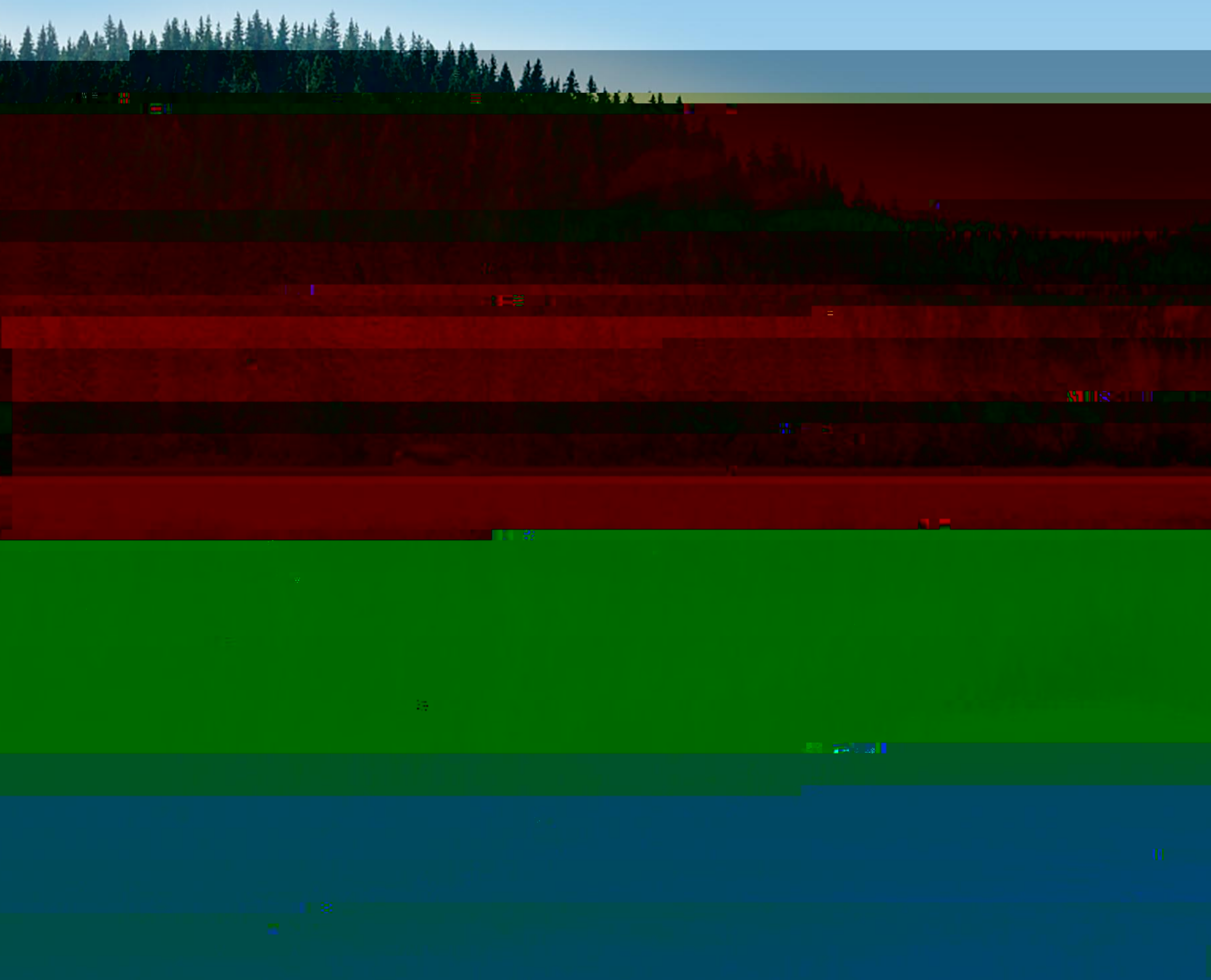
2025

2025 Mineral Supply Chain Due Diligence Report for Guangxi CNGR

Stand 2026 06

Stand June 2026



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1 Background

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As the global new energy vehicle and power battery industries rapidly develop, countries are continuously improving relevant legislation to protect domestic manufacturing and strengthen supply chain security, currently showing a trend of both reducing burdens and tightening regulations.

CSDDD 2029
5,000 15 70%

2025 9 3
2023 1 1 CSDDD
2027 8 18
2027 2 18 2026 7 26

EU: The Corporate Sustainability Due Diligence Directive (CSDDD) will apply from 2029 only to companies with more than 5,000 employees and a global annual net turnover exceeding €1.5 billion, reducing the number of regulated entities by approximately 70%. The directive simplifies risk identification procedures, removes the requirement for climate transition plans, and abandons the establishment of a unified EU civil liability mechanism. Germany's amended Supply Chain Due Diligence Act was approved by cabinet on September 3, 2025, eliminating the obligation for annual reporting retroactively from January 1, 2023, and will be fully replaced in the long term by the CSDDD. The new Battery Regulation fully replaces the previous battery directive, postponing obligations for due diligence on battery raw materials until August 18, 2027; digital battery passports will become mandatory starting February 18, 2027; and the Eur mining companies.

2026

3 31

2025 12 27 2026 3 1

2025 1 1

China: The "Regulations of the State Council on the Security of Industrial Chain and Supply Chain" (Order No. 834) was promulgated and implemented on March 31, 2026, and it is the first special administrative regulation on supply chain security in China; The "Foreign Trade Law" was revised and passed on December 27, 2025, and came into effect on March 1, 2026; The "Regulations on the Management of Network Data Security" came into effect on January 1, 2025, integrating core obligations such as cybersecurity, data security, and personal information protection.

Overall, supply chain responsible management has shifted from a voluntary initiative to a legal mandatory obligation. Conducting responsible management of the nickel mineral supply chain in Indonesia is of great strategic significance for enterprises to meet the requirements of all stakeholders and ensure access to overseas markets.

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2 Company Information

Company Name: Guangxi CNGR New Energy Science & Technology Co., Ltd.

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Company Location: North of Danshuiwan Street& East of Luhai Avenue, Zhongma Qinzhou Industrial Park, Qinzhou Port Area, Pilot Free Trade Zone, Guangxi Zhuang Autonomous Region 535000, P.R.China

Raw Material: Nickel, Cobalt

2025 07 01 -2025 07 02

Last Assessment Date: July 1-2, 2025

2024 2 16 -2025 05 31

Assessment Period: February 16, 2024 - May 31, 2025

UL Responsible Sourcing

Assessment Company

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

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To avoid the use of conflict minerals that directly or indirectly finance or benefit armed groups, or involve other serious human rights abuses in conflict-affected and high-risk areas, the company has established the Responsible Glo nps

- ...se... s ...n
- UN ... Business and ... Rights
- ...curity and H...
- Practical Actions for Identifying a... Addr... the ...rst Forms of Child Labor in Mineral Supply Chains

5 Six-Step Due Diligence Framework

2017 OECD

2021 w 2022

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Since 2017, CNGR has implemented responsible supply chain due diligence for cobalt in accordance with the OECD Guidelines and the China Guidelines, as well as the five-step framework of the Cobalt Smelter Due Diligence Standard. In 2021, in ...tar...ds and downstream customer requirements, we expanded ...ur due d... ...e man... ...ent system to include nickel, upgrading the cobalt supply chain due ...nce fra...work into a broader mineral supply chain due diligence system. I... 2... follow...g the requirements of the second edition of the China Guideline... ...graded ...e five-step process to a six-step approach and incorporated mang...nes... ...our du... ...ilig...nce management system, beginning to extend due diligence ...ements t... ...e work under the guidance of the committee, responsible for implementing the company's responsible management system for the mineral supply chain. The implementation results of the responsible management system for the mineral supply chain are included in the performance assessment scope, and assessment targets and reward and punishment measures have been formulated. The responsible management work for the mineral supply chain of Guangxi CNGR is coordinated and managed by the CNGR Sustainability Office. Departments such as the Business Headquarters, Quality Department, Human Resources Department, EHS Department, Production and Operation Department, Finance Department, Production Department, and General Manager's Office also participate in the responsible management.

Guangxi CNGR Responsible management of organizational structure

The company has formulated relevant procedural documents for responsible management of the mineral supply chain, and has conducted specialized training on responsible management for all members within the organizational structure as well as supply chain partners, aiming to enhance the popularity of responsible management and ensure the effective implementation of the system.

The company has established a supply chain control and transparency system for traceability management. The company collects information such as the country and region of origin of raw materials, names and addresses of upstream participants, transportation routes and methods, product names and types of minerals or metals, ownership information of direct suppliers and other known upstream companies,

...ernment ... h... ntry ... ch as the ... nciples and standar... outline... the ... tive ... e... a... are... itiativ... ITI). Th... e have ... n stated ... the "Responsible M... ral Supply Chain Due Diligence Management Policy & Suppliers' Code of Condu... The company has requested the upstream suppliers to comply with the EITI requir... nts.

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All documents related to due diligence management are retained by the company ... n year...

5.2 Identificati... nd Assessment of Suppl...

Alert signal reviews are c

of origin for nickel, is a high-risk area that triggers alert signals and constitutes high-risk procurement requiring on-site assessment. Nevertheless, the upstream suppliers located in the high-risk areas of the Democratic Republic of the Congo and Papua New Guinea have all participated in and passed independent third-party due diligence audits. Relying on the findings of such independent third-party audits, we assess that suppliers from the aforementioned high-risk areas present no risks specified in Appendix II of the OECD Guidance, such as serious human rights violations, child labour and money laundering.

Risk Identification and Assessment Results:

Most nickel feedstock used by Guangxi CNGR in production is sourced from low-risk areas and does not trigger alert signals. A very small portion comes from Papua New Guinea, which has been assessed as a high-risk area and triggers alert signals. Part of the cobalt feedstock for production originates from the Democratic Republic of the Congo, an assessed conflict-affected and high-risk area. Furthermore, shipments transit through conflict-affected and high-risk areas including Tanzania, Zambia, Mozambique and Zimbabwe, which triggers alert signals; the rest does not trigger alert signals. All upstream smelters within the supply chain located in conflict-affected and high-risk areas have passed independent third-party due diligence assessments. Therefore, the supply chain due diligence risk is assessed as low.

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The Company has formulated a Risk Management Plan and carries out risk management activities in accordance with the plan. The following strategies are adopted to manage identified risks: (1) Continue transactions while working to mitigate risks; (2) Temporarily suspend transactions while working to mitigate risks; (3) Terminate the relationship with the supplier if risk mitigation efforts fail, if the Company has grounds to believe risks cannot be mitigated, or if the outcome of risk mitigation is unacceptable.

Following the establishment of the Risk Management Plan, we regularly review and track the effectiveness of risk mitigation strategies. We will adjust risk management measures promptly in the event of material changes to risks, conduct ongoing risk monitoring and supplementary assessments to ensure effective risk mitigation. We also continuously collaborate with various stakeholders across the supply chain to jointly advance risk mitigation.

5.4 Independent Third-Party Evaluation and Auditing

Guangxi CNGR has established an internal audit team to conduct internal audits in accordance with the annual plan. Meanwhile, the Company engages independent third-party institutions to carry out audits on its mineral supply chain due diligence management.

2023 2024 2025

New Materials Co., Ltd. at the following link:
https://www.cngrgf.com.cn/shzr.html

5.6 Providing Conditions and Collaboration for Remediation

ESG

In accordance with the requirements of the second edition of the "Chinese Guidelines", the company has added the sixth step, establishing and continuously improving the appeal and remediation mechanism to effectively handle the adverse impacts on the environment, society and governance (ESG) caused by the company's operations or supply chain activities. During this reporting period, no events requiring remediation occurred.

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6 Conclusion

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 company practices responsible sourcing, establishes accountability mechanisms for stakeholders, meets regulatory compliance requirements, and enhances supply chain resilience and security. In the future, the company will accelerate the establishment of a supply chain due diligence and compliance management system that meets international standards and continue to build a sustainable supply chain.