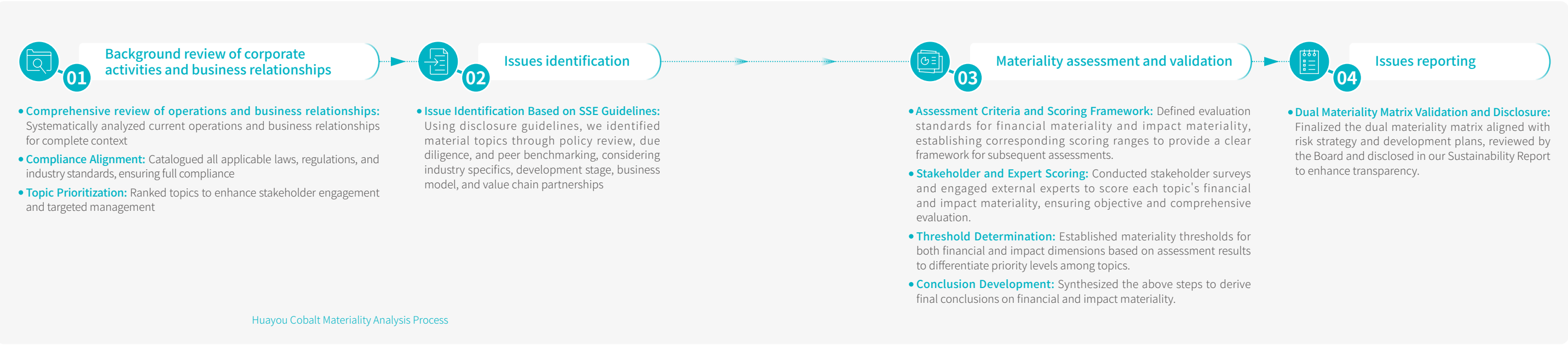
Leveraging our business characteristics and industry trends, we conducted questionnaire surveys and stakeholder interviews. Aligned with Shanghai Stock Exchange requirements and Global Reporting Initiative (GRI) Standards, while benchmarking industry best practices, we developed Huayou Cobalt's 2024 ESG topic library for dual materiality assessment.

The assessment combines quantitative and qualitative analysis with internal/external stakeholder input. For impact materiality, we evaluated four dimensions: severity, scope, likelihood, and difficulty of remediation. For financial materiality, we assessed risk/opportunity potential, resource sustainability, and operational continuity impacts. This comprehensive approach yielded our final materiality assessment conclusions.

In 2024, Huayou identified 21 material topics, comprising 9 environmental, 9 social, and 3 governance-related topics. Climate change and sustainable supply chains emerged as areas of significant financial materiality.



Huayou Cobalt Dual Materiality Matrix





# Building Foundations Together with Partners

Governance

Huayou Cobalt consistently upholds a strong sense of responsibility and mission, committed to continuously enhancing corporate governance and improving operational risk management efficiency. Meanwhile, we further refine and implement a business ethics management system to deliver long-term, stable value returns for stakeholders.

Supported UN Sustainable Development Goals (SDGs):



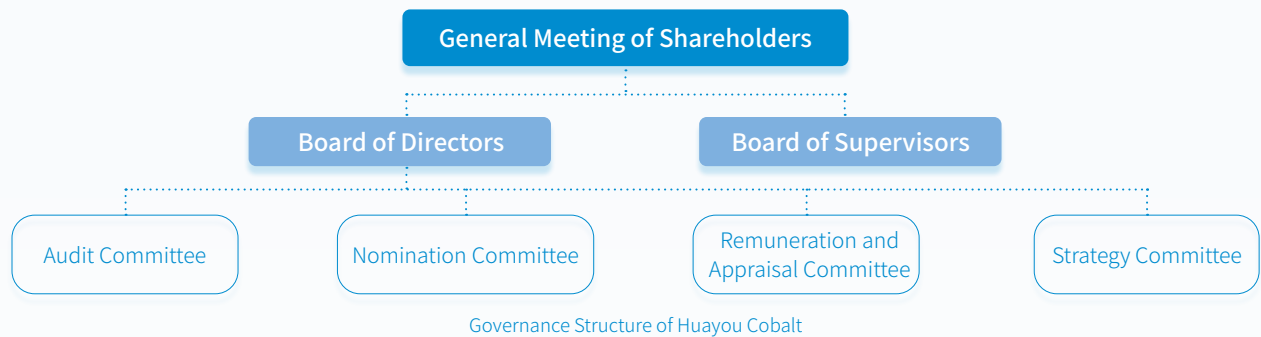
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# Corporate Governance

Effective governance mechanisms play a pivotal role in ensuring the Company's compliant and sustainable development. Huayou Cobalt has established a standardized governance framework, formulated and publicly disclosed the *Board Diversity Policy*<sup>4</sup>, strengthened investor relations management, and consistently adhered to compliance principles in daily operations. We strictly follow domestic and international regulatory requirements as well as listed company governance standards, continuously enhancing our capabilities in modernized and internationalized governance.

The Company rigorously complies with the *Company Law of the PRC*, *Securities Law of the PRC*, *Code of Corporate Governance for Listed Companies*, and other applicable regulations. We have established a comprehensive governance structure comprising the Shareholders' General Meeting, the Board of Directors and its specialized committees, the Supervisory Committee, and the executive management team. Through continuous improvement of governance policies and management practices, we have developed a well-defined governance system with clear delineation of responsibilities.



**General Meeting of Shareholders**

- The Company's operations, financial status, and the legality and compliance of directors and other senior management in performing their duties are subject to supervision, effectively safeguarding the interests of the Company and its shareholders.

**Board of Supervisors**

- The Supervisory Committee supervises the Company's operations, financial status, and the legality and compliance of directors and other senior management in performing their duties, effectively safeguarding the interests of the Company and its shareholders.
- The Supervisory Committee currently consists of 3 members, including 2 employee representative supervisors. The number and composition of the Company's Supervisory Committee comply with the requirements of relevant laws and regulations.

**Board of Directors**

- The Board of Directors has established the Nomination Committee, Audit Committee, Remuneration and Appraisal Committee, and Strategy Committee. When the Board reviews major matters, the relevant special committees provide professional opinions and suggestions to ensure the scientific and reasonable nature of the Board's decisions.
- When determining the composition of Board members, the Company considers diversity in multiple aspects including but not limited to: directors' age, culture, gender, educational background, region, professional experience, skills, knowledge, tenure, and other regulatory requirements.
- The Board of Directors currently consists of 7 members, including 3 independent directors. The number and composition of the Board comply with the requirements of laws, regulations and the *Articles of Association*.

Huayou Cobalt's Rules of Procedure for Three Governance Bodies

<sup>4</sup> For details, please refer to: <https://www.huayou.com/Public/Uploads/ueditor/upload/file/20240822/1724314469709006.pdf>.

Indicator	Unit	2024
Number of regular reports disclosed	Report(s)	4
Number of temporary announcements	Report(s)	129
Number of General Meetings of Shareholders	Time(s)	5
Number of Board of Directors Meetings	Time(s)	12
Number of Board of Supervisors Meetings	Time(s)	8
Board of Directors Meeting Attendance Rate	%	100
Number of Board of Directors Members	Person(s)	7
Number of Independent Directors	Person(s)	3
Number of Executive Directors	Person(s)	4
Number of Non-Executive Directors	Person(s)	3
Non-Executive Directors with Industry Experience	Person(s)	1
Average Tenure of Board Members	Year(s)	5.6

Huayou Cobalt Corporate Governance Performance Table 2024

## Safeguard Rights and Interests of Investors

The Company strictly complies with the *Company Law of the People's Republic of China*, the *Articles of Association*, and the *Rules of Procedure for General Meetings of Shareholders*, among other regulatory documents. We convene General Meetings of Shareholders in accordance with laws and regulations to ensure all shareholders can properly exercise their statutory rights, including voting rights and participation in major decision-making processes.

The Company is committed to enhancing investors' comprehensive understanding of our business strategies, operational developments, and financial performance. We actively maintain communication with stakeholders to effectively convey the Company's investment value, continuously improve market recognition, and promote the mutual enhancement of corporate value and shareholder interests.

During the Reporting Period, Huayou Cobalt disclosed 4 regular reports and 129 temporary announcements.

**Information Disclosure**

- The Company strictly complies with regulatory requirements including the *Administrative Measures for Information Disclosure of Listed Companies*, and has established a comprehensive information disclosure management system.
- We consistently adhere to investor needs as our guidance, ensuring the truthfulness, accuracy, completeness, timeliness and fairness of information disclosure. This continuous improvement in disclosure quality enhances corporate transparency and effectively safeguards the legitimate rights and interests of investors, particularly minority shareholders.

**Investor Communication**

- The Company places high importance on investor relations management and has established diversified investor communication channels.
- Through various initiatives including regular earnings briefings, timely responses to SSE E-Interaction platform and investor email inquiries, dedicated investor hotline, On-site research visits and institutional reverse roadshows, and we maintain effective communication with the capital markets.

**Shareholder Value Maximization**

- The Company upholds the principle of maximizing shareholder value. While ensuring sustainable business development, we continuously optimize profit distribution mechanisms and implement active cash dividend policies to ensure investors share in the Company's operational achievements.
- Additionally, the Company implements share repurchase programs when appropriate to effectively preserve corporate value and protect all shareholders' interests.

Huayou Cobalt's Measures for Protecting Shareholders' Rights and Interests

During the Reporting Period, Huayou Cobalt was awarded the "2024 Best Practice Case for Listed Companies' Board Offices" and "2024 Outstanding Practice Case for Listed Companies' Boards of Directors" by the China Association of Public Companies.

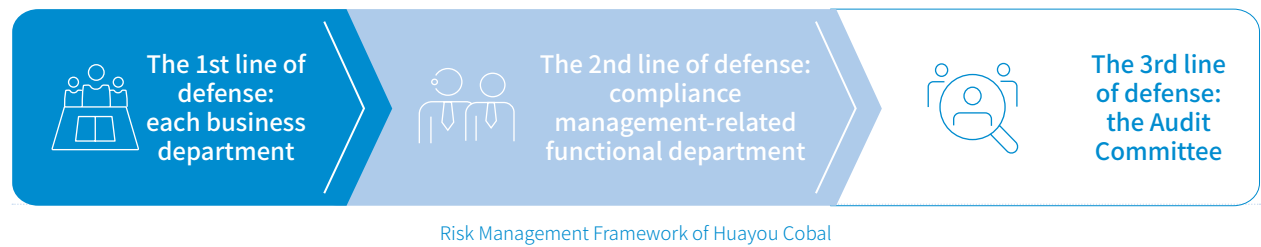


# Compliance and Risk Management

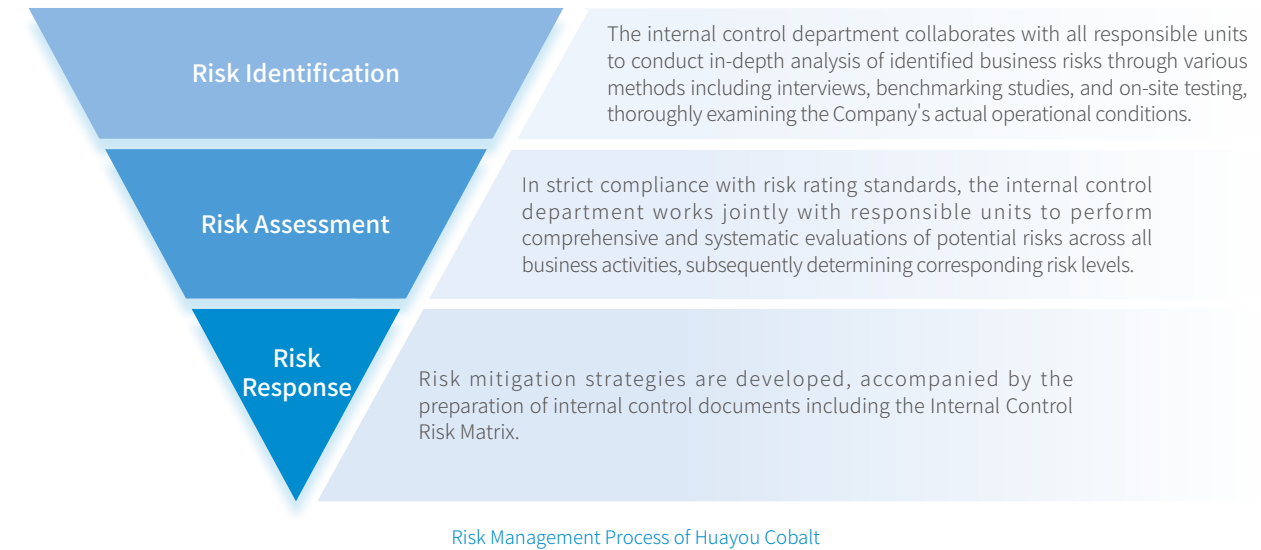
Huayou recognizes the critical importance of compliance and risk management for the Company's stable operations and sustainable development. We have established six internal manuals, including the Compliance Management Manual, and three management systems, such as the Compliance Risk Management Measures, to standardize our compliance and risk management practices. In 2023, Huayou Cobalt became the world's first new energy lithium battery materials company to obtain ISO 37301 compliance management system certification. In 2024, we continue to advance the integration of internal control, compliance, and ESG management systems, driving high-quality development through robust compliance practices.

## Risk Management

We have implemented a comprehensive risk management framework, establishing three lines of defense comprising each business department, compliance management-related functional department and the Audit Committee. The Audit Committee, as the highest authority for risk management, oversees the effectiveness of the Group's risk management, the compliance management-related functional department are responsible for developing risk control standards, executing compliance management activities, and reporting to the Audit Committee. Business department support daily risk control efforts in coordination with compliance functions, ensuring Group-wide risk management implementation.



We conduct annual audits of existing risks to ensure their timely mitigation and effective management, thereby safeguarding the Company's stable operations and sustainable development. During the Reporting Period, we performed **42** internal risk management audits.



Furthermore, the Company has incorporated ESG-related risks—including climate change, environmental compliance, and labor management—into its existing risk management framework. During the Reporting Period, we identified two emerging risks, with their impacts and mitigation measures outlined below:

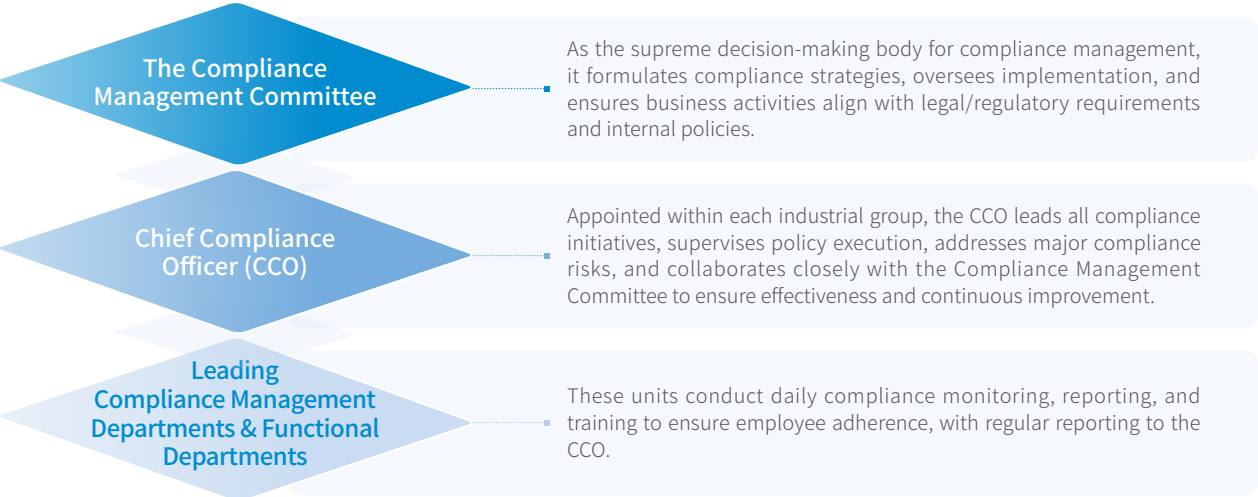
New energy battery technology substitution risk	Geopolitical risk
<div><div>Risk description:</div><p>Continuous advancements in battery technologies, such as sodium-ion and cobalt-free batteries, may pose substitution threats to traditional cobalt-based battery materials.</p></div> <div><div>Potential impact:</div><p>Widespread adoption of these technologies could reduce demand for the Company's core products, adversely affecting profitability and market share.</p></div> <div><div>Mitigation measures:</div><ol style="list-style-type: none"><li>Increase R&amp;D investment to maintain technological leadership in battery materials.</li><li>Diversify product lines to accommodate multiple battery technology pathways.</li><li>Strengthen collaborations with research institutions to enhance innovation capacity.</li></ol></div>	<div><div>Risk description:</div><p>Huayou Cobalt's global operations (e.g., Indonesia, DRC, Zimbabwe, Hungary) face exposure to geopolitical instability.</p></div> <div><div>Potential impact:</div><p>Policy shifts or trade barriers may disrupt projects, increase costs, or reduce returns, negatively impacting profitability.</p></div> <div><div>Mitigation measures:</div><ol style="list-style-type: none"><li>Monitor geopolitical developments and adjust operational strategies proactively.</li><li>Enhance partnerships with local governments to mitigate policy risks.</li><li>Diversify supply chains to reduce regional dependency.</li><li>Implement robust risk assessment and monitoring mechanisms for overseas projects.</li></ol></div>

## Compliance Management

Huayou Cobalt, aligned with its operational framework of "global resources, international manufacturing, and worldwide operations," is committed to high-standard compliance practices. We have established an integrated compliance management system spanning the entire industrial chain—from mining resource development to non-ferrous metal smelting, new energy lithium battery materials, and spent battery recycling. This achievement makes Huayou the world's first company to obtain integrated compliance management system certification for the new energy lithium battery materials industry.

We continuously enhance our Chief Compliance Officer (CCO)-centric compliance organizational structure by appointing CCOs across all industrial groups to strengthen exemplary practices. By incorporating compliance requirements into the *Huayou Organizational Performance Management Measures* and integrating compliance metrics into performance evaluations, we effectively elevate employees' compliance awareness while optimizing compliance management efficiency.





Huayou Cobalt Compliance Management Framework

Vertical Expansion: Compliance Certification Scope

Seven subsidiaries have obtained compliance certifications:Huayue Cobalt Nickel (Indonesia) Co., Ltd., Prospect Lithium Zimbabwe (PLZ), Quzhou Huayou Cobalt New Materials Co., Ltd., Huayou New Energy Technology (Quzhou) Co., Ltd., Quzhou Huayou Resource Recycling Technology Co., Ltd., Guangxi Huayou Lithium Co., Ltd., Jiangsu Huayou Energy Technology Co., Ltd.

Huayue Indonesia became the first nickel industry player in Indonesia to achieve ISO 37301 certification. PLZ is Zimbabwe's first ISO 37301-certified company.

Horizontal Expansion: Compliance Domains

Coverage expanded from three original areas to ten: Corporate Governance, Anti-Bribery, Anti-Monopoly, Export Controls & Economic Sanctions, Intellectual Property, Information & Cybersecurity, Product Responsibility, Environmental Protection, Occupational Health & Safety, Labor Practices.

Huayou Cobalt's 2024 Compliance Management Achievements



New Energy Lithium Battery Integrated Industry Chain Compliance Management System Award Certification Ceremony

To ensure the effectiveness and integrity of the compliance management system, Huayou Cobalt conducts at least one comprehensive internal compliance audit and one external compliance audit annually. The internal audit scope covers all elements of the *Compliance Management System Requirements and Usage Guidelines*, including audits of the Compliance Management Committee, Chief Compliance Officers (CCOs), leading compliance departments, and 24 headquarters departments. During the Reporting Period, internal compliance audits confirmed that the Company's compliance management system fully meets the requirements of the *Compliance Management System Requirements and Usage Guidelines*.

Huayou Cobalt has established a comprehensive, multi-tiered compliance training system with distinctive Huayou characteristics, encompassing compliance awareness training for management, compliance education for new employees and specialized compliance training for specific risk areas.

Enhancing Management Training

Leveraging leadership conferences, nearly 400 executives—including department-level and above managers, as well as section-level supervisors with managerial responsibilities—participated in compliance training, significantly elevating senior management's compliance awareness.

Prioritizing New Employee Training

Three compliance courses, including "Huayou's Comprehensive Compliance Management System: Construction and Practice", were integrated into the "You Strive" onboarding program. In 2024, nine onboarding sessions trained over 400 new hires, laying a solid foundation for their assimilation into the Company's compliance culture.

Diversifying Specialized Training

The 2024 Compliance Liaison Officer Empowerment Program conducted six online/offline training sessions on themes such as "2024 Anti-Bribery Compliance" and "Internal Controls & Risk Management", equipping 175 compliance liaisons across the integrated new energy lithium battery materials value chain.

During the Reporting Period, Huayou Cobalt was honored as "Zhejiang Province Compliance Management Advanced Unit".



Indicator	Unit	2024
Conflicts of Interest Violations	Case(s)	0
Money Laundering or Insider Trading	Case(s)	0
Anti-Unfair Competition Litigation	Case(s)	0
Major Violations of Company Code of Conduct	Case(s)	1

Huayou Cobalt Business Ethics Performance Metrics 2024



Business Ethics

Huayou continuously strengthens compliance management in business ethics through systematic frameworks, case investigations, and cultural advocacy, implementing comprehensive integrity initiatives with full employee participation. We have established and adhere to the *Code of Business Ethics*<sup>5</sup>, the *Anti-Bribery Compliance Manual* and the *Business Partner Management Manual*. These documents affirm our "zero-tolerance" stance toward unethical conduct, including corruption, fraud, bribery, money laundering, kickbacks, improper benefits, monopolistic practices, and unfair competition.

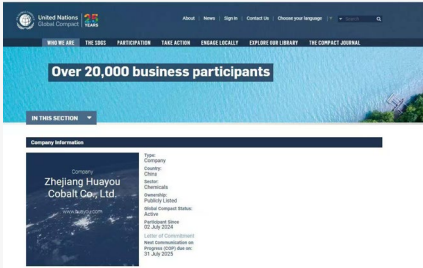
In compliance with the *Anti-Bribery Risk Management Rules*, the Company has conducts annual anti-bribery risk assessments, organizes cross-functional risk identification and evaluation, and updates the *Bribery Risk Overview Table* to reinforce integrity safeguards. In March 2024, Huayou obtained ISO 37001 Anti-Bribery Management System certification, becoming one of the industry's first recipients, and was awarded BSI's "Standards Pioneer Award".



Huayou Cobalt's ISO 37001 Anti-Bribery Management System Certification

Joining the United Nations Global Compact (UNGC)

Huayou Cobalt has officially signed and submitted its commitment letter to join the United Nations Global Compact (UNGC). Moving forward, Huayou will adhere to the UNGC's principles on human rights, labor, environment, and anti-corruption in its daily operations.



<sup>5</sup> Please refer to the link for details:<https://www.huayou.com/Public/Uploads/ueditor/upload/file/20240829/1724915311166137.pdf>.

Global Supervision Grid Project: Strengthening Business Ethics Controls

To enhance anti-bribery management across subsidiaries, Huayou has implemented the Supervision Grid Project. In 2024, the Company conducted comprehensive activities in Guangxi and Africa, including awareness campaigns, targeted training sessions, joint business-audit seminars and thematic events. These initiatives integrate training, communication, and supervision to strengthen risk prevention and promote a culture of integrity.

In June 2024, the Supervision Grid Project was implemented at subsidiaries in the Democratic Republic of Congo (DRC) and Zimbabwe in Africa, where seminars were held with local departments and exchange activities were conducted with local suppliers in Zimbabwe to jointly address challenges and difficulties in supervision.

In November 2024, the Supervision Grid Project team conducted research in Indonesia to explore potential solutions for localizing Indonesia's integrity education system and supervision framework.

In 2025, Huayou will continue to advance the Supervision Grid Project in Indonesia and Europe, gaining in-depth understanding of international business operations, assessing risk points across processes, strengthening employees' integrity awareness in these regions, further supporting the compliance development of overseas subsidiaries, and enhancing corporate management standards.



Integrity Education

Huayou continuously advances and improves the integrity education system, actively promoting the cross-border dissemination of integrity principles. Through pre-holiday integrity campaigns, thematic training, self-directed learning, and integrity brochures, we conduct comprehensive integrity promotion initiatives. In 2024, we organized 725 pre-holiday integrity campaigns for the Dragon Boat Festival, Mid-Autumn Festival, and International Anti-Corruption Day, reaching 19,776 participants.

Online and offline courses covering integrity sharing, case studies, and anti-bribery compliance training

Targeted programs including new employee orientation, leadership warning education, high-risk position seminars, and supplier conference integrity promotion, with a total of 50 training sessions conducted, reaching 6,543 participants

Collaboration with local police stations to organize economic crime prevention forums, enhancing police-enterprise interaction

Regular integrity publicity through WeChat Official Account, Huayou Community, and corporate website, combining online and offline channels to amplify outreach effectiveness

Forms of Integrity Education at Huayou Cobalt





Integrity Promotion at Leadership Conferences   Integrity Promotion at Supplier Conferences   Economic Crime Prevention Forum

International integrity promotion column

Huayou actively explores international approaches for integrity promotion by distributing bilingual (Chinese-English/Chinese-Indonesian) integrity posters, adding English-language integrity columns on official websites, and advancing localized integrity training programs, thereby strengthening overseas recognition and cohesion of integrity culture and promoting cross-border dissemination of ethical principles.



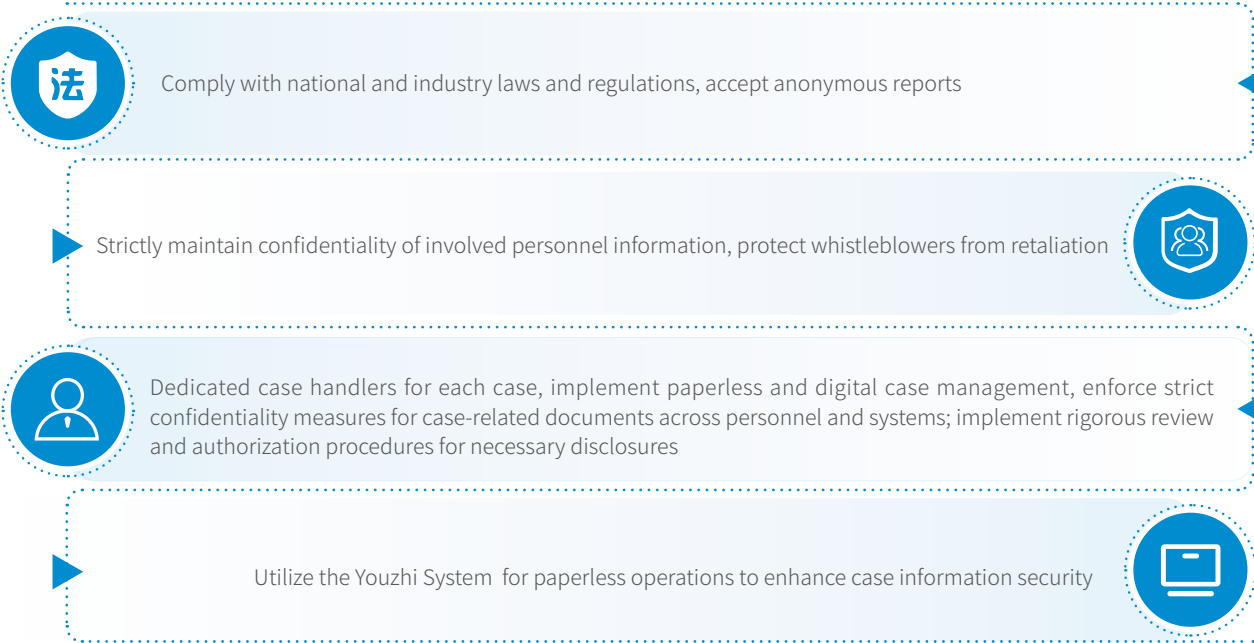
Whistleblower Protection

To effectively advance integrity development, Huayou has further improved its whistleblowing and complaint management mechanism and continuously enhanced the *Whistleblowing Management Policy*. We provide diversified reporting channels including domestic and international hotlines, mailboxes, emails, online official accounts, bilingual integrity posters, and official website integrity columns, encouraging all employees, suppliers, partners, and other stakeholders to actively report illegal and non-compliant activities that harm the Company's or employees' interests. A whistleblowing reward mechanism has been established.

To resolutely protect whistleblowers' legitimate rights and personal safety, the Company has strengthened whistleblower protection measures, strictly maintaining confidentiality of whistleblowers' information throughout the reporting process and prohibiting all retaliatory or discriminatory actions.



Huayou Cobalt Integrity Reporting Channels



Huayou Cobalt Whistleblower Protection Measures

Total integrity & anti-corruption training hours for directors	Percentage of directors completing integrity & anti-corruption training	Total integrity & anti-corruption training hours for management	Percentage of management completing integrity & anti-corruption training
12Hours	57%	744.5Hours	100%

Total integrity & anti-corruption training hours for employees	Percentage of employees completing integrity & anti-corruption training
35,691Hours	91%

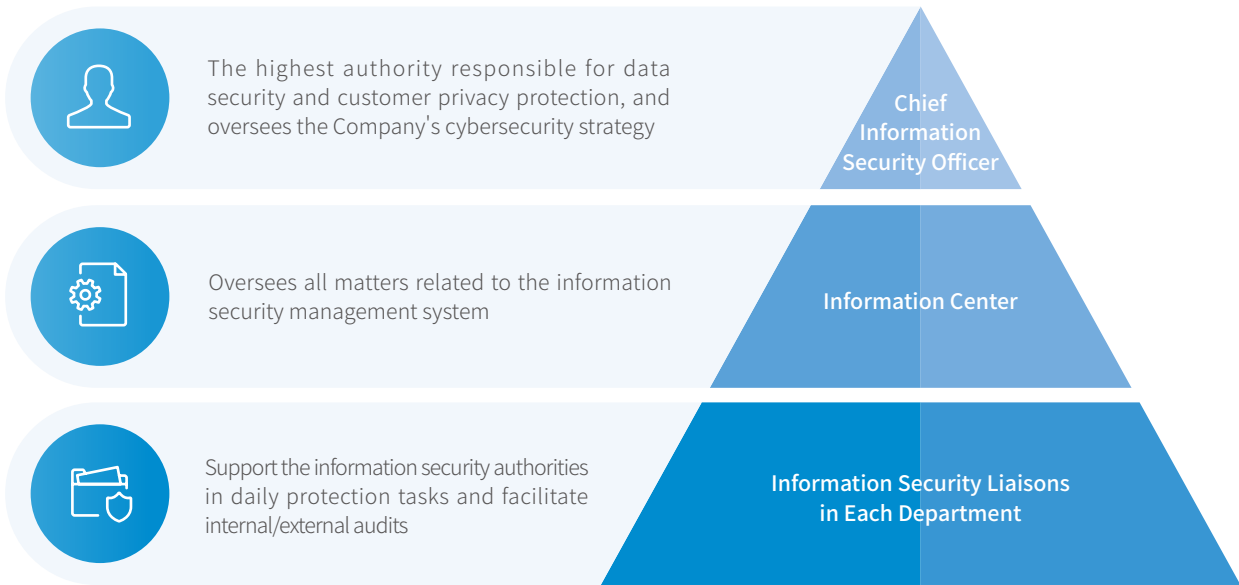
Director corruption and bribery violations	Management corruption and bribery violations	Employee corruption and bribery violations
0Case	0Case	1Case

Huayou Cobalt Integrity Performance Metrics 2024



# Data Security and Customer Privacy Protection

The stability and efficiency of Huayou Cobalt's operations rely on a robust data transmission and privacy protection system. Information security and data privacy protection are key focus areas for the Company. We strictly comply with relevant laws and regulations, and have established the *Information Security Management Manual*, *Information Security Management Measures*, and *Information Security Management System Performance Evaluation Procedures*, which define data security escalation processes and incorporate information security as part of employee performance evaluations to safeguard data security and customer privacy.



Huayou Cobalt Data Security and Customer Privacy Protection Management Framework



Huayou's ISO 27001 Information Security System Certification

As of the end of 2024, Huayou has obtained ISO/IEC 27001:2013 Information Security Management System certification and achieved the highest TISAX AL3 assessment level from the German Association of the Automotive Industry (VDA), successfully earning the TISAX label.

During the Reporting Period, we revised and updated the *Data Security Classification Management Policy* to implement tiered information security management. For different data classification levels, we developed a full lifecycle information security control measures matrix and implemented rigorous risk identification and assessment mechanisms to ensure effective execution of all data protection measures, safeguarding employee, customer, and business partner data.

We conduct annual internal and external data security audits. In 2024, we further enhanced internal security system log auditing and implemented real-time issue tracing. Additionally, we engaged third-party experts to perform external audits of our information security management system. Huayou Cobalt passed the ISO 27001 annual review and received corresponding audit reports.

Huayou Cobalt full lifecycle data security management		
Full Lifecycle Data Protection	Data Security Risk Prevention	Data Classification & Risk Assessment: Departments conduct information security risk assessments to evaluate data types, sensitivity levels, and potential risks.
		Data Security Policies & Procedures: Implemented ISO 27001 information security system and established relevant policies.
		Employee Training: Conducted group-wide information security training emphasizing data protection measures and document security.
		Incident Response:Developed emergency response plans for immediate action during data breaches or security incidents.
	Data Security Protection Measures	Access Control: OA systems and other platforms enforce strict access controls for sensitive data, ensuring only authorized personnel can view/process information. Multi-factor authentication and role-based permissions implemented.
		Encryption Systems: Encrypt sensitive data to prevent unauthorized access or leaks.
		Network Security: Utilize firewalls, VPNs, jump servers, and other technologies to safeguard data.
		Monitoring & Alerts: Real-time monitoring and alert systems detect anomalies, vulnerabilities, and threats.
Data Backup & Traceability	Data Backup: Regular backups prevent data loss. Backup integrity strictly maintained.	

Huayou Cobalt conducts two annual cybersecurity emergency drills. During the Reporting Period, Huayou Cobalt performed 2 comprehensive security internal inspections of group-wide information systems and commissioned third-party penetration tests, producing 7 penetration test reports and identifying over 40 vulnerabilities. In the second half of 2024, Huayou Cobalt conducted full host vulnerability scans, detecting 58 vulnerabilities. By the end of the Reporting Period, all cybersecurity vulnerabilities had been resolved.

### Information security training

During the Reporting Period, the Information Center organized two company-wide information security awareness training campaigns: themed "Laying the Foundation for Information Security, Building a United Information Security Defense" and "Fraud Prevention and Anti-Scam", conducted as offline training for information security liaisons across departments. Simultaneously, we carried out annual online information security training covering all employees.

Indicator	Unit	2024
Number of data security incidents	case(s)	0
Financial impact of data security incidents	10,000 RMB	0
Number of customer privacy incidents	case(s)	0
Financial impact of customer privacy incidents	10,000 RMB	0

Huayou Cobalt Information Security & Data Privacy Performance Metrics 2024



# Green Development, Co-creating a Sustainable Future

Environmental

Huayou Cobalt has always had a high sense of responsibility for environmental protection, and has placed a high priority on low-carbon and green development. In 2024, we further lead the industry in natural resource management and biodiversity conservation, and at the same time proactively respond to the risks and opportunities posed by climate change, strengthen carbon emission management, and continue to invest in energy conservation, water resource management, and pollution prevention.

United Nations Sustainable Development Goals (SDGs) supported:





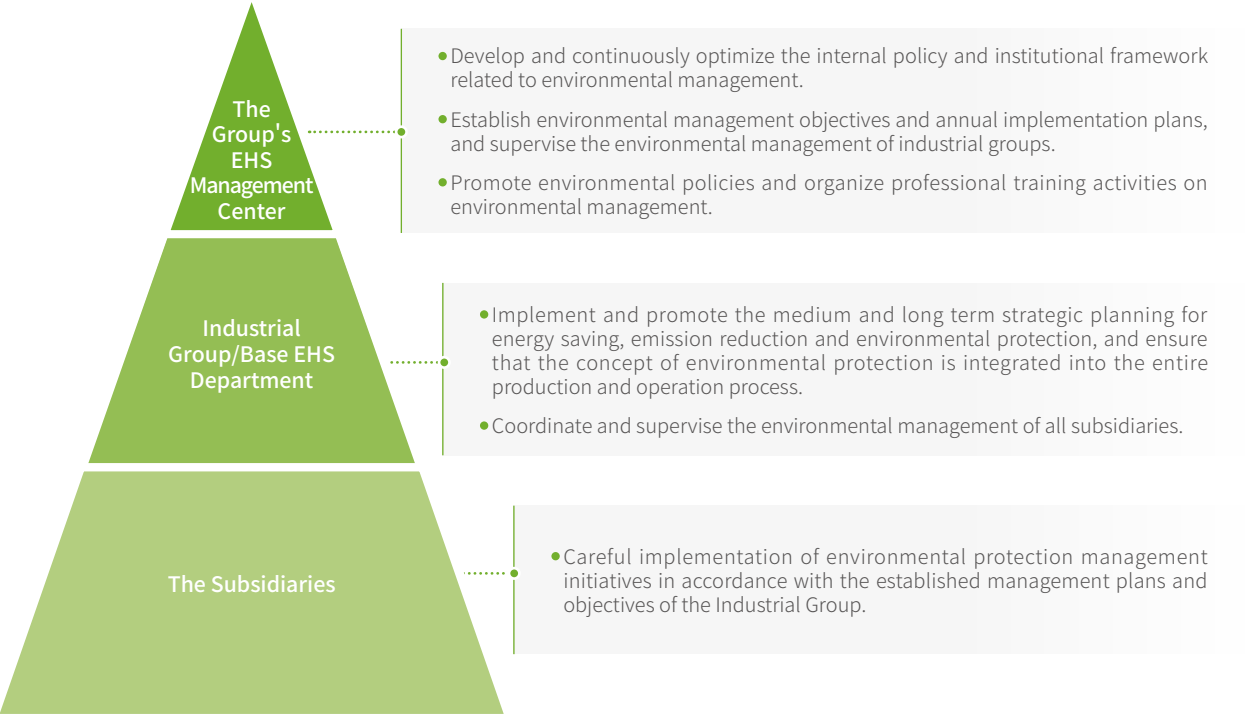
# Environmental Management

Huayou actively fulfills its environmental management responsibilities and strictly complies with the *Environmental Protection Law of the People's Republic of China* and other national environmental protection-related laws and regulations, as well as environmental protection-related laws and regulations in the locations where it operates. We have formulated internal policies and systems, such as the *Environmental Factor Identification and Management Control Procedures*, *Environmental Information Management Regulations*, *Soil and Groundwater Management System*, *Emission Permit Management Regulations*, *Solid Waste Management Guidelines*, *Radiation Environment Management Regulations*, etc., and have included in our publicly available [ESG Policy](#)<sup>6</sup> the management policies on waste management, water resource management, etc., which list the relevant environmental laws and regulations to be complied with. The *ESG Policy* lists the measures required to comply with relevant environmental laws and regulations, the measures required to be taken and internal training programs, and specifies that the goal is to continuously improve environmental performance. The scope of application of this policy includes Huayou's production activities and business facilities worldwide.

We have established a comprehensive environmental management system, formulated a clear management process, incorporated specific measures such as performance evaluation, incentives and accountability into the system, and ensured that all environmental protection measures are effectively implemented through regular review and evaluation.

In order to clarify the responsibilities and authority of environmental management and strengthen the professional capability of environmental governance, we have established a three-tier environmental management structure of "Safety and Environment Management Center of the Group Headquarter - Safety and Environment Department of the Industrial Group - Subsidiaries" to realize the systematization, standardization and refinement of the environmental management work and to ensure the full implementation of various environmental management measures.

## Huayou Cobalt Environmental Management Structure



<sup>6</sup> The public policy details can be found at: <https://www.huayou.com/Public/Uploads/ueditor/upload/file/20240109/1704789121639211.pdf>.

In addition, we directly link management's performance incentives to the fulfillment of environmental performance objectives. In the event of a major environmental incident or discovery of a major environmental issue in the course of an internal review, the Company will, based on the level of significance of the environmental issue, penalize the relevant units and management personnel who are responsible with corresponding performance vetoes, economic penalties or administrative sanctions. During the Reporting Period, the Company did not have any unexpected major environmental incidents, received major administrative penalties or was held criminally liable for the discharge of pollutants. In the past four reporting periods, the Company has not been subject to substantial fines or penalties related environment or ecological issues .

We always promote the standardized construction of environmental management system with high standards and strict requirements to ensure the efficient operation of the whole process of environmental management. As of the end of the Reporting Period, 15 subsidiaries of the Group have passed the ISO 14001 environmental management system certification, with a certification coverage rate of 88.24%. During the Reporting Period, we carried out a total of 13 environmental protection technology reform projects ,and invested a total of more than RMB 402 million in environmental technology development, construction and operation of environmental protection facilities, and environmental compliance promotion and investment.

Huayou has built a full life-cycle environmental compliance control system covering its global operation nodes, strictly supervises the environmental compliance performance of each operation site, and conducts annual internal and external environmental impact audits covering all operation sites. In response to non-compliance issues identified in the review, we actively take measures to rectify them and establish internal tracking and review mechanisms to ensure effective implementation of management improvement work. During the Reporting Period, the Group's environmental monitoring compliance rate was 100%.

We regularly carry out the identification of environmental factors with the aim of controlling environmental risks at source. For the identified important environmental factors, we establish strict control lists and implement precise management to ensure that all environmental risks are effectively controlled and prevented. In addition, we are actively promoting the digitalization of safety and environmental management to achieve real-time assessment and analysis of environmental risks.

### As of the end of the Reporting Period

Number of ISO 14001 environmental management system certified subsidiaries of the Group

with a certification coverage rate of

15 88.24 %

### During the Reporting Period

Number of environmental technical transformation initiatives we executed

Cumulative environmental investments covering technology R&D, facility infrastructure and compliance programs

13 surpassed 402 million RMB

The Group's environmental monitoring compliance rate reached

100 %



● Implemented the Safety and Environmental Management Digitalization Project, Realizing Real-Time Environmental Risk Assessment and Analysis

In order to strengthen environmental risk management and improve management efficiency, Huayou Cobalt planned and landed a safety and environmental management informationization project covering 30 business functions. Among them, the platform combines digital twin technology to create "one map of safety and environment", which provides management with environmental management dynamics; for each position, it quantifies responsibilities and realizes automatic performance management and assessment of environmental management personnel; applies professional tools for risk analysis to realize accurate identification and hierarchical control of risks; and real-time monitoring of solid waste treatment, environmental testing and sewage management. The project realizes the digitalization of the whole process of environmental management and significantly improves the Company's environmental risk assessment and analysis capability.



Interface of Huayou Cobalt Safety and Environment Informationization Platform

We also attach great importance to the emergency management of environmental emergencies in order to achieve all-round environmental risk prevention and control. During the Reporting Period, each of our subsidiaries formulated the *Emergency Response Plan for Environmental Emergencies*, which specifies the emergency response measures for environmental emergencies such as fire and explosion, leakage of hazardous chemicals, atmospheric pollution, water pollution, etc., and conducts retrospective assessments and revisions of this plan on a regular basis to continuously improve the emergency preparedness and response capability for environmental emergencies.

In terms of chemical safety management, Huayou always adheres to the concept of "safety first, environment foremost", and is committed to building a comprehensive and efficient chemical management system to reduce environmental and health risks. We have formulated and published the *Chemical Management Policy*<sup>7</sup>, established a systematic chemical management procedure documents, comprehensively identified all chemicals used in the production process for regulatory risks and ensure that the use of chemicals is always under control through a strict approval and licensing management mechanism. In the introduction of chemicals, we prioritize the selection of non-toxic, non-hazardous or as low-risk alternatives as possible, to gradually phase out high-hazard chemicals and reduce potential risks at source. In order to reduce our reliance on substances of concern, we reduce the storage capacity of substances of concern while actively exploring and promoting the application of alternative chemicals.

To further standardize chemical management, we have clearly established a list of regulated substance and related management requirements to ensure that the registration and use of all regulated substance comply with regulatory standard, and regularly disclose relevant information to enhance transparency. In addition, we conduct comprehensive hazardous assessments of all raw and auxiliary materials and chemical products to ensure their safety and compliance, and are committed to realizing the targets of chemicals management through continuous improvement.

<sup>7</sup> For the full policy, please refer to: <https://www.huayou.com/Public/Uploads/ueditor/upload/file/20240829/1724922756797658.pdf>.

# Water Stewardship

Water is a fundamental natural resource and a strategic economic resource for business development. Hydrometallurgical processes are highly dependent on water resources, which makes water management and protection a key factor in Huayou's stable operation. The ESG and Sustainability Committee, headed by the President, leads and is responsible for the strategic planning and execution of water management at Huayou Cobalt. We strictly observe and implement the *Water Law of the People's Republic of China*, the *Regulations on Water Abstraction Permits and Administration of Water Resource Fee Collection*, and other relevant national laws and regulations, as well as the relevant regulations of our overseas operations. Huayou always adhere to the principles of paying equal attention to both revenue and expenditure, diversifying water intake, optimizing the allocation of water resources and promoting the utilization of sewage resources, develop and implement an internal water resource management system to ensure the standardized use of water resources while promoting the refined management of water resources to achieve water resource management and resource conservation along the entire value chain.

In the management of its domestic and overseas operations, Huayou is committed to promoting the sustainable use of water resources through in-depth assessment of the carrying capacity of water resources and the water environment, as well as active implementation of water conservation and alternative solutions. The Company regularly conducts water risk assessment for its subordinate industrial groups, monitors the hydrological status and water quality of surface water, identifies production and operation activities that may have a negative impact on water resources, evaluates the risk level and potential impact, and formulates and implements corresponding countermeasures according to the results of different risk levels. At the same time, we actively communicate with surrounding communities and other stakeholders to ensure that we avoid the risk of major competitive conflicts with local communities in terms of water use, and carry out a series of community water conservation measures to achieve harmonious coexistence.

We always follow the principles of combining open-source and cost-saving, optimal use of water and reuse of wastewater, and always pay attention to the water balance condition of each operation site. We take into full consideration the carrying capacity of water resources and the carrying capacity of the water environment in production and construction, adopt a series of water-saving measures, and actively use alternative water sources, promote the concept of rational water use and water conservation, and make every effort to practice the sustainable use of water resources.

In terms of water intake, Huayou mainly purchases water through municipal administration, and some of our overseas operating sites conduct surface water and groundwater extraction. We strengthened the use of recycled water, rainwater, graywater and other diversified water withdrawals to reduce the proportion of fresh water used. During the Reporting Period, we used a total of 65,886,999.87 tons of fresh water, accounting for 28.61% of the total water consumption, and a total of 164,422,745.20 tons of recycled water, rainwater and greywater, accounting for 71.39% of the total water consumption.

In terms of water usage, all of our production bases have always adhered to the principle of improving the efficiency of water usage,

and through strengthening the internal water recycling system and other measures, we have been able to reduce water consumption and improve the recycling rate of water resources in all aspects. By optimizing process parameters and upgrading production technologies, Huayou continuously improves the recycling rate of water resources.

In 2024, although total water withdrawals increased from the previous reporting period due to significant capacity growth, our recycled water rate target has continued to improve to 71.39% for a number of years.



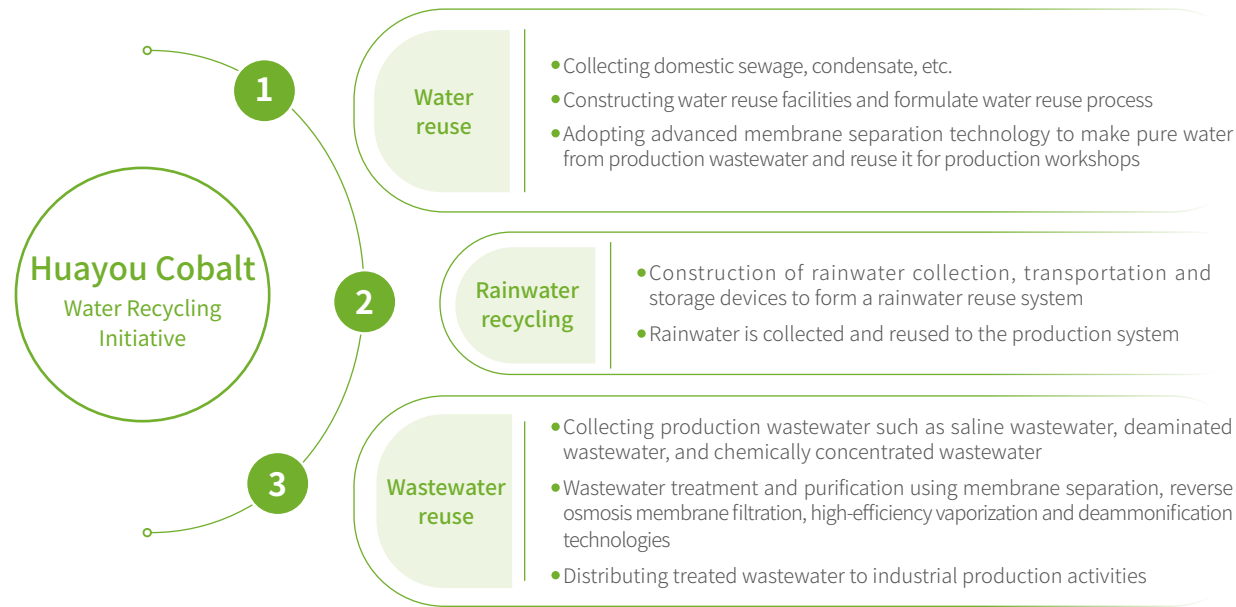
index <sup>8</sup>	Unit	2024
Total amount of water withdrawn	tons	65,886,999.87
Water withdrawal intensity per ton of product - Electric nickel	tons/ton	45.44
Water withdrawal intensity per ton of product - MHP	tons/ton	253.67
Water withdrawal intensity per ton of product - Cathode material	tons/ton	9.76
Water withdrawal intensity per ton of product - Precursor	tons/ton	10.30
Total water consumption	tons	7,801,938.68
Recycled water consumption <sup>9</sup>	tons	164,422,745.20
Water recycling rate	%	71.39

2024 Huayou Cobalt Water Management Abstraction Performance Table

<sup>8</sup> The domestic data included in the following indicators are consistent with the data of the Group's environmental statistics system to ensure the accuracy and reliability of the information.

<sup>9</sup> The principle of calculation of recycled water consumption is to accumulate according to the number of cycles according to the process, i.e. each cycle will be calculated once.





● Construction of Internal Water Recycling System at Huafei Company

As a typical wet smelter, Huafei Company adopts comprehensive management of water resources and carries out innovative practices of rational utilization and recycling of water resources. Huafei Company has built its own rainwater collection system of 328,000 cubic meters, which collects rainwater and uses it for productive purposes, such as ash treatment and ore washing, thus significantly reducing the consumption of new water. At the same time, Huafei Company adopts the water resources treated by concentrated water reuse technology for the water plant, which can save 300 cubic meters of new water per hour. In addition, the domestic wastewater in the park has undergone enhanced treatment, and the water quality far exceeds the Indonesian environmental standards, realizing productive reuse. During the Reporting Period, Huafei Company **recycled a total of 87.12 million cubic meters of water resources based on its comprehensive internal water recycling system.**

● High-Efficiency Reuse of Rainwater Condensate, a New Model of Green Transformation and Cost Reduction and Efficiency Increase

Guangxi Lithium has pioneered the implementation of a rainwater and condensate reuse project, which was officially put into operation in June 2024, realizing a double reduction in water consumption and sewage costs. Through the construction of six 3,000 cubic meter evaporative condensate tanks and rainwater recycling system, the project efficiently recovers evaporative condensate and rainwater respectively, which are used for production purposes, such as cooling kiln cooling and leaching plant slag washing. By the end of the Reporting Period, the project **had collected and used a total of 30,400 cubic meters of rainwater, reduced condensate discharge by 215,100 cubic meters, and realized direct economic benefits of over 620,000 RMB.**



Evaporative Condensate Storage Tanks



Reuse of Leaching Filter Press Slag Washing Water

● Multi-Dimensional Innovation, Efficient Utilization of Industrial Wastewater

In 2024, a number of the Group's subsidiaries launched technological attacks around the recycling of production wastewater, building a multi-dimensional, full-chain industrial water recycling innovation system.

Subsidiary Company-  
Quzhou New Energy

Technical Parameters

Low salt wastewater: concentration system reverse osmosis membrane filtration

High salt wastewater: evaporation and precipitation of yuanming powder by MVR system

Innovation Achievements

Low-salt wastewater purified water recovery rate

80%-90%

High-salt wastewater purity recovery rate

90%

Subsidiary Company-  
Huayou New Energy

Technical Parameters

Deaminated wastewater: High-efficiency vapor stripping and deamidation to recover high-purity ammonia

Innovation Achievements

Water reuse rate

96%

Annual water saving

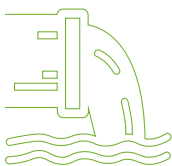
300,000  
cubic meters

Awarded "Typical Case of Industrial Wastewater Recycling in 2024" by the Ministry of Industry and Information Technology

Wastewater Discharge Management

Huayou strictly complies with the *Law of the People's Republic of China on Prevention and Control of Water Pollution* and other relevant laws and regulations in the locations where we operate, formulates an internal wastewater management system, and adopts a number of wastewater management measures to minimize pollution caused by wastewater discharged in the course of our operations. The types of our wastewater discharges mainly include production wastewater, domestic sewage, road washing water and rainwater. For all wastewater, we continuously strengthen the risk prevention and control of water pollution, and strictly test for oil pollutants, metal ions, acid and alkali pollutants and other hazardous substances in the water to ensure that the wastewater meets the discharge standards. The

Company commissions a third-party organization to test the production wastewater every quarter, and the test results are all 100% up to standard.



The test results are all

100% up to standard



● Wastewater Treatment Process Innovation and Upgrading, to Create a New Benchmark of Green Emission Reduction

In 2024, Nonferrous Tongxiang invested RMB 16 million to build the second phase of the "Metallurgical Wastewater Upgrading - NOC Ozone Catalytic Oxidation" project, which, in synergy with the first phase of the project, is expected to achieve a wastewater treatment capacity of 1,700 tons per day. The project has significantly strengthened the wastewater treatment capacity by revolutionizing the wastewater treatment process at the wastewater station, and has steadily improved the degradation efficiency of Chemical Oxygen Demand (COD), significantly reducing the concentration of pollutants discharged. In addition, the project effectively reduces material and water consumption in the production process and promotes the efficient recycling of resources, while realizing the objectives of cost savings and benefit growth.



● Multi-Stage Purification and System Optimization Go Hand in Hand to Ensure Efficient and Compliant Wastewater Treatment

Huafei Company adopts corresponding measures in multiple stages of wastewater treatment, realizing the management of wastewater in an interlocking and precise manner. From the neutralization of tailings to the accelerated settling in the thickener, and then to the removal of particles in the inclined plate settling tank and sedimentation tank, Huafei Company carefully regulates the wastewater treatment process and technical parameters to achieve the efficient removal of suspended solids, COD and biological oxygen demand (BOD). Huafei Company also adopts an internal and external monitoring system to ensure efficient and compliant wastewater treatment.

In 2024, Huafei Company further optimized its drainage management system and practices, revised and improved a number of systems such as *Pollutant Management Procedures*, *Production Wastewater Management Procedures* and *Operation and Management System of Pollutant Source Automatic Monitoring Facilities*, carried out wastewater monitoring on a daily basis, and commissioned a third party to carry out wastewater indicator testing on a monthly basis, so as to weave a dense network of wastewater management supervision.

● Protecting Groundwater Bodies for a Green Future

Groundwater is a valuable freshwater resource, therefore, Huayou attaches great importance to the protection of groundwater bodies during operation. Huafei Company and Huayue Company actively practice sound and effective groundwater protection strategies, effectively isolating the potential pollution of groundwater by tailing leachate through the use of impermeable membranes, tailing dry stacks and other advanced impermeable technologies. In addition, Huafei Company and Huayue Company have established a comprehensive groundwater monitoring system, set up a number of groundwater monitoring points in the vicinity of the tailing pond, and commissioned a third party to carry out comprehensive testing on a regular basis, thus ensuring that the quality of groundwater is safe and free of pollution.

Index <sup>10</sup>	Unit	2024
Total wastewater discharge	tons	58,085,061.19
Wastewater discharge intensity per ton of product - Electric nickel	tons/ton	13.52
Wastewater discharge intensity per ton of product - MHP	tons/ton	255.09
Wastewater discharge intensity per ton of product -Cathode material	tons/ton	7.16
Wastewater discharge intensity per ton of product - Precursor	tons/ton	9.71
Total COD emissions	tons	1,902.58
Total ammonia nitrogen emissions	tons	41.88

2024 Huayou Cobalt Water Resource Management Wastewater Discharge Management Performance Table

Energy Use

Huayou pays great attention to the management of energy use in its own operations. With low-carbon operations as the core, Huayou formulates energy management plans and regularly evaluates the progress of reducing energy consumption to continuously improve the Company's energy management level. The Company has formulated a number of energy management systems, constructed a perfect energy management system, and fully implemented the energy management responsibility system in the production and operation process.

Energy Utilization Performance Table of Huayou Cobalt , 2023-2024

Energy Consumption	Unit	2024
Direct energy consumption	tons of standard coal	571,311
Indirect energy consumption	tons of standard coal	575,713
Renewable energy consumption	kilowatt-hour (kWh)	611,572,002
Non-renewable energy consumption	kilowatt-hour (kWh)	4,072,829,093



Compared to 2023 Liquefied petroleum gas consumption decreased by

31%



Compared to 2023 Gasoline consumption decreased by

21%

<sup>10</sup> The domestic data included in the following indicators is consistent with the data from the Group's environmental statistics system, ensuring the accuracy and reliability of the information.



Huayou always adheres to the concept of green development, actively responds to the *Cleaner Production Promotion Law of the People's Republic of China*, and is committed to becoming a leader in cleaner production. Following the basic principles of "balanced internal and external focus, integrated centralization-decentralization, collaborative synergy, and systematic planning", we have been actively implementing the clean power development plan, aiming to achieve 100% of the Group's total power consumption by 2035. As of the end of the Reporting Period, we have promoted distributed photovoltaic, wind power and hydropower projects in various locations, utilizing a total of 2,290 GWh of clean power, with the proportion of clean power usage reaching 40%, far exceeding the expected target for 2024.

As of the end of the Reporting Period

The proportion of clean power usage reached

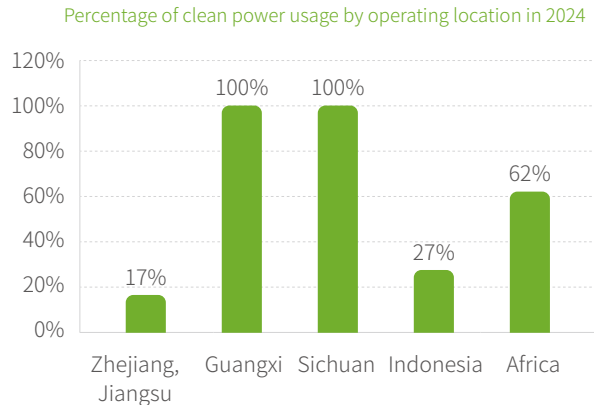
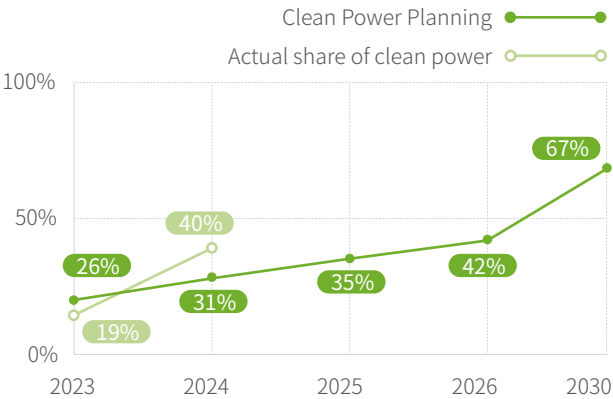
Compared to the previous year, installed clean power capacity increased by

40%

84%

Compared to the previous year, photovoltaic power generation increased by

385%



Efforts to Increase the Use of Renewable Energy through Clean Power Projects in Many Places

Huayou vigorously develops PV projects in the park. In 2024, the Company will put into operation a total of 12MW of new PV installations in Zhejiang Province, bringing the total construction scale of PV power stations in Zhejiang Province to 22MW, with an annual power generation of 10.97 million kWh, and realizing a reduction of carbon dioxide by 6,807 tons of carbon dioxide equivalent.

Meanwhile, the Company has steadily promoted the construction of Guangxi's "Source, Grid, Load and Storage" integration project in the current year, and gradually introduced 1.6 billion kWh of nuclear and new energy power from CGNPC's stock. Among them, 800 MW wind power project and 16.5 MW park photovoltaic project are under implementation, which is expected to reduce carbon by about 990,000 tons per year. Upon completion of the project, Guangxi Park will realize 100% clean power coverage.

In the future, Huayou will continue to promote the use of 100% clean electricity in each park as soon as possible through the construction of renewable energy power generation facilities and outsourcing of green power.



At the same time, Huayou continued to promote energy-saving renovation, planning and implementing a series of management improvement projects and technical energy-saving projects in all of its operational plants. During the Reporting Period, the Company invested a total of RMB8.77 million in energy-saving technological transformation.

- Building an online monitoring system for energy consumption, tracking and analyzing energy consumption and production data, detecting abnormalities in energy consumption and making adjustments
- Adopting cutting-edge energy-saving technologies such as low oxygen consumption roasting process to reduce energy consumption in the production process
- Optimizing production process parameters to reduce the energy consumption of equipment in the production process
- Applying cutting-edge energy utilization technologies such as kiln waste heat recovery to improve energy efficiency
- Regularly updating and upgrading equipment such as transformers, motor permanent magnets, water pumps, etc., to eliminate energy-inefficient equipment and improve production energy efficiency

Huayou Cobalt Energy Management Initiatives

Building a Digital Energy Efficiency Management Platform to Reinvent Energy Management

Facing the pain points of data lag and high labor cost in the traditional manual meter reading mode, Huayou Cobalt has taken the opportunity of intelligent manufacturing to build a digital energy-efficiency pivot system covering the whole plant. By deploying the "Digital Intelligence Carbon Management Platform" system, it realizes the second-level collection of energy consumption data from workshop equipment, and automatically generates 16 types of analysis models such as energy consumption heat map and abnormal fluctuation warning by combining with AI algorithms. The system synchronizes the operating parameters of production equipment, accurately calculates the energy cost of a single ton of product, and provides suggestions for energy-saving process optimization,

effectively improving the Company's energy management level and reducing energy consumption.



Energy management system monitoring interface

Kiln Waste Heat Recovery Project for Efficient Energy Utilization

In order to realize the efficient use of energy, Guangxi Lithium innovatively practiced the transformation of the kiln waste heat recovery project, through the design of new pipelines, directly introducing the steam generated by the kiln waste heat boiler into the steam branch pipe of the leaching workshop, and efficiently utilizing the waste heat in the dezincification and de-calcium-magnesium section. The project not only maximizes the use of waste heat steam, but also significantly reduces the energy loss in the process of temperature and pressure reduction and transportation, saving steam consumption by approximately 30,000 tons and reducing greenhouse gas emissions by 9,464 tons of carbon dioxide equivalent during the Reporting Period.





# Waste Discharge Management

Huayou Cobalt strictly follows relevant domestic and international laws and regulations such as the *Law of the People's Republic of China on Prevention and Control of Air Pollution*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes*, and the *Air Pollutant Emission Standards*, and combines them with the Company's internal high-standard regulations to carry out a fine categorization of emissions from its production and operations. We make every effort to promote technological innovation and strive to minimize pollutant emissions. On the basis of ensuring compliant emissions, we implement emission guidelines that are more stringent than regulatory standards. As a result of our efforts, our subsidiary, Huapu, was certified as a "Waste-Free Factory" in Zhejiang Province this year.



Certificate of "Waste-Free Factory" for Huapu

# Air Emission Management

Air pollutants emitted by Huayou mainly come from particulate matter, non-methane total hydrocarbons, nitrogen oxides and sulfur oxides generated during the production process. We have benchmarked against domestic and international best practices and strictly follow the *Emission Standards for Pollutants in the Copper, Nickel and Cobalt Industries*, and our subsidiaries outside China comply with local laws and regulations and *IFC standards*<sup>11</sup>. We are committed to reducing emissions from our own operations, and have formulated the *Air Pollutant Emission Control Procedures* and other institutional documents within each of our subsidiaries to strictly implement air pollution prevention and enhancement efforts. By adopting online monitoring systems, supporting highly efficient air pollution control system and adopting targeted air emission control measures, we realize efficient and compliant air emission management. During the Reporting Period, all the air emissions of Huayou Cobalt met relevant standards, and there was no problem of exceeding the emission standards or other violations.

## Innovative Air Emission Control Processes for Efficient SO<sub>2</sub> Management

Facing the challenge of SO<sub>2</sub> conversion of production exhaust gas, Huafei Company vigorously carries out the exhaust gas treatment and upgrading program and builds the tail gas disposal system. The tail gas enters the tail gas scrubber tower through a short chimney, and then the acid mist and SO<sub>2</sub> in the tail gas are absorbed through spraying device, and the pH value is precisely regulated to ensure that SO<sub>2</sub> meets the standard emission. The waste liquid produced by the tail gas disposal system is sent to the tailing slag and treated to avoid secondary pollution. When the system is in normal operation, the "3+1" four-stage conversion and two times absorption process can realize the conversion rate of SO<sub>2</sub> up to 99.8%, to ensure that the exhaust gas meets the emission standards.

## Performance Table of Huayou Cobalt Air Emission Management, 2023-2024

Index <sup>12</sup>	Unit	2024
Total air emissions	million cubic meters	40,220.65
Total particulate emissions	tons	1,684.38
Total non-methane hydrocarbon emissions	tons	4.11
Total sulfur dioxide (SO <sub>2</sub> ) emissions	tons	7,160.12
Total nitrogen oxide (NO <sub>x</sub> ) emissions	tons	36.42

<sup>11</sup> IFC (International Finance Corporation) is one of the members of the World Bank Group, having established a series of environmental and social standards to ensure its financed projects comply with sustainable development requirements. IFC's air quality emission standards primarily cover emission limits for atmospheric pollutants and monitoring requirements, aiming to protect air quality and public health, and are regarded as an important global reference for environmental protection standards.

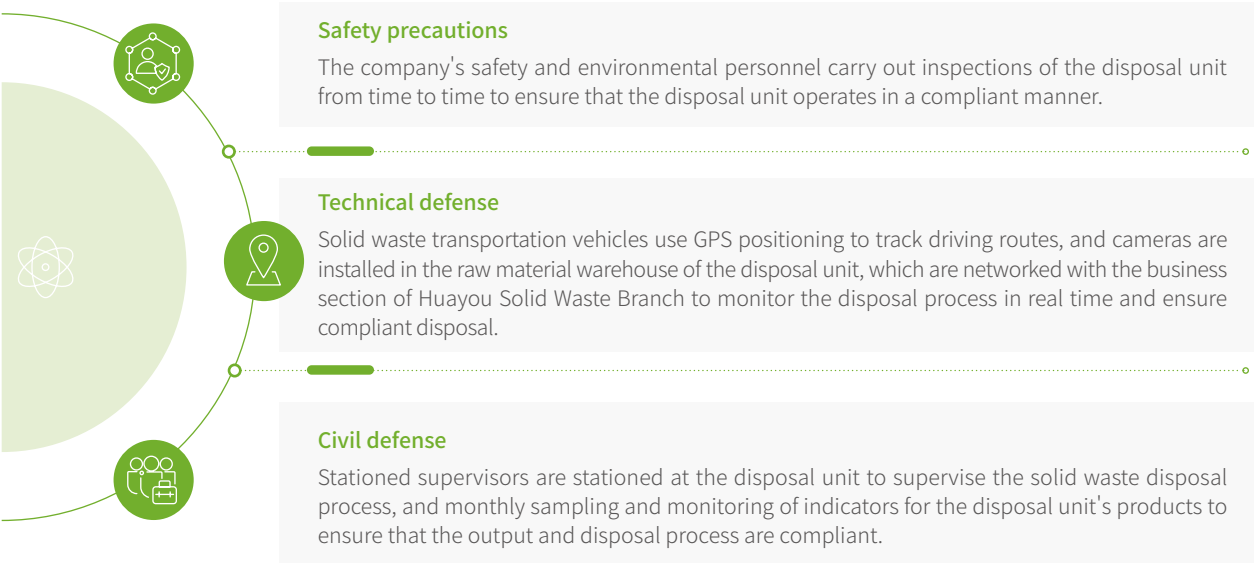
<sup>12</sup> Due to ongoing upgrades and optimization of emission monitoring equipment at CDM Africa and MIKAS, their emission performance data has not been included in the relevant indicator statistics for this Reporting Period.

# Waste Management

Huayou Cobalt strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Technical Specification for the Collection, Storage and Transportation of Hazardous Wastes*, the *Measures for the Administration of Hazardous Waste Transfer and other laws and regulations*, as well as the relevant regulations of the overseas operation sites. We continuously strengthen our waste management efforts, strive to achieve standardized disposal of waste, and promote the reduction of waste and resource utilization of solid waste.

In respect of solid waste, we have established an internal solid waste management system to strictly control the entire process from generation, collection, storage, transportation to disposal and utilization, and ensure compliance and efficiency by conducting regular internal waste audits. During the Reporting Period, the Group has completed special audits on waste management for 6 sites.

We also regularly organize waste management training for our employees, focusing on emergency disposal plans and compliance management practices to ensure that relevant operations meet standards and are effectively implemented. On this basis, we implemented a waste minimization plan to recycle and treat recyclable solid waste such as used tonnage bags and used filter cloths by crushing and two-stage washing, and to sell the plastic yarn and recycled plastic pellets produced. During the Reporting Period, Huayou recycled and treated a total of 3,227 tons of waste tonnage bags and waste filter cloths, and generated a total revenue of RMB5,282,600 from the recycling and treatment and resale.



Huayou Cobalt Solid Waste Management System


## Innovative Recycling Practices for Solid Waste Resource Utilization

With regard to the oxygen pressure leaching press slag produced by the B&M 316 project, Guangxi Nonferrous carried out innovative recycling practices, constructed an oxygen pressure leaching production line to deepen the treatment of the press slag, which realized a reduction of the nickel content in the press slag and a substantial increase in the efficiency of the iron conversion, and ultimately produced iron fine powder that can be used as a substitute raw material for the iron and steel industry, which was then sold. During the Reporting Period, the project produced a total of 2,323.01 tons of iron powder and generated a total revenue of RMB455,700,000 from the sale of the iron powder, thus realizing the reduction of solid wastes and resource utilization.



● Dewatering Sludge Conversion for Waste to Treasure

Dewatered sludge generated from the domestic wastewater treatment process used to be a major challenge for environmental protection management in the area of operation in Indonesia. Facing this challenge, Hwayo recycles the dewatered sludge and reuses it for use as nursery seedling fertilizer and green belt base fertilizer. As of the end of the Reporting Period, Huayou had efficiently utilized approximately 500 tons of domestic sewage sludge.



For hazardous waste, we carry out real-time supervision of hazardous waste through information technology , and carry out regular and strict on-site audits of hazardous waste disposal units, resolutely eliminating non-compliant disposal methods to ensure compliant disposal of waste. In addition, the Company has actively taken a series of innovative initiatives aimed at the "point-to-point" targeted utilization of hazardous waste, to achieve the reduction of hazardous waste emissions, while enhancing the efficiency of resource utilization.

● Point-to-Point Orientation, Benefits and Environmental Protection Go Hand in Hand

The solid waste generated in the production process of precursor plate contains nickel, cobalt and lithium high-value elements. In order to efficiently utilize these resources, Huayou Cobalt has implemented the "point-to-point" targeted utilization strategy, supplying the solid waste generated in the precursor plate to Huayou Quzhou as raw materials, and has successfully applied for the exemption of hazardous waste management. This innovative strategy not only cracked the bottleneck of hazardous waste treatment, but also created economic benefits of RMB10.6 million, realizing a double leap in economic and environmental benefits.

Name of main pollutants and characteristic pollutants <sup>13</sup>	Unit	2024
Total hazardous waste generation	tons	36,773.81
<i>Total hazardous waste landfilled</i>	tons	6,403.94
<i>Total hazardous waste incinerated with energy recovery</i>	tons	3,882.87
<i>Total hazardous waste recycled/ reused</i>	tons	21,219.99
Hazardous waste generation intensity per ton of product - Electric nickel	tons/ton	0.1132
Hazardous waste generation intensity per ton of product - MHP	tons/ton	0.0029
Hazardous waste generation intensity per ton of product - Cathode material	tons/ton	0.0003
Hazardous waste generation intensity per ton of product - Precursor	tons/ton	0.0052
Total general solid waste generation	tons	4,967,555.88
<i>Total general solid waste landfilled</i>	tons	920.50
<i>Total general solid waste incinerated with energy recovery</i>	tons	755.41
<i>Total general solid waste recycled/ reused</i>	tons	572,987.21
General solid waste generation intensity per ton of product - Electric nickel	tons/ton	0.0007
General solid waste generation intensity per ton of product - MHP	tons/ton	0.0085
General solid waste generation intensity per ton of product - Cathode material	tons/ton	0.1088
General solid waste generation intensity per ton of product - Precursor	tons/ton	0.0009
Total waste rock generated	tons	22,747,907.73
General solid waste utilization rate <sup>14</sup>	%	11.53

2024 Huayou Cobalt Waste Management Performance Table

<sup>13</sup> Hazardous waste discharge metrics for this Reporting Period do not yet incorporate data from CDM and MIKAS, mainly because they are currently refining and optimizing the hazardous waste discharge recording process. Given that the annual hazardous waste generated by these two subsidiaries accounted for a very small proportion of the Group's total, their lack of data had limited impact on the assessment of the Group's overall environmental performance.

<sup>14</sup> The Company's comprehensive utilization rate of general solid waste fluctuated in 2024 due to changes in the external market environment and phased adjustments in the comprehensive utilization and disposal channels for general solid waste.

# Responding to Climate Change

As the global climate change problem is getting more and more serious, it has become a global consensus and action to actively respond to climate change and move towards a zero-carbon future. As a leading company in the new energy lithium materials industry, Huayou is deeply aware of its responsibility to reduce emissions and has integrated low-carbon concepts into the Company's overall strategy. We are steadily promoting greenhouse gas emission reduction and contributing to a low-carbon future by formulating clear special plans and action items.

## Governance

Huayou Cobalt has built a climate change governance structure consisting of the Board of Directors, the Strategy Committee, the ESG and Sustainability Management Committee and the ESG and Sustainability Specialized Group.



In addition, the availability and development of talent to address climate change is also critical. In order to ensure that the relevant personnel have the appropriate professional skills and capabilities to implement and oversee strategies and systems to address the impacts, risks and opportunities associated with climate change, we have provided a number of specialized climate change trainings to the Carbon Emissions Management Officers, including ISO 14064 Greenhouse Gas Inventory Training.



Strategy

We follow the *International Financial Reporting Sustainability Disclosure Standard No. 2 - Climate-Related Disclosure* issued by the International Sustainability Standards Board (ISSB) to systematically identify and analyze climate-related risks, assess and rank the risks in light of the Company's business characteristics, and formulate effective risk response and mitigation measures. We have also formulated effective risk response and mitigation measures to continuously improve our level of response to climate-related risks.



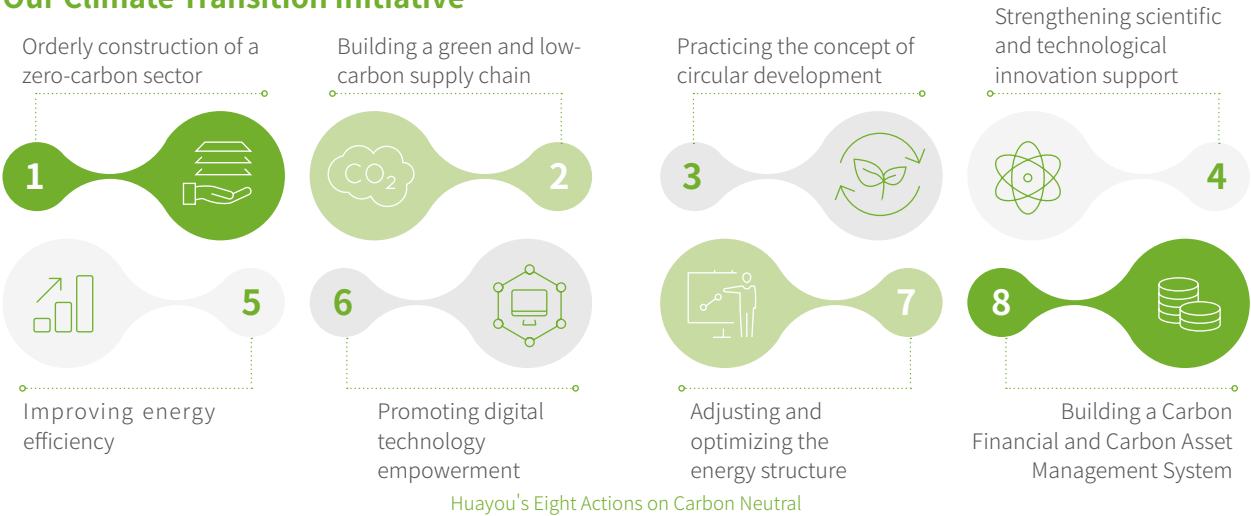
Definition of the Time Horizon for Climate-Related Risks and Opportunities Analysis

Risk Category		Risk Description	Time Scale	Response
Physical risk	Acute	Extreme weather events (including heavy rains, typhoons, snow, floods, extreme heat and cold, etc.) may lead to disruptions in production processes, depreciation in the value of fixed assets, and loss of labor	Short-term	Establishing a regular tracking system for meteorological information, an extreme weather warning management process and an emergency disaster response plan to efficiently prevent and respond to sudden natural disasters such as typhoons, rainstorms and floods
	Chronic	The increase in average temperatures negatively affects the Group's production environment, which in turn pushes up operating costs	Medium-to-long-term	Continuous identification of potential climate -related risks and development of adaptation plans to enhance resilience to changes such as rising temperatures
Transition risk	Policies and laws	Increasingly stringent government policies and laws and regulations on carbon emissions have put enormous pressure on companies to manage compliance	Medium-term	Strengthening the construction of the carbon emission management system, building a digital carbon emission management platform, continuously monitoring the progress of the established environmental targets, and establishing a carbon emission performance indicator assessment mechanism  Ensuring compliance with existing regulatory standards by optimizing the allocation of the energy mix, enhancing technological innovation capabilities, etc., while planning ahead to flexibly respond to potential or upcoming new regulations
	Markets	Climate-related risks will affect suppliers, resulting in higher raw material prices, which in turn will drive up production costs	Medium-to-long-term	Paying close attention to the raw material market dynamics, to ensure rapid access to raw material price information and energy policy changes, in order to take timely countermeasures; strengthen supplier management, and regularly carry out risk assessment and analysis of raw material supply
	Reputations	Customers, consumers, and other stakeholders are placing increased emphasis on companies' initiatives to address climate change, and companies that fail to do so may fail to meet the expectations of their stakeholders, thereby damaging their own image and reputation	Long-term	Continuously deepening the R&D and innovation of low-carbon products, and at the same time, integrating the concept of green and low-carbon development into the whole chain of production and operation

Type of opportunity	Description of Opportunities	Time scale	Response
New Energy & Electrification Emerging Markets	The public sector, customers and consumers are increasingly inclined towards climate-friendly products and services, and there is widespread demand for new energy and electrification transitions, further driven by the "dual-carbon" goal	Medium-to-long-term	To further develop new energy emerging markets and deepen cooperation, and to introduce more products and services that meet market needs and expectations, so as to ensure the long-term and steady growth of business and revenue
Energy Renewable Transition	As green technologies continue to be developed and innovated, and as supportive policies are put in place, renewable energy is expected to become more accessible, and its price is expected to fall over time	Medium-to-long-term	Increasing the proportion of renewable energy used in manufacturing operations to reduce direct energy costs, meeting the green needs of downstream customers, and effectively responding to regulatory challenges in the end market, helping the Company to achieve its low-carbon development goals

It is an important development strategy of the Company to build a green Huayou and support the Company's high-quality development with sustainability. Huayou is firmly committed to the transformation path of controlling resources upwards, expanding markets downwards, and improving capacity in the middle, and adheres to the development strategy of "Two new areas and Three trends". Huayou responds to the national call for "double carbon" with high-quality development, practices green development path, and builds an integrated green development from "nickel-cobalt-lithium crude materials - refining - precursor products - ternary anode products By building an integrated green and low-carbon industrial chain from "nickel-cobalt-lithium crude materials - refining - precursor products - ternary anode products", we are committed to becoming a leading zero-carbon green enterprise in the new energy lithium materials industry, creating value for our customers, and leading the green development of the new energy lithium materials industry.


Our Climate Transition Initiative



In order to be a better practitioner and promoter of the dual-carbon goal, Huayou has carried out the three major projects of "Carbon Reduction", "Carbon Minimization" and "Low Carbon", starting from the aspects of direct emission, indirect emission, product carbon footprint and supply chain carbon footprint, and endeavoring to promote the green carbon neutral development of the Group and fully implement the low-carbon development strategy in all relevant production and business activities. The Group has launched three major projects, namely "Carbon Reduction", "Carbon Reduction" and "Low Carbon", to promote the Group's green and carbon-neutral development by focusing on direct emissions, indirect emissions, product carbon footprints and supply chain carbon footprints.

In terms of "carbon reduction", the Company always focuses on its own energy saving, carbon reduction and emission reduction, continuously improves the efficiency of energy use, and digs deep into the energy saving and carbon reduction potentials in each link of the industrial chain, so as to realize cost reduction and efficiency enhancement and at the same time reduce the carbon emission. During the Reporting Period, around the overseas mining and smelting end, the Indonesia Park enhanced the comprehensive recovery rate of small gravel, and achieved carbon reduction of 26,700 tons of carbon dioxide equivalent through the use of small gravel instead of limestone in the residual ore system; the Africa CDM adopted the open-circuit diversion of electro-accumulator liquid to the acid leaching process of sulphide ores, which reduced the sulfuric acid dosage by 1,584 tons, and lowered carbon emissions by 316 tons of carbon dioxide equivalent; and the MIKAS wet plant in the Africa Zone adopted the use of tailings return water to replace cobalt sinking water. MIKAS wet process plant in the African zone adopted tailings return water to replace cobalt precipitation residual liquid as CCD washing water, reducing cobalt system treatment flux by 1.62 million m<sup>3</sup> and saving electricity by 11.95 million kWh.

In 2024, the Company will carry out energy saving and carbon reduction diagnostic work for some subsidiaries, and promote 60 implementable management improvement projects and 147 implementable technical energy-saving and carbon reduction projects, of which the technical integration will result in comprehensive energy-saving projects, such as "Steam Pressure Reduction Power Generation", "Flue Gas Waste Heat Recovery" and "Combustion System Optimization and Upgrading", which are being promoted and implemented. Among them, the integration of technologies has resulted in comprehensive energy-saving projects such as "steam decompression power generation", "flue gas waste heat recovery" and "optimization and upgrading of combustion system", which are expected to reduce carbon dioxide. The two production bases in Quzhou and Guangxi have taken a series of improvement measures from the perspectives of process optimization and equipment efficiency enhancement, reducing the use of energy and auxiliary materials and lowering the Company's carbon emissions. Quzhou base reduces the unit consumption of liquid alkali and pure water in washing process through process optimization, with an annual carbon reduction of about 599 tons of carbon dioxide equivalent; through the renovation of the chilled water system, it reduces the power consumption of ice machines and water pumps, and carries out liquid level control of chilled water supply and return tanks to reduce refrigeration losses, with a comprehensive annual carbon reduction of about 916 tons of carbon dioxide equivalent; the transformation kiln of the lithium fire-processing branch plant of the Guangxi base is equipped with a waste-heat boiler, and through the addition of new pipelines, the steam generated by the waste-heat boiler is transferred to the kiln. The steam generated from the waste heat boiler is directly connected to the steam branch pipe of the leaching workshop for use by the zinc removal and calcium and magnesium removal sections, reducing the steam usage by about 30,000 tons and realizing a carbon reduction of 9,464 tons of carbon dioxide equivalent.




The comprehensive energy-saving project is expected to achieve an annual carbon reduction of approximately

**6,015** tons of CO<sub>2</sub> equivalent

In terms of "carbon reduction", we have actively formulated clean power development plans to increase the proportion of clean energy use. The Company actively promotes the substitution of green power required in various production processes, and develops and builds green power projects in combination with the characteristics of resource elements in production bases. During the Reporting Period, the scale of self-generation and self-consumption photovoltaic power station in Zhejiang Province added 12 MW, and the overall scale of photovoltaic power station construction in Zhejiang Province reached 22 MW; the Company pushed forward the construction of the Guangxi "source, network, load, and storage" integration project in the current year, and gradually introduced CGNPC's stock into the project. This year, the company promoted the construction of Guangxi "source grid, load and storage" integration project, and gradually introduced CGNPC's stock of nuclear power and new energy power of 1.6 billion kWh, of which 800 MW wind power project and 16.0 MW park photovoltaic project are being implemented, the project's annual carbon reduction of about 990,000 tons of carbon dioxide equivalent, by which time the Guangxi park realized 100% clean power coverage. During the Reporting Period, the Company's overseas production bases have greatly improved the efficiency of waste heat power generation through optimization and transformation.


During the Reporting Period,



The Company's self-built photovoltaic power generation facilities in Zhejiang Province produced

**10.97** million kWh of electricity

achieving carbon emission reductions of **6,807** metric tons of CO<sub>2</sub> equivalent



Waste heat power generation at the Company's overseas production bases amounted to

**835.80** million kWh

resulting in carbon emission reductions of **1.09** million metric tons of CO<sub>2</sub> equivalent

"Low-carbon" aspects, to carry out suppliers to carry out questionnaire research, and on-site low-carbon empowerment training, a total of 28 suppliers to complete on-site visits and training; 2024 suppliers outside the Company a total of 5 companies a total of 5 products by the tripartite verification to provide a first-hand carbon emissions data; the Company's internal supply of 32 raw materials products, an average of more than the historical accounting results by 10%, 11 core suppliers totaling 37 products quantified carbon emissions (accounting for 44% of Huayou's emissions) 6 suppliers low carbon audits (accounting for 5.5% of Huayou's carbon emissions and 55.77% of the supply chain of auxiliary materials).

Multi-Scenario Process Optimization and Precise Regulation to Achieve Energy Saving and Carbon Reduction

In 2024, Huayou Quzhou New Energy achieved reduction of running time of all kinds of circulating pumps through DCS system self-control; in process optimization, it reduced stirring power consumption through process optimization, verified and evaluated the drum frequency, fabric motor frequency, etc. to reduce the speed of the drum, and conducted a research on the power of the electromagnetic separator to enhance the speed to reduce the running current; in public system, through the management of the equipment running time of the non-critical control points, it Reduce power consumption of washing kettle, power consumption of unqualified material tank, power consumption of return washing tank, etc., to ensure low load operation, and develop relevant standards, and at the same time, according to the seasonal changes, reasonably set the rhythm of the ice machine operation, the total annual power savings of about 2 million kWh, carbon reduction of about 1,240 tons of carbon dioxide equivalent.

During the Reporting Period




Third-party verified products with primary carbon footprint data of

**5** product lines

Externally supplied products with quantified carbon footprints of

**37** product lines

As of the end of Reporting Period



Compared to the previous year, internal material supply carbon footprint decreased by

**10%**

Anode Powder Short-Range Process Innovation, New Breakthrough in Low-Carbon Products

In 2024, Huayou carried out a low-carbon process innovation for the project of resource regeneration-anode powder short-range process development and industrialization application. The project adopted vertical oxygen pressure kettle hydrothermal priority lithium extraction technology to prepare battery-grade lithium carbonate by one-step lithium precipitation, and optimized the cobalt and nickel decontamination process by eliminating a number of energy-consuming processes, which achieved a significant reduction in the consumption of energy and raw and auxiliary materials. By the end of the Reporting Period, the project achieved a reduction of 20.8 tons of carbon dioxide equivalent for a single ton of nickel, with a total cumulative carbon reduction of 16,000 tons of carbon dioxide equivalent.

In order to ensure that the goal of carbon neutrality is reached in an orderly manner, Huayou continues to build "zero carbon" factories. Chengdu B&M adopts the strategy of technical emission reduction, carbon credit and green certificate procurement and sales, relying on the advantages of local hydropower resources, and implements comprehensive carbon emission management. 2025 March, Chengdu B&M Technology Co., Ltd. has successfully passed the rigorous audit of the international authoritative certification body, SGS, and formally obtained the PAS 2060 Carbon Neutrality Declaration and Verification Statement.



Chengdu B&M Reaches Carbon Neutral Declared Certification Statement

Impact, Risk and Opportunity Management

We have integrated the response to climate change into our risk management system to reduce the impact of climate-related risks on our company through refined risk management and to ensure long-term stable operation and sustainable development.



Climate change risk and  
opportunity identification

- Collect and analyze climate-related historical data, industry reports, policy documents, etc. to identify climate risks that may potentially impact business operations
- Analyze and organize the identified risks to form a risk list

Climate change risk and  
opportunity assessment

- Prioritize the identified climate risks using a risk matrix that combines the probability of occurrence and the level of potential impact of the risk
- Invite industry experts, internal managers, etc. to participate in the risk assessment process to ensure the objectivity and accuracy of the assessment results

Responding to climate change  
risks and opportunities

- In light of its own operational characteristics, and in response to the results of the identification and assessment, formulate specific and effective response measures, such as enhancing the resilience of its infrastructure, optimizing its energy structure, and diversifying the layout of its supply chain

Climate change risk and  
opportunity monitoring

- Regularly monitor trends in climate risks and opportunities for timely action
- Regularly organize the risk management team to review the risk management activities in the past period, assess the effectiveness of the strategy, and adjust and optimize the risk management measures in a timely manner

Huayou Cobalt Climate-Related Risk and Opportunity Management Process

Indicators and Targets

Huayou's overall vision is "to achieve carbon neutrality in the entire value chain by 2050", and we have set up detailed targets for the Anode, Recycling, Recycling, New Materials and Resources segments. In order to become a practitioner and promoter of "Zero Carbon Future", we have set up a clear carbon neutral path and action measures, and are committed to being a leader in the new energy era.

Greenhouse Gas Emissions Management

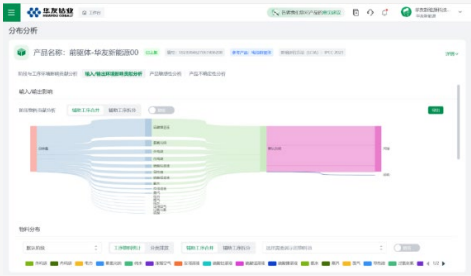
Huayou attaches great importance to the management of carbon emissions and has established a comprehensive greenhouse gas emission management system in compliance with international standards, and formulated internal systems such as the Greenhouse Gas Inventory Procedures to provide institutional guidelines for carbon emission audits. As of the end of the Reporting Period, through the audits of SGS and other international authoritative certification organizations, Huayou has a total of 16 molecular companies, which have obtained the ISO 14064 greenhouse gas emission verification statement, and 32 new products such as nickel sulfate, cobalt sulfate, tricobalt tetraoxide, and precursor, which have obtained the ISO 14067 carbon footprint verification statement for their products. We have actively carried out carbon emission-related certifications, which provide a scientific data basis for our emission reduction planning, and also demonstrate our determination to realize our low-carbon commitment.



Huayou Cobalt Greenhouse Gas Emission Verification Statement

"Huayou Smart Carbon" Integrated Digital Intelligence Management Platform

This intelligent digital platform realizes the integration of the Company's energy-carbon management and carbon accounting and analysis capabilities. With the internationally recognized full life cycle assessment (LCA) methodology as the benchmark, it completely covers the LCA model from nickel and cobalt mine mining to battery recycling, and is accompanied by an authoritative background database, which realizes the study of carbon footprints for the whole life cycle of major products. Through this platform, the Company can realize the quantification of carbon data and platform management for the whole process of lithium materials from minerals to anode materials, establish cockpit carbon management for each business segment and molecular company, and realize the refined and digital management of organizational carbon emissions, so as to identify significant carbon reduction links.



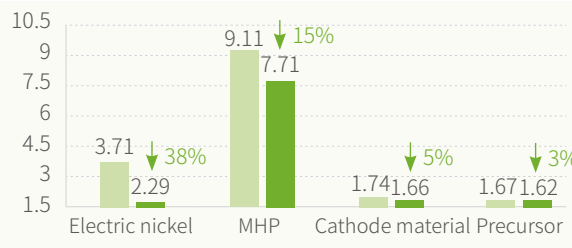
Carbon Accounting and Analysis Interface of "Huayou Smart Carbon" Integrated Digital Intelligence Management Platform

Organizational carbon emissions in 2024

Name	Unit	2024
Scope 1 GHG emissions <sup>15</sup>	tons of carbon dioxide equivalent	2,992,418
Scope 1 GHG emissions (excluding newly operational plants in 2024)	tons of carbon dioxide equivalent	669,150
Scope 2 GHG emissions - market <sup>16</sup> -based	tons of carbon dioxide equivalent	3,169,805
Scope 2 GHG emissions (excluding newly operational plants in 2024)	tons of carbon dioxide equivalent	1,216,880
Total Scope 1 and Scope 2 GHG emissions	tons of carbon dioxide equivalent	6,162,223
Total Scope 1 and Scope 2 GHG emissions (excluding newly operational plants in 2024)	tons of carbon dioxide equivalent	1,886,030
Scope 3 GHG emissions	tons of carbon dioxide equivalent	11,981,332
Scope 3 GHG emissions (excluding newly operational plants in 2024)	tons of carbon dioxide equivalent	10,087,255

Product carbon emissions from self-operated processes in 2024<sup>18</sup>

Name	Unit	2023	2024
Electric nickel	tons/ton	3.71	2.29
MHP <sup>17</sup>	tons/ton	9.11	7.71
Cathode material	tons/ton	1.74	1.66
Precursor	tons/ton	1.67	1.62



2024 Huayou Cobalt GHG Emissions Management Performance Table

Compared to 2023 Carbon  
emissions per unit of electric  
nickel products decreased by

38%

Carbon emissions per  
unit of MHP products  
decreased by

15%

Carbon emissions per  
unit of cathode material  
products decreased by

5%

Carbon emissions  
per unit of precursor  
products decreased by

3%

<sup>15</sup> The calculation of the GHG emission indicators (Scope 1) is based on the System of Greenhouse Gas Accounting (GHG Protocol) issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC). The mass balance method is used for calculation, and the operational control approach is adopted for consolidation.

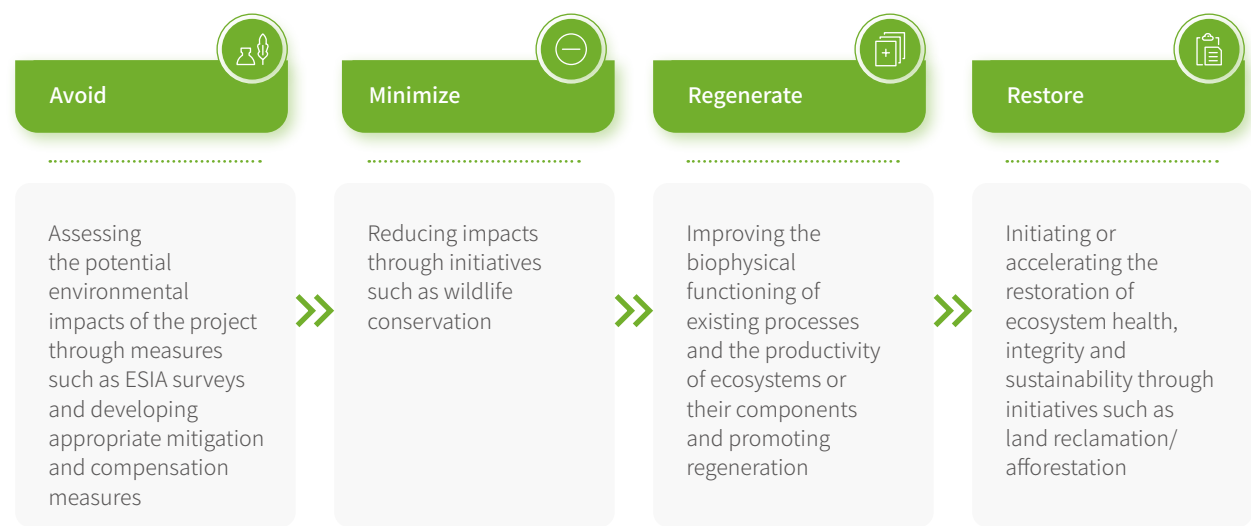
<sup>16</sup> Scope 2 GHG emissions are the greenhouse gas emissions that are indirectly generated by the consumption of energy, such as purchased electricity, heat, steam or cooling, in the course of the enterprise's operations. The mass balance method is used for calculation, and the operational control approach is adopted for consolidation.

<sup>17</sup> MHP (Mixed Hydroxide Precipitate) , which refers to crude nickel cobalt hydroxide.

<sup>18</sup> Scope 1 and Scope 2 greenhouse gas emissions per ton of product.

# Ecosystem and Biodiversity Conservation

Huayou is committed to and supports the Kunming-Montreal Global Biodiversity Framework, integrating biodiversity and ecosystem conservation into our daily operations, and endeavoring to minimize the risks and impacts on land and water pollution protection and species' survival due to the mining and construction process of our projects. We strictly comply with the regulatory requirements for biodiversity impact assessment and management in host countries, and have formulated and publicly released the [Biodiversity Conservation Policy](#)<sup>19</sup>, which covers our own operations, those of our suppliers and partners. Huayou follows the mitigation hierarchy principle of "avoid, minimize, regenerate, and restore" to carry out biodiversity conservation actions, in order to efficiently implement the management of biodiversity impacts throughout the life cycle of projects.



We are committed to protecting the natural habitats and endangered species within the sphere of influence of each mine, and are committed to not building projects in the core areas of World Heritage sites, IUCN Protected Areas Management Categories I-III and UNESCO Biosphere Reserves. We also respect legally protected areas and ensure that new or renovation projects do not alter the conservation value of the area. As of the end of the Reporting Period, we have ensured that we have not established, leased or managed any operations within or adjacent to protected areas, or in biodiversity-rich areas outside of protected areas, to avoid ecologically sensitive areas to the greatest extent possible.

<sup>19</sup> The public policy details can be found at: <https://www.huayou.com/Public/Uploads/ueditor/upload/file/20240823/1724390871902812.pdf>.

## Ecosystem protection at the planning stage



- Organizing site surveys by people with expertise to systematically collect biodiversity and land use data
- Utilizing professional tools for biodiversity impact assessment, in-depth analysis of the potential impacts of the project on biodiversity, and implementation of a dual evaluation combining quantitative and qualitative aspects
- Based on the results of the assessment, clearly classifying the biodiversity risk level of the project, and accordingly designing targeted ecological prevention and restoration compensation strategies
- Preparing a comprehensive assessment of the risks and impacts of biodiversity loss after prevention and control measures have been developed

## Ecosystem protection in the implementation phase



- All construction units, based on review feedback and recommendations, follow the preventive and control measures outlined in the report to carry out production activities such as mining or construction in an orderly manner
- Implementing regular biodiversity monitoring and reporting the results to the Company's headquarters, which is responsible for in-depth analysis of the monitoring results, comprehensively evaluating their impact, and then proposing improvement strategies and optimization proposals

## Ecological impact mitigation initiatives



- Continuously strengthening the comprehensive management of geological disasters and soil erosion in mines, and carrying out land reclamation and ecological restoration in mining areas through every aspect of mining activities
- Ongoing regular monitoring of the impact of business activities on the surrounding environment, covering key indicators such as water quality and air quality, and ensuring the openness and transparency of the monitoring results
- Formulating and flexibly adjusting reclamation and ecological restoration plans at all project operating sites, taking into account the technical characteristics of the different mining phases and the natural environmental conditions, in order to adapt to the actual situation
- Advocating employees to actively participate in ecological environmental protection volunteer activities, such as tree planting and environmental cleaning, to contribute to biodiversity conservation through practical actions

Huayou Cobalt Biodiversity and Ecosystem Conservation Initiative



● Huafei Company Demonstrates Achievements in Green Development

Huafei Company attaches great importance to ecological protection and biodiversity conservation, and as of the end of the Reporting Period, it has cultivated about 7.95 million vines for slope greening, and planted 3.447 million flower hedges and small trees to embellish the site. In addition, the Huafei Company Nursery was officially completed during the year, becoming the largest seedling cultivation base in North Maluku Province, with nearly 10 million plants planted, demonstrating its firm commitment to biodiversity conservation and ecological restoration and its remarkable results. The nursery has successfully received visits from internationally renowned companies, enhancing Huayou Cobalt's green brand image and international recognition.



● Indonesian Nickel Industry Group's Mangrove Conservation Public Welfare Project

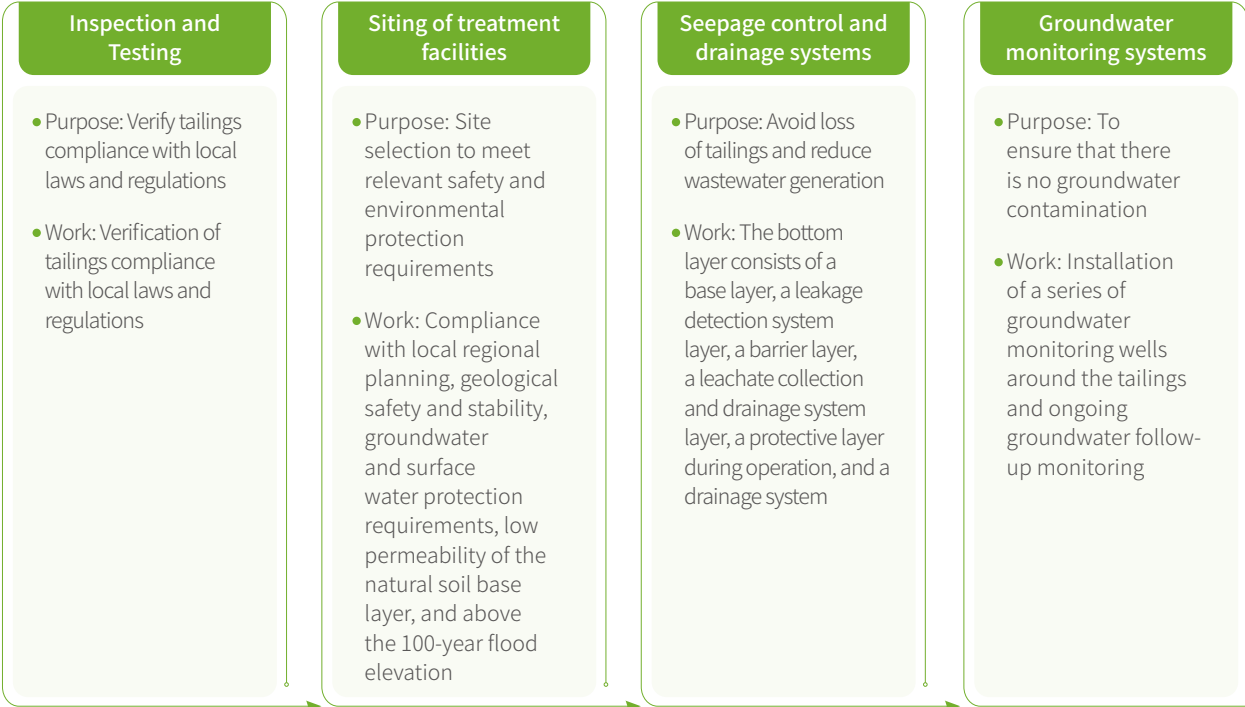
On 2024 World Earth Day, Indonesia Nickel Industry Group launched the Mangrove Conservation Public Welfare Project, joining hands with Ford and Vale to plant mangrove forests in the Kolaka area to fulfill Huayou's biodiversity commitment. The Company's ESG department is responsible for long-term monitoring and maintenance, as well as preparing monitoring reports and accounting for the amount of carbon emissions that can be offset. The project has received widespread attention from local stakeholders, and local partners and universities have joined together to plant mangroves in the Colaca area. This initiative not only promotes biodiversity conservation and restoration, but also enhances carbon sink capacity and contributes to the fight against climate change. By the end of the Reporting Period, a total of 200 mangroves had been planted.



# Tailings Management

Huayou strictly follows the laws and regulations of its operating sites and is committed to adopting international best practices to address the environmental and safety challenges in tailings management. The Company has formulated the *Tailings Management Policy*, which sets high standards for the siting, design, construction, building, operation, maintenance, pollution prevention, closure and follow-up management of tailings facilities.

With regard to the planning, design and construction of tailing facilities, we always maintain a scientific design of tailing facilities from the perspective of the whole life cycle and risk analysis, implement risk level and accident impact assessment, and carry out tracking and monitoring in accordance with the law, so as to ensure that tailing management is safe and environmentally friendly. During the Reporting Period, Huayou formulated rectification plans for a number of tailings impoundments, including Rukuni and Rususi, based on the results of risk monitoring and carried out rectification works one by one in order to eliminate the safety problems existing in each of the tailings impoundments and ensure that each tailings impoundment is operated safely.



Huayou Cobalt Tailings Facility Planning, Design and Construction





Professional management

- Formulating emergency response plan and accident recovery plan, and equipped with practicing qualified professional and technical personnel in wastewater, solid waste management and environmental testing, etc.

Well-established management norms

- Uniform Requirements for the Design of Tailings Dry Dumps, Tailings Management Procedures, Emergency Response Procedures for Tailings Dumps

Advanced equipment technology

- Equipped with advanced and efficient filter press equipment, strictly control the moisture of incoming tailings
- All vehicles transporting tailings use closed compartments to prevent spillage on roads

Periodic inspection of closed loop

- Regular monitoring of safety and environmental protection, supervision by government departments, handling of community complaints and continuous improvement

The ecology of regenerate

- Multi-layered cover structure on top of the tailings, including intermediate cover, barrier ground cover, geomembrane layer, drainage layer, and top soil layer
- Plans for sodding the green layer or planting local plants with shallow but well-developed lateral root systems that can easily survive and thrive

Huayou Cobalt Tailings Operation Management

In the face of potential risks and challenges of tailing ponds, Huayou adheres to the principle of prevention and comprehensive management, and has built an efficient and scientific emergency response mechanism to ensure rapid response and precise measures in case of emergency. By strengthening early warning and monitoring, optimizing the emergency response plan and improving the emergency response capability, we are committed to minimizing the risk of tailings.





# Innovation Leads, Prosperity with Friends

Social

Adhering to the core concept of internal and external dual-drive, Huayou actively and organically link with various industry partners in the ecosystem to form a good ecology of co-construction, win-win and sharing. We are actively exploring new frontiers in intelligent manufacturing. To meet our customers' diversified needs, we continuously break through technological barriers and stringently control quality checkpoints. With a professional and responsible attitude, we strive to reward the trust and support of our valued customers.

United Nations Sustainable Development Goals (SDGs) supported:



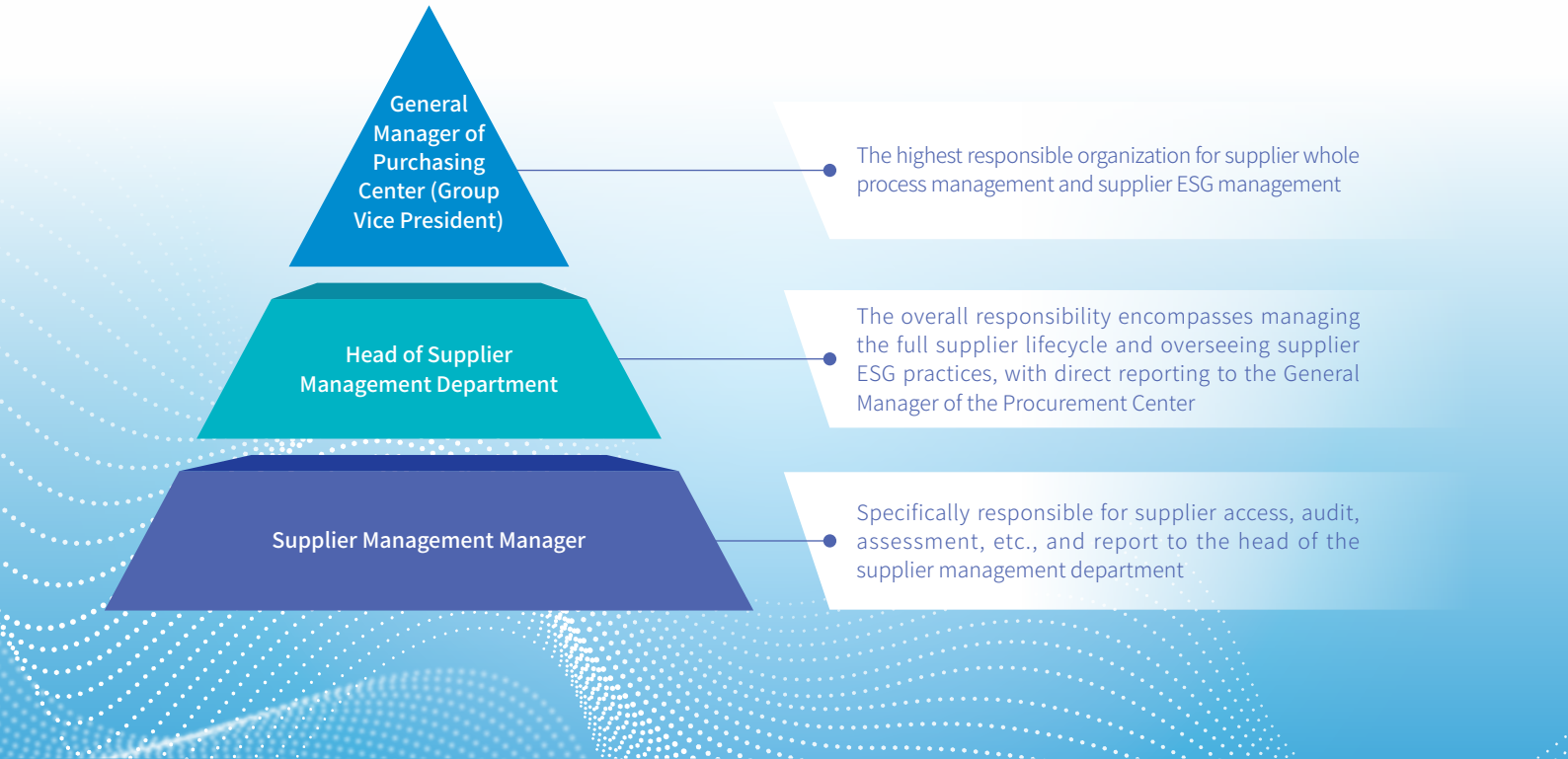


# Sustainable Supply Chain

Huayou Cobalt continues to improve its supply chain management system, and strengthens supplier management in multiple dimensions, including supplier access assessment, risk control, communication and assistance. We are committed to establishing long-term and stable cooperative relationships with upstream and downstream suppliers and increasing the proportion of localized procurement. Meanwhile, the Company continues to improve the transparency of the mineral supply chain to ensure the sustainable development of the industry chain and effectively enhance customer trust.

## Governance

In order to promote sustainable supply chain management and construction, Huayou Cobalt has set up a supplier management organization structure and a three-tier reporting structure consisting of the General Manager of the Purchasing Center (Group Vice President), the Director of the Supplier Management Department and the Supplier Management Manager, who are responsible for the full life cycle management of suppliers and ESG management of suppliers, and who will report the overall matters related to suppliers to the President.



Huayou Cobalt Supplier Management Structure

## Strategy

In order to continuously strengthen our supply chain management capabilities and ensure the full implementation of relevant initiatives, we conduct a comprehensive supply chain risk identification and assessment process so as to clarify its impact on the Company's business and formulate management strategies based on the results of the assessment, whereby we define the impact of supply chain risks and opportunities within one year as short term and those of one year and above as medium and long term .

Supply chain risks	Risk profile and financial potential impact	Time scale
Supply chain disruption risk	<ul style="list-style-type: none"><li>Production standstill and delivery delays: Supply chain disruptions may result in production standstill of Huayou Cobalt and its inability to meet the demand of downstream customers, which in turn may result in delivery delays. This will seriously affect the Company's reputation and customer relationships.</li><li>Cost spikes: The disruption could lead to spikes in raw material, transportation and labor costs, further squeezing the Company's profit margins.</li><li>Decrease in market share: A prolonged disruption may result in a decrease in Huayou Cobalt's share of the market as competitors may take advantage of the opportunity to increase their market share.</li></ul>	Short term
Supply chain ESG risks (product quality, business ethics, health and safety, labor practices, environmental protection, etc.)	<ul style="list-style-type: none"><li>Product quality issues: ESG issues can lead to inconsistent raw material quality, which in turn affects the final quality and performance of the product.</li><li>Damage to brand image: ESG issues related to business ethics, health and safety, labor practices or environmental protection may lead to negative media reports and consumer boycotts, damaging Huayou Cobalt's brand image.</li><li>Legal Risks: Violations of ESG standards can lead to lawsuits and fines, increasing the company's legal costs.</li></ul>	Medium and long term
Mineral supply chain risk	<ul style="list-style-type: none"><li>Price fluctuations: fluctuations in mineral prices may lead to increased uncertainty in the Company's purchasing costs, which in turn may affect the Company's profitability.</li><li>Geopolitical risk: Geopolitical risks, such as political unrest and trade barriers in countries supplying minerals, may further exacerbate the instability of the minerals supply chain.</li></ul>	Medium and long term

Supply chain opportunities	Opportunity impact	Time scale
Integrated layout and globalized resource network construction	<ul style="list-style-type: none"><li>Through the whole industrial chain layout of "cobalt and nickel resources mining - smelting - precursor - anode materials", Huayou has realized the increasing self-sufficiency rate of nickel, and further reduced the dependence on raw materials after the commissioning of the wet smelting project in Indonesia.</li><li>We have been deeply engaged in the Congo in (DRC) and Indonesia for many years, and have been able to enhance the competitiveness of our resources by building a globalized resource network.</li></ul>	Medium and long term
Building a green supply chain	<ul style="list-style-type: none"><li>The carbon footprint of the value chain has become an important "front" for reducing carbon emissions as actions to address climate change go deeper and deeper. Huayou Cobalt continues to strengthen its green supply chain to further satisfy the relevant regulatory requirements and expand the audience for its products.</li></ul>	Medium and long term

Huayou Cobalt supply chain risks and opportunities identification checklist

In order to effectively respond to supply chain risks and opportunities, we have continued to improve our supplier management and supplier ESG management, and strengthened due diligence in the mineral supply chain. Meanwhile, we continue to build a green supply chain for Huayou Cobalt and increase the proportion of localized procurement to further enhance our sustainable supply chain management capability.



Supplier Management

In order to standardize the management of suppliers, Huayou Cobalt has formulated the *Supplier Management Measures of the Group Procurement Center*, the *Supplier Manual*, the *Supplier Code of Conduct*<sup>20</sup> and other systems to guide us to carry out the admission, auditing, evaluation and grading management of suppliers, and explicitly requires all suppliers to sign the *Supplier Integrity Commitment Letter*, which serves as an important basis for regulating their business conduct. In addition, we have established a supplier management system

for the whole process to reduce procurement risks, ensure procurement quality and create a healthy and standardized supply and demand relationship.

In terms of equal treatment of SMEs, we always follow the principles of fairness, impartiality and transparency in our cooperation with SMEs, and give SMEs the same business opportunities and respect as large enterprises, so as to create a market ecology of fair competition and mutual benefit. During the Reporting Period, there was no overdue payment to SMEs.

Labor Practice

- 1. **Forced labor:** Suppliers may not use any form of forced or compulsory labor.
- 2. **Child labor:** Suppliers hiring employees must meet the minimum legal age set by local law.
- 3. **Working conditions:** Suppliers should comply with international conventions and local laws and regulations on working hours and wages and benefits.
- 4. **Discrimination and Harassment:** Suppliers shall provide equal opportunity in recruitment, promotion, training, compensation and benefits and shall not discriminate against others based on race, religious belief, age, nationality, sexual orientation, gender, gender identity and gender expression, marital status, pregnancy, political affiliation or disability and other similar factors.
- 5. **Freedom of association and collective bargaining:** To the extent permitted by law, suppliers shall respect the rights of workers to associate freely, to engage in collective bargaining, or to take part in peaceful assembly in accordance with the law.

Environmental Protection

- 1. **Greenhouse gas emissions and energy consumption:** It is recommended that suppliers prioritize the use of renewable or low-carbon energy sources and adopt energy-saving and consumption-reduction measures.
- 2. **Pollution prevention and waste management:** Suppliers should identify and control pollutants and other materials released into the environment and ensure that they are safely handled, transported, stored, used, recycled and disposed of.
- 3. **Resource efficiency:** All types of resource depletion and pollution should be reduced and eliminated at source or through practice.
- 4. **Biodiversity:** Priority should be given to environmental protection standards and ecological impacts, analyzing the potential impacts of activities on biodiversity and formulating appropriate preventive and compensatory measures.

Business Ethics

- 1. **Business integrity:** Suppliers should adopt a zero-tolerance policy that prohibits any form of bribery, corruption, extortion and misappropriation of public funds.
- 2. **Anti-monopoly and anti-unfair competition:** Partners are not allowed to monopolize the market or engage in unfair competition alone or with other partners.
- 3. **Conflict of interest:** Suppliers shall avoid any conflict of interest with Huayou Cobalt's employees that may affect their objective judgment or impartial behavior.

<sup>20</sup> For detailed information, please refer to the following link: <https://www.huayou.com/Public/Uploads/ueditor/upload/file/20240828/1724828953461478.pdf>.

Health and Safety

- 1. **Occupational safety:** Suppliers shall identify, assess and eliminate safety hazards through reasonable engineering design, process control and preventive maintenance.
- 2. **Emergency management:** Suppliers should identify and assess emergency situations and emergencies and minimize their impact by implementing emergency programs and response procedures.
- 3. **Workplace injuries and illnesses:** Suppliers should have appropriate procedures and systems in place to prevent, manage, track and report workplace injuries and illnesses.
- 4. **Machine guarding:** Suppliers are required to assess the safety hazards of production equipment and other machinery, and to provide physical guards for machinery that may cause injury to employees.
- 5. **Industrial hygiene:** According to the principle of hierarchical control, the hazards posed to employees by chemical, biological and physical factors should be identified, assessed and controlled.

Huayou Cobalt Supplier Code of Conduct

Supplier Admission

- Audit suppliers' qualifications, trial products, etc. During the audit process, we pay attention to all aspects of the supplier's risk control ability, planning ability, and other factors
- Consideration of factors such as material importance, timeliness, business risk and market environment
- Require suppliers to provide environmental management system certification, occupational health management system certification, etc. in the admission process

Supplier Assessment

- Conducting supplier performance evaluations, on-site audits, etc.
- Assessment of supplier delivery, quality and service in daily business activities
- Carry out on-site audits of channel suppliers, auditing suppliers' commercial, technical, quality, safety and environmental protection capabilities to ensure that suppliers meet the requirements

Supplier Elimination

- In order to ensure the overall quality of suppliers, strengthen the supervision and risk prevention and control of suppliers, and take measures such as freezing, eliminating and withdrawing problematic suppliers
- Formulate policies and systems to regulate the behavior of supplier elimination and improve the quality of procurement, such as the *Supplier Elimination Freeze Trigger Scenario*, *Supplier Elimination Freeze Process*, and *Supplier Management Measures of the Group Procurement Center*

Supplier Full Process Management



We weight ESG metrics in our supplier admission process, prioritizing suppliers with better ESG performance

To ensure that supplier behavior meets the ESG-related requirements of the *Supplier Code of Conduct*, we design and distribute supplier ESG questionnaires to continuously review supplier procurement behavior

Suppliers who fail to meet the minimum ESG requirements within the specified timeframe will not be considered for cooperation

Supplier ESG management initiatives

In order to build a healthy and transparent supply and demand relationship, effectively safeguard the legitimate rights and interests of both parties and ensure the compliance and efficient operation of procurement activities, we have formulated the *Supplier Code of Conduct* and required all suppliers to sign a *Letter of Commitment on Integrity* as an important initiative to regulate their business conduct. During the Reporting Period, 100% of our suppliers signed the *Letter of Commitment on Integrity*. In addition, the Audit and Supervision Center of the Company undertakes the duty of integrity supervision in the whole cycle of supplier cooperation, and has constructed a set of all-round integrity working system covering prevention and control beforehand, dynamic supervision during the process and strict accountability afterward, so as to effectively prevent possible corruption risks in the procurement process and ensure a clean and honest environment for cooperation.

● Huayou Cobalt supplier conference

During the Reporting Period, Huayou held a supplier conference with 165 cooperative units and nearly 500 guests attending the conference, which elaborated on Huayou's core business philosophy, put forward the future direction of cooperation and requirements, and redefined Huayou's supply chain strategy to the suppliers.

At the meeting, we conducted a report on *Huayou's Low-Carbon Supply Chain Construction and Integrity Huayou Sunshine Procurement*, which further elaborated to the suppliers Huayou's determination to adhere to the green and sustainable development, and invited the suppliers to plan in advance and make joint efforts to integrate the low-carbon supply resources and establish the requirements for differentiated advantages in the future competition.



Mineral Supply Chain Due Diligence Management

Key metal materials such as nickel, cobalt, manganese and lithium play a central role in battery manufacturing and have a significant impact on the global green energy transition. Huayou recognizes that transparency in the mineral supply chain is essential to safeguard the sustainable development of the chain and to win customers' trust.

Huayou strictly follows the requirements of the *Due Diligence Management Guidelines for China's Mineral Supply Chain* and the *Organization for Economic Cooperation and Development Guidelines on Due Diligence for Responsible Supply Chains of Ore from Conflict-Affected and High-Risk Regions*, formulates and implements the *Policy on Responsible Global Mineral Supply Chain in High-Risk Regions*, the *Supplier Standards for Responsible Mineral Procurement* and the *Policy on Conflict Minerals*, to satisfy the market's requirements for responsible mineral sourcing. It has improved the Company's awareness and control of mineral supply chain risks.

In order to continuously improve the management level of responsible purchasing of mineral cooperative suppliers, the Company provides internal RMI training programs for employees and conducts a series of awareness-raising and capacity building activities for external suppliers, so as to strengthen the sense of responsibility and sustainable development of the entire mineral supply chain.

Risk Management

Huayou Cobalt has established a comprehensive risk management process and integrated supply chain risk management into the enterprise risk management process to ensure that timely and effective response strategies can be made in the face of challenges brought about by the supply chain (for details, please refer to the section on "Compliance and Risk Management").

In addition, to address the risks in the mineral supply chain, Huayou has set up an ESG and Sustainability Management Committee at the Group level and a Mineral Supply Chain Due Diligence Management Team to comprehensively coordinate and manage the due diligence management of the Company's mineral supply chain. We oversee the due diligence management of the Company's mineral supply chain in a responsible manner, and continue to optimize the "six-step" management framework and due diligence management procedures of Huayu's mineral supply chain.



Huayou Cobalt's Six-Step Framework for Due Diligence Management in the Mineral Supply Chain

Based on increasing stakeholder scrutiny of sustainability risks in the minerals supply chain, we are committed to continually strengthening our own due diligence management as well as the compliance due diligence of our upstream suppliers, and actively conducting third-party audits to validate our supply chain due diligence management performance.

During the Reporting Period

we collaborated with downstream customers to carry out ESG and supply chain-related due diligence investigations for

50companies

Audit subject company	Aduit scope	Country	Aduit of metals	Aduit organization	Aduit results
Quzhou Huayou Cobalt New Materials	Refinery	China	Cobalt	RMI	Passed
Quzhou Huayou Cobalt New Materials	Refinery	China	Nickel	CCCMC <sup>21</sup>	AA
Zhejiang Huayou	Refinery	China	Cobalt	RMI	Passed
Guangxi Huayou New Materials	Refinery	China	Nickel	CCCMC	A
Huayue Company	Smelter	Indonesia	Nickel, Cobalt	RMI	Passed

Huayou Cobalt 2024 Mineral Supply Chain Due Diligence Management Third Party Audit

● Huayou new energy raw material supplier empowerment training

During the Reporting Period, Huayou New Energy Industry Group and New Material Industry Group provided training to raw material suppliers on the three systematic documents, namely *Policy on Responsible Global Mineral Supply Chain from High Risk Regions*, *Supplier Code of Conduct* and *Supplier Standards for Responsible Mineral Procurement*, to ensure that suppliers fully understood and followed the Group's procurement principles and norms.

A total of 20 core raw material suppliers and 21 core auxiliary material suppliers participated in the training. Huayou has further strengthened its responsible image in the global mineral supply chain. In the future, we will continue to pay attention to the dynamic changes in the global mineral market, laying a solid foundation for building a green, fair and transparent global mineral supply chain.

Green Supply Chain

As a "chain owner", Huayou's mission and responsibility has always been to reduce carbon emissions in the supply chain and to transform the whole value chain into a low-carbon one. We are committed to exploring new low-carbon areas with our partners, continuously promoting low-carbon development planning in the supply chain, and prioritizing cooperation with green and low-carbon suppliers. Since the start of the low-carbon supplier construction program in 2023, as of the end of the Reporting Period, Huayou has learned about and sorted out the low-carbon development status of more than 50 suppliers and helped them raise their low-carbon awareness and establish a sound low-carbon management system.

Initiative Commitments

- Signed the *Co-operative Carbon Reduction Alliance Letter* with 11 core suppliers to establish an industry chain carbon reduction co-operation mechanism

Low Carbon Empowerment

- Completed low-carbon system empowerment for 35 core suppliers and on-site low-carbon training for 23 suppliers to help them understand policy trends and market situation, understand the risks and opportunities related to greenhouse gas emissions, and assist them in setting up a carbon emission data management system that meets accounting standards
- Completion of carbon emission quantification for a total of 35 products from 11 core suppliers
- Conducted numerous trainings on EU Battery Law, ISO14064 and ISO14067 accounting standards to raise awareness of supply chain sustainability

Assisting in Carbon Reduction

- Establishment of a low-carbon management system for supplier classification and categorization
- Completion of the construction of 2 low-carbon procurement system standards
- Realized low carbon audits of 6 suppliers, practiced green procurement, and actively promoted low carbon transition in the supply chain

2024 Huayou Green Supply Chain Initiative

For suppliers with significant impact on carbon emissions, we have put forward special requirements, including the formulation of detailed emission reduction plans, the adoption of cleaner energy, and the optimization of production processes, etc., in order to urge them to take effective measures and jointly promote the transformation of the supply chain towards low-carbon and environmental protection.

<sup>21</sup> CCCMC: China Chamber of Commerce for Import and Export of Metals, Minerals & Chemicals.



● Green supply chain control requirements for cathode materials

About 70-80% of the carbon emissions of anode materials come from upstream raw materials. In response to the dual-carbon goal of the industry and customers, B&M, a subsidiary of Huayou, has actively launched a series of green supply chain control requirements to comprehensively promote the low-carbon development of the value chain. We have formulated the *B&M Technology Sustainability Agreement*, which stipulates B&M Technology's requirements on suppliers in terms of sustainability, including carbon emission reduction, green energy use, and recycled material use requirements.

Our low carbon transition requirements for suppliers include, but are not limited to:

EV positive electrode suppliers are required to achieve carbon neutrality in their products by 2035 for raw materials; 3C positive electrode suppliers are required to achieve carbon neutrality in their products by 2045 for raw materials.

Suppliers and their affiliates to use 100% green electricity by 2030.



Supplier raw materials should meet the requirements of the EU battery act in terms of the percentage of recycled materials used.

During the Reporting Period, Chengdu B&M Technology was successfully selected to be on the list of "Green Supply Chain Management Enterprises" in Sichuan Province in 2024.

We continue to help suppliers build a low-carbon development capability system. For suppliers with high carbon emissions, we organize dual-carbon thematic exchanges and training activities, covering various dimensions such as analysis of climate change trends, greenhouse gas emissions inventory, and construction of dual-carbon management systems, with the aim of comprehensively improving the carbon emissions management level and capability of suppliers.

● Collaborate with liquid alkali suppliers to empower the whole process of low-carbon supply chain construction

In 2024, Huayou carried out a whole-process low-carbon supply chain construction work for its core liquid alkali supplier, and collaborated with this supplier to carry out carbon reduction measures in seven major aspects, including the elimination of energy-consuming equipment, optimization of energy structure, application of energy-saving and carbon-reducing technologies, and accounting of carbon emissions and product carbon footprints. By the end of the Reporting Period, the measured carbon emissions of the supplier had been reduced by approximately 59%.



The carbon footprint of the value chain has become an important "front" for reducing carbon emissions as we move deeper into the fight against climate change. In the future, we will continue to invest in value chain carbon reduction and realize Huayou's "Climate Ambition" commitment with effective value chain carbon footprint management.

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Localized Procurement

In the context of a globalized economy, we recognize that local sourcing is not only an important way to support the local economy, but also a manifestation of the Company's social responsibility. Through localized sourcing, the Company can better adapt to market changes, improve supply chain stability and efficiency, and promote the development of local suppliers.

Huayou Cobalt has formulated the *Huayou Cobalt Localization Procurement Policy*<sup>22</sup> to clarify the principles and processes for the Company to conduct localization procurement, to guide the conduct of all relevant departments and employees of the Company in procurement activities and to promote the development of the local economy.

Localized Procurement Principles


Localized Procurement Process

Localization Cooperation Program

Huayou Cobalt Localized Procurement Principles, Processes and Programs

● Huayue Company localized procurement of agricultural products

During the Reporting Period, Huayue Company actively provided agricultural assistance to farmers in the village of Limbomakmur. The Company invited professional planting technicians to teach local residents advanced fattening techniques and planting knowledge, and supplied high-quality vegetable seeds to cooperative farmers. When the agricultural products are mature and pass the quality test, the Company unified procurement to the internal canteen, realizing 100% local procurement of canteen food materials.



<sup>22</sup> For detailed information, please refer to the following link: <https://www.huayou.com/Public/Uploads/ueditor/upload/file/20240828/1724829470679413.pdf>.

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Indicators and Targets

In order to continuously improve the Company's supply chain management and enhance management transparency, we have set up a comprehensive monitoring indicator system, which enables us to carry out regular performance indicator tracking and management and public disclosure. Meanwhile, we have set clear supply chain management targets and regularly publicize the progress of the targets to show the results of Huayou Cobalt's supply chain management to all stakeholders. During the Reporting Period, we completed 5

third-party assessments of mineral supply chain due diligence management, sorted out the status of low-carbon development of more than 50 suppliers, signed the Letter of Co-operation and Carbon Reduction Alliance with 11 core suppliers, completed the construction of 2 low-carbon procurement system standards, and realized the work of carbon emission quantification of a total of 35 products of 11 core suppliers at the level of 6 suppliers' low-carbon audits, thus completing the set targets at the beginning of the Reporting Period.

Total number of suppliers

3,156

Number of suppliers in China

2,891

Number of suppliers in Indonesia

208

2024

Number of suppliers in other regions

57

Newly introduced suppliers

997

Total number of Tier-1 suppliers

567

Total number of significant suppliers in Tier-1

122

% of total spend on significant suppliers in Tier-1

56%

Total number of significant suppliers in non Tier-1

445

Total number of significant suppliers

735

Proportion of supplier integrity agreements signed

100%



2024 Huayou Cobalt Supply Chain Management Performance Table <sup>23</sup>

<sup>23</sup> The supply chain management performance metrics only include data from Huayou Cobalt's non-mining suppliers.

Technological Innovation

Research and Development Innovation

Innovation Strategies and Systems

Scientific and technological innovation and product quality are the most important for the sustainable development of countries and enterprises. In order to better adapt to the market demand and international trends, in 2024, the Company deepened cooperation with domestic and overseas countries, business partners, universities and other stakeholders, relying on a series of actions such as global patents and intellectual property rights protection, key technological innovation and application, and implemented the strategy of science and technology innovation of "supporting the industry and leading the future", and actively carried out the research and development of relevant standards. In 2024, the Company will lead and participate in the release of 10 national standards, 11 industry standards and 2 international standards.

In terms of R&D team construction, Huayou Cobalt continues to introduce top talents from home and abroad for each segment of the integrated industrial chain. As of the end of the Reporting Period, the Company had 1,559 R&D personnel, accounting for 6.14% of the total number of employees; the company's R&D investment amounted to 1.3 billion yuan, accounting for 2.13% of the total revenue.

Huayou Cobalt has built a number of advanced scientific research institutions and open scientific research platforms. As of the end of the Reporting Period, we have 15 provincial-level R&D platforms and 2 national-level R&D platforms, including national-level enterprise technology centers, key enterprise research institutes in Zhejiang Province and post-doctoral scientific research workstations, etc., in order to support the Company's adherence to the open cooperation model; and we continue to maintain regular technological exchanges with scientific research and educational institutes in Australia, Germany, Indonesia and Hungary to enhance our globalization R&D capability.

Numbers of national standards involved in formulating

10

Numbers of industrial standards involved in formulating

11

Numbers of international standards involved in formulating

2



National Science and Technology Progress Award (Second Prize)



National Science and Technology Progress Award (Second Prize)



Manufacturing Single-Category Champion Enterprise (Huayou New Energy Technology Quzhou)



Manufacturing Single-Category Champion Enterprise (Tianjin B&M Science and Technology)

Number of technical R&D personnel

1,559 Person

Ratio of R&D personnel to total number of employees

6.14 %

R&D investment

RMB 1.3 billion

R&D investment as a percentage of total revenue

2.13 %



Index	Unit	2024
R&D investment	RMB billion	1.3
R&D investment as a percentage of total revenue	%	2.13
Number of technical R&D personnel	Person	1,559
Ratio of R&D personnel to total number of employees	%	6.14
Provincial R&D Platforms	/	15
National R&D platforms	/	2
Numbers of international standards involved in formulating	/	2
Numbers of national standards involved in formulating	/	10
Numbers of industrial standards involved in formulating	/	11

2024 Huayou Cobalt Technology and Innovation Performance Table

R&D incentives

Huayou Cobalt has built a long-term innovation ecosystem to systematically stimulate the innovation momentum of all staff through the establishment of a multi-dimensional R&D platform and a gradient cultivation mechanism. The Company has set up an R&D incentive mechanism covering technology research, process improvement, invention patents and other innovative fields, and at the same time, it has perfected technology transformation channels and career development paths to ensure two-way empowerment of innovation achievements and personal growth.

Innovative R&D Incentives

- Implement "project allowance (process incentive) + project incentive (including project acceptance incentive and industrialization incentive)" for major R&D projects.
- Implementation of "project incentives (including project acceptance incentives and industrialization incentives)" for major and general R&D projects.

Special Incentive

- The Company has formulated the *Administrative Measures for Rewarding Duty Inventions*, and rewards duty inventors quarterly according to the corresponding standards, so as to encourage and motivate all staff to innovate. By the end of the Reporting Period, the reward for job-related inventions has been honored four times, with a reward amount of more than one million yuan, covering more than seven hundred people from various industrial groups.

Selection of Awards

- The Group has set up the New Product Development Award, Process Engineering Integration Innovation Award and Technology Innovation Award to select and recognize the teams and individuals who have made outstanding contributions to scientific and technological innovation, and to provide material rewards and spiritual incentives to the winning teams and individuals, so as to set up a role model for scientific and technological innovation, and to drive all the staff to actively participate in innovation activities.

Intellectual Property Protection

To optimize its intellectual property management system, Huayou Cobalt developed and implemented a series of policies, including the *Patent Application Management Measures* , *Trade Secret Management Measures* , and *Trademark Management Measures*. These policies define management requirements for patents, trademarks, copyrights, and trade secrets, ensuring efficient and standardized operations. Additionally, the Company aligned with international best practices by undergoing ISO 56005 certification for innovation and intellectual property management, achieving Level 3 certification, which further

enhanced its intellectual property management capabilities and international competitiveness. In 2024, we added 4 new registered trademarks in South Korea and 5 registered trademarks in the EU, covering products and services such as energy storage and battery recycling.

Huayou Cobalt has built a professional and high-level IP management team with both management and service functions. We continue to strengthen the risk and compliance management of our intellectual property system and take the protection of scientific and technological innovations as the core of our intellectual property protection work.

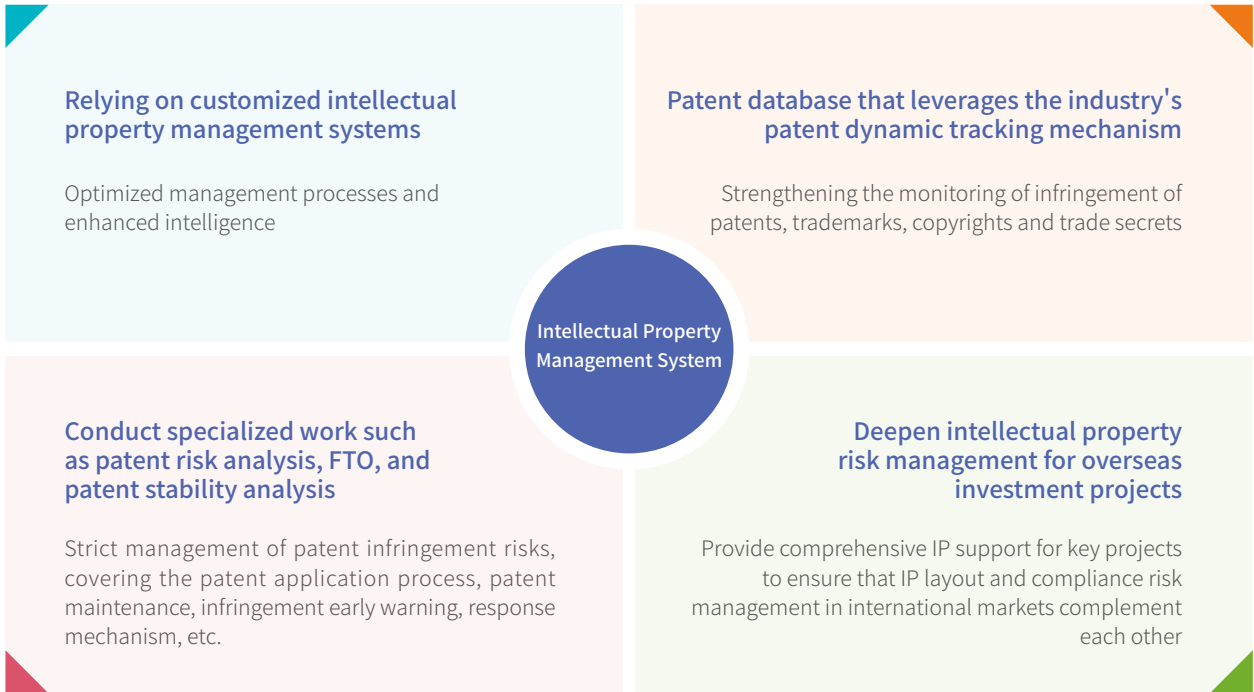
Risk Control and Compliance

Preliminary establishment of intellectual property compliance and risk prevention and response mechanisms guided by early warning, prevention and effective response

Protection of innovations


Focusing on the Company's strategy and core products, identifying and focusing on core technologies, enhancing the company's core technology competitiveness, and focusing on the Company's and key customers' market layouts, rapidly laying out a certain number of high-value patents globally, and realizing simultaneous improvement in the quantity and quality of patents

In 2024, in accordance with the working guideline of classification management and unified layout, we further relied on the intellectual property information management system to carry out detailed planning in multiple dimensions, such as timing, geographical distribution, technology fields and patent types, to establish a layout system covering various types of intellectual property rights, such as patents, trademarks, copyrights, technological secrets and domain names, in order to reduce the risk of infringement.



● Intellectual Property Capacity Enhancement Training

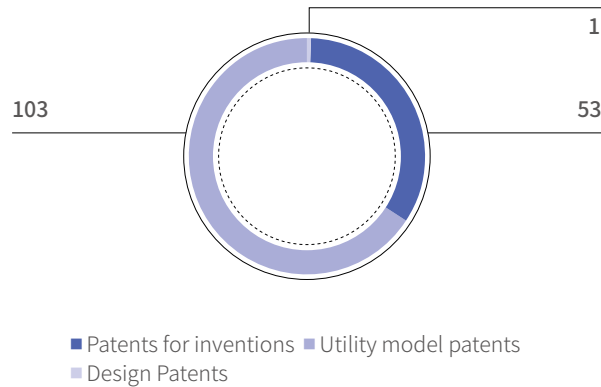
During the Reporting Period, we held 10 thematic trainings with more than 1,500 participants, focusing on special counseling on trade secret protection mechanism, brand authorization management norms and trademark copyright compliance; and we organized in-depth training on core skills such as patent writing practice, patent search and analysis skills and patent intelligence application innovation in our technology research and development line. The Company has formed a matrix of intellectual property capacity enhancement covering the entire business chain, effectively improving employees' ability to create, utilize and protect intellectual property rights.



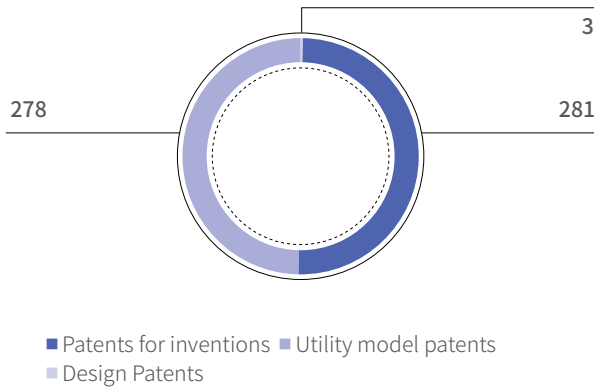
Index	Unit	2024
Cumulative authorized patents	/	562
Cumulative authorized invention patents	/	281
Of which: Proportion of cumulative authorized invention patents applied to the main business	%	50
Cumulative authorized utility model patents	/	278
Cumulative authorized design patents	/	3
Newly granted patents	/	157
Newly authorized invention patents	/	53
Newly authorized utility model patents	/	103
Newly authorized design patents	/	1

2024 Huayou Cobalt Intellectual Property Protection Performance Table

Number of new patents granted in 2024



Cumulative number of patents granted in 2024



# Products & Customer Service



## Product Quality

Huayou Cobalt takes “Excellence” as the core of its quality strategy and builds an end-to-end quality assurance mechanism for the whole process. Based on the requirements of ISO 9001 quality management system, we have established a standardized management mechanism covering the entire chain of R&D, production and testing, and have achieved the consistency of quality standards from strategic decision-making to production execution. By implementing dynamic quality monitoring and preventive risk control, we have significantly reduced quality fluctuations in the production process, and strengthened the quality brand building of the Company while protecting the rights and interests of customers. During the Reporting Period, Huayou Cobalt did not experience any major liability accidents and recalls related to the safety and quality of its products and services.

### Quality System

Huayou Cobalt has always practiced its commitment to quality and safety, and each industrial group continues to pay attention to and follow the latest product quality and safety management system standards at home and abroad, and actively carries out quality certification.

Huayou New Material Industry Group

- **Guangxi base:** IATF16949 quality management system certification, ISO 9001 quality management system certification
- **Quzhou base:** IATF16949 quality management system certification, ISO 9001 quality management system certification, GJB9001C quality management system certification, CNAS accreditation certificate
- **Tongxiang base:** IATF16949 quality management system certification, ISO 9001 quality management system certification

Huayou New Energy Industry Group

- **Guangxi Base:** IATF16949 Quality Management System Certification
- **Quzhou Base:** IATF16949 Quality Management System Certification
- **Guangxi base:** IATF16949 quality management system certification, ISO 9001 quality management system certification
- **Quzhou Base:** CNAS Accreditation Certificate
- **Chengdu base:** IATF16949 quality management system certification, ISO 9001 quality management system certification

Huayou Recycling Industry Group

- **Jiangsu base:** GB/T19001-2016, ISO 9001:2015 quality management system certification

Huayou Indonesia Nickel Industry Group

- **Huayue Base:** ISO 9001 Quality Management System Certification
- **Huafei Base:** ISO 9001 Quality Management System Certification



We continuously optimize our internal quality management system and enhance the effectiveness of internal quality audits. During the Reporting Period, the New Energy Industry Group systematically restructured its internal audit mechanism and established a three-dimensional optimization model of "rolling audit - capability cultivation - closed-loop management".

Effectiveness Improvement

- The internal auditor skills compliance rate increased by 17 percentage points, significantly strengthening the effectiveness of risk warning and process control

Capacity-building for internal auditors


- Theory enhancement: quality theory training before each audit
- Practical reinforcement: the use of mentor-apprentice system for practical teaching, on-site audits through case analysis, problem tracing and other practical teaching

Audit Model Reconfiguration

- Annual centralized audit broken down into 9 rolling audits by process, covering all 17 business processes
- Improve problem detection rate and reduce systemic risk through high-frequency, focused audits

● Chengdu B&M realizes accurate quality traceability throughout the life cycle through its quality management system.

Chengdu B&M realizes accurate control of the whole production process by building an intelligent quality traceability system. The system takes batch management as the core and integrates three-dimensional traceability modules for quality, process and video: the quality traceability module is linked with the Laboratory Information Management System (LIMS) through the Intelligent Manufacturing Execution System (IMES), realizing the digitization of the whole chain from sampling and delivery to laboratory testing and result determination; the process traceability module correlates the production parameters with the operation data of the equipments to ensure standardized implementation of the work processes; and the video traceability module records the operation of key work processes throughout the process. The process traceability module associates production parameters and equipment operation data to ensure the standardized execution of work processes; the video traceability module records the operation of key work processes. Through the unified data platform, the system automatically generates quality trend analysis maps, which reduces the defective rate of products by 46% year-on-year.



● Huayou Unified Industrial Internet Platform (HYBOS): Empowering Quality Enhancement Through Smart Manufacturing

In 2024, a number of production bases of Huayou Cobalt took the lead in developing and implementing LIMS systems on Huayou Unified Industrial Internet Platform (HYBOS), and promoted the intelligent manufacturing system in accordance with the principles of "planning-driven, unified platform, independent/joint development, step-by-step implementation, pilot first, key breakthrough". This has effectively improved Huayou Cobalt's production efficiency, equipment management level and quality control, promoted the digitization and intelligence of the production process, and continued to promote the sustainable development and technological innovation of the Company.

Production Management Refinement: MES system enhances production transparency and decision-making accuracy, promoting efficiency and cost control.

Standardized quality control: LIMS unifies quality data management, eliminating manual records and ensuring data accuracy and compliance.

Transparent production statistics: The LIMS system collects data in a fine-grained manner, enhancing visualization and real-time performance to support efficient scheduling and decision-making.

● Huayou New Materials QC Team: overcoming leaching concentration difficulties and winning double harvests in high-nickel precursor tracks

With the continuous expansion of high-Ni ternary precursor market, the competition in the industry is getting more and more intense. Huayou New Material Group's QC team of seeking truthfulness and pragmatism carried out the QCC project of "Stabilizing the Ni concentration in one section of atmospheric leaching", made detailed analysis on human, machine, material, method, environment and measurement, and set up the standard of leaching concentration in one section through the improvement of the process, improvement of the standard and empowerment of the personnel in the three-dimensional implementation of the improvement; ultimately, the qualification rate of the Ni% index was increased to 100%, and the production capacity of the nickel sulphate liquid and the cost was improved, and the economic benefits reached 281 million yuan. This project won the Excellent (Grade II) Quality Management Group of China Nonferrous Metal Industry.



Quality Culture

Hundred years of Huayou, quality is the only thing. In order to enhance our employees' awareness and attention to product quality and safety, we continue to promote the construction of quality culture. Every year, we formulate an annual quality training plan and insist on carrying out various quality training programs. We require all employees (including full-time, part-time and labor dispatch employees) to receive quality training, including quality management standards, process improvement tools and so on.

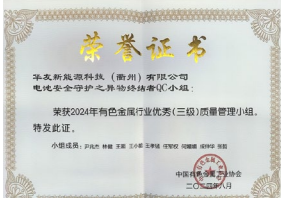
Monthly quality training to build the cornerstone of product safety

With a highly responsible attitude towards product quality and safety, during the Reporting Period, Huayou Recycling carried out monthly quality month and related product quality and safety training, which covered the incoming material inspection standard of energy storage, clarifying the quality threshold of raw materials; the process quality control points and control methods of energy storage products, providing a clear guideline of quality control in the production process; and the quality abnormality handling process of products and semi-finished products, so that the staff can respond in an orderly manner when encountering problems. The quality abnormal process of products and semi-finished products allows employees to respond in an orderly manner when encountering problems. The training

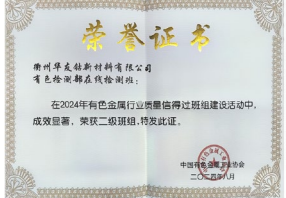
effectively reduces the hidden quality problems and improves the overall product quality.



Zhejiang Industry Award



Outstanding Quality Management Team  
Award in Nonferrous Metal Industry



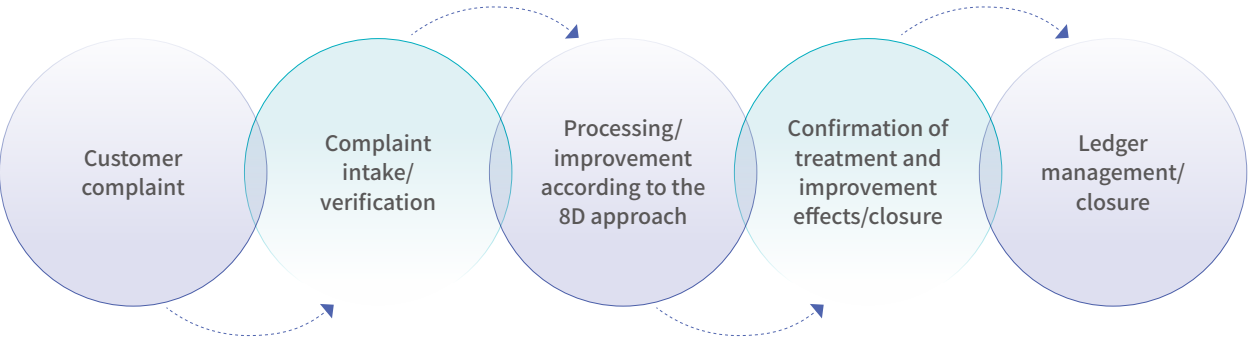
"Quality Trustworthy Team Level 2  
Team" Honors

2024 Huayou Cobalt Quality Honors List

Client Service

Establishing a long-lasting and trusting relationship with customers is one of the core elements of Huayou Cobalt's steady development, and we are committed to meeting the needs of our global customers for high-quality products through the advantages of our own capabilities and platforms. Guided by user needs, we continue to improve our service quality by perfecting our customer service and recall system, establishing a customer demand feedback mechanism, optimizing our complaint management process, and conducting regular satisfaction surveys. We have formulated standardized documents for customer service and recall, such as *Product After-sales Process Specification*, *After-sales Returned Battery Inspection Standard*, *Customer Complaint Handling Specification*, *Customer Service Management Procedure*, etc., and are committed to providing reliable product service guarantee for global customers.

Huayou Cobalt respects every customer's opinion and feedback, and builds far-reaching and smooth customer communication channels. On the customer service side, we have established a standardized process for handling customer complaints. On the internal management side, we systematically carry out traceability and attribution analyses, rectify and dispose of problems according to the quality management system and responsibility determination standards, and continuously promote product optimization. We strictly follow the methodology of *8D Operational Guidelines*, lock the root cause through structured problem analysis, and simultaneously formulate targeted corrective measures and implement long-term improvement programs to ensure that similar problems do not recur. In 2024, Huayou Cobalt was informed of 9 customer complaints, and has tracked and handled all of them, with the completion rate of customer complaint handling reaching 100%.



Customer Complaint Handling Process

Customer satisfaction is the core yardstick for measuring the effectiveness of our services, and it is also the compass that drives Huayou's continuous improvement. We have systematically optimized our product and service experience, and incorporated annual customer satisfaction surveys into our regular management mechanism. In 2024, the customer satisfaction scores of Huayou Cobalt New Materials and New Energy Industry Group were 93.12 and 93.43 respectively.

In 2024, the customer satisfaction scores of Huayou Cobalt:

New Materials Industry Group	New Energy Industry Group
93.12	93.43





# Huayou, Together, for the Future

Social

Huayou Cobalt upholds the principle of "Responsible Huayou", fully recognizing the value of its employees and their contributions. We are committed to creating a fair and open work environment and building an employee system compatible with international standards. The Company is committed to attracting a variety of talents across the globe with a diversified and inclusive corporate culture, and maximizing employee rights and interests through fair hiring processes, sound employee development system, generous employee benefits, smooth communication channels, and scientific safety management, with the aim to achieve a win-win situation for both employees and the Company.

Supported United Nations Sustainable Development Goals (SDGs)





# Labour and employment

## Compliant Employment

Huayou Cobalt consistently upholds lawful employment practices, strictly complying with the *Labor Law of the People's Republic of China* and all applicable local regulations in its operating regions, while aligning with international standards. We adhere to a people-oriented strategy and have formulated and strictly implemented a number of compliance employment management systems, including *Recruitment Management System*, *Labor Contract Management Measures*, *Huayou Indonesia Nickel Industry Group Indonesian Social Recruitment Manual*, and *Huayou Indonesia Nickel Industry Group Indonesian Campus Recruitment Manual*. We strictly abide by the principles of compliance employment.


### Diversity, Equity & Inclusion

A diverse, equal and inclusive organisation can stimulate creativity and innovation by empowering employees to work proactively. As an innovation-driven company, we have the ability and responsibility to provide a diverse, equal and inclusive working environment for all our employees. The company has always emphasised an "anti-discrimination" culture and a "zero tolerance" attitude towards any form of discrimination and misconduct, including sexual and non-sexual harassment, is set out in the *Management Procedure for the Prohibition of Child Labour, Forced Labour, Inhuman Treatment and Discrimination* and in the *Labor and Human Rights Policy*. When prohibited practices such as discrimination or harassment in the workplace are discovered, they will be escalated and disciplinary and corrective actions will be taken as soon as possible. In addition, Huayou has set up a whistleblowing channel for incidents of discrimination and harassment and a women's rights hotline on its official website. At the same time, we take various measures to protect the privacy and information security of whistleblowers to avoid unfair treatment and retaliation.

Reporting Channels for Discrimination and Harassment	
Women's Rights Advisory Hotline	● 86+13486326037
Huayou Cobalt Grievance Mechanism	● Tel: 0573—88589103
	● Email: report@huayou.com

● Huayou Cobalt Joins the Women's Empowerment Principles (WEPs)



To further strengthen its commitment to gender equality and women's empowerment, Huayou Cobalt officially joined the *Women's Empowerment Principles (WEPs)* in 2024. The WEPs, co-established by UN Women and the United Nations Global Compact, will empower Huayou Cobalt to actively advance gender equality in the workplace, supply chain, and communities, working toward the development goal of "leaving no one behind."



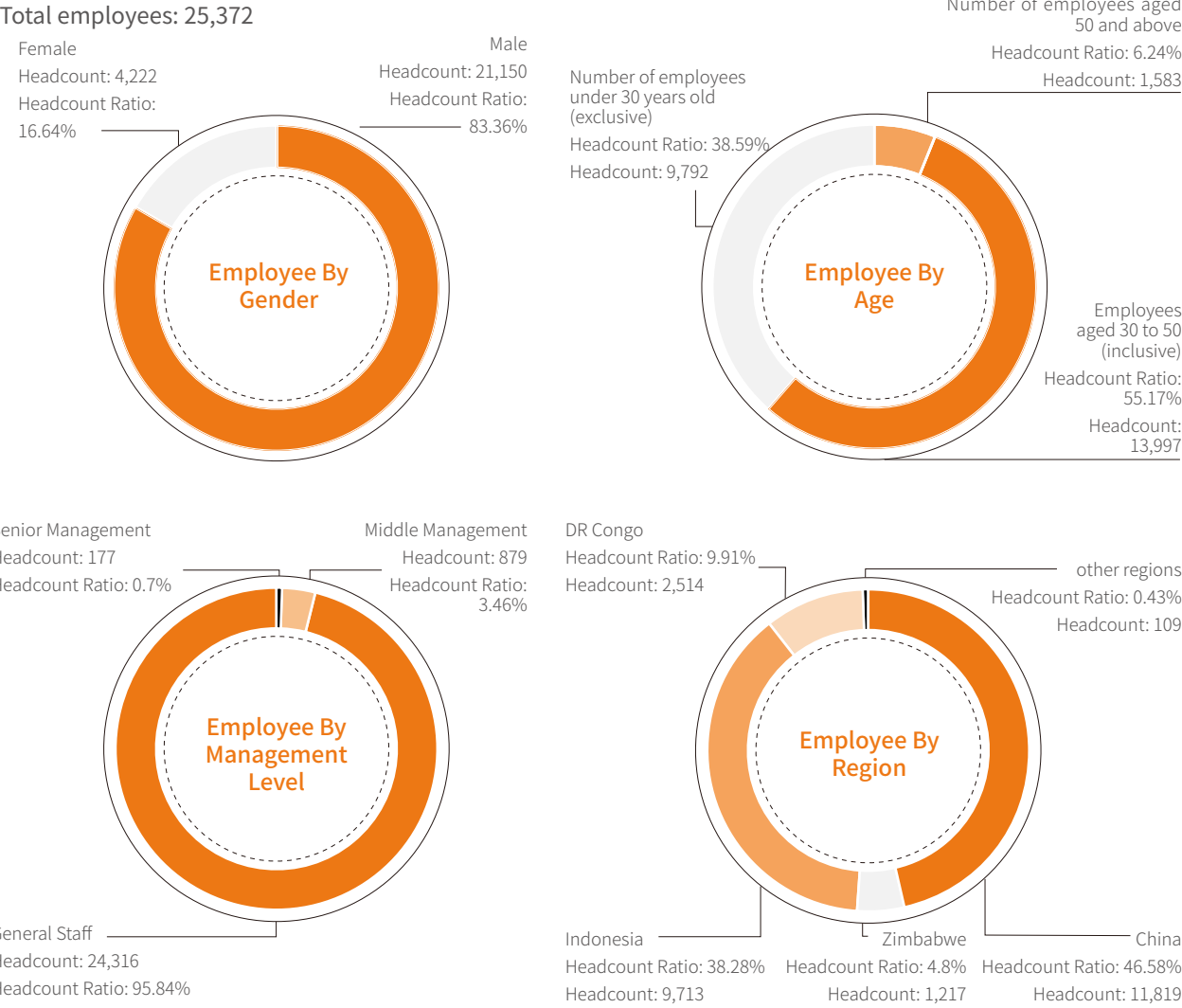
华友钴业顺利加入  
联合国妇女署和联合国全球契约网络  
共同发起的  
**WEPs**  
(赋权予妇女原则)

● All operational sites actively organized International Women's Day initiatives to foster a diverse corporate culture

During the 2024 International Women's Day, Huayou organized celebratory activities across its domestic and overseas operations to enhance cross-cultural exchange. We remain committed to advancing gender equality through concrete actions, building a multicultural environment, and fulfilling our corporate responsibility to promote employee inclusion.



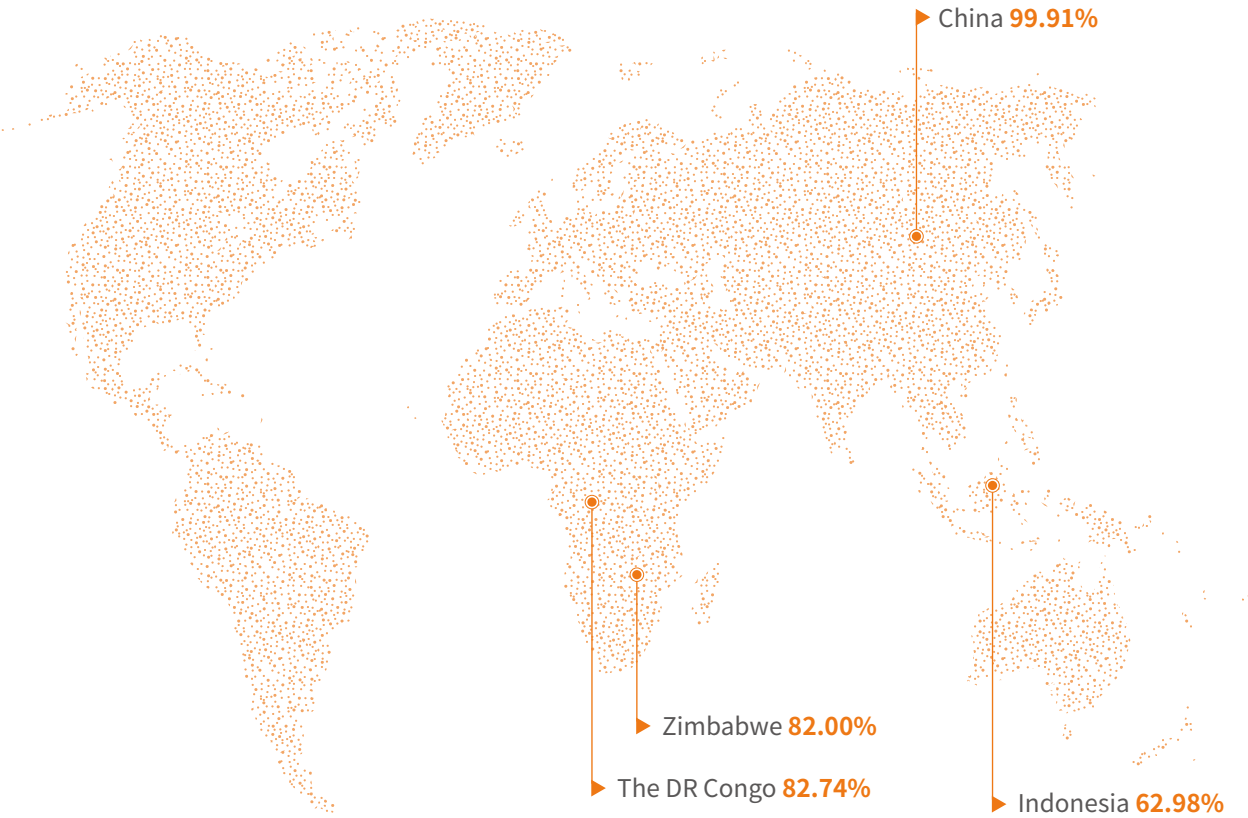
Huayou Cobalt 2024 Employment Performance Table





Huayou Cobalt 2024 Local Employment Performance Table

Localization Rate of Employment<sup>24</sup> 82.85%  
Other Regions 22.02%



Huayou Cobalt 2024 Diversity Performance Table

Share of women in all  
management positions

14.19 %

Share of women in management positions  
in revenue-generating functions

12.18 %

Share of women in junior  
management positions

12.37 %

Share of women in STEM<sup>25</sup>-Related  
Positions

33.18 %

Share of women in top  
management positions

13.21 %



<sup>24</sup> Local Employees: Refers to employees who either hold citizenship of the host country or possess permanent residency status in that country. Local Employment Rate= Number of Local Employees in a Category/Total Employees in That Category\*100%.  
<sup>25</sup> STEM: STEM-related positions refer to roles in Science, Technology, Engineering, and Mathematics. At Huayou Cobalt, STEM talent includes employees in R&D, engineering, IT, and finance positions.

Talent Acquisition

In practicing our corporate culture of diversity, equity, and inclusion (DEI), we implemented a comprehensive strategy during the reporting period by establishing diversified recruitment policies, optimizing hiring processes, strengthening recruitment governance, and continuously monitoring diversity hiring outcomes. These efforts ensure diversified and equitable talent acquisition, providing a robust human capital foundation for our global expansion.

**Diversified Recruitment Policy**

We have established a Diversified Recruitment Policy, which explicitly sets hiring targets across multiple dimensions including gender, ethnicity, age, and cultural background.

**Optimized Recruitment Process**

We have optimized our recruitment processes by implementing structured interview frameworks and blind screening mechanisms to eliminate subjective biases and discriminatory practices, while actively diversifying hiring panel compositions to ensure full fairness and transparency throughout all stages of talent acquisition.

**Strengthened Recruitment Management**

We implement systematic processes to prevent child labor, requiring recruiters to strictly validate hiring needs and prohibit the employment of underage workers. All candidates' age documentation is rigorously verified through valid ID checks and background investigations. Applicants unable to provide authentic documentation or with questionable age records are automatically disqualified.

**Monitoring Diversity Recruitment Effectiveness**

We conduct ongoing monitoring and evaluation of diversity recruitment outcomes through regular assessments across multiple dimensions, including hiring results, employee satisfaction, and diversity ratios. These metrics inform continuous strategy refinement and optimization.

Huayou Cobalt has established a multi-tiered talent acquisition system centered on campus recruitment and social recruitment. Through diversified approaches including university roadshows, specialized job fairs, and employee referral programs, we have built a highly collaborative talent recruitment network to support the company's sustainable development talent strategy.

**Campus recruitment**

The company maintains close partnerships with leading universities, employing diversified approaches such as campus presentations and recruitment fairs to precisely attract top graduates, thereby continuously infusing new talent into the organization's growth engine.

**Social recruitment**

Leveraging diversified channels including job portals, social media platforms, and talent markets, we conduct extensive searches for specialized professionals, ensuring precise position-candidate matching to achieve both efficiency and accuracy in talent selection.

**Other recruitment methods**

We actively expand supplementary channels such as employee referrals and internal recommendations, fully leveraging staff initiative and personal networks to identify high-potential candidates. This approach broadens our talent selection perspective and elevates overall hiring quality.

Globally, we have established multifaceted university-industry collaborations, including joint postgraduate scholarships with Indonesia's Ministry of Maritime Affairs and Investment and Northeastern University, undergraduate financial aid programs at Bandung Institute of Technology (ITB), Gadjah Mada University (UGM), and Politeknik Negeri Ujung Pandang (PNUP), as well as internship partnerships with Solo Aero Technology Institute (ATS). Domestically, we have developed university-industry cooperation bases and academic-exchange initiatives with various Chinese institutions. Through these programs, Huayou Cobalt is committed to attracting and nurturing top talent, providing robust human capital support for our international expansion.

● Huayou Supports Educational Development in Overseas Operating Locations

In 2024, Huayou significantly strengthened its global university-industry partnerships through postgraduate scholarship programs, undergraduate financial aid initiatives, and vocational college grant schemes to support educational development in its overseas operating regions.



As of the reporting period,

these programs have benefited

27

master's degree recipients

undergraduate scholars

28

vocational diploma awardees

32

● Huayou Integrates Industry-Education Resources to Cultivate High-Quality Technical Talent for Industrial Development

Huayou Cobalt consistently regards talent as the core driver of corporate development. Since initiating our industry-education integration strategy through the establishment of Huayou New Materials College with Quzhou Vocational & Technical College in 2022, the institution has focused on industrial demands by offering three specialized programs: Chemical Equipment Technology, Applied Chemical Technology, and Intelligent Chemical Manufacturing Technology. The 2024 enrollment ceremony attracted 259 new students, during which we awarded dedicated scholarships to outstanding recipients – reinforcing our commitment to cultivating high-quality technical professionals for the new energy materials industry's premium development.



● DRC: Youth Vocational Education Program

In 2024, Huayou Cobalt's African subsidiary CDM warmly welcomed 70 technical students from Lubumbashi's BERAKAH School for a facility tour, facilitating knowledge exchange between students and professionals on technology and management practices. This initiative aims to inspire students' interest in technical careers, cultivate more skilled talent for the DRC, and drive sustainable socio-economic development in the region.



● Indonesia Morowali Industrial Park (IMIP) Scholarship Program

In December 2024, to further support educational development and talent cultivation, the IMIP Sustainable Development Foundation officially launched the "IMIP Scholarship Program". Huayue Indonesia collaborated with IMIP to participate in the scholarship handover ceremony at Bandung Institute of Technology. This initiative has strengthened Huayue's academic partnerships and created new opportunities for future educational collaboration and regional development.



● B&M Attends Hungary-China Enterprise Recruitment Fair

To accelerate Huayou Cobalt's global expansion, B&M Technology actively participated in a local recruitment fair in Hungary in November 2024, contributing to regional economic growth and promoting localized employment.



Furthermore, we actively encourage horizontal mobility for employees both within and across different job sequences to broaden career development pathways. During the Reporting Period, we established an internal talent pool to optimize human capital allocation, strengthen cultural cohesion, and stimulate talent vitality. The data shows 239 positions were filled by internal employees, accounting for 4.64% of total newly opened positions, with 180 being management-level internal transfers.

Huayou Cobalt 2024 Talent Acquisition Performance Table

Indicator	Unit		2024
Total number of new employee hires	Person		5,152
By Gender			
Male	Number of new hires	Person	4,433
	Percentage	%	86.04
Female	Number of new hires	Person	719
	Percentage	%	13.96
By Age Group			
Number of employees under 30 years old (exclusive)	Number of new hires	Person	1,880
	Percentage	%	36.49
Employees aged 30 to 50 (inclusive)	Number of new hires	Person	3,216
	Percentage	%	62.42
Number of employees aged 50 and above	Number of new hires	Person	56
	Percentage	%	1.09



Human Rights Protection

Huayou Cobalt is well aware that the sustainable development of a company begins with its value system and principles-based business practices. We strictly adhere to the national and local laws and regulations regarding the protection of workers' rights and interests, and refer to the *United Nations Guiding Principles on Business and Human Rights (UNGPs)* and the core conventions of the *International Labour Organization (ILO)* to formulate the *Human Rights Risk Identification and Issue Handling Procedures*<sup>26</sup>, *Labour and Human Rights Policy*, *Huayou Cobalt ESG Policy*, *Huayou Healthy Workplace Management Regulations*, and *Prohibition of Child Labour, Forced Labour, Inhumane Treatment and Discrimination Management Procedures*.

In the Company's human rights governance structure, the Board of Directors serves as the highest governance body for human rights issues and comprehensively oversees all types of human rights-related matters of the Company. The Strategy Committee is responsible for integrating responsible business practices into the company's policies and management system, and laying the foundation for the company's human rights management at the strategic level, while the ESG Sustainability Management Committee focuses on the establishment of scientific and reasonable human rights management indicators, and the effective testing of the management results, so as to ensure the quantitative evaluation and continuous improvement of the company's human rights management. The Sustainable Development Specialized Group is responsible for the implementation of the due diligence management process and related measures, so as to implement the concept of human rights management into all aspects of the company's daily operations.



Huayou Cobalt takes a zero-tolerance approach to human rights abuses and prohibits any improper employment practices, including human trafficking, forced labor, child labor, discrimination and harassment, pay discrimination for equal work or work of equal value, and exploitation of employees' rights to freedom of association and collective bargaining. These policies also apply to our own operations, contractors, suppliers and partners to ensure a compliant, safe and democratic work environment for our own employees and those in the value chain.

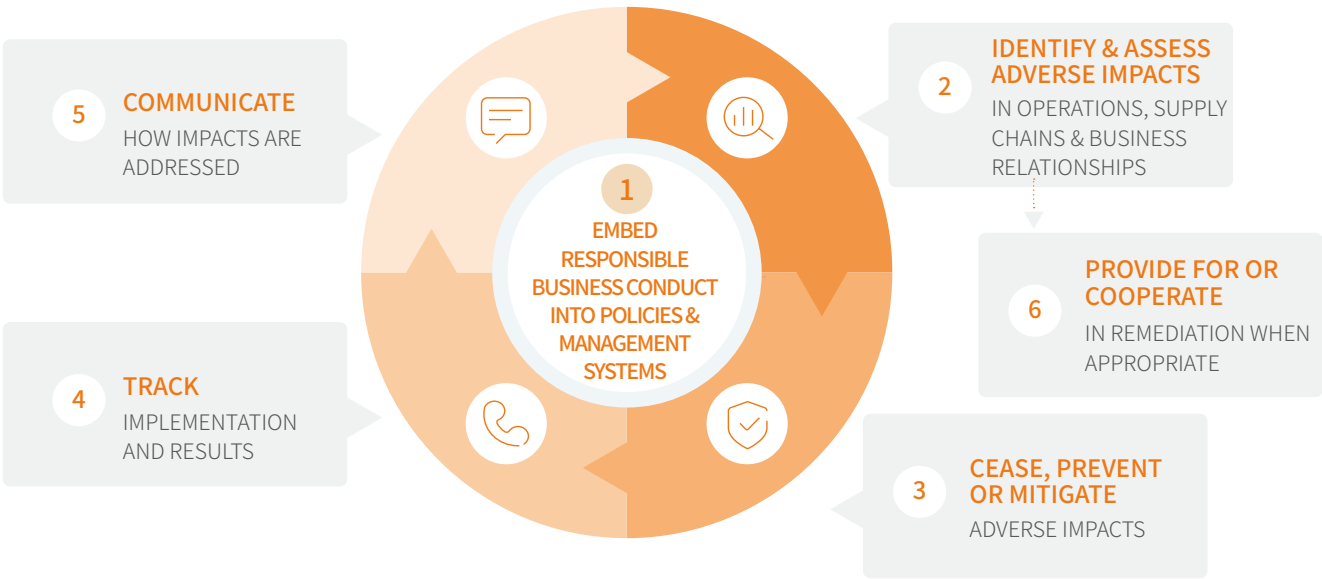
Human Rights Due Diligence

In order to ensure the effectiveness of human rights protection for Huayou Cobalt, we refer to the *OECD Due Diligence Guidance for Responsible Business Conduct* (hereinafter referred to as the "Guidance"), and systematically and regularly carry out human rights risk due diligence on our own operations, as well as the identification and systematic periodic review of the risk mapping of potential risks. In addition, we have established a human rights due diligence program for our business partners to fully identify potential human rights risks<sup>27</sup> in supply chain cooperation, mergers, acquisitions and joint ventures, and other business processes. If any human rights risks are identified during the identification and assessment process, we will promptly terminate, prevent or mitigate the adverse impact of the situation in accordance with the investigative process of the guidelines, and ensure that business activities causing or contributing to the adverse impact are terminated. At the same time, we conduct ongoing human rights training to prevent potential human rights risks.

In 2024, prior to mergers and acquisitions and other business collaborations, Huayou Cobalt actively conducted a human rights risk assessment for the joint venture with Japan's Ono Development Co., Ltd. and did not identify any adverse impacts.

<sup>26</sup> For details, please refer to: <https://www.huayou.com/Public/Uploads/ueditor/upload/file/20240827/1724748242856660.pdf>.

<sup>27</sup> Our human rights risks include human trafficking, forced labor, child labor, discrimination and harassment, pay discrimination for equal work or work of equal value, and exploitation of employees' rights to freedom of association and collective bargaining.



Huayou Cobalt Human Rights Due Diligence Process

During the Reporting Period, we conducted a group-wide internal human rights assessment and audit for our own operations, identifying 43 compliance issues (including 7 human rights-specific matters), for which we promptly implemented termination and preventive measures with dedicated personnel assigned to monitor remediation progress. Simultaneously, we have progressively extended

human rights assessment to contractors, tier 1 suppliers and joint ventures. Furthermore, Huayou Cobalt routinely undergoes third-party human rights audits by regulatory bodies and clients. Historical data from human rights risk assessments conducted over the past three years across own operations, tier 1 suppliers, and joint ventures confirmed no material human rights risks were detected.

During the Reporting Period

We conducted group-wide internal human rights assessment and audit for our own operations	Identifying	Including
1	43	7
	compliance issues	human rights-specific matters

Human Rights Training

Huayou Cobalt conducts regular training sessions for employees on labor laws, regulations, and corporate social responsibility. All training materials are delivered in the official languages of each operational base to ensure comprehensive understanding of our human rights standards. Additionally, we provide specialized human rights training for employees in high-risk positions, particularly at overseas locations, equipping them with targeted knowledge of compliance requirements relevant to their roles. During the Reporting Period, our HR department established an HR-ESG integrated working model and actively organized internal human rights training sessions, driving deeper integration of human resource management with sustainable development principles.

● Huayou Cobalt conducts internal human rights training to ensure a compliant, safe, and democratic work environment

During the Reporting Period, Huayou Cobalt's HR department conducted internal human rights training, featuring specialized instruction from the ESG and Sustainable Development Division. The session examined 24 potential corporate human rights risk areas, delivering both theoretical discussion and practical guidance on topics ranging from employee well-being to labor rights protection, thereby comprehensively elevating human rights awareness. Participation spanned 53 online attendees and 37 in-person participants, including HR leaders and practitioners across global operations. Post-training, we provided tailored follow-up coaching to address individual queries from industrial group employees.

● Indonesia Nickel Industry Group Launches ESG E-Learning Platform to Advance Human Rights and Labor Rights Awareness

To further strengthen all employees' awareness of human rights and labor rights, the Indonesia Nickel Industry Group developed a dedicated Chinese-Indonesian bilingual e-learning platform during the reporting period, conducting regular online training for both Indonesian and Chinese employees. The ESG curriculum specifically incorporates modules on human rights and labor rights, achieving 6,090 participations annually.

Whistleblower Protection Mechanism for Human Rights

Huayou Cobalt is committed to building an open culture of human rights protection by establishing localized, tiered reporting channels in the official languages of all operational bases, ensuring employees can conveniently report any misconduct involving human rights violations, including labor rights infringements, discrimination, or harassment. All reported cases undergo prompt investigation with evidence collection, followed by management process optimization through case reviews to prevent recurrence and minimize

human rights risks. This framework is institutionalized through Huayou Cobalt's *Grievance Mechanism*, which clearly defines reporting requirements, scope, investigation procedures, and whistleblower protection measures. Both employees and external partners can submit anonymous reports through multiple channels, with the company guaranteeing strict confidentiality of whistleblowers' personal information throughout the investigation process to ensure comprehensive protection.



Huayou Cobalt Grievance Mechanism Process Flow

Reporting Channels

- 📞 China Contact Number: 0573-88587878
- ✉ Email: CSR@huayou.com
- 📍 Address: ESG & Sustainable Development Department, Huayou Cobalt R&D Building, No.79 Wuzhen East Road, Tongxiang City (Group Headquarters)
- 📞 Democratic Republic of the Congo (DRC) Contact Number: +243 841206837
- ✉ Email: RSE@huayou.com
- 📍 Address: CDM (Huayou Africa Resources Industry Group), Likasi Road, Jolisite District, Annex Area, Lubumbashi, Haut-Katanga Province
- 📞 Indonesia Contact Number: +081223930989/+082198735711
- ✉ Email: HYNC@huayou.com
- 📍 Address: Indonesia Morowali Industrial Park (IMIP), Central Sulawesi, Indonesia (Huayou Nickel Indonesia Group)
- 📞 Zimbabwe Contact Number: 00263-0778651372
- 📞 Hungary Contact Number: 0036-202634154

Huayou Cobalt has established a strict "Zero-Tolerance for Retaliation" Policy. Upon receiving a report, the HR Department conducts thorough investigations, escalates verified cases to corporate leadership for resolution, and actively fosters an open and inclusive work environment. These measures ensure comprehensive protection for whistleblowers against any form of retaliatory actions, including human rights violations, workplace discrimination, or unfair performance evaluations.



Retaliation prevention and corrective or disciplinary measures

Neither the reporting website nor the reporting hotline is mandatory for whistleblowers to provide identity information related to the situation; in the investigation of the reported incident, the Company's exchanges and communication with the whistleblower are conducted in private, the whistleblower's personal information and all the information provided by the whistleblower to report the information is strictly confidential, such as without the necessary reasons related to the investigation of the case, report the investigator shall not be divulged to any other unrelated persons. We also take corrective or disciplinary measures in response to a series of human rights violations such as human rights violations, discriminatory behavior or harassment, to correct employee behavior in a timely manner, and to determine whether the whistleblower has been subjected to any form of retaliation at the conclusion of the investigation of the report, and once it is verified that there is a whistleblower who has been subjected to retaliation, the Company will deal with the personnel involved in the case in a strict manner.



# Employee Rights and Development

## Employee Training

Huayou Cobalt formulates tailored talent development strategies aligned with business growth needs, establishing clear career progression pathways for employees while building a talent pipeline for innovation and transformation. This dual-win development platform is supported by a modular training system focusing on core competencies, managerial skills, and specialized capabilities, systematically enhancing professional expertise to meet the company's strategic demand for versatile talent.

### Training System

Based on our *Employee Training Management Regulations*, Huayou Cobalt has developed comprehensive development plans covering all growth stages for every employee (including full-time, part-time, and contract workers), with continuously increasing investment.

#### Management Competency Training

Huayou Cobalt systematically enhances managerial competencies through integrated internal training frameworks and external expert partnerships, implementing targeted leadership development programs including: the "You Strive" onboarding program for newly appointed managers, the "Iron Army" high-potential pipeline initiative for reserve cadres, and the "Leadership Transformation" empowerment project for newly promoted executives - collectively strengthening team leadership and operational efficiency.

We provide regular compliance training for all employees covering critical topics including business ethics, anti-corruption, responsible marketing, and occupational health & safety, ensuring all operations adhere to regulatory requirements. Additionally, we offer professional development programs in communication skills, innovative thinking, office productivity, EHS (Environment, Health & Safety) competency enhancement, and business writing, systematically elevating employees' professional capabilities.

Huayou Cobalt delivers specialized training tailored to employees' unique roles through a blended learning approach, combining in-person classroom instruction, hands-on workshop drills, and post-training assignments simulating real production scenarios. This targeted methodology has enabled continuous operational excellence across all departments.



Employee Training System

#### Management Competency Training

Huayou Cobalt has established a systematic Leadership Development Program Matrix for incumbent managers, structured as follows:

- "You fenjin" Training for Newly Joined Cadres
- Iron Force Program for Reserve Cadres
- Cadre Turnaround Empowerment for Incoming Cadres

In 2024, we delivered **97** managerial training sessions covering **638** participants, concurrently developing **27** management and technical courses. These initiatives yielded **18** reusable best practice cases and crystallized into a Leadership Behavior Covenant.

#### External Training Partnerships

To enhance ESG literacy across all managerial and operational staff, the Indonesia Nickel Industry Group has implemented a systematic ESG training program for all employees. Additionally, we provide metallurgy-focused master's degree sponsorship for Indonesian employees to advance technical expertise.

A total of **9,547** full-time employees participated in ESG training during the reporting period, accumulating **13,314** training hours. Additionally, **27** current or pre-employed Indonesian staff of Huayou were awarded metallurgy-focused master's degree scholarships from Northeastern University in China.

#### General Competency

Organize specialized training programs for employees in specific roles to enhance their professional skills and knowledge base:

- Conduct Capacity Building in Quality and Marketing Domains
- Functional Support Staff Empowerment Program
- Skills Standardization Initiative
- Frontline Technical Train-the-Trainer Program
- Workshop Director Development Program
- Artisan Talent Development Program

In 2024, we organized **32** professional skill training sessions, with **23** employees obtaining Six Sigma Green Belt certifications. For frontline staff, we established **522** standardized role competency benchmarks and conducted skill compliance evaluations for **7,423** employee participations. Targeted technical training included: production management upskilling for **3,152** personnel, coach/team leader empowerment for **1,131** staff, and workshop operation training for **90,812** workers.

#### Campus Graduate Training

The campus graduate program features a military-style immersion camp, business competency bootcamps, hands-on role rotations, and 1-on-1 executive mentoring – systematically enhancing professional skills and workplace adaptability.

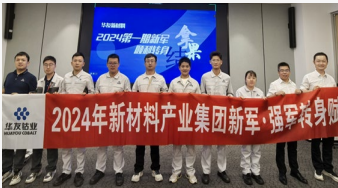
The Company organized **8** onboarding training sessions, with **335** new employees successfully completing the program.

### Tiered and Categorized Leadership Development Program to Enhance Organizational Effectiveness

In 2024, Huayou Cobalt focused on enhancing the alignment between competencies and positions for mid-level and frontline managers, establishing a tiered and categorized training system that integrates learning with practical application to address the development needs of "Two-New" cadres (new hires and newly promoted). Through specialized programs such as the "Elite Integration Plan" and "New Corps Transformation Plan," we implemented tailored initiatives: self-reflection sessions for senior executives, empowerment programs for acting mid-level and frontline managers, and onboarding programs for new hires. Throughout the year, we conducted a total of 97 managerial training sessions, engaging 638 participants. This systematic training framework also enabled the development of 27 management and professional courses, 18 reusable practical case studies, and a standardized Leadership Conduct Covenant, effectively bolstering organizational efficiency and building a strategic talent pipeline.



Middle & Senior  
Management—Executive  
Self-Reflection Forum



"Corps Transformation  
Program" for Mid-Level/  
Frontline Managers



New cadres "You Endeavor"

● "Learning Through Battle, Developing Through Practice": Accelerating University Graduates' Growth

"Learning Through Battle, Developing Through Practice" – We adhere to the principle of "assigning challenging tasks, applying pressure, and fostering growth" to accelerate the development of university graduates. During the Reporting Period, we identified 117 top performers from the 2023 cohort, appointed 4 management trainees from the 2023 class as acting deputy workshop directors, refined the 2024 campus graduate development program, and produced 526 project deliverables from the 2023-2024 cohorts. For the 2024 cohort, we streamlined and focused project tasks to ensure greater practicality and impact.



● Indonesia Nickel Industry Group ESG Training: Focusing on Industry-Specific ESG Practices to Enhance Awareness and Competency

To deepen the understanding and application of ESG principles, the Indonesia Nickel Industry Group has implemented a systematic, company-wide ESG training program covering five core modules: foundational theories, implementation standards, rating systems, industry-specific practice guidelines, and disclosure case studies. The curriculum focuses on ESG implementation pathways for the mining and smelting processing sectors, leveraging partnerships with professional institutions and tiered teaching methodologies to comprehensively enhance ESG literacy among both management and staff, thereby building critical competencies to support the execution of our sustainable development strategy.

Huayou Cobalt has established a robust talent development mechanism focused on employee growth and advancement. We conduct annual business needs assessments and training budget planning sessions to ensure alignment between training initiatives, strategic objectives, business requirements, and employee aspirations. During the Reporting Period, we further refined our talent development framework by implementing specialized learning programs tailored to different organizational levels and job categories.

Huayou Cobalt 2024 Employee Training Performance Table

Indicator		Unit	2024
Total Number of Employees Trained	Person		21,394
	%		84.32
Total Training Hours	Hours		464,819
Average hours per FTE of training	Hours		18.32
Total Training Investment	Ten Thousand RMB		316.35


Indicator		Unit	2024
By Gender			
Male	Trained Employee Ratio	%	86.04
	Average Training Hours	Hours	17.38
Female	Trained Employee Ratio	%	94.95
	Average Training Hours	Hours	23.05
By Management Level			
Senior Management	Trained Employee Ratio	%	75.71
	Average Training Hours	Hours	18.83
Middle Management	Trained Employee Ratio	%	94.20
	Average Training Hours	Hours	27.78
General Staff	Trained Employee Ratio	%	87.37
	Average Training Hours	Hours	17.97

Continuing Education Support

Huayou Cobalt actively supports employees in obtaining official degrees, diplomas, and external professional certifications from accredited institutions. Our continuing education program provides 100% coverage for both full-time and part-time staff, offering approved participants tuition reimbursement, paid study leave, and learning resource sharing – all of which contribute to building a highly skilled and professional workforce. During the Reporting Period, we introduced the *EHS Education Examination Management Procedures* and *EHS External Certification Management Measures*, establishing a safety and environmental certification exam system. This facilitated 78 employees to obtain professional EHS certifications with full fee reimbursement, while our Indonesia operations now have 220 certified professionals. Furthermore, through our international talent development partnership with Northeastern University in China, we provided 27 current or pre-employed Indonesian staff with metallurgy-focused master's degree scholarships.


●●●Performance Evaluation and Development

We believe that a fair, equitable, and transparent performance evaluation system demonstrates genuine appreciation and respect for outstanding employee contributions, effectively attracting and motivating talent to drive corporate growth. Huayou Cobalt has established comprehensive internal development frameworks including the *Huayou Leadership Standards*, *Job Qualification System Management Procedures*, *Position & Grade Management Measures*, and *Indonesian Employee Promotion Guidelines* – all serving as benchmark references for career advancement. All employees undergo monthly, quarterly, and annual performance reviews, with outcomes directly linked to year-end bonuses, awards, promotions, and salary adjustments to fully incentivize performance. Variable performance-based compensation is systematically awarded. Furthermore, HR has implemented a performance feedback mechanism to clearly communicate evaluation policies and ensure impartiality. In 2024, Huayou achieved 100% coverage in performance evaluations across the organization.



Process Performance Evaluation

- **Monthly Employee Performance Evaluation:**  
Employees undergo monthly performance evaluations that primarily assess the fulfillment of job responsibilities, work quality, operational efficiency, and teamwork capabilities.
- **Quarterly Performance Evaluation for Department Heads and Above:**  
The evaluation focuses on assessing their team management capabilities, project advancement progress, target achievement rate, and execution effectiveness of corporate strategies.



Annual Performance Evaluation

- **All employees:**  
Employee-level evaluations are conducted in conjunction with monthly process-oriented performance assessments.
- **Department-level and above cadres:**  
The evaluation focuses on comprehensively assessing their performance in strategic planning, team management, target achievement, and innovation capabilities.
- **Section-level and below employees on an annual salary system:**  
The evaluation comprehensively assesses their job responsibility fulfillment, work quality, and team collaboration performance.
- **Employees on a comprehensive working hour system:**  
The evaluation focuses on task completion status, work quality, and attendance rate.

Huayou Cobalt has meticulously redesigned its position grading system and career development pathways to align with both employee growth patterns and strategic business needs, ensuring continuous dynamic optimization. We actively encourage vertical advancement within job sequences while promoting cross-functional mobility to broaden career progression opportunities, thereby laying a robust talent foundation for rapid corporate expansion. Our multi-track development framework encompasses leadership, technical expertise, functional support, and frontline skill specialization, guaranteeing equitable growth opportunities across all domains.

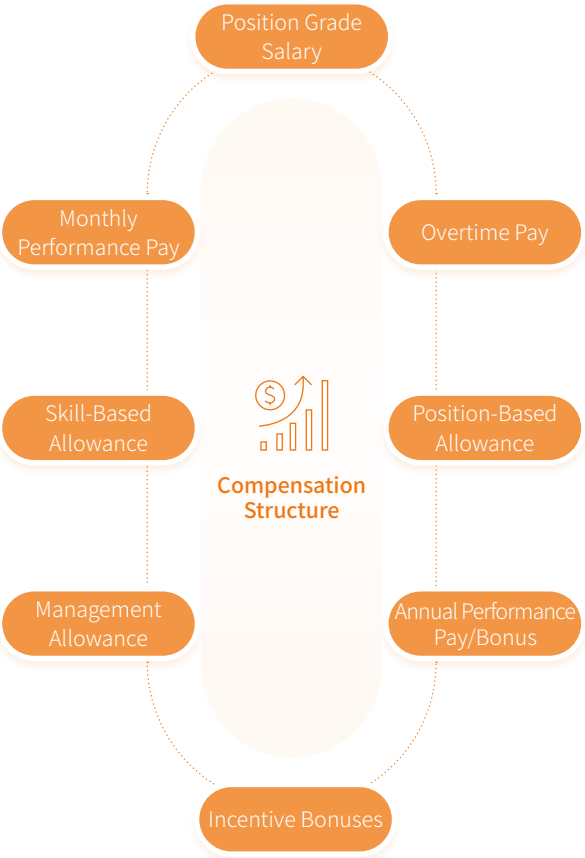


## Compensation & Incentives

To retain top talent and build a high-performing workforce that drives business growth, Huayou Cobalt offers a market-competitive compensation system that ensures equal pay for employees in similar roles with comparable experience and performance. We have established internal policies such as the *Compensation Management Regulations* to implement a comprehensive rewards structure and long-term incentives comprising fixed salary, short-term incentives, annual bonuses, project-based rewards, and equity incentives, all designed to attract, retain, and motivate employees. To maintain the sustainability of our compensation framework, the reporting period included a multi-dimensional evaluation of our wage levels across 30+ metrics, alongside ongoing monitoring and analysis of industry trends and functional benchmarks, ensuring our compensation remains market-competitive.

Huayou Cobalt is committed to maintaining industry-leading and regionally competitive compensation packages while continuously enhancing employee remuneration standards. We implement a comprehensive working hour system for frontline employees and standard working hours for managerial and technical staff, with strict overtime controls to protect rest entitlements. Holiday overtime is compensated at statutory rates, while weekend overtime prioritizes time-off in lieu. Beyond base salaries, all employees are eligible for performance-based variable incentives and pay. Furthermore, our HR department has institutionalized a performance feedback mechanism to transparently communicate evaluation policies, ensuring full employee understanding of key requirements. A standardized disbursement monitoring process guarantees timely incentive delivery.

To further establish and refine a long-term incentive mechanism, attract and retain core talent, and fully motivate key executives and critical contributors, the company has implemented a Restricted Employee Stock Ownership Plan (ESOP) for four consecutive years from 2021 to 2024. A total of 1,524 incentive recipients have been granted shares, covering directors (excluding independent directors), senior management, core managers, key technical/professional staff, and other employees deemed eligible by the Board.



## Employee Benefits

Huayou Cobalt is committed to providing comprehensive benefit programs. We have established policies such as the *Compensation and Benefits Management Regulations* to help employees achieve work-life balance while continuously enhancing their well-being. Taking into account the diverse customs, cultures, legal requirements, and employee needs across our global operations, we offer impactful benefit plans designed to attract top talent and foster long-term professional growth.

We strictly comply with legal regulations by fully contributing to pension, unemployment, work-related injury, medical, maternity insurance, and housing provident funds for all employees across our operational sites. Additionally, we provide non-monetary benefits including accident insurance, retirement plans, staff apartments, housing subsidies, lactation leave, paid vacations, and health check-ups—ensuring comprehensive well-being enhancement.



### ● Through Public Commitment to the United Nations Global Compact (UNGC), We Accelerate the Realization of Fair and Decent Remuneration Goals

Guided by the principle of equal pay for equal work, we implement fair compensation based on position, performance, and competency. Through regular monitoring and analysis of pay metrics, we safeguard every employee's rights, ensuring those in similar roles with comparable experience and performance receive equitable remuneration. During the Reporting Period, we accelerated progress toward fair and decent pay by publicly committing to the United Nations Global Compact (UNGC) and international fair wage standards, reinforcing this pledge through our official corporate channels.

### ● Huayou Mother & Baby Rooms: Delivering Warm Support for Every Mother

We are committed to enhancing employee experience and supporting women's health by establishing dedicated "Huayou Care Mother & Baby Rooms." These rooms feature access control systems to ensure privacy, along with dedicated management protocols to maintain cleanliness and hygiene. Additionally, facilities such as refrigerators and sterilizers are provided for convenient breast milk storage, offering pregnant and nursing employees thoughtful, convenient, and warm services that genuinely safeguard their rights.

<sup>28</sup> Huayou Cobalt implements maternity leave policies in strict compliance with the legal standards of each employee's contracted work location, providing equal paid leave durations for both primary and non-primary caregivers.

● Leveraging the Huayou Care Fund to Support Employees in Need

In 2024, the labor union continued its care and assistance program for employees in need through the Huayou Care Fund. Throughout the year, various departments identified and submitted 25 cases of financially distressed employee families. The union conducted heartfelt discussions to understand their challenges and provided financial aid along with daily necessities, totaling over 150,000 RMB in support.

Provided financial aid along with daily necessities, totaling support

over **150,000**RMB



● Huayue Indonesia Hosts China-Indonesia Basketball Tournament to Enrich Employee Wellness

In November, Huayue Indonesia organized a China-Indonesia employee basketball tournament, featuring 15 teams from various departments. The event strengthened teamwork, enriched cultural engagement, and fostered deeper integration between Chinese and Indonesian staff.



● Indonesia Nickel Industry Group's Diverse Communication Channels

The Indonesia Nickel Industry Group has established diversified communication channels to ensure seamless employee feedback. These include leveraging DingTalk's platform through *Huayou Assistant* (AI-powered service), structured suggestion submissions, and grievance reporting for efficient dialogue. Additional channels include a dedicated *supervision email for managerial oversight* and *on-site suggestion boxes* for confidential communication. In 2024, *Huayou Assistant* handled 9,190 employee interactions, processing 14,200 inquiries (including 428 human-agent consultations), demonstrating robust responsiveness.

*Huayou Assistant* handled

**9,190**

employee interactions

processing

**14,200**

inquiries

including

**428**

human-agent consultations

● Employee Satisfaction & Organizational Climate Survey

To actively understand employee needs and enhance workplace experience, we conducted an employee satisfaction survey during the reporting period. The questionnaire covered topics such as job satisfaction, intrinsic motivation, living conditions, compensation, working hours, stress levels, workplace environment, training, corporate governance, happiness, and inclusivity. The survey achieved an 80.8% response rate, with ESG-related satisfaction scoring 4.23/5.00. The results will assist management in identifying issues, refining policies, and developing HR strategies better aligned with employee expectations.

The survey achieved an

**80.8%**

response rate

with ESG-related satisfaction scoring

**4.23/5.00**

● Employee Communication

Huayou Cobalt is dedicated to building an inclusive and open corporate culture that fosters a strong sense of belonging. To achieve this, the company has implemented internal policies such as the *Procedures on Prohibition of Child Labor, Forced Labor, and Human Rights Protection*, the *Labor and Human Rights Policy*, and the *Local Employee Communication and Feedback Management Guidelines for Africa*, establishing a transparent and efficient two-way communication environment. We fully respect employees' legal rights to freely associate, form, join, or decline organizations of their choice, as well as engage in collective bargaining—ensuring these rights are protected from interference, discrimination, retaliation, or harassment. During the Reporting Period, Huayou Cobalt achieved 100% coverage by labor unions and collective agreements across all operations.

We actively establish communication channels for all employees, including full-time, part-time, and contract workers across all operational locations, who can freely voice their opinions and suggestions through multiple convenient avenues such as satisfaction surveys, internal labor dispute mediation committees, staff representative assemblies, AI-powered customer service, DingTalk, email, and on-site suggestion boxes. The company highly values employee feedback, conducting an annual organization-wide satisfaction survey and continuously optimizing the workplace environment based on the responses and recommendations received.

Employee Communication & Grievance Channels

Email report@huayou.com

Online Platforms "Integrity Huayou" Official WeChat Account

Phone 0573-88589103

Offline Complaint Channels Physical Suggestion/Complaint Boxes

Huayou Cobalt 2024 Talent Retention & Communication Performance Table

Total Number of Employee Turnovers

**4,680** Person

Total employee turnover rate<sup>29</sup>

**17.04%**

Labor Union & Collective Agreement Coverage Rate

**100%**



<sup>29</sup> Total employee turnover rate = Total Number of Employee Turnovers / ((Headcount at Previous Reporting Period End + Headcount at Current Reporting Period End)/2).




# Occupational Health and Safety(OHS)

Huayou Cobalt adheres to the safety management principle of "Safety First, Prevention Foremost, and Comprehensive Governance," recognizing that strengthening workplace safety accountability is critical to sustainable development. We implement a people-centric approach, with a President-led Safety Management Committee serving as the highest authority for health and safety oversight. The company prioritizes the occupational health and physical safety of both employees and contractors, strictly complying with the *Code of Occupational Disease Prevention of PRC* and other relevant international regulations.

In 2024, we established 14 safety management systems, including the *Occupational Health Management Regulations*, *Safety Inspection Procedures*, and *Environment, Health & Safety (EHS) Policy*<sup>30</sup>, while revising 15 existing policies. Our *Huayou Cobalt ESG Policy* explicitly outlines commitments and requirements for safeguarding the health and safety of employees and on-site contractors, aiming to achieve the goal of "Zero Fatalities and Zero Occupational Diseases." As of the reporting period, total safety investments reached RMB 188 million.

In 2024, Indonesia Huafei Company successfully obtained ISO 45001 Occupational Health and Safety Management System certification. By the end of the reporting period, Huayou Cobalt and 14 of its subsidiaries had achieved ISO 45001 certification, representing 82.35% coverage across the group.



As of the Reporting Period

Total safety investments reached  
**RMB 188 million**

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Indonesia Huafei Company ISO 45001 Occupational Health and Safety Management System Certification

# Safety Risk Management

Huayou Cobalt places paramount importance on identifying, assessing, and managing safety risks in production processes. We have conducted group-wide safety risk assessments, identifying fire hazards, traffic accidents, falls from heights, and mechanical safety as the four primary risk categories. The global distribution of our operations across multiple countries adds complexity to unified risk management.

To further manage production safety risks, Huayou Cobalt has implemented a dual internal-external prevention mechanism, reducing potential hazards through multiple approaches: policy optimization, compliance audits, on-site inspections, incident analysis, and hidden risk identification.



Safety Risk Monitoring & Management

Huayou Cobalt has established a comprehensive set of EHS compliance audit standards and conducts regular internal and external audits to verify and strengthen the effectiveness and compliance of its EHS management system while driving continuous improvement. The Group's EHS Management Center is responsible for comprehensively evaluating the EHS performance of all subsidiaries, producing detailed inspection reports to accurately identify potential issues and provide targeted corrective strategies.

<sup>30</sup> See link for details: <https://www.huayou.com/Public/Uploads/ueditor/upload/file/20240109/1704789731548457.pdf>.

To effectively manage EHS risks, the company consistently advances audit initiatives. The Group EHS Management Center conducts annual internal audits across all operational sites and construction projects. Additionally, Huayou engages third-party experts to perform periodic external audits, ensuring each site undergoes a full assessment at least once every three years.

● **Indonesia Huafei Company collaborates with third-party professional organizations to conduct occupational health and safety monitoring and risk assessments**

To ensure employees work in a safe and compliant environment, Huayue Nickel & Cobalt Indonesia implemented comprehensive occupational health monitoring and risk assessments in partnership with third-party experts. The evaluations covered 16 occupational health risk factors across production areas, including hydrogen sulfide levels, dust concentration, magnetic field intensity, localized lighting conditions, and noise exposure.

Results confirmed full compliance with occupational health standards, demonstrating effective control of all identified risks and guaranteeing a secure workplace.



● **KYT (Kiken Yochi Training) Hazard Prediction Program**

In 2024, Huayou's Chengdu base implemented the KYT (Kiken Yochi Training) Hazard Prediction Program. This initiative focuses on production site risks by targeting hazards throughout operational processes, with work teams serving as the primary implementation units. Through carefully designed safety education and training activities, the program significantly reduced on-site risks, ensuring safe and smooth operations.



## Digital Transformation for Safety Management

Huayou empowers safety production through comprehensive digital initiatives, integrating advanced technologies and intelligent systems to achieve real-time process monitoring, precise risk alerts, and rapid emergency response coordination. This significantly enhances safety management efficiency, building a smart, high-performance safety production framework that ensures stable and orderly operations.



Huayou Headquarters Safety Production Informationization Project



Huayou Safety and Environment Integrated Monitoring and Dispatch Center



## Protection Against Occupational Diseases

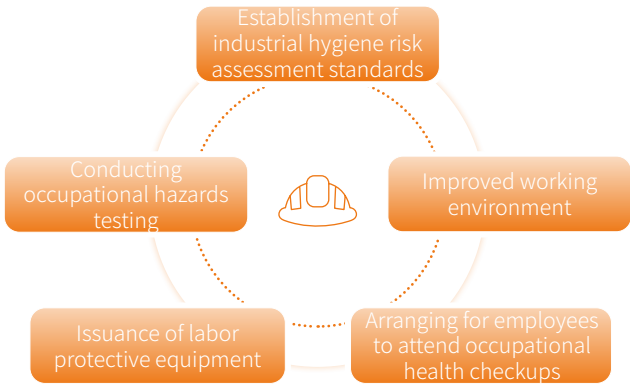
We always pay attention to the health and safety of our employees. For employees in positions exposed to occupational hazards, we arrange for them to participate in occupational health checkups in accordance with the provisions of the *Code of Occupational Disease Prevention of PRC*. In order to protect employees from occupational hazards, the Group has formulated internal systems such as *Management Standards for Detection of Occupational Hazardous Factors in Workplaces* and *General Principles for Occupational Health Management*, as well as carried out tests on occupational hazardous factors, issued labor protective equipment, and continuously improved the working environment to reduce the risk of occupational diseases.

During the Reporting Period, all industrial groups and their subsidiaries of Huayou conducted regular inspections for occupational hazards, and the total investment in occupational health amounted to RMB 28 million. The coverage rate of medical checkups for occupational diseases was 100%, and the number of occurrences of occupational diseases was zero, achieving the target of "zero occupational diseases".

### During the Reporting Period

The total investment in occupational health amounted to	The coverage rate of medical checkups for occupational diseases was	The number of occurrences of occupational diseases was
RMB <b>28</b> million	<b>100%</b>	<b>0</b>

During the Reporting Period, Huayue Indonesia received SMK3 Indonesia Occupational Health and Safety Management System Gold Certification and Gold Banner.



2024 Huayou Cobalt Occupational Disease Prevention Initiative

## Emergency Drill and Safety Promotion

In order to enhance employees' awareness of emergency response and safety precautions in an all-round way, Huayou Cobalt regards prevention as the first line of defense in risk management, and provides health and safety management requirements and guidance to each molecular company to ensure that it strengthens its employees' ability to deal with emergencies through emergency drills, publicity and education and other major channels, and implements safety awareness in the smallest details of daily life.

### ● Safety month activities of some subsidiaries of Huayou

#### Chengdu B&M

Conducted safety month emergency drills, safety advisory day activities, safety warning education training, and safety short video competition



#### Huajin

Organize the kick-off meeting of Safety Production Month activities, safety theme training, staff symposium, accident case warning education, Safety Production Month theme publicity, safety and environmental knowledge competition activities, Safety Production Month theme photography contest and comprehensive emergency drills.



#### PLZ Company

This year, we organized a series of on-site emergency response drills covering vehicle accidents, warehouse fires, electrical shock incidents, hazardous chemical leaks, and dormitory fire evacuations for Chinese staff, significantly enhancing rapid response capabilities and safety awareness.

#### CDM & MIKAS Companies

We organized diverse safety education programs, including safety knowledge workshops for Congolese employees, emergency drills, and a "100-Day Safety Campaign," systematically enhancing risk awareness and operational compliance across all levels.



#### Non-ferrous Tongxiang

Non-ferrous Tongxiang Company organized safety month activities with the theme of "everyone talks about safety, everyone knows emergency - smooth life channel", involving safety culture propaganda, comprehensive emergency drills, skill competitions, Chain Worker's treasure knowledge contest, safety and environment quiz, and issued various beautiful prizes.





● Conducted "On-site Rescue, First Aid Training for First Witnesses" and free clinic activities

In June 2024, the Safety and Environment Department of the PLZ company invited the 21st batch of China's (Hunan) medical team to Tianjin to organize the training program "On-site First Aid: First Witness Action" and free clinic activities. The activity covered trauma on-site first-aid skills training, first-witness first-aid knowledge popularization, as well as Chinese medicine acupuncture treatment, multidisciplinary joint free clinic and other links.

In this training activity, the company's employees systematically learned practical first aid knowledge and skills, focusing on common emergency situations such as cardiac arrest first aid and emergency treatment of bone fracture, which greatly cultivated the ability of the employees to respond quickly and effectively in emergencies, so that they can become the company's internal first aid support force, and strive to maximize the life-saving in critical moments.



● Online safety video training

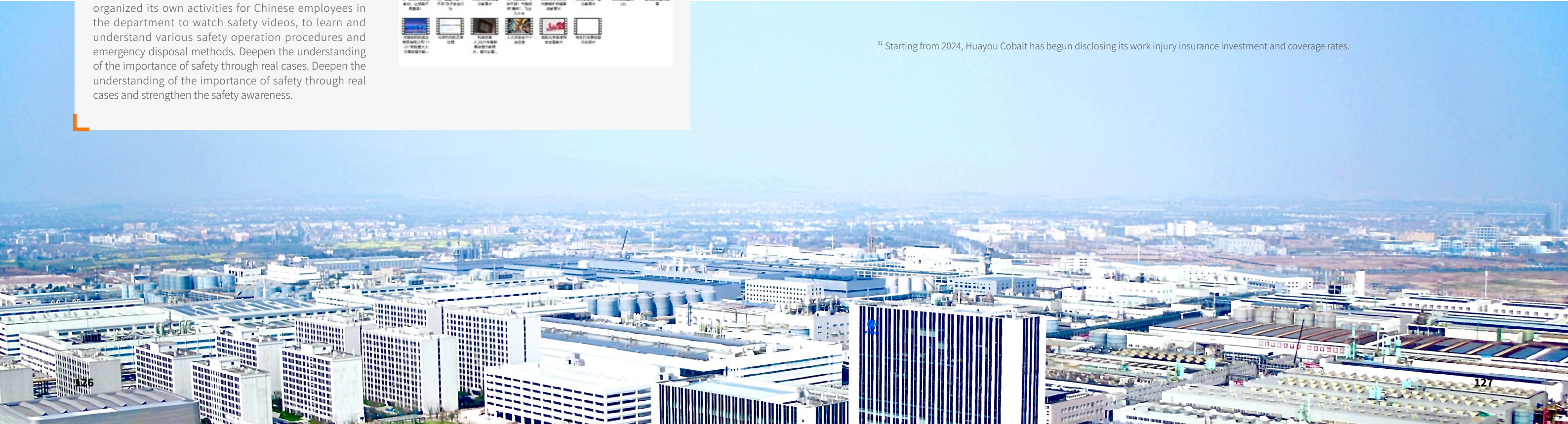
During the Reporting Period, we carefully selected warning videos from electrical, machinery protection, equipment operation, fire safety, traffic safety, dangerous chemicals and other aspects according to the characteristics of the business of each department, and each department organized its own activities for Chinese employees in the department to watch safety videos, to learn and understand various safety operation procedures and emergency disposal methods. Deepen the understanding of the importance of safety through real cases. Deepen the understanding of the importance of safety through real cases and strengthen the safety awareness.



Huayou Cobalt 2024 Occupational Health and Safety Performance Table

Indicator	Unit	2024
Total investment in employee occupational health and safety	RMB billion	0.028
Total investment in work safety	RMB billion	0.188
Number of work-related deaths	Person	2
Annual accident lost work hours	Hours	8,542
Number of lost time injuries	Session	20
Lost time injury rate (LTIR)	/	0.33
Total recorded injury frequency rate (TRIFR)	/	0.56
Lost Time Injury Frequency Rate per million working hours (LTIFR)	/	122.56
Occupational Disease Position Medical Examination Coverage Rate	%	100
Number of Occupational Disease Occurrences	Session	0
Amount invested in work injury insurance <sup>31</sup>	RMB Ten Thousand	1,275.97
Coverage rate of workers' compensation insurance	%	100
Personal accident insurance coverage rate	%	100

<sup>31</sup> Starting from 2024, Huayou Cobalt has begun disclosing its work injury insurance investment and coverage rates.





# Friends all Over the World, Creating Common Prosperity

Social

As a responsible international enterprise, Huayou Cobalt actively fulfills its social responsibility while leading the industry in technological advancement and industrial upgrading. We have always practiced the investment philosophy of "contributing to the local economy and society wherever we invest", and in 2024, Huayou Cobalt's total investment in charity and rural revitalization amounted to RMB 71.58 million, an increase of 570% compared to the previous year, reflecting our firm determination and noble sentiment to give back to the society and to promote the development of public welfare undertakings. We are using our majestic power to drive people around the world towards a better future.

Supported United Nations Sustainable Development Goals (SDGs)





# Promoting Community Relations and Development

While working with partners around the world to build a competitive business model on the business side, Huayou also cooperates with various stakeholders on the community development side, applying a "co-creation" approach to promote the standardization, professionalization and internationalization of community development projects. We strictly comply with the legal requirements of the host country in the design and implementation of our projects, and have formulated and publicly disclosed policies such as the *ESG Policy*, the *Aboriginal Protection Policy*, and the *Community Communication and Consultation Policy*, which set out clear commitments and regulations on community relations, community preservation, the avoidance of violent conflicts, and the protection of human rights. Each subsidiary has set up a specialized team responsible for overseeing the implementation of the policies and conducts regular internal reporting to achieve effective tracking of community relations and maintenance work and to ensure that all commitments are put into place.

Indigenous Populations

Huayou recognizes that indigenous peoples have unique cultures, histories, practices and identities, and will respect their rights, traditional knowledge, cultural heritage and the ecosystems on which they depend throughout the life cycle of the project.

Involuntary Migration

Huayou undertakes to minimize the occupation of land, especially high-quality land, for the construction of the project by optimizing the project design plan and site selection and considering possible alternatives.

Cultural Heritage

Huayou is committed to complying with the legal requirements of the host country in the design and implementation of the project, refraining from developing the project in a World Heritage Site, and protecting and respecting the cultural heritage of the community and indigenous people.

Community Health and Safety

Huayou is committed to giving full consideration to the health and safety risks posed by the project to the affected communities, avoiding or minimizing the risks to the affected communities, and protecting the safety of people and property.

International Protected Area Operations

Huayou undertakes to comply with the requirements of local mining laws and regulations in the selection of sites, and to conduct mining and production activities within the industrial zone.

Huayou Cobalt Social Relationship Commitment

In order to ensure the orderly and standardized execution of the ESG Department's major social responsibilities, such as the formulation and implementation of community development plans and external donations, Huayou has formulated comprehensive internal work standards and operating procedures, and carries out all social responsibilities in strict accordance with the standards and procedures.

In view of the characteristics of its industry, Huayou comprehensively evaluates the risks and impacts on community health and safety throughout the project cycle, with particular emphasis on the safety of tailings disposal facilities, prevention of soil and groundwater contamination, prevention of safety accidents, protection of ecosystem services, control of infectious diseases, and maintenance of road traffic safety. To this end, the Company actively promotes the participation of stakeholders to jointly develop and implement a detailed set of community health and safety risk management and monitoring programs to identify, sort out, assess and classify potential community conflict risks and formulate countermeasures.



Huayou Cobalt Community Health and Safety Risk Management and Monitoring Program

In order to ensure that the needs of the community are listened to and responded to in a timely manner, Huayou has established a transparent and efficient community feedback and complaint mechanism, set up diversified and open feedback channels including letters and community meetings, and formulated a clear handling process. During the Reporting Period, PLZ conducted 7 community meetings and received 219 letters from the community, of which 180 were replied and processed.

During the Reporting Period			
	PLZ conducted	received	of which
	7	219	180
	community meetings	letters from the community	were replied and processed





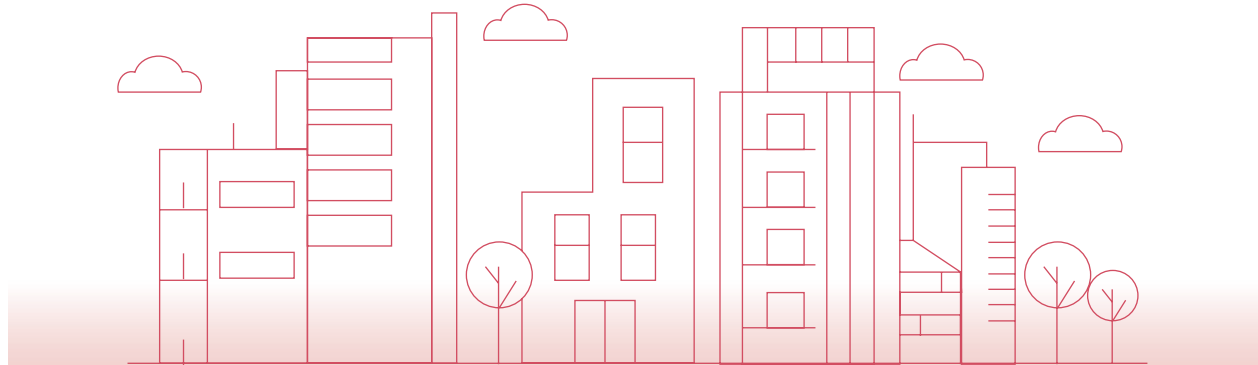
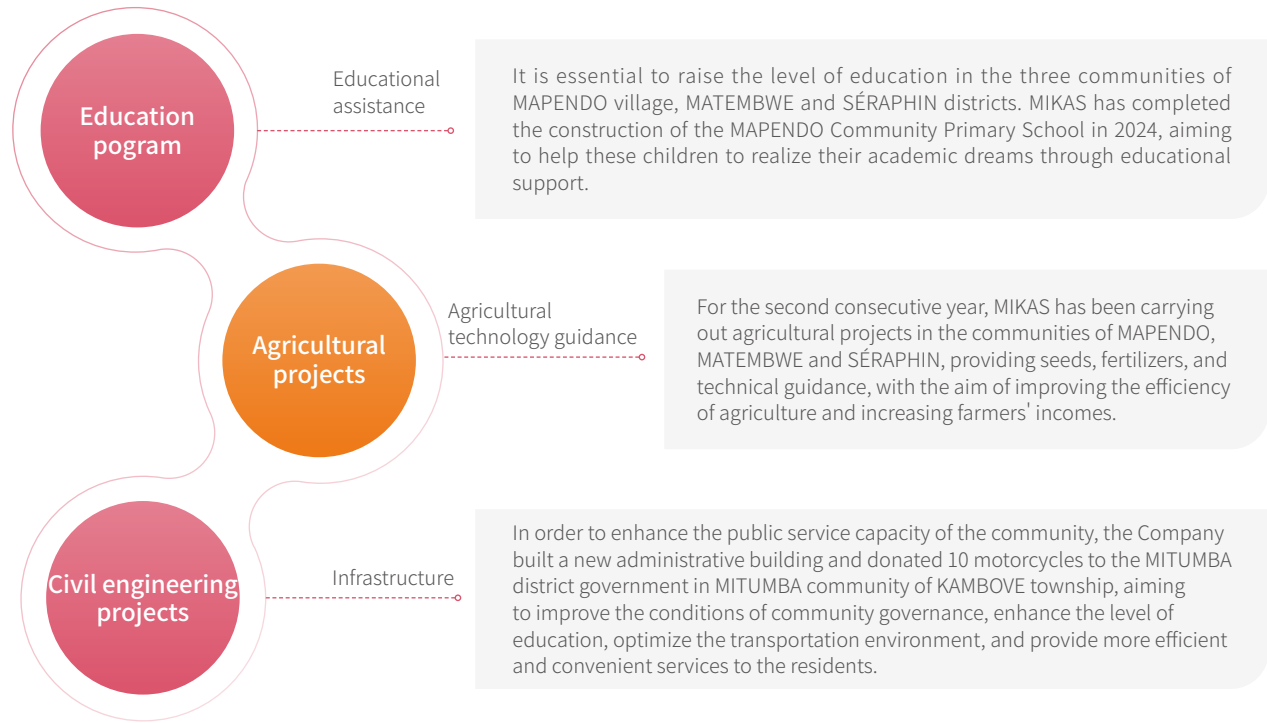
● CDM Helps China Rural Development Foundation Launch "Smiling Children" Feeding Program in DRC

On December 11th, the "Smiling Children" feeding project, jointly promoted by China Foundation for Rural Development (CFRD), CDM and CL-CPD, a non-governmental organization (NGO) of the Democratic Republic of Congo (DRC), was officially launched in Kawama Community Primary School of the Democratic Republic of Congo (DRC). The project aims to provide lunch for poor students, improve learning conditions and help realize the goal of "Zero Hunger". During the event, representatives emphasized the importance of multi-party cooperation, and CDM reiterated its long-term commitment to community development. The Foundation also donated sports equipment to the school to promote the physical and mental development of the students. The project not only helps children to grow up healthily, but also deepens the friendly relationship between China and Mongolia.





MIKAS Community Development Project



CDM community development project, fulfillment of social responsibility statement and 0.3% endowment obligation





Project Name	Project area	Project Profile
Educational programs	Educational assistance	Basic education is the cornerstone of national development. It is vital for upgrading the education level of the three communities in KAWAMA village, KASAPA district and KAMATETE district. CDM has sponsored underprivileged students and orphans in these areas to complete their primary education, aiming to help 200 children a year to realize their academic dreams through educational support, and to promote the long-term development of the communities.
Water supply projects	Water for people's livelihoods	Water is the source of life. To fulfill its social responsibility, CDM constructed 17 solar-powered water wells in KASAPA, KAWAMA and KASHIMBALA communities and laid three kilometers of water pipeline for KAMATETE community. The project aims to solve the villagers' water problems, reduce the risk of diseases caused by unclean water sources and improve the quality of life.
Agricultural projects	Agricultural technology guidance	For two consecutive years, CDM has carried out agricultural projects in the KASHIMBALA and KAWAMA communities, providing seeds, fertilizers and technical guidance, as well as constructing agricultural warehouses and providing tractors, with the aim of improving agricultural efficiency, increasing farmers' income, boosting the community's economic development, contributing to the revitalization of the countryside, and practicing corporate social responsibility.
Civil engineering projects	Infrastructure	In order to enhance the public service capacity of the community, the Company constructed a multi-functional administrative court and repaired the dirt road in KAWAMA community, built a new administrative building in KASHIMBALA community, and constructed an elementary school in KASAPA community. These infrastructure projects are aimed at improving the conditions of community governance, upgrading the level of education, optimizing the transportation environment, and providing residents with more efficient and convenient services.
Medical programs	Healthcare	CDM has selected at least three communities to build medical centers in the FY2024 0.3% endowment project to improve community healthcare and protect the health of the residents in terms of infrastructure, equipment, and personnel.





● Zimbabwe Goromonzi Community Development Project -United Nations Global Compact (UNGC) Central African Community Action Network for Sustainable Development (CACANSD) Pilot Project

In order to effectively respond to the *2030 Agenda for Sustainable Development* and Zimbabwe's vision of achieving an upper-middle-income economy by 2030, and based on the United Nations Global Compact (UNGC)-initiated Central African Community Action Network on Sustainable Development (CACANSD), Huayou Cobalt's Zimbabwean subsidiary, Prospect Lithium Zimbabwe (PLZ), a subsidiary of Huayou Cobalt, has designed the Goromonzi Community Development Program. The program built a participatory platform to implement four international development projects in the Goromonzi community in partnership with Chinese companies investing in Africa, including Fosun, Haichen Energy Storage, Jack Technology and Polk Games. Involving the areas of community health, vocational education, women's empowerment, and power affirmation, the projects aim to improve local livelihoods and support Zimbabwe's Sustainable Development Goals (SDGs).

Project name	Project area	Project profile
Wellness community - Community Health Program	Community health	<p>In order to reduce the spread of epidemics in Zimbabwe, Huayou Cobalt and Fosun Public Welfare Foundation jointly launched the "Kanghui Community" health program, donating a total of 30,000 US dollars in malaria medication to the African region. Meanwhile, the Polk Foundation developed the SDG Hero board game to raise public awareness of prevention in a fun and educational way.</p>  <p>Students from the project schools are participating in an epidemiology-themed board game</p>
Skills for Success - Vocational Education Program	Vocational training	<p>We provide welding training for community youth and work with the local Chamber of Commerce to build an employment platform to help youth gain more employment opportunities and help them find decent jobs.</p>  <p>Project trainees are performing welding demonstrations</p>
Weaving the Future - Women's Empowerment Project	Women's empowerment	<p>The "Weaving the Future" women's empowerment project with Jack Holdings helps Zimbabwean women to upgrade their weaving skills through the provision of sewing skills training and equipment, and establishes a platform for business engagement to ensure the sustainability of orders.</p> <div></div> <p>Women at the Knitting Hope Workshop sewing clothes</p>

Project name	Project area	Project profile
Electric Heating Communities - Electricity Affirmative Action Program	Affirmative action for electricity	<p>In order to solve the problem of difficult access to energy resources in Zimbabwe, Huayou Cobalt PLZ cooperated with Haichen Energy Storage to provide energy storage equipment to schools, clinics and community entrepreneurs to support their access to non-intermittent power supply, which effectively improves the livelihood of local community residents.</p>  <p>Beneficiary microenterprises cut clients' hair with power supplied by energy storage equipment</p>

Speaking at the launch of the Goromonzi project, the Chinese Ambassador to Zimbabwe, Mr. Zhou Ding, said, "The launch of this project is a fresh start, and our commitment to Zimbabwe is a long-lasting one, the realization of which will be measured by the impact we can achieve together. What PLZ is doing today, along with other Chinese companies, is a powerful complement to our commitment to leave no one and no place behind, as Mr. President has said."



Mr. Zhou Ding, Ambassador of China to Zimbabwe, speaking at the launching ceremony

According to Ms. Tolulope Lewis Tamoka, Chief Government Affairs Officer of the United Nations Global Compact and Head of the ABLC/GABI Secretary General's Africa Region, "The launch of the project is a shining example of meaningful collaboration between the private sector, the United Nations, governments and communities to drive impactful and sustainable change."



Ms. Tolulope Lewis Tamoka, Chief Government Affairs Officer of the United Nations Global Compact, delivered a message via video teleconference at the launch of the project



# Charity and Rural Revitalization

As a global corporate citizen, we adhere to the development philosophy of "contributing to the local economy and society no matter where we invest" and actively participate in social development and rural revitalization to fulfill our overseas responsibilities. In addition, we actively respond to the national strategy of rural revitalization and integrate consolidation and expansion of the results of poverty alleviation into the Company's strategy, and are committed to upgrading rural industries and improving people's livelihoods, perfecting infrastructure support, cultivating local skilled personnel, and expanding channels for farmers to steadily increase their incomes.

## Charity

Huayou has always prioritized tangible actions over rhetoric, actively engaging in social welfare initiatives to create lasting positive value. During the Reporting Period, Huayou Cobalt's total social contribution amounted to RMB 69.25 million, benefiting many communities around the world and covering a total of 190,963 people.

### During the Reporting Period

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### "Huayou Care Fund" Charity Donation Campaign

Huayou Cobalt's "Huayou Care Fund" was opened in 2012 and has been held on the first day of the New Year every year since 2020. Chen Xuehua, the chairman of the board of directors, took the lead to make the first donation and put the red envelopes full of love into the donation box, and all the cadres and employees responded positively and put the red envelopes of love into the donation box one after another. A sum of money, a heart, converged into a stream of warmth, passing full of positive energy. Love donation activities will continue until the end of February, all the money collected into the special account of the Care Fund.



"Huayou Care Fund" Charity Donation Campaign

### China-Huayou Charity Co-Wealth Fund

During the Reporting Period, Huayou Cobalt Charity Fund donated RMB10 million to the Tongxiang Charity Federation of Zhejiang Province for the construction of the "Huayou New Energy Science Museum" for young people in Tongxiang City and other charitable projects, which is expected to be put into operation in 2025, with the aim of popularizing the knowledge of new energy and stimulating young people's interest in the science of new materials.

In addition, the Co-Foundation awarded 380,000 RMB in scholarships to 428 primary and secondary school students in Gaoqiao Street, Tongxiang, and 650,000 RMB in scholarships to 53 local high school students who have been admitted to C9 colleges and universities in the Nine Schools Consortium. In terms of sports and culture, the Commonwealth Fund allocated RMB 372,900 to subsidize the development of school soccer and student fitness in Tongxiang, which greatly enriched the work of Tongxiang schools in terms of sports and culture.



### Huayou Cobalt was honored as a 2024 Philanthropic and Caring Enterprise

During the Reporting Period, the second meeting of the sixth council of the Jiaxing Charity Federation in Zhejiang Province was held in Jiaxing. At the meeting, outstanding organizations and enterprises in the city's 2024 charity work were recognized, and Huayou Cobalt was awarded the title of 2024 Caring Enterprise. In the future, Huayou will continue to uphold its investment philosophy of "wherever we invest, we contribute to the local economy and society", further increasing its commitment to philanthropy. The Company will innovate philanthropic models, expand the scope of charitable initiatives, and contribute more to promoting harmonious social development.



Awarded by Jiaxing Charity Federation, Huayou Cobalt was honored as the 2024 Philanthropic Caring Enterprise



● Deepening Public Welfare Action: Huayou Cobalt Built Love for the Elderly and Special Patient Groups

During the Reporting Period, Huayou Cobalt continued to deepen its charitable and public welfare actions, focusing on the elderly and special patients to carry out precise care. We implemented regular twinning support in Wuzhen Longxiang Home for the Elderly, organizing volunteers to provide living necessities and spiritual comfort services for more than 100 elderly people every six months, and invested a total of RMB 30,000 yuan throughout the year. In addition, we simultaneously promoted the special assistance of Tongxiang Leprosy Rehabilitation Hospital, and jointly organized with the Municipal Health Bureau and the Disabled Persons' Federation to carry out caring activities for more than 30 rehabilitated patients, forming a public welfare practice model of "government and society synergy, and long-term help".



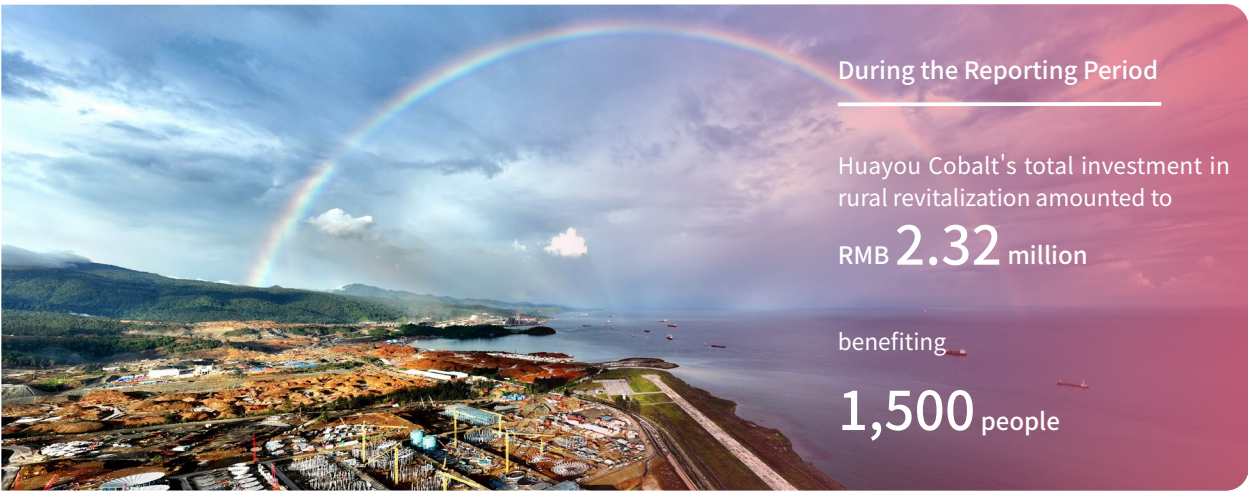
● PLZ repaired dams to stabilize water supply, ten years of drilling wells to benefit millions of people

In February 2024, PLZ, an African subsidiary of Huayou Cobalt, completed the rehabilitation of the spillway of Chinyika Dam in Goromonzi community, Mashonaland East Province, effectively alleviating the local water shortage. The new dam is expected to store an additional 1,500 megaliters of water per year, providing the community with a safe and stable water source. At the same time, we plan to build a new dam downstream of the Chinyika Dam with an estimated storage capacity of 5,000 to 8,000 megaliters. To further address water issues, we are committed to building five new wells per year for the next 10 years, totaling 50 wells for the region, to provide clean water to more communities on a sustainable basis.



## Community Development and Rural Revitalization

As a benchmark for private enterprises to fulfill their responsibilities in the new era, Huayou Cobalt has always deeply integrated the traditional Chinese virtue of "being kind and charitable, helping the needy and the poor" into its development gene, and responded to the national call for rural revitalization and common prosperity with a strategic upgrading. By building a three-dimensional path of "industrial empowerment, talent cultivation and public welfare feedback", we focus on the construction of a long-term mechanism to consolidate the results of poverty alleviation and realize the two-way development of corporate and local social values. During the Reporting Period, Huayou Cobalt's total investment in rural revitalization amounted to RMB 2.32 million, benefiting 1,500 people.



● CDM Introduced to China Rural Development Foundation, Innovating a New Mode of Responsibility Performance by Huayou International

In July 2024, at the 7th China-Africa Civil Forum and China-Africa Youth Leaders Forum, Huayou Cobalt and the China Foundation for Rural Development (CFRD) jointly launched a development assistance program in the Democratic Republic of the Congo (DRC) - the Huayou Cobalt CDM Social Responsibility Program. The project aims to implement a series of public welfare programs in Kawama and other villages, covering issues such as education, livelihoods and health, to systematically improve the well-being of the local community. At the end of the Reporting Period, a multi-functional hall was officially inaugurated as part of the project, which will serve as a comprehensive platform for local community exchanges, education and training, and cultural activities.





● PLZ paves the way for the future for local communities

Since 2023, PLZ, an African subsidiary of Huayou Cobalt, has contributed US\$1.6 million to help rehabilitate roads in Goromonzi community in Mashonaland East Province, and has already successfully repaired 22 kilometers of roads, which has significantly improved road dust and traffic safety hazards faced by local residents. In the future, PLZ plans to complete an additional 16 kilometers of asphalt rehabilitation in phases.

"This rehabilitated road doesn't just serve PLZ. we have the residents of this area here, as well as farmers and others who will benefit from this road." -Minister of State for Provincial Affairs and Devolution for Mashonaland East.



Pre-restoration



After repair

● Indonesia Huayue Company donated masks to IMIP clinic to support medical care

IMIP Clinic has been providing comprehensive medical services to the community. During the Reporting Period, Huayue Company donated 2,000 medical masks to IMIP Clinic. This donation not only reflects the Company's high regard for public health and safety, but also demonstrates its continued commitment to corporate social responsibility.

Huayue Company donated  
**2,000**  
medical masks to IMIP Clinic



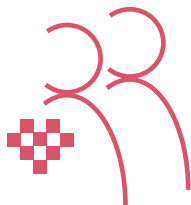
● CDM Responds to Public Health and Safety Incidents, Comes to the Aid of Kamatete Community in the Fight Against Cholera

During the Reporting Period, the outbreak of cholera in CDM's jurisdiction was spreading rapidly, and we quickly deployed special epidemic prevention materials to implement emergency assistance. Through collaboration between the government and enterprises, material protection and public health, we made every effort to block the chain of transmission of the epidemic and build up a solid protection network for the community's health.



● CDM empowers Kawama community farmers to enhance their productive capacity in all aspects of farming

During the Reporting Period, CDM and Usafi Bora SAR jointly donated improved seeds, agricultural tractors, high-efficiency fertilizers and modern farming tools to the Kawama community to enhance the production capacity of the farmers and provide strong impetus to the local agricultural harvest.





Appendix 1: Performance Indicator<sup>32</sup>

Indicators	Unit	2023	2024
Economic Performance			
Revenue	RMB billion	66.3	61.5
Net profit attributable to the owners of the parent company	RMB billion	3.35	4.15
Company Governance			
Number of Periodic Reports Disclosed	/	4	4
Number of temporary Announcements	/	178	129
Number of General Meetings of Shareholders	/	5	5
Number of Board Meetings	/	22	12
Number of Supervisory Board Meetings	/	13	8
Attendance of Directors at Board Meetings	%	/	100
Number of members of the Board of Directors	Person	7	7
Number of Independent Directors	Person	2	3
Number of Executive Directors	Person	/	4
Number of non-executive directors	Person	/	3
Number of non-executive directors with industry experience	Person	/	1
Average term of office of Board members	Years	/	5.6
Compliance & Risk Management			
Conflict of interest violations	/	/	0
Money laundering or insider trading	/	/	0
Unfair Competition Litigation Incident	/	/	0
Significant violations of the Company's Code of Conduct	/	/	1
Business Ethics			
Total number of hours of integrity and anti-corruption training attended by directors	Hours	/	12
Percentage of directors participating in integrity and anti-corruption training	%	/	57
Total hours of management participation in integrity, anti-corruption training	Hours	/	774.5
Percentage of management participation in integrity, anti-corruption training	%	/	100
Total hours of staff participation in integrity and anti-corruption training	Hours	/	35,691
Percentage of employees participating in integrity and anti-corruption training	%	/	91

<sup>32</sup> Huayou Cobalt will disclose certain indicators starting from the Reporting Period of 2024.

Indicators	Unit	2023	2024
Corruption and bribery violations by directors	/	/	0
Corruption and bribery violations by management	/	/	0
Corruption and bribery violations by employees	/	/	1
Data Security and Customer Privacy Protection			
Number of data security incidents	/	/	0
Amount involved in data security incidents	RMB million	/	0
Number of customer privacy incidents	/	/	0
Amounts involved in customer privacy incidents	RMB million	/	0
Greenhouse Gas Emissions			
Scope 1 GHG emissions	tons of carbon dioxide equivalent	598,881	2,992,418
Scope 1 GHG emissions (excluding newly operational plants in 2024)	tons of carbon dioxide equivalent	/	669,150
Scope 2 GHG emissions - market based	tons of carbon dioxide equivalent	1,118,281	3,169,805
Scope 2 GHG emissions (excluding newly operational plants in 2024)	tons of carbon dioxide equivalent	/	1,216,880
Total Scope 1 and Scope 2 GHG emissions	tons of carbon dioxide equivalent	1,717,162	6,162,223
Total Scope 1 and Scope 2 GHG emissions (excluding newly operational plants in 2024)	tons of carbon dioxide equivalent	/	1,886,030
Scope 3 GHG emissions	tons of carbon dioxide equivalent	9,767,259	11,981,332
Scope 3 GHG emissions (excluding newly operational plants in 2024)	tons of carbon dioxide equivalent	/	10,087,255
Electric nickel	tons/ton	3.71	2.29
MHP	tons/ton	9.11	7.71
Cathode material	tons/ton	1.74	1.66
Precursor	tons/ton	1.67	1.62
Energy Utilization			
Coal	ton	117,140	530,351
Gasoline	litre	266,811	210,729
Diesel	litre	53,149,281	115,568,139
Natural gas	m <sup>3</sup>	10,616,190	34,363,695
Liquefied petroleum gas	kg	38,839	26,630
Direct energy consumption	tce	151,339	571,311
Outsourced steam	GJ	4,384,809	4,810,816
Purchased electricity	kWh	1,985,222,224	4,684,401,095

Indicators	Unit	2023	2024
Of which: purchased green power	kWh	825,814,054	600,761,097
Purchased electricity intensity per ton of product - Electric nickel	kWh/ton	4,436	3,881
Purchased electricity intensity per ton of product - MHP	kWh/ton	2,800	2,268
Purchased electricity intensity per ton of product - Cathode material	kWh/ton	8,692	8,536
Purchased electricity intensity per ton of product - Precursor	kWh/ton	2,507	2,782
Indirect energy consumption	tce	243,984	575,713
Installed capacity of clean electricity	MW	12	22
Clean electricity generation - photovoltaic	MWh	2,270	11,006
Renewable energy consumption	kWh	828,083,231	611,572,002
Non-renewable energy consumption	kWh	1,157,138,993	4,072,829,093
Use ratio of clean electricity	%	34	40
Water Management <sup>33</sup>			
Total amount of water withdrawn	tons	34,613,021.17	65,886,999.87
Water withdrawal intensity per ton of product - Electric nickel	tons/ton	/	45.44
Water withdrawal intensity per ton of product - MHP	tons/ton	/	253.67
Water withdrawal intensity per ton of product - Cathode material	tons/ton	/	9.76
Water withdrawal intensity per ton of product - Precursor	tons/ton	/	10.30
Total water consumption	tons	6,027,428.72	7,801,938.68
Recycled water consumption	tons	39,748,463.56	164,422,745.20
Water recycling rate	%	53.45	71.39
Total wastewater discharge	tons	28,585,592.45	58,085,061.19
Wastewater discharge intensity per ton of product - Electric nickel	tons/ton	/	13.52
Wastewater discharge intensity per ton of product - MHP	tons/ton	/	255.09
Wastewater discharge intensity per ton of product -Cathode material	tons/ton	/	7.16
Wastewater discharge intensity per ton of product - Precursor	tons/ton	/	9.71
Total COD emissions	tons	361.51	1,902.58
Total ammonia nitrogen emissions	tons	17.53	41.88
Air Emissions <sup>34</sup>			

<sup>33</sup> In 2024, the Group's newly commissioned operational projects have led to significant variations in water resource management data compared to historical periods.

<sup>34</sup> In 2024, the Group's newly commissioned operational projects have led to significant variations in air emissions data compared to historical periods.

Indicators	Unit	2023	2024
Total air emissions	million cubic meters	21,846.23	40,220.65
Total particulate emissions	tons	288.47	1,684.38
Total non-methane hydrocarbon emissions	tons	3.54	4.11
Total sulfur dioxide (SO <sub>2</sub> ) emissions	tons	1,944.87	7,160.12
Total nitrogen oxide (NO <sub>x</sub> ) emissions	tons	341.03	36.42
Waste Management			
Total hazardous waste generation	tons	11,572.34	36,773.81
Hazardous waste generation intensity per ton of product - Electric nickel	tons/ton	/	0.1132
Hazardous waste generation intensity per ton of product - MHP	tons/ton	/	0.0029
Hazardous waste generation intensity per ton of product - Cathode material	tons/ton	/	0.0003
Hazardous waste generation intensity per ton of product - Precursor	tons/ton	/	0.0052
Total hazardous waste landfilled	tons	563.72	6,403.94
Total hazardous waste incinerated with energy recovery	tons	6,447.50	3,882.87
Total hazardous waste recycled/ reused	tons	3,997.81	21,219.99
Total general solid waste generation <sup>35</sup>	tons	148,100.82	4,967,555.88 <sup>36</sup>
General solid waste generation intensity per ton of product - Electric nickel	tons/ton	/	0.0007
General solid waste generation intensity per ton of product - MHP	tons/ton	/	0.0085
General solid waste generation intensity per ton of product - Cathode material	tons/ton	/	0.1088
General solid waste generation intensity per ton of product - Precursor	tons/ton	/	0.0009
Total waste rock generated	tons	1,219,704.49	22,747,907.73
Total general solid waste landfilled	tons	182.50	920.50
Total general solid waste incinerated with energy recovery	tons	15.20	755.41
Total general solid waste recycled/ reused	tons	99,144.33 <sup>37</sup>	572,987.21
General solid waste utilization rate	%	66.94	11.53
Other			
ISO 14001 Environmental Management System Certification Coverage	%	/	88.24
Environmental investment	RMB billion	4.6	4.02

<sup>35</sup> Starting from 2024, the Group has excluded waste rock generated from certain operational areas from its statistical scope. To ensure data consistency, we have retrospectively adjusted the general solid waste data for 2023.

<sup>36</sup> In accordance with the Group's unified statistical requirements, operational sites in Africa have been included in the general solid waste statistics starting from 2024. This adjustment has resulted in an increase in current period data compared to previous periods.

<sup>37</sup> Due to the Group's exclusion of waste rock generated from certain operational areas from general solid waste statistics, and our adoption of complete comprehensive utilization for waste rock disposal, we have retrospectively adjusted the 2023 general solid waste comprehensive utilization data.



Indicators	Unit	2023	2024
Investment in energy-saving technological transformation	RMB million	/	877
Supplier Management			
Total number of suppliers	/	2,771	3,156
Number of suppliers in China	/	/	2,891
Number of suppliers in Indonesia	/	/	208
Number of suppliers in other regions	/	/	57
Newly introduced suppliers	/	695	997
Total number of Tier-1 suppliers	/	/	567
Total number of significant suppliers in Tier-1	/	/	122
% of total spend on significant suppliers in Tier-1	%	/	56
Total number of significant suppliers in non Tier-1	/	/	445
Total number of significant suppliers	/	/	735
Proportion of supplier integrity agreements signed	%	100	100
Total number of suppliers assessed via desk assessments/on-site assessments	/	/	593
Number of suppliers with substantial actual/potential negative impacts that were terminated	/	73	420
Total number of suppliers supported in corrective action plan implementation	/	/	57
Technological Innovation			
R&D investment	RMB billion	1.441	1.300
R&D investment as a percentage of total revenue	%	2.17	2.13
Number of technical R&D personnel	Person	2,084	1,559
Ratio of R&D personnel to total number of employees	%	7.05	6.14
Provincial R&D Platforms	/	12	15
National R&D platforms	/	2	2
Numbers of international standards involved in formulating	/	/	2
Numbers of national standards involved in formulating	/	8	10
Numbers of industrial standards involved in formulating	/	12	11
Intellectual Property Rights			
Cumulative authorized patents	/	397	562
Cumulative authorized invention patents	/	/	281
Of which: Proportion of cumulative authorized invention patents applied to the main business	%	/	50
Cumulative authorized utility model patents	/	169	278
Cumulative authorized design patents	/	3	3

Indicators	Unit	2023	2024
Newly granted patents	/	52	157
Newly authorized invention patents	/	29	53
Newly authorized utility model patents	/	23	103
Newly authorized design patents	/	/	1
Employee			
Total number of employees	Person	29,548	25,372
Number and percentage of employees by gender			
Male	Person	24,493	21,150
	%	82.89	83.36
Female	Person	5,055	4,222
	%	17.11	16.64
Number and percentage of employees by age group			
Number of employees aged 50 and above	Person	1,425	1,583
	%	4.82	6.24
Number of employees aged 30 to 50 (exclusive)	Person	17,920	13,997
	%	60.65	55.17
Number of employees under 30 years old (exclusive)	Person	10,203	9,792
	%	34.53	38.59
Number and percentage of employees by grade			
Senior management	Person	/	177
	%	/	0.70
Middle management	Person	/	879
	%	/	3.46
General staff	Person	/	24,316
	%	/	95.84
Number and percentage of employees by region			
China	Person	15,426	11,819
	%	52.21	46.58
Zimbabwe	Person	1,377	1,217
	%	4.66	4.80
Indonesia	Person	9,985	9,713
	%	33.79	38.28
Democratic Republic of the Congo	Person	2,698	2,514
	%	9.13	9.91
Other regions	Person	62	109
	%	0.21	0.43
Localized employment			
Localized employment rate	%	87.40	82.85

Indicators	Unit	2023	2024
<i>Employment rate by region</i>			
China	%	99.76	99.91
Zimbabwe	%	85.33	82.00
Indonesia	%	82.36	62.98
Democratic Republic of the Congo	%	82.13	82.74
Other regions	%	/	22.02
<i>Diversity</i>			
Share of women in all management positions	%	/	14.19
Share of women in junior management positions	%	/	12.37
Share of women in top management positions	%	/	13.21
Share of women in management positions in revenue-generating functions	%	/	12.18
Share of women in STEM <sup>38</sup> Percentage of women in	%	/	33.18
<i>New employees</i>			
Total number of new employees	Person	/	5,152
<i>Number and percentage of new recruits by gender</i>			
Male	Person	/	4,433
	%	/	86.04
Female	Person	/	719
		/	13.96
<i>New employees by age group</i>			
Number of employees aged 50 and above	Person	/	1,880
	%	/	36.49
Number of employees aged 30 to 50 (exclusive)	Person	/	3,216
	%	/	62.42
Number of employees under 30 years old (exclusive)	Person	/	56
		/	1.09
<i>Employee Training</i>			
Total number of employees trained	Person	/	21,394
	%	/	84.32
Total duration of training	Hours	959,373	464,819
Average hours per FTE of training	Hours	31.44	18.32
Total financial investment in training	RMB	477.57	316.35
<i>Percentage of staff trained and number of average training hours, by gender</i>			
Male	%	/	86.04
	Average Training Hours	/	17.38

<sup>38</sup> STEM: Science, Technology, Engineering, and Mathematics positions. STEM talent at Huayou Cobalt includes employees in R&D, engineering, IT and finance positions.

Indicators	Unit	2023	2024
Female	%	/	94.95
	Average Training Hours	/	23.05
Senior management	%	/	75.71
	Average Training Hours	/	18.83
Middle management	%	/	94.20
	Average Training Hours	/	27.78
General staff	%	/	87.37
	Average Training Hours	/	17.97
<i>Talent retention and communication</i>			
Total wastage	Person	/	4,680
Total wastage rate <sup>39</sup>	%	/	17.04
Coverage of trade unions and collective agreements	%	100	100
<i>Occupational Health and Safety</i>			
Total employee OHS investment	RMB billion	/	0.028
Total investment in production safety	RMB billion	0.181 <sup>40</sup>	0.188
Number of work-related deaths	Person	1	2
Annual lost work hours from accidents	Hours	14,792	8,542
Number of lost time accidents at work	/	31	20
Lost Time Injury Rate (LTIR)	/	0.62	0.33
Total Recorded Injury Frequency Rate (TRIFR)	/	/	0.56
Lost time rate in millions of man-hours	/	296.63	122.56
Coverage of medical examinations for occupational disease positions	%	100	100
Number of occupational diseases	/	0	0
Amount invested in workers' compensation insurance	RMB Ten Thousand	/	1,275.97
Coverage of workers' compensation insurance personnel	%	/	100
Personal accident insurance coverage	%	/	100
<i>Public welfare donation</i>			
Social contribution	Ten Thousand RMB	/	6,925.16
Rural revitalization	Ten Thousand RMB	/	232.48

<sup>39</sup> Total turnover rate = total turnover / ((number of employees at the end of the previous reporting period + number of employees at the end of the current reporting period)/2).

<sup>40</sup> Huayou Cobalt 's total investment in safety and occupational health and safety is 181 million yuan in 2023.



# Appendix 2: Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 – Sustainability Report (Trial) Benchmarking Index

Issue	Location
Responding to climate change	Green Development. Co-creating a Sustainable Future –Responding to Climate Change
Pollutant emissions	Green Development. Co-creating a Sustainable Future –Waste Discharge Management
Waste management	Green Development. Co-creating a Sustainable Future –Waste Discharge Management
Ecosystem and Biodiversity Conservation	Green Development. Co-creating a Sustainable Future –Ecosystem and Biodiversity Conservation
Environmental Management	Green Development. Co-creating a Sustainable Future –Environmental Management
Energy utilization	Green Development. Co-creating a Sustainable Future –Energy Use
Water resource utilization	Green Development. Co-creating a Sustainable Future –Water Stewardship
Circular economy	Special Topic: Breaking New Ground in Circular Economy, Huayou Leads the Industry in Sustainable Development
Rural revitalization	Friends all Over the world, Creating Common Prosperity –Charity and Rural Revitalization
Social contribution	Friends all Over the world, Creating Common Prosperity –Charity and Rural Revitalization
Innovation-driven	Innovation Leads, Prosperity with Friends –Technological Innovation
Ethics in technology	Not Relevant
Supply Chain Security	Innovation Leads, Prosperity with Friends- Sustainable Supply Chain
Equal treatment of small and medium-sized enterprises	Innovation Leads, Prosperity with Friends- Sustainable Supply Chain
Safety and quality of products and services	Innovation Leads, Prosperity with Friends- Products & Customer Service
Data Security and Customer Privacy Protection	Building Foundations Together with Partners- Data Security and Customer Privacy Protection
Employees	Huayou, Together, for the Future –Labour and Employment Huayou, Together, for the Future –Employee Rights and Development Huayou, Together, for the Future –Occupational Health and Safety
Due diligence	Innovation Leads, Prosperity with Friends- Sustainable Supply Chain
Communication with stakeholders	Sustainability Management–Dual Materiality Assessment
Anti-bribery and anti-corruption	Building Foundations Together with Partners- Business Ethics
Anti-unfair competition	Building Foundations Together with Partners- Business Ethics

# Appendix 3: GRI Content Index

Disclosure Item	Disclosure	Location
Universal Standards		
GRI 2: General Disclosures		
The organization and its reporting practices		
2-1	Organizational details	About this Report
2-2	Entities included in the organization's sustainability reporting	About this Report
2-3	Reporting period, frequency and contact point	About this Report
Activities and workers		
2-6	Activities, value chain and other business relationships	Innovation Leads, Prosperity with Friends
2-7	Employees	Huayou, Together, for the Future
Governance		
2-9	Governance structure and composition	Building Foundations Together with Partners –Corporate Governance
2-10	Nomination and selection of the highest governance body	Building Foundations Together with Partners –Corporate Governance
2-11	Chair of the highest governance body	Building Foundations Together with Partners –Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Building Foundations Together with Partners –Corporate Governance
2-13	Delegation of responsibility for managing impacts	Building Foundations Together with Partners –Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Sustainability Management –ESG Governance
2-16	Communication of critical concerns	Sustainability Management –Dual Materiality Assessment
2-18	Evaluation of the performance of the highest governance body	Building Foundations Together with Partners –Corporate Governance
2-19	Remuneration policies	Huayou, Together, for the Future -Employee Rights and Development
2-20	Process to determine remuneration	Huayou, Together, for the Future -Employee Rights and Development
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Sustainability Management –ESG Development Strategy
2-23	Policy commitments	Sustainability Management –ESG Development Strategy
2-24	Embedding policy commitments	Sustainability Management –ESG Development Strategy
2-25	Processes to remediate negative impacts	Sustainability Management –ESG Development Strategy
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Management –Stakeholder Communication
2-27	Compliance with laws and regulations	Sustainability Management –ESG Development Strategy
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Sustainability Management–Dual Materiality Assessment
2-30	Collective bargaining agreements	Huayou, Together, for the Future- Employee Rights and Development
GRI 3: Material Topics		
3-1	Process to determine material topics	Sustainability Management–Dual Materiality Assessment
3-2	List of material topics	Sustainability Management–Dual Materiality Assessment

Disclosure Item	Disclosure	Location
3-3	Management of material topics	Sustainability Management–Dual Materiality Assessment
Topic Standards		
GRI 201: Economic Performance		
201-2	Financial implications and other risks and opportunities due to climate change	Green Development. Co-creating a Sustainable Future – Responding to Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Huayou, Together, for the Future- Employee Rights and Development
201-4	Financial assistance received from government	Building Foundations Together with Partners –Corporate Governance
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	Innovation Leads, Prosperity with Friends- Sustainable Supply Chain
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	Building Foundations Together with Partners- Business Ethics
205-2	Communication and training about anti-corruption policies and procedures	Building Foundations Together with Partners- Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Building Foundations Together with Partners- Business Ethics
GRI 206: Undue competitive behavior		
206-1	Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	Building Foundations Together with Partners- Business Ethics
GRI 302: Energy		
302-1	Energy consumption within the organization	Green Development. Co-creating a Sustainable Future –Energy Use
302-3	Energy intensity	Green Development. Co-creating a Sustainable Future –Energy Use
302-4	Reduction of energy consumption	Green Development. Co-creating a Sustainable Future –Energy Use
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	Green Development. Co-creating a Sustainable Future –Water Stewardship
303-2	Management of water discharge related impacts	Green Development. Co-creating a Sustainable Future –Water Stewardship
303-3	Water withdrawal	Green Development. Co-creating a Sustainable Future –Water Stewardship
303-4	Water discharge	Green Development. Co-creating a Sustainable Future –Water Stewardship
303-5	Water consumption	Green Development. Co-creating a Sustainable Future –Water Stewardship
GRI 304: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Green Development. Co-creating a Sustainable Future – Ecosystem and Biodiversity Conservation
304-2	Significant impacts of activities, products and services on biodiversity	Green Development. Co-creating a Sustainable Future – Ecosystem and Biodiversity Conservation
304-3	Habitats protected or restored	Green Development. Co-creating a Sustainable Future – Ecosystem and Biodiversity Conservation
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	Green Development. Co-creating a Sustainable Future – Responding to Climate Change

Disclosure Item	Disclosure	Location
305-2	Energy indirect (Scope 2) GHG emissions	Green Development. Co-creating a Sustainable Future – Responding to Climate Change
305-4	GHG emissions intensity	Green Development. Co-creating a Sustainable Future – Responding to Climate Change
305-5	Reduction of GHG emissions	Green Development. Co-creating a Sustainable Future – Responding to Climate Change
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions.	Green Development. Co-creating a Sustainable Future –Waste Discharge Management
GRI 306: Effluents and Waste		
306-1	Water discharge by quality and destination	Green Development. Co-creating a Sustainable Future –Waste Discharge Management
306-2	Waste by type and disposal method	Green Development. Co-creating a Sustainable Future –Waste Discharge Management
306-3	Significant spills	Green Development. Co-creating a Sustainable Future –Waste Discharge Management
306-4	Transportation of hazardous waste	Green Development. Co-creating a Sustainable Future –Waste Discharge Management
306-5	Water bodies affected by water discharges and/or runoff	Green Development. Co-creating a Sustainable Future –Waste Discharge Management
GRI 308: : Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Innovation Leads, Prosperity with Friends- Sustainable Supply Chain
308-2	Negative environmental impacts in the supply chain and actions taken	Innovation Leads, Prosperity with Friends- Sustainable Supply Chain
GRI 401: Employment		
401-1	New employee hires and employee turnover	Huayou, Together, for the Future-Labor and Employment
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Huayou, Together, for the Future- Employee Rights and Development
401-3	Parental leave	Huayou, Together, for the Future- Employee Rights and Development
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	Huayou, Together, for the Future- Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Huayou, Together, for the Future- Occupational Health and Safety
403-3	Occupational health services	Huayou, Together, for the Future- Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Huayou, Together, for the Future- Occupational Health and Safety
403-5	Worker training on occupational health and safety	Huayou, Together, for the Future- Occupational Health and Safety
403-6	Promotion of worker health	Huayou, Together, for the Future- Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Huayou, Together, for the Future- Occupational Health and Safety
403-8	Workers covered by an occupational health and safety management system	Huayou, Together, for the Future- Occupational Health and Safety
403-9	Work-related injuries	Huayou, Together, for the Future- Occupational Health and Safety
403-10	Work-related ill health	Huayou, Together, for the Future- Occupational Health and Safety



Disclosure Item	Disclosure	Location
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	Huayou, Together, for the Future -Employee Rights and Development
404-2	Programs for upgrading employee skills and transition assistance programs	Huayou, Together, for the Future -Employee Rights and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Huayou, Together, for the Future -Employee Rights and Development
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Huayou, Together, for the Future -Labor and Employment
405-2	Ratio of basic salary and remuneration of women to men	Huayou, Together, for the Future -Employee Rights and Development
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	Huayou, Together, for the Future -Labor and Employment
GRI 407: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Huayou, Together, for the Future -Employee Rights and Development
GRI 408: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	Huayou, Together, for the Future -Labor and Employment
GRI 409: Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Huayou, Together, for the Future -Labor and Employment
GRI 413 : Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Friends all Over the world, Creating Common Prosperity – Promoting Community Relations and Development
413-2	Operations with significant actual and potential negative impacts on local communities	Friends all Over the world, Creating Common Prosperity – Promoting Community Relations and Development
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Innovation Leads, Prosperity with Friends- Sustainable Supply Chain
414-2	Negative social impacts in the supply chain and actions taken	Innovation Leads, Prosperity with Friends- Sustainable Supply Chain
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	Innovation Leads, Prosperity with Friends- Products & Customer Service
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Innovation Leads, Prosperity with Friends- Products & Customer Service
GRI 417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	Innovation Leads, Prosperity with Friends- Products & Customer Service
417-2	Incidents of non-compliance concerning product and service information and labeling	Innovation Leads, Prosperity with Friends- Products & Customer Service
417-3	Incidents of non-compliance concerning marketing communications	Innovation Leads, Prosperity with Friends- Products & Customer Service

## Appendix 4: Reader Feedback Form

Thank you for reading the Zhejiang Huayou Cobalt 2024 Sustainability Report. In order to better provide valuable information to you and other stakeholders, and to promote Huayou Cobalt to enhance the capacity and level of ESG management, the Company sincerely invites you to make valuable comments and suggestions on this report.

1. Which of the following categories of stakeholders do you belong to:

☐ Investors    ☐ Regulators    ☐ Customers    ☐ Employees    ☐ Suppliers

☐ Industry associations    ☐ External experts    ☐ Media    ☐ Others

2.Your overall evaluation of Huayou Cobalt's sustainability report:

☐ Very satisfied    ☐ Comparatively satisfied    ☐ Generally satisfied    ☐ Comparatively dissatisfied    ☐ Unsatisfied

3.Your evaluation of Huayou Cobalt's fulfillment of its environmental, social and governance responsibilities:

Environmental responsibility:

☐ Very satisfied    ☐ Comparatively satisfied    ☐ Generally satisfied    ☐ Comparatively dissatisfied    ☐ Unsatisfied

Social responsibility:

☐ Very satisfied    ☐ Comparatively satisfied    ☐ Generally satisfied    ☐ Comparatively dissatisfied    ☐ Unsatisfied

Governance responsibilities:

☐ Very satisfied    ☐ Comparatively satisfied    ☐ Generally satisfied    ☐ Comparatively dissatisfied    ☐ Unsatisfied

4.Your assessment of the clarity, accuracy and completeness of each of the ESG disclosures in this report:

Clarity:

☐ Very satisfied    ☐ Comparatively satisfied    ☐ Generally satisfied    ☐ Comparatively dissatisfied    ☐ Unsatisfied

Accuracy:

☐ Very satisfied    ☐ Comparatively satisfied    ☐ Generally satisfied    ☐ Comparatively dissatisfied    ☐ Unsatisfied

Completeness:

☐ Very satisfied    ☐ Comparatively satisfied    ☐ Generally satisfied    ☐ Comparatively dissatisfied    ☐ Unsatisfied

5.Your comments on the organization and layout of the report:

☐ Very satisfied    ☐ Comparatively satisfied    ☐ Generally satisfied    ☐ Comparatively dissatisfied    ☐ Unsatisfied

6.Other observations and recommendations:

Thank you for your support of Huayou Cobalt's ESG and sustainability efforts!



**Address:** No. 79 Wuzhen East Road, Tongxiang Economic  
Development Zone, Zhejiang Province  
**Tel:** 0086-573-88585566  
**Email:** [csr@huayou.com](mailto:csr@huayou.com)