

Mineral Supply Chain Due Diligence Report

2025

Annual Report

Report Subject

Ganzhou Tengyuan Cobalt New Material Co., Ltd.

Release Date

March 2026

● CID003212

● Tengyuan Cobalt Supply Chain Management Office

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Supply Chain Due Diligence Practice

Core "Five-Step" Management Framework

- Establish management systems
- Identify and assess risks
- Design risk response strategy
- Independent third-party audit
- Report on due diligence

Report Explanation and Preparation Framework

1 Report Scope

This report is the 2025 Mineral Supply Chain Due Diligence Report issued by Ganzhou Tengyuan Cobalt New Material Co., Ltd. Information and data mainly cover supply chain due diligence activities in 2025. Based on continuity and comparability, some data and information are not limited to the reporting year.

2 Preparation Principles

The subject of supply chain due diligence involves upstream entities (smelters) mentioned in the "Chinese Due Diligence Guidelines" or "OECD Due Diligence Guidance". The report is prepared based on the company's practices and references the "Chinese Guidelines", "OECD Guidance", and "RMI Global Standard - All Minerals".

3 Content Selection

We follow the "Chinese Guidelines", "OECD Guidance", and "RMI Standard". Based on the "Five-Step" framework, we added "Community Participation" and "Remediation". The report covers the company's due diligence system work and results.

4 Publication Method

Published on the company website and updated regularly as needed.

Designation and Interpretation

Ganzhou Tengyuan Cobalt New Material Co., Ltd. is abbreviated as "Tengyuan Cobalt", "Tengyuan", "Company", or "We". The right to interpret this report belongs to Tengyuan Cobalt.

Report Basic Information

Report Subject Ganzhou Tengyuan Cobalt New Material Co., Ltd.

CID Number **CID003212**

Address No. 9 Xijin Avenue, Ganzhou High-tech Zone, Jiangxi

Report Release Time **March 2026**

Reporting Period January - December 2025

Covered Materials **Cobalt**

Origin Countries DRC, China

Report Content Annual Report on Tengyuan Cobalt Supply Chain Due Diligence System and Practice

Preparation Unit

Tengyuan Cobalt Supply Chain Management Office

Preparation Members

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Preparation Basis

- CCCMC: Chinese Due Diligence Guidelines
- RMI: Global Responsible Sourcing Standard
- OECD: Due Diligence Guidance for Conflict-Affected and High-Risk Areas

Company Profile

2004

Established

No. 9 Xijin Avenue, High-tech Zone, Ganzhou, Jiangxi

Multinational modern enterprise integrating R&D, production, and trade

294.7M

Registered Capital (CNY)

10B+

Total Assets (CNY)

301219

Stock Code



Main Business

R&D, production and sales of new energy battery materials

Cobalt Sulfate

Cobalt Chloride

Electrowon Cobalt

Electrowon Copper



Strategic Vision

Establish strategic partnerships upstream/downstream to build new energy industry chain and become the most competitive enterprise in the field.

Overall Framework for Due Diligence

Based on OECD Guidance and CCCMC Guidelines "Five-Step" framework, with Community Engagement and Remediation



Community Participation

Local employment support and social charity activities



Remediation Cooperation

Provide conditions or cooperate for remediation when appropriate

1

Step One

Establish Strong Company Management Systems

A Company Mineral Supply Chain Policy

- Formulated referencing Chinese Guidelines, OECD, etc.
- Covers Annex II risks, adds ESG dimensions
- Approved by management, transparent on official website

The Policy covers OECD Annex II risks plus OH&S, environmental, and social responsibility risks. Approved by management and available on our website.

Mineral Supply Chain Policy Link:

<https://www.tycogz.com/public/uploads/files/20251030/566cad04c9aee422fbf404905710a277.pdf>

B Organizational Structure

Establish Company Due Diligence System Structure

- Established "Mineral Supply Chain Due Diligence Committee" (GM, Deputy GM, heads of purchasing, logistics, quality, etc.)
- Appoint Deputy GM as Management Representative
- Establish internal accountability mechanism
- Establish smooth internal communication mechanism
- Conduct annual due diligence training

1

Step One

Supplier Engagement & Internal Control

C Supplier Engagement

1. Communicate Policy and expectations to suppliers
2. Incorporate compliance clauses in contracts
3. Build supplier capacity for improvement
4. Avoid cash transactions, support EITI
5. Design measurable improvement plans with suppliers
6. Establish long-term relationships

D Internal Control and Transparency

1. Collect chain of custody info

Origin, mine, warehouse, etc.

2. Establish internal controls

Trace batches, record data, monitor mass balance

E Document Control

Update procedures and retain records for **10+ years**.

F Management Review

Annually review system performance, changes, and effectiveness:

Industry factors changes

Stakeholder needs

Policy achievement

Management performance

1

Step One

Grievance Mechanism

G

Grievance Mechanism

To timely identify and handle supply chain risks and hazards, ensure smooth communication with stakeholders, and build harmonious relationships, Tengyuan Cobalt has established a Grievance Management Method.

Specific procedures and contact info are available on the website:

<https://www.tycogz.com/public/uploads/files/20250903/76025287a0630a27ae3f4129c90a468d.pdf>

Identify and Assess Risks in the Supply Chain

Methods and Tools

The Company assesses risks for all incoming materials per 'Mineral Supply Chain Risk Management Procedure', identifies/evaluates risks, and implements mitigation.

1

Determine Risk Categories

Covers all OECD Annex II risks plus OH&S, environmental, and social responsibility risks. Verify CAHRAs (Human Rights, Governance, Conflict) using:

Dodd-Frank

EU CAHRAs List

Global Peace Index

World Bank

UN HDI

Sanctions Lists

2

CAHRAs Annual Identification

Identify CAHRAs annually. **2025 CAHRAs:** DRC (Origin) and transit countries Zambia, Zimbabwe, Tanzania, Mozambique.

3

Identify 'Red Flags'

Identify 'Red Flags' per Chinese and OECD Guidelines. Since most raw materials originate from DRC, red flags are triggered. We initiate Enhanced Due Diligence for triggered suppliers.

Enhanced Due Diligence & Conclusion

4. Enhanced Due Diligence

- a. Collect CAHRAs info (govt docs, media, NGO reports)
- b. Collect supplier info via KYS questionnaires
- c. Collect Chain of Custody docs
- d. Record Chain of Custody info via TDS tool
- e. Map supply chain (transporters, routes)
- f. Verify sanctions lists
- g. On-site assessment or substitute with third-party audits (e.g: RMAP)
- h. Risk Conclusion: Combine results

✓ Conclusion and Output

2025 Risk Assessment Result

No OECD Annex II risks found.

Assessment Findings

No human rights abuses, child labor, or support for armed groups. Addressed missing Chain of Custody docs.

Design and Implement Risk Response Strategy

1. Risk Mitigation Strategies

- 1.1 Continue trade while mitigating risk
- 1.2 Temporarily suspend trade while mitigating risk
- 1.3 Disengage trade if mitigation fails or risk is unacceptable

Risk Management Process

1. Report to Committee, formulate 'Risk Mitigation Plan'
2. Communicate with suppliers, track improvement
3. Monitor/Assess mitigation effects
4. Re-assess when significant changes occur

2025 Implementation Results

No OECD Annex II risks found. Only missing chain-of-custody docs were found and closed after suppliers provided evidence.

Risk Management Procedure

Based on Document

'Mineral Supply Chain Risk Management Procedure'

Core Objective

Implement effective risk control, ensure supply chain compliance

Continuous Improvement

Dynamic monitoring, timely response to internal/external changes

Carry out Independent Third-Party Audit

RMAP

Responsible Minerals Assurance Process

Tengyuan Cobalt actively responds to compliance requirements. Since 2019, we have participated in RMAP audits and maintained conformance, effectively meeting stakeholder expectations.

Tengyuan also oversees and follows up on its suppliers' third-party due diligence audits.

2025 Audit Overview

Audit Date

Sep 2-3, 2025

Audit Period: 2024.11.01–2025.08.31

Auditor

UL

International Authority Certification Body

Public Report

<https://www.responsiblemineralsinitiative.org/media/docs/Public%20Reports/Ganzhou%20Tengyuan%20Public%20Report.pdf>

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Step Five

Report on Supply Chain Due Diligence



Information Disclosure

- **Reporting Cycle**
Annual, updated ad-hoc as needed
- **Link**
<https://www.tycogz.com/sustainable.html>

We sincerely invite comments and suggestions.



Continuous Improvement

- Participate in international responsible supply chain forums
- Monitor global compliance updates real-time
- Strengthen upstream/downstream communication & collaboration

Committed to building a transparent, responsible global mineral supply chain system.

Others

Community Participation



Local Employment Support

Prioritize local hiring to drive regional economic and employment growth



Social Charity & Education

Conduct diverse charity activities like education donations to support community development

Remediation Cooperation



Cooperative Remediation Mechanism

Tengyuan Cobalt adds 'Provide Conditions/Cooperate for Remediation' per Chinese Guidelines. We commit to actively cooperating with stakeholders, providing support and resources to ensure timely and effective resolution when non-compliance is found.



Contact Information

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