

the development of new energy and other industries. Countries are continuously upgrading and improving their regulatory systems to ensure their manufacturing sectors can meet Germany's Chain Act, the EU Corporate Sustainability Due Diligence Directive, the New York Regulation, the Mineral Raw Materials Act, and the U.S.'s Inflation Reduction Act. These regulations highlight the increasing need for companies to require

companies' performance in supply chain diligence management. Indonesia, as the country with the largest reserves and highest production of laterite nickel ore, has become a focal point for due diligence in mineral supply chain management for the new energy sector. It is also a key area of interest for downstream supply chain customers, consumers, NGOs, and other stakeholders. Effectively managing the responsible supply chain of Indonesian nickel ore is crucial for meeting the demands of stakeholders and for the overseas market.

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protection and risk management related to resource extraction. In the Supplier Code of Conduct, the company has incorporated the United Nations Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights as reference standards.

committee, the Sustainability Office is responsible for implementing the company's mineral supply chain due diligence management system. The due diligence management of the mineral supply chain of PT Debonair Nickel Indonesia is coordinated by the CNGR Sustainability Office, with the collaboration of the IWIP Industrial Park ESG Office, and with the full ^

At the same time, the company strongly supports the implementation of transparency or information disclosure requirements set or endorsed by the government of the host country, such as the prai

All nickel materials used in Debonair's production come from within Indonesia. Based on Debonair's CAHRAs identification results, Indonesia is not classified as a CAHRA, so no warning signals were triggered for mineral source areas or transit locations, no supplier-related warning signals were triggered, and no red flags or other warning circumstances were raised. None of the suppliers in the supply chain are on the UN sanctions. Through official public information, KYS questionnaires, media reports, investigations, on-site evaluations, grievance mechanisms, and other means, no instances of torture, cruel, inhuman, or degrading treatment, any form of forced labor, the worst forms of child labor, or other severe human rights violations, violations of international humanitarian law, or direct or indirect involvement in state armed groups, public or private security forces, or other high-risk activities were found in the supply chain. Therefore, it was concluded that the due diligence risk is low.

Overall risk mitigation measures: Continue trading.

According to the current risk assessment results, although there are no human rights violations and child labor among direct employees, we will keep an eye on it and work with suppliers to formulate and implement countermeasures for the establishment and improvement of due diligence management system and the enhancement of awareness, and follow up regularly to monitor and manage risks in the supply chain.

The company conducted RMI's RMAP and ESG assessment in January 2024. The company actively promotes independent third-party audits and second-party audits for upstream mines. Currently, one mine plans to undergo an independent third-party audit, and one mine has already accepted CNGR's second-party audit.

In 2022, the company conducted a human rights impact assessment in the upstream section, which included a grievance mechanism and a complaint handling system.

management are received through the public grievance channels disclosed by the Sustainable Development Office of CNGR. The number of complaints handled: 0. (For complaint details, please refer to: <https://www.cngrgf.com.cn/Upload/Template/web/Files/202408/fb41812b-a191-4b20-9c10-c48958709a87.pdf>)

In accordance with the requirements of the second edition of the "China Guidelines," the company has added the sixth step and clarified it in the system.

The company focuses on the construction of a sustainable supply chain, working closely with industry partners. By setting an example through its own actions, the

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