Mineral Supply Chain Due Diligence Assessment

Summary Report

Assessed Party	PT CNGR Ding Xing New Energy
Assessment Date	12/06/2023-12/07/2023
Assessed Material	Nickel
LME-listed Brand	DX-zwdx
Assessment Type	☑Main
Assessment Result	☑A
Assessment Firm	China Quality Mark Certification Group Co.,Ltd.
Assessor	Wei Zongping

Instruction

Objective

This assessment program is an independent third-party assessment conducted by China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC) based on *Chinese Due Diligence Guidelines for Mineral Supply Chain (Second Edition)*, aiming to assess the performance of the company's due diligence management system and process, and support the company to identify the gaps that need further improvements and develop corresponding improvement measures.

Basis of the Assessment

The assessment is based on *Chinese Due Diligence Guidelines for Mineral Supply Chain (Second Edition)*, hereinafter referred to as *the Guidelines*. The companies shall meet the content of "Companies should" in *the Guidelines*. "Companies should" refers to specific requirements of *the Guidelines* for companies due diligence management, as well as the specific refinement of the requirements, which is consistent with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition)*.

Explanation of Conformity Degree

Conformity: Indicates that the company's management system, policies, procedures or processes meet the requirements of corresponding provisions of *the Guidelines*.

Need improvement: Indicates that the management system, policies, procedures or processes partially meet the requirements of corresponding provisions of *the Guidelines*, but lack some necessary elements or content, or can not prove or lack evidence to prove that they are substantively functional, and further measures are needed to improve its performance.

Non-conformity: Indicates that the company's management system, policies, procedures, or processes cannot meet the requirements of corresponding provisions of *the Guidelines*, resulting in systematic and repetitive non-conformities.

Not applicable: Indicates that corresponding provisions of *the Guidelines* do not apply to the Company.

Zero tolerance: If any of the following situations occurs, it is a "zero tolerance" situation.

1. Misrepresentation, deliberately forging false evidence or vouchers;
2. Any form of support for illegal control, or illegal taxation and extortion by non-state armed groups;
3. Any form of torture, cruel, inhuman and degrading treatment;
4. Directly cause or contribute to forced or compulsory labor;
5. Cause or contribute to widespread sexual violence;
6. The worst forms of child labor;
7. War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide;
8. Other situations generally considered unacceptable.

Explanation of Assessment Results

The overall assessment result is based on the percentages of "non-conformity" items and "need improvement" items. The China Chamber of Commerce of Metals, Minerals & Chemical Importers & Exporters (CCCMC) provides the following suggestions on the assessment results:

Level AAA: There is no "non-conformity" items, indicating that the company has excellent supply chain due diligence management performance.

Level AA: the percentage of "Need improvement" items does not exceed 15% of all applicable items, and the percentage of "non-conformity" items does not exceed 5% of all applicable items.

Level A: the percentage of "Need improvement" items does not exceed 25% of all applicable items, and the percentage of "non-conformity"

items does not exceed 10% of all applicable items.

Level B: the percentage of "Need improvement" items does not exceed 35% of all applicable items, and the percentage of "non-conformity" items does not exceed 20% of all applicable items.

Level C: The above level cannot be reached or there is any "zero tolerance" situation.

Description of Assessment Type

The assessment is divided into main assessment and tracking assessment. The main assessment needs to be carried out once a year. The tracking assessment is conducted every six months or during the re-assessment (main assessment) based on the conformity degree and assessment results.

1. Assessed Party

Company Name	PT CNGR Ding Xing New Energy			
Refinery	PT CNGR Ding Xing New Energy			
Location	Province/ municipality	Provinsi Sulawesi Tengah, Indonesia	City	Morowali
Profile Number	DDMSC-IDNi0036			

2. Assessment Results

Type	Main Assessment		☐ Tracking Assessment		
Result	☐ Level AAA	☐ Level AA	Level A	☐ Level B	☐ Level C

3. Assessment Scope

Materials	Nickel
LME-listed Brand	DX-zwdx

Types of Materials	
Assessment Period	Less than 12 months: (07/01/2023-11/30/2023, 5 months)

transparency over the supply chain.	documents, such as *Warning Sign Review Procedure*, *Know Your Supplier (KYS) Questionnaire and Ce Y b c Y bQ C ebS Questionnaire*, to collect traceability information of the Company's mineral supply chain.
Strengthen engagement with suppliers.	The Company delivers its supply chain due diligence requirements by requiring its suppliers to sign the *Due Diligence Policy for Responsible Global Mineral Supply Chain* and *Supplier Code of Conduct*. The Company maintains close communication with its suppliers, actively promotes suppliers to participate in due diligence actions at the industry level. However, the Company needs to further strengthen its efforts in assisting suppliers in capacity building and improving their due diligence performance, to enhance suppliers' response to the Company's due diligence requirements.

When necessary, the company at the key points (smelters/refiners) makes necessary disclosures on the assessment results.	The Company made commitment to release the *Summary Report of Supply Chain Due Diligence Assessment* to the public.
Step 5: Reporting and Communication	
Develop due diligence progress report	The Company compiled the *Report on Mineral Supply Chain Due Diligence of Indonesia Region 2023*.
With due regard to business confidentiality and other competitive concerns, companies should publish due diligence progress reports or summary.	The Company released the *Report on Mineral Supply Chain Due Diligence of Indonesia Region 2023* on its official website. Link: http://www.cngrgf.com.cn/Upload/Template/web/Files/202312/1889902e-2f7f-410f-b602-58df03a9f123.pdf
Step 6: Provide for or Cooperate in Remediation When Appropriate	
When the company recognize that it has caused or contributed to actual adverse impacts, they should mitigate these impacts by providing for or cooperating in remediation when appropriate.	N/A
Companies provide conditions or cooperate with existing remedial mechanisms in a timely manner.	N/A