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Stand October 2024



1 Background

2 Company information

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3 Mineral Supply Chain Due Diligence Management Policy & Supplier Code of Conduct

4 Mineral Supply Chain Due Diligence Management Standards

5 Six-step Framework of Due Diligence Management System

5.1 Establish a sound enterprise management system

5.2 Identify and assess supply

5.3 Develop and implement response policies to the identified risks

5.4 Independent third-party assessment and audit

5.5 Report the due diligence process and results

5.6 Provide conditions and cooperate in remediation in a timely manner

With the development of the global new energy vehicle and power battery industry, EU countries have continuously introduced and implemented various regulations in order to protect the development of their manufacturing industry, including Germany's Supply Chain Act, the EU's Corporate Sustainability Due Diligence Directive, New battery Regulations, Critical Raw Materials Act, and the United States' Inflation Reduction Act. These regulations mark that the performance of enterprises in sustainability and supply chain due diligence is also getting more and more attention from all walks of life, and the requirements are becoming more and more stringent. As a country with the richest reserves and highest production of laterite nickel ore resources, Indonesia is the focus of the responsible management of the mineral supply chain of enterprises in the new energy industry, and it is also the focus of attention of downstream customers, NGOs and other stakeholders in the supply chain. Responsible management of Indonesia's nickel supply chain has an important impact on enterprises to meet the needs of various stakeholders and the development of enterprises in overseas markets.

Company Name: PT CNGR DING XING NEW ENERGY

Company Location: JALAN TRANS SULAWESI, KAWASAN INDUSTRI MOROWALI, KAB. MOROWALI, PROVINSI SULAWESI TENGAH, INDONESIA

Material: nickel

Last Assessment Date: 2023/12/06 - 2023/12/07

Assessment Period: 2023/07/01 - 2023/11/30

Audit Firm: China Quality Mark Certification Group

Report Link: https://www.cccmc.org.cn/kcxfzzx/zyzx/bg/ff8080818b809d13018cc2ecd01b31ef.html

Company Name: PT DEBONAIR NICKEL INDONESIA

CID Number: CID004693

Company location: TANJUNG ULIE, LELILEF SAWAI VILLAGE, CENTRAL WEDA DISTRICT, CENTRAL HALMAHERA REGENCY, NORTH MALUKU PROVINCE

Material: nickel

Last Assessment Date: 2024/01/08 - 2024/01/11

Assessment Period: 2022/09/01 - 2023/11/30

Audit Firm: ARCHE ADVISORS

Company Name: PT ZHONGTSING NEW ENERGY

CID Number: CID004532

Company Location: JALAN TRANS SULAWESI, KAWASAN INDUSTRI MOROWALI, KAB. MOROWALI, PROVINSI SULAWESI TENGAH, INDONESIA

Material: nickel

Last Assessment Date: The initial assessment is scheduled for 2024/03/18 - 2024/03/22

Assessment Period: 2023/09 - 2024/03

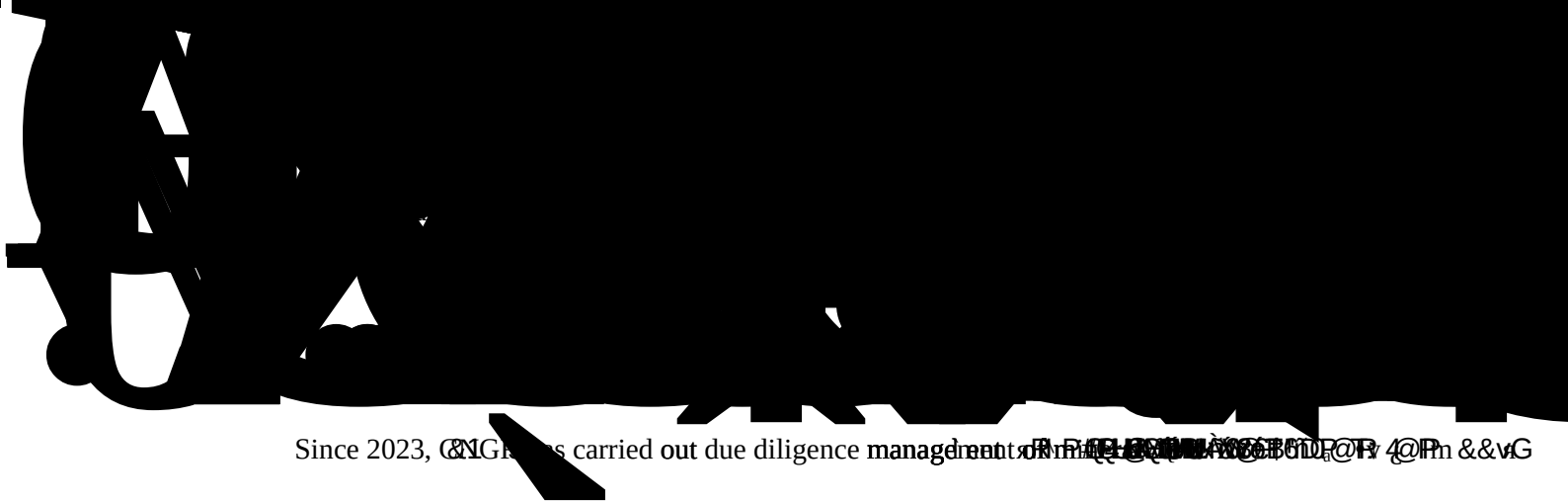
Audit Firm: ARCHE ADVISORS

CNGR has added risk management related to environmental protection and resource exploitation in the Responsible Global Mineral Supply Chain Due Diligence Policy, and added the United Nations Guiding Principles for Business and Human Rights and the United Nations Voluntary Principles for Human Rights and Safety to the Supplier Code of Conduct. At the same time, CNGR formulates the Human Rights Policy and respects human rights in accordance with the United Nations Universal Declaration of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles for Business and Human Rights, and the provisions of the United Nations Global Compact.

Policy Link Address: http://www.cngrgf.com.cn/en-US/shzr.html

CNGR Indonesia Region implements due diligence management of the mineral supply chain in accordance with the following standards:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas OECD (3rd Edition) – OECD Guidance
- Chinese Due Diligence Guidelines for Mineral Supply Chain (2nd Edition) - China Guidelines
- United Nations Guiding Principles for Business and Human Right
- United Nations Voluntary Principles for Human Rights and Safety
- Practical Actions for Enterprises to Identify and Address the Worst Forms of Child

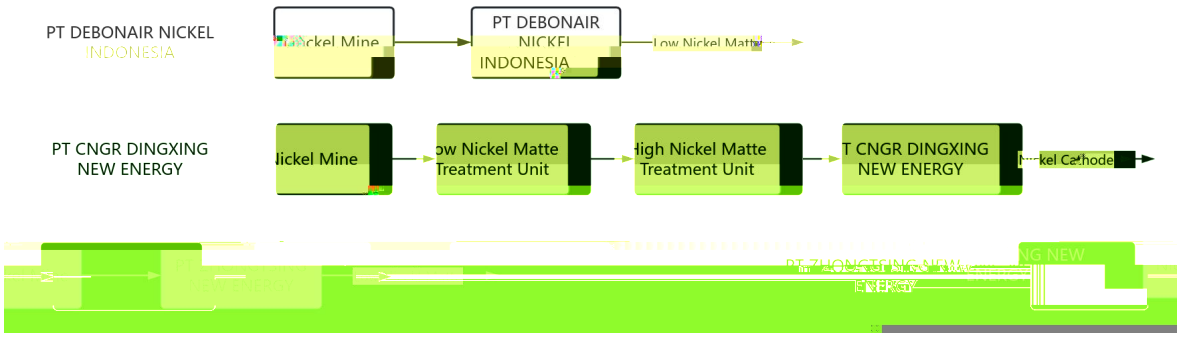


Since 2023, [redacted] has carried out due diligence management [redacted]

diligence management of the mineral supply chain in the fourth quarter of 2023, and outputs the management review report to the Strategy and Sustainability Committee of the Board of Directors. The Committee reviews the rationality and effectiveness of the company's due diligence management system, conducts an annual review of the performance of due diligence management, puts forward suggestions for improvement, and the Sustainability Office tracks the progress of improvement of opinions and suggestions. All documents related to due diligence management are kept for more than 5 years.

Responsible management for additional nickel suppliers. Regularly collect information about suppliers through reliable third-party information, KYS questionnaires, mineral source investigations, on-site assessments, appeal mechanisms, customer feedback, etc. In 2023, the data collection rate of nickel suppliers is 100%.

Based on the above information, draw a supply chain map



From the three aspects of armed conflict, human rights and government governance, the following tools are used to assess the conflict affected and high-risk areas.

Use the tool:

- Heidelberg “ Global Conflict Bam "

the relevant documents of the due diligence management system were missing, but no high risks related to human rights and armed conflicts were found.

Based on CAHRAs identification result, Indonesia does not belong to CAHRAs. No form of torture, cruel, inhuman and degrading treatment, any form of forced Labour, the worst forms of child Labour, other gross violations and abuses of human rights, serious violations of international humanitarian law, high risk associated with direct or indirect support to non-state armed groups, and public or private security forces have been found through official public information, KYS questionnaires, mineral source investigations, on-site assessments, complaint mechanisms, customer feedback, etc. Therefore, the risk of due diligence management is judged to be low.

Overall risk mitigation measures: Continue trading in risk mitigation.

Establish a risk mitigation countermeasure table, communicate with suppliers regularly, track the progress of risks, and suspend or terminate transactions once the risks are found to be in an unacceptable direction and report to the company management. According to the current risk assessment results, although there is no serious risk of human rights violations and child labor among direct employees in our supply chain, we will keep an eye on it and work with suppliers to formulate improvement countermeasures for the establishment and improvement of due diligence management system and the enhancement of awareness, and follow up regularly to jointly monitor and manage risks in the supply chain.

In view of the problems still existing in the supply chain, such as the imperfect construction of due diligence management system in upstream smelters and mines, the lack of due diligence management documents, and the need to improve the awareness of due diligence management. We will take steps to:

1) Actively promote the ESG co-construction action of Tsingshan Industrial Park in Indonesia, urge enterprises in the industrial park to enhance their awareness of due diligence management, build a sound due diligence management system, jointly improve ESG performance, and promote sustainable development of the industrial park;

2) Actively promote Indonesia Tsingshan Industrial Park's due diligence management and collection of chain of custody documents for upstream mines, and strengthen the supervision and management of mines.

The Sustainability Office and ESG members of each industrial base to form the internal audit team, according to the annual plan of the internal audit. At the same time, we invite independent third-party organization to conduct the due diligence management audit on the nickel supply chain.

- PT CNGR DING XING NEW ENERGY conducted the independent third-party assessment of mineral supply chain due diligence conducted by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters in December 2023.
- PT DEBONAIR NICKEL INDONESIA conducted the initial RMAP and ESG audit

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Guidelines for Responsible Mineral S
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- ers (select route A) can carry out the construction and ass
- ent of supply chain due
- nce management system according to the second editio
- dard of the China Guida
- nd supporting assessment tools. Therefore, CNGR e
- rages suppliers to use the
- a Guidance to carry out due diligence management
- neral supply chains.

The Sustainability Office continuously communicates with the senior management of raw material suppliers, instills the awareness of due diligence management in the senior management of suppliers, and helps and guides suppliers to establish a due diligence management system. In 2023, CNGR will actively promote the due diligence management construction of Tsingshan IMIP and IWIP, participate in the ESG co-construction action, and jointly enhance supply chain transparency, manage supply chain risks, and promote the sustainable development of the industrial park.

In 2022, the website of CNGR was upgraded and the sustainability section was established in the website, including content such as responsible supply chain, climate change, circular economy, compliance and integrity, etc., which were updated regularly.

As of February 29th, 2024, the public appeal channel announced by the sustainability office of CNGR has not received any complaints. For appeal channels, please refer to:

http://www.cngrgf.com.cn/en-US/sust/905.html Social Responsibility Complaint Management System

to lay a solid foundation for CNGR to move towards industry best practice.


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