About the Report

Scope of Report

Since the first CSR report was released in 2016, this Report is the sixth report released by Zhejiang Huayou Cobalt Company Limited (Group). The information and data in this Report mainly cover various practical activities related to corporate social responsibility and carried out by the Company from January 1, 2020 to December 31, 2020. Based on the continuity and contrast of the report, some data and information are not limited to the year of 2020. There are no significant changes in the scope and aspect boundaries of this Report compared with the fifth report released in May 2020.

Preparation Principles

This report is prepared with reference to the GRI Standards issued by the Global Reporting Initiative (GRI), and the Environmental, Social and Governance (ESG) Reporting Guide, by combining the United Nations Sustainable Development Goals (UN SDGs) and ISO26000/GB/T36000-2015 (Guidance on Social Responsibility). This report conforms to the relevant requirements stipulated in the Notice of Shanghai Stock Exchange on Strengthening the Social Responsibility Assumption of Listed Companies and Issuing the Guidelines for Environmental Information Disclosure of Listed Companies released by Shanghai Stock Exchange.

Content Selection

In the process of compiling this Report, the Company follows the principles of stakeholder participation, sustainable development background, materiality, integrity, balance, comparability, accuracy, timeliness, clarity and reliability of the GRI Standard, and makes statements from three aspects of economy, society and environment. This Report also follows the reporting principles of imp

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Chairman's Speech

Striving for a New Pattern of High Quality Development of Lithium Battery Materials in China

The year of 2020 is an extraordinary year and a fruitful year for the striving people of Huayou Company.

At the beginning of 2020, the sudden COVID-19 swept the world and brought great influence to people's life as well as the global economy and society. In the face of this sudden epidemic, the Company has taken positive measures to prevent epidemic, implemented the requirements of strict prevention and control, protected the health of employees and ensured the stability of production and operation. While focusing on epidemic prevention and control, strengthening safety and environmental protection and promoting the "three key battles", the Company stabilized the operation situation and maintained the growth trend. The production, supply, marketing and transportation are closely linked and efficient. The main product precursors, cobalt and copper have achieved a great production and sales prosperity, and achieved remarkable achievements of substantial economic growth and the business income exceeding RMB10 billion for the second time. In the ending year of the "13th five-year-plan", the Company has achieved the goal successfully.

At the beginning of 2020, the sudden COVID-19 swept the world and brought great influence to people's life as well as the global economy and society. In the face of this sudden epidemic, the Company has taken positive measures to prevent epidemic, implemented the requirements of strict prevention and control, protected the health of employees and ensured the stability of production and operation. While focusing on epidemic prevention and control, strengthening safety and environmental protection and promoting the "three key battles", the Company stabilized the operation situation and maintained the growth trend. The production, supply, marketing and transportation are closely linked and efficient. The main product precursors, cobalt and copper have achieved a great production and sales prosperity, and achieved remarkable achievements of substantial economic growth and the business income exceeding RMB10 billion for the second time. In the ending year of the "13th five-year-plan", the Company has achieved the goal successfully.

In this year, Huayou not only has withstood the severe external environment test, fulfilled the commitment to the customers and realized the Company's continuous profit, but also fulfilled its responsibility for social development. Huayou actively undertakes the corporate responsibility of "stable employment and maintaining employment", continuously improves the corporate social responsibility management system and cobalt supply chain due diligence management system. The Company was rated as "corporate social responsibility benchmarking enterprise (labor practice) in Zhejiang Province" by Zhejiang Association for Promoting Corporate Social Responsibility, and "practice of responsible governance of cobalt supply chain of Huayou Cobalt Company" has been highly recognized by the international organizations and famous manufacturers. In response to the National Rural Revitalization Strategy, the supporting work between the Company's headquarters and Luoerba Village, Zhawo Town, Heishui County, Sichuan Province and the supporting work between Quzhou Cobalt New Materials Co., Ltd. and Shifan Village, Cuntou Town, Kaihua County, Quzhou City have successfully promoted. The Company won the award of social responsibility for poverty alleviation and cooperation between the East China and the West China in Zhejiang Province.

The year of 2021 is the year to accelerate the building of a new development pattern in the "14th five-year-plan" and the centenary of the founding of the Communist Party of China. Huayou has started the new development stage: this is a stage toward high-tech support and high-quality development, a stage of opening to a wider range and of internationalization at a higher level, a stage of leaping over to the be one of top-500 Chinese enterprises, a stage striving toward the global leader of new energy lithium battery materials. Huayou will focus on new energy lithium battery materials industry chain, realize the high-quality development and achieve the medium and long-term planning goals of "striving for ten years and achieving two leading places" in accordance with the industrial integration, high-end products and international operation path.

Huayou is in a great cause of explosive development of new energy. The world's major developed countries and major automobile manufacturing countries have launched a fuel vehicle ban schedule successively. In September 2020, China announced that "carbon neutralization" will be realized in 2060; in October of that year, China released the New Energy Vehicle Industry Development Plan (2021-2035). This means that the new energy vehicle industry has entered the accelerated development stage, the fuel vehicles will step out of the historical stage. It fully demonstrates the human determination to respond to the climate change and seek sustainable development, and reflects China's will to green development and the people's yearning for a better life.

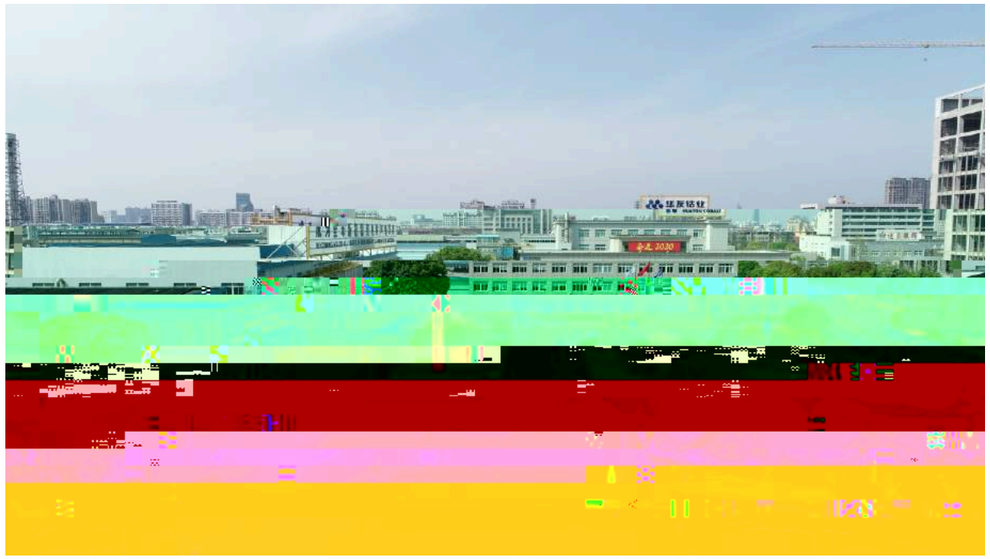
Huayou will always take promoting green and sustainable development of new energy as its own responsibility. We will adhere to the development mode of "industrial agglomeration, enterprise cluster, integration and base". Through the integrated and park-based project construction, Huayou will greatly improve the operation efficiency, shorten the process flow, reduce logistics and packaging links, and reduce carbon emission in production and operation in a structured manner. At the same time, Huayou will strive to optimize the energy power structure, increase the proportion of clean energy in production, increase investment in environmental protection, realize reduction, harmlessness, recycling and park-recycling of the "three wastes", create low-cost green manufacturing benchmark, and contribute to the national "carbon neutralization" and the sustainable development of human beings.

For Huayou, the development achievements during the 13th five-year-plan have laid the industrial foundation for Huayou's leap forward development during the 14th five-year-plan. We are confident and capable of seizing this historical opportunity and realizing the vision of "becoming a leader in the new energy lithium battery materials industry". "Struggling is important for long journey". All Huayou people will be full of energy, work diligently, strive for creating a new pattern of high-quality development of lithium battery materials in China, and create greater value for the society and customers.

Struggling
Huayou

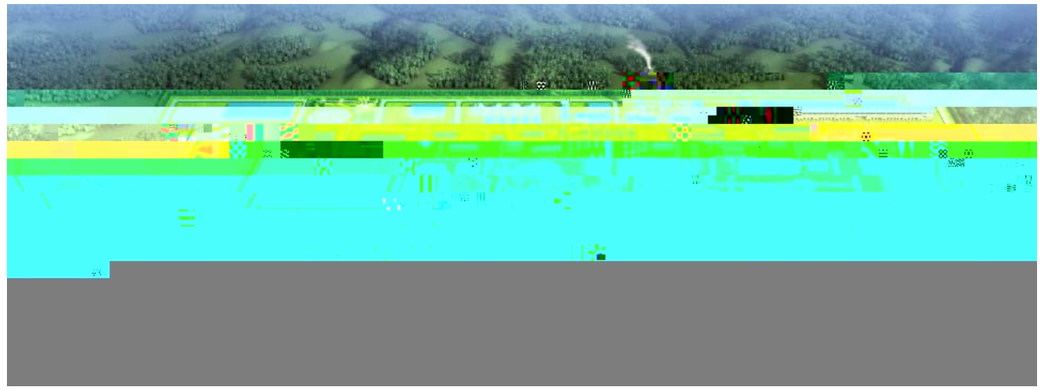
Struggling Huayou

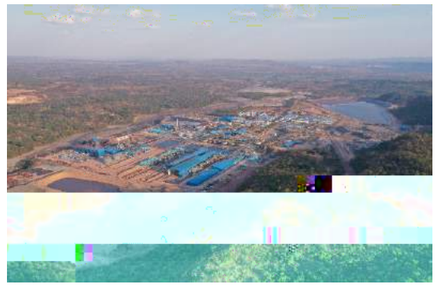
Zhejiang Huayou Cobalt Company Limited was founded in 2002, is headquartered in Tongxiang Economic Development Zone, Jiaxing City, Zhejiang Province. Huayou Company is a high-tech enterprise dedicated to manufacturing lithium battery new energy materials, deep processing of cobalt new materials, and mining, processing and metallurgy of such non-ferrous metals as cobalt, copper and nickel. The main products of Huayou Cobalt Company (including holding joint ventures) are lithium battery cathode materials, precursors of lithium battery cathode materials, cobalt chemicals and the such metals as copper, nickel and so on, including cobalt tetroxide, cobalt sulfate, nickel sulfate, cobalt chloride, cobalt hydroxide, electrical copper, electrical cobalt and so on. The Company's products are mainly used in new energy electric vehicle industry, aviation industry, ceramic industry, chemical industry and so on. The Company was listed on Shanghai Stock Exchange in 2015 with stock code 603799. Zhejiang Huayou Holding Group Co., Ltd. is the largest shareholder of the Company, and GREAT MOUNTAIN ENTERPRISE PTE. LTD. is the second largest shareholder of the Company, these two shareholders are persons acting in concert.



After nearly 20 years of development and accumulation, the Company has completed the spatial layout of headquarter in Tongxiang, resource guarantee in Africa (mainly in Congo (DRC)) and Asia (mainly in Indonesia), manufacuring bases in Quzhou and Guangxi and market in the world, and has formed the vertical and integrated industrial structure that takes its own mineral resources as the guarantee, cobalt new materials and nickel products as the core, copper products as the auxiliary, integrates mining, beneficiation with metallurgy and deep processing of new materials and recycling of resources.

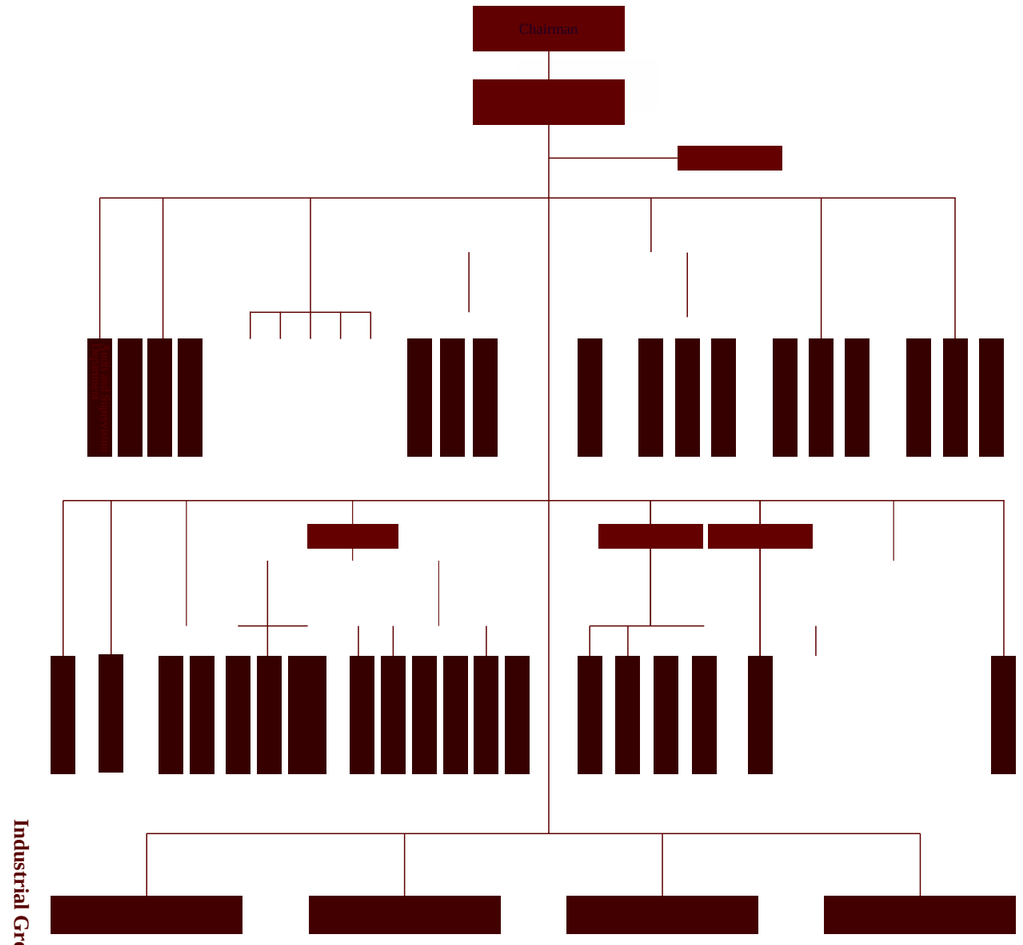
With the mission of creating value for the customers and leading industrial development, the Company is committed to the transformation route of controlling resources in upstream, expanding market in downstream and improving capacity in mid-stream. The Company adheres to the development strategy of new energy lithium battery materials and cobalt new materials, industrial integration, high-end products and international operation, and is committed to becoming a global leader in new energy lithium battery materials (this is the Company's vision).





Management Method

Organizational structure



Management system and membership

The Company maintains the corporate social responsibility management system, and supplements and supports it with such management systems as environmental management system, occupational health and safety management system, intellectual property management system, energy management system, quality management system, etc. Through the management system, it can deepen the systematic management concepts, promote the corporate social responsibility culture building of the Company. Through the cultivation of internal personnel, it has built a favorable implementation team. In 2020, Huahai New Energy Company has passed the IATF16949 certification.

SWOT ANALYSIS

For the sustainable development, the Company has its own advantages and disadvantages, the existing challenges and opportunities can be also found.

Strengths

1. With the integrated industry, it is convenient for effective and rapid resource mobilization.

2. Sufficient resources can be guaranteed.

Weaknesses

1. The energy consumption of production is large and the renewable resources available are limited.

2. For rapid development and growth, the ability of managers has not kept up.

Opportunities

1. The government and customers attach importance to carbon emission. The Company has attached importance to the issue of climate change long ago, taken the initiative to carry out product carbon emission and organized carbon emission research and data collection.

2. Sale of fuel vehicles will be prohibited gradually, and new energy vehicles will be increased gradually.

Threats

1. The ability of some suppliers in the upstream of the supply chain is insufficient, and the awareness of corporate social responsibility is weak, so it is difficult to achieve the Company's expectations in a short time.

2. The standard of corporate social responsibility of cobalt industry is not mature, but more satisfactory results are sought. The situation of the Company's supply chain is more complex than that of most of its peers, and it is difficult to meet the requirements of the industry in a short time.

With the simple SWOT analysis, it also makes the Company to more comprehensively understand itself in the aspect of sustainable development, and makes full preparations for overcoming potential threats. In 2020, under the complicated social responsibility standards of cobalt supply chain enterprises, the Company has clearly realized that this is an opportunity to make the whole industry benefit. All of this industrial chain shall understand each other and work together to formulate practical access standards as the entry point, avoid just pursuing high standards and strict requirements, it shall seek the requirements that can be achieved by most of participants in all links of the industry and then gradually improve such requirements, thus it can form effective and practical standards. In 2020, the Company also clearly recognizes the significant impact of climate change on human beings. How to understand its carbon footprint and how to understand the product life cycle will also be a great opportunity for the Company to contribute to the sustainable development of the world. In the face of rapid development, the Company will continue to be people-oriented, consider for the growth of employees and for the Company's sustainable operation, accelerate talent training, and provide more employment opportunities. The Company can not ignore its own advantages, will always guarantee the safety of resources, provide responsible raw materials, expand and strengthen its own industrial chain and make greater contribution to the local economy.

Morality and honesty

The Company has always adhered to the highest business ethics, established the Code of Business Morality and Behavior, provided moral guidance for all employees, and set up a series of supporting procedures and regulations to regulate the behaviors of employees, to avoid conflicts of interests, collusion inside and outside, bribery, corruption, privacy leakage, identity protection loss, hidden danger of information security, unfair competition and growth act of violating laws and regulations (such as conflict or terror, retaliation and so on). The Company has established a social responsibility office to interpret and educate the Company's business morality standards, and understand the basic situation of implementation through internal audit. In addition, the Company has established audit and supervision department, this department and the social responsibility office are directly subordinate to the Group CEO. This department is responsible for the overall management of internal audit and clean work supervision of the Group, supervises and inspects the Company's clean work building and anti-corruption management, the performance of duties and power exercising of important posts and leading cadres. In 2020, 12 reports and investigations have been handled, one investigation involved corruption and treatment has been completed. In the two audits on preventing conflicts of interest in 2020, no the Company’s cadres directly or indirectly participated in the relevant suppliers, and no unqualified suppliers were found.

Reporting channel:

① Report letter: audit and supervision department of Zhejiang Huayou Cobalt Company Limited.
No. 18 Wuzhen East Road, Tongxiang City, Zhejiang Province;

② Report telephone: 0086-0573-88589103;

③ Email: report@huayou.com ;

④ Report box: open the box once a week (except holidays), and the opening time is 9:30-10:30 a.m. on every Monday.

Complaint channel:

In China

① Tel: 0573-88589950

② Email: CSR@huayou.com

③ Address: Huayou Cobalt Company Limited. (Social Responsibility O ce)
No. 18, Wuzhen East Road, Tongxiang City

In Congo (DRC)

① Tel. +243841206837

② Email: RSE@huayou.com

③ Address: Likasi Road, Ruosit Block, Anakos District, Lubumbashi, Haut-Katanga
CDM (Social Responsibility O ce)

The Company clearly stipulates that all information of the report or complaint shall be strictly confidential, anonymous report or complaint is allowed, and such acts as disclosure, investigation obstruction and retaliation will be severely punished. After verification, the informer or the complainant will be rewarded according to the value of the infringement, and the personal information shall not be disclosed without the permission of the informer or the complainant.

Morality and honesty

Being a company is to be a person. The quality of the product is the quality of the company. We not only provide good products, but also make a commitment to whether the products are responsible or not.

In 2020, Quzhou Huayou Company and Huahai New Energy Company continued to promote the quality policy oriented by customer demand. On the basis of steadily advancing ISO9001 quality management system, they passed the IATF16949:2016 automobile industry quality management system certification issued by the third-party certification agency, strictly, systematically and comprehensively manage every link of product realization, and carry out all quality work solidly. For the key processes and key links affecting product quality, the key monitoring and testing are implemented to ensure that each link can be effectively monitored.

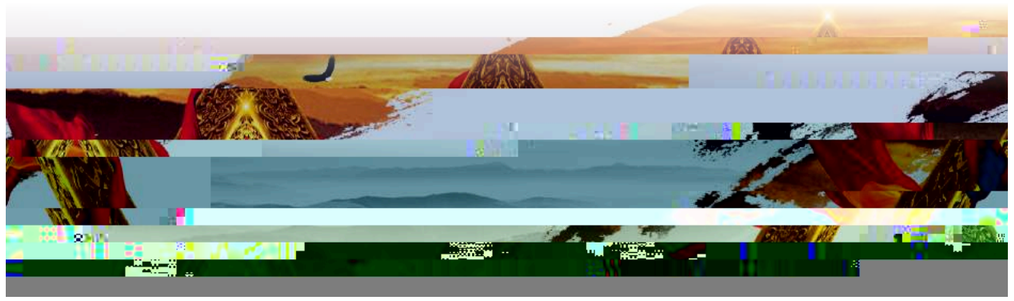
The Company follows the principles of sincere cooperation, complementary advantages, mutual benefit and common development. In line with the principles of fairness, voluntariness and honest credit, the Company bears responsibility in mind, performs duties practically, fully respects and protects the legitimate rights and interests of suppliers, customers and consumers, so as to establish a good partnership. The Company adheres to the concept of win-win cooperation. Stable and good cooperation relationship is of great significance to ensure the quality of products and services, reduce the cost of raw materials procurement and market expansion, and reduce market risk. The Company selects the supplier out the excellent suppliers. The Company strictly checks the access threshold of suppliers, strictly reviews and evaluates the qualification, products and corporate social responsibility of suppliers, establishes the supplier credit file and evaluation system, implements dynamic management and continuously optimizes the supplier team.

In order to continuously improve the supplier management system, Huayou New Energy Company has improved and supplemented the Regulations on Raw Material Access in 2020, strengthened management of material hazardous substance safety, improved and supplemented the relevant regulations, and revised the Regulations on Environmental Hazardous Substances. In this way, the quality and environmental safety of raw materials can be controlled in a more comprehensive and reasonable management way.

The Company understands and identifies the potential expectations and needs of customers, surprises customers, and continuously improves customer satisfaction. According to the feedback from the third-party survey agency, the customer satisfaction in 2020 is 83.72, which is 0.16 higher than that of 2019 (83.56).

Year	2018	2019	2020
Customer satisfaction index	82.28	83.56	83.72

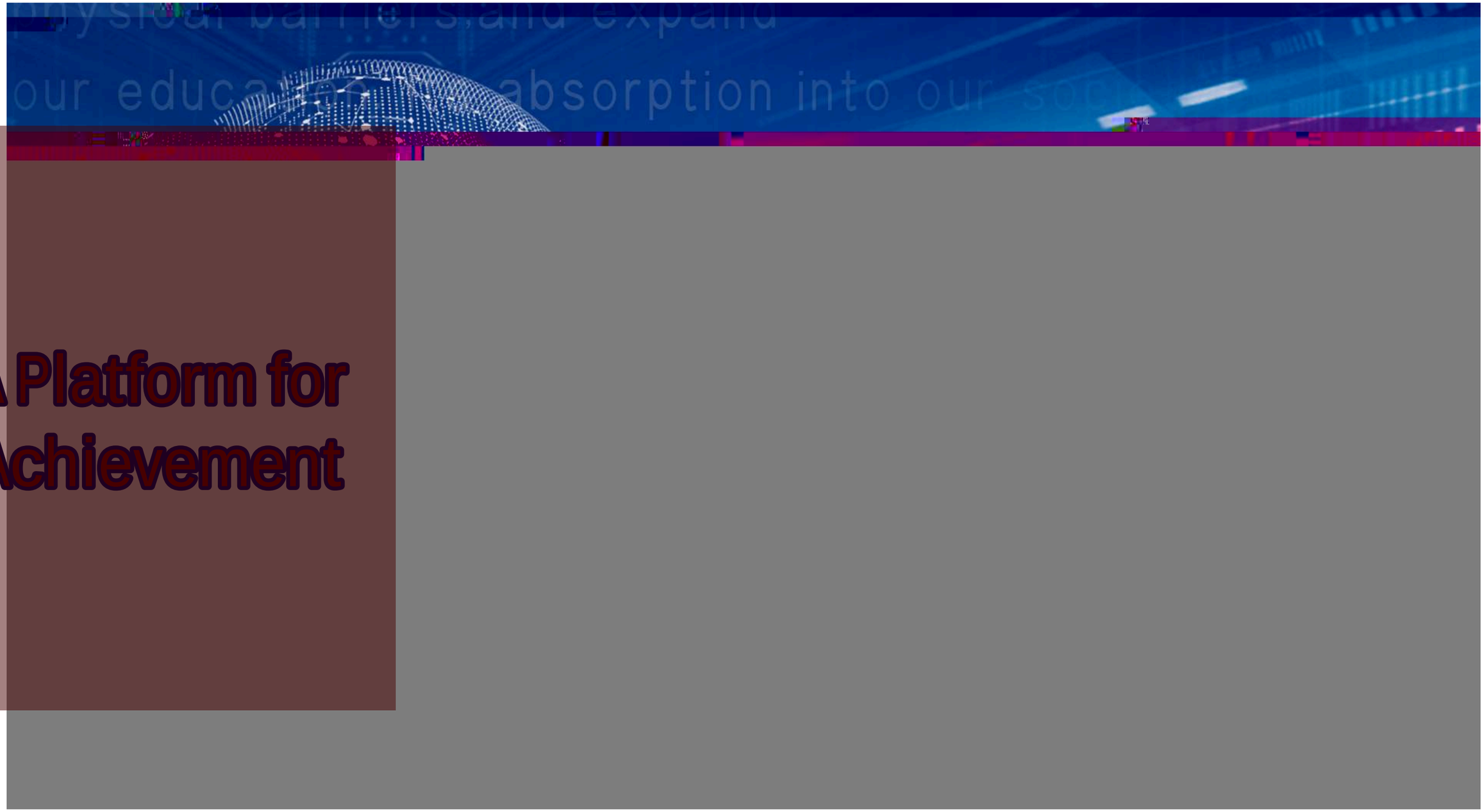
According to the RoHS/REACH requirements of customers, the Company strictly monitors the auxiliary materials and packaging materials that affect the product quality, and signs a hazardous substance management agreement with relevant suppliers, and requires the supplier to provide RoHS test report for the supplied materials. For cobalt sulfate and other products produced by the Company, the whole production process is controlled according to the Regulations on Hazardous Substances. Meanwhile, the Company regularly entrusts SGS



Research and development results and intellectual property protection

New process and technology of green smelting

Stakeholder participation and substantive analysis



A Platform for Achievement

The Company always adheres to the principles of "equality, fairness and justice" to provide equal employment opportunities for personnel of different nationalities, nations, races, skin colors, genders, ages and educational backgrounds, and does not discriminate on the basis of religion, disability, marital status, sexual orientation, discriminatory medical examination, membership of trade union or political parties. The Company provides jobs for 8079 employees from 6 different countries, with different skin colors and from 19 different nations, respects and protects labor rights, strictly abides by international conventions, national and local laws and regulations, and establishes a standardized employment system.

The Company respects the right of employees to make their own choices. When the Company publishes recruitment advertisements, the practical and realistic principle are followed. In the process of employment, the Company does not force labor, nor charges any service charge or deposit, nor forces labor to do things against their will. The Company establishes labor relations with employees on the principles of freedom, equality, voluntariness and fairness, and signs labor contracts with employees by 100% within the legal time.

The Company only employs persons who meet the age requirements, strictly forbids child labor, does not use debt (including debt slaves), slavery, prison or contract labor, and firmly resists human trafficking. In 2020, the Company did not employ or wrongly recruit child labor, did not have forced labor or slaves. There have been no discriminatory incidents in the Company.

The Company arranges the work and rest of the employees according to the local regulations, and also provides considerable income and benefits for the employees to create conditions for them to work with dignity.

Statistics of human resources in 2020

Item	The year of 2020
Total number of employees (person)	8079
Number of male employees (person)	6978
Number of female employees (person)	1101
Percentage of R&D personnel	6.5% (525/8079)
Age structure analysis (under 30/30-39/40-49/over 50)	2388/3221/1865/605
Number of ethnic minorities (China)	1
Localization rate of overseas employees (Congo employees/total African employees)	79.81% (2328/2917)
Number of countries covered	6
The percentage of female managers in middle and above management	1% (48/484)
Percentage of personnel with different academic backgrounds (Ph.D./Master's degree/undergraduate/junior college/undergraduate and below)	0.1%/1.2%/6.2%/15.1%/77.4%
Percentage of disabled persons	1:8079
Percentage of foreign employees	7.9% (638/8079)
Number of new employees	1809

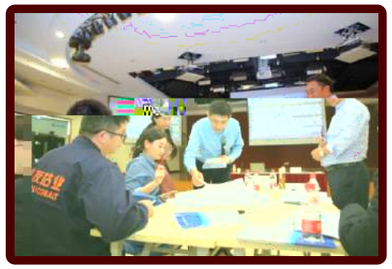
Talent cultivation and development

Huayou Management College, as the cradle of talent cultivation in the Group, undertakes the important functions of the Group talent cultivation, cultural inheritance, knowledge creation and sharing and management research. The College has made full use of the training resources of the College, industrial group and Group functional departments, established a talent cultivation system covering all employees, and cultivated and built a professional and technical teams and a cadre team that are loyal to the Company, united and striving for victory. The College will follow the tide of the times in the future, and build itself into an enterprise university with certain influence and popularity in the new material industry.

Statistics of 2017-2020 training performance data

Item	2017	2018	2019	2020
Employee training hours (H)	73,551	227,952	116,214	99767
Employee training investment (10000 Yuan)	199.6	188.2	145.4	250.6
Types of training courses (types)	536	1,770	1,677	2876
Percentage of employees receiving performance and career development appraisal (%)	100%	100%	100%	100%

In 2020, the total investment for training of Huayou Company is 2.506 million yuan. There are 2876 types of training courses. It aims to create a good learning atmosphere in the forms of diversified training and learning activities, such as classroom teaching, seminar, action learning, outward bound training and coaching. It promotes the regular teaching and textbook compilation by the management cadres and excellent business backbones, it gives full play to their "instructing, helping and guiding" role, and establishes a learning organization. Combining credit system management with online and offline training, it provides a strong guarantee for training resources and practices the talent cultivation concepts of common growth and development of the Company and employees.



Training of improving o cial document writing ability

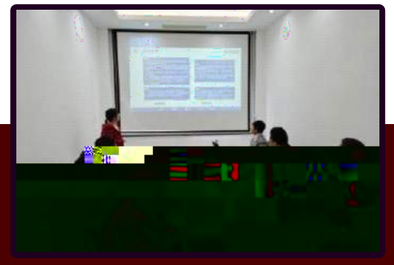
Safety training of the Company

Special training for cadres' soul building and empowerment

Credit program training for Rukuni buyer

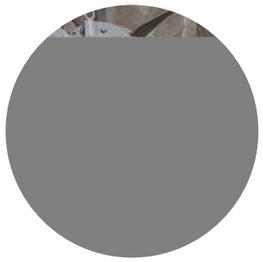
In 2020, in order to encourage most excellent technical talents to stand out, the Company strengthens the building of professional and technical talents team, provides more career development opportunities for employees, and continuously promotes the building of post qualification system. Based on the ability improvement and skill identification, the Company continuously improves the ability improvement path of professional and technical personnel, opens up the career development channel of technical personnel. The employees can be fully aware of their own gap and improvement direction, also clarify the future role positioning. This effectively leads the development of employees' professional ability.

In terms of external professional titles, the Company organized external professional title application for 64 persons, including 36 assistant engineers, 18 engineers and 10 senior engineers; in terms of internal professional titles, the Company organized professional title application for 421 persons, and 265 of these persons passed the review (including 5 persons with senior professional title, 8 persons with senior-intermediate professional title, 102 persons with intermediate professional title and 150 persons with assistant professional title); in terms of position and rank promotion, 496 applicants passed the position and rank promotion review, their positions and income have been improved.



The Company has continued to optimize the standard building and implementation for skilled personnel in front-line posts, further improved the career development channels and position qualification standards of front-line posts, standardized the assessment and evaluation mechanism of skill level for front-line posts, and also strengthened the standard implementation training to promote the steady growth of skilled personnel. In 2020, 1594 persons have applied for skill standard implementation and 1356 persons have passed the examination and certification (including 177 persons for junior level one, 348 persons for junior level two, 323 persons for intermediate level one, 340 persons for intermediate level two, 92 persons for senior level one, 65 persons for senior level two, 10 persons for technician level one and 1 person for senior technician level one).

Theoretical training spot for skills standard implementation



Spot for practice of skills standard implementation

Spot for skills standard implementation test

Through five years of practical exploration, the Company has established a platform for employees to exchange skills, communicate technology and display skills, helped skilled talents to upgrade their external skills, created a learning atmosphere of rival and surpassing, and continuously built a craftsman team. In 2020, a total of 372 employees from 10 competition areas have participated in the skill competition, these competitions can comprehensively test the skill level of employees, and the Company will gradually improve the internal competition system and mechanism.

Forklift skills competition

Maintenance skills competition

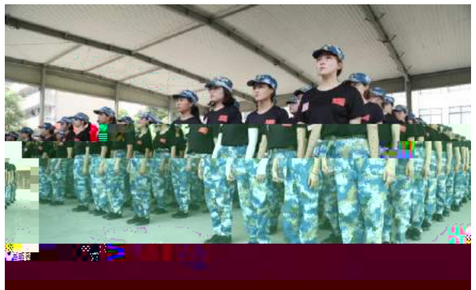
Culinary skills competition

Test skills competition

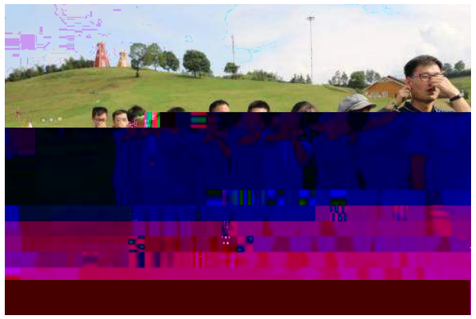
New force army-university/college students

Huayou's university/college students' training has gradually entered the normal management. With the mature training mode, it can promote university/college students to "study in work and become talents at posts", and provide a continuous reserve force for Huayou's high-quality and rapid development. Huayou plans to recruit thousands of students from key universities every year. Through one-year school management and two-year post guidance and practical combat, Huayou will help them quickly integrate, become talents and create value. During this period, the students will go through campus counseling care, on-board military training, team outward bound, central training, sharing and exchange counseling meeting, production field practice, department post experience, report and defense assessment and other diversified cultivation methods. It adheres to the cultivation concepts of "training, guidance and practice".

Military training logo show



Military training outdoor activities

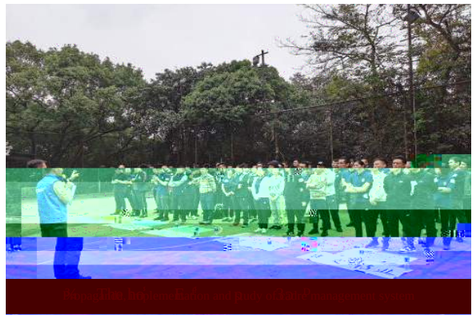


Cadre management system

In 2020, the Company launched the implementation project of the cadre management system, consolidated and improved the achievements of the first phase of the cadre management system project, and achieved the goals of "unified management language, implementation of management system, and innovative application of management mechanism". The project achievements cover five modules, namely the publicity and implementation of the first phase project achievements, switching of position and rank system, application and improvement of system implementation, talent inventory pilot mechanism and normalization mechanism of cadre self-criticizing. This has laid a solid foundation for the establishment of the cadre management system.

In 2020, the Company launched the first phase of Huayou strong team cultivation plan. 100 grass-root cadres, 50 middle-level cadres, 20 general managers of subsidiaries/large-scale construction projects, functional leaders and other high-level cadres have been selected to participate in the empowerment project.

Through the internal promotion mechanism, the Group selected 9 senior management and above cadres, 79 middle-level cadres and 181 grass-roots cadres, and transferred 269 management talents to all levels, so as to ensure talents for the Company's business development. All newly promoted cadres shall be included in the term management assessment.



Salary and benefits

The Company provides competitive salary and benefits in the same industry and the region, continuously improves the salary level of employees, and ensures the monthly payment on time, so that employees have a dignified life. In accordance with the requirements of laws and regulations, the Company implements a comprehensive working hour system for grass-roots employees and a standard working hour system for management and technical personnel, strict controls of overtime hours, and protects employees' rest rights and interests. The Company shall pay overtime fee in accordance with the law when the employees work overtime on holidays and weekends, and gives priority to compensatory leave for employees working at weekends. The Company provides employees with social welfare security consisting of "five insurances and housing provident fund". The Company establishes a reasonable salary structure, including post salary, performance salary, skill allowance, management allowance, overtime pay, post allowance, night shift allowance, monthly performance bonus, annual performance salary and other subsidies. It not only reflects the reasonable return for employees' labor, but also encourages employees to continuously improve their professional ability, and it reflects the cultural concepts of "high performance and high income, enterprise efficiency improvement and growth of employees' income". In 2020, the Company further promotes the reform of salary structure and strengthens performance appraisal, so as to activate talents, drive strategy and guide employees and enterprises to develop and grow together.

Salary growth rate of grassroots employees in 2020: 4.5%

Data statistics table of employee compensation and benefits performance

Item	2017	2018	2019	2020
Salary growth rate of grassroots employees (%) (excluding employees of Congo)	11.63%	15%	10.60%	4.5%
Basic salary ratio between men and women for the same position	1:1	1:1	1:1	1:1
Labor contract signing rate of employees (%)	100%	100%	100%	100%
Coverage rate of five insurances and housing provident fund for Chinese employees (%)	100%	100%	100%	100%
Welfare coverage rate for Congo employees (%)	100%	100%	100%	100%

Africa region　Introduction to employee training

In 2020, through the further improvement and optimization of the training system, the African region draws up the implementation plan of employee training in different levels and categories. Combined with the domestic training resources, the African region adopts the forms of spot training, video lectures, case discussion, scene simulation, sand table drill, etc. to make the training methods more diversified and interesting. A total of 22 training sessions have been organized throughout the year, with 238 employees participating in the training. While effectively improving the comprehensive business ability of employees, it can further promote the teaching experience and ability of internal trainers, strengthen and activate the benign exchange of business experience and ability level within the Company.

Epidemic prevention knowledge training for local employees in Africa region

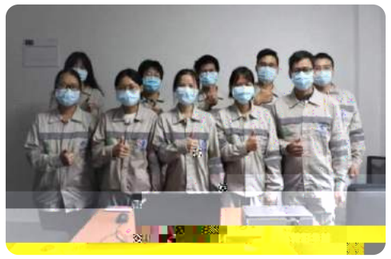
CDM safety operation procedure training

Introduction of post qualification system, employee career development channel and learning platform

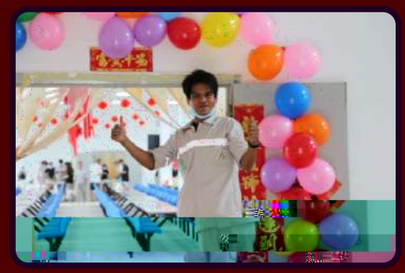
The Company pays attention to the localization building work, pays attention to the use and training of local employees in the Congo (DRC), and gives full play to the role of local management and key employees in the Company's operation and management. Combined with the characteristics of overseas human resources, the Company further improves such regulations as the Regulations on Local Employee Technical Post and Skill Rating (Trial) and the Post and Rank System for the Local Employees and system building, establishes a skill evaluation and post promotion system in line with local laws, provides channels for employee's career development and post promotion, and enables employees to focus more on their future development and work hard for it. At the same time, the Company recruits Chinese students to join. These measures further promote the process of localization of company management, and achieve good economic and social benefits

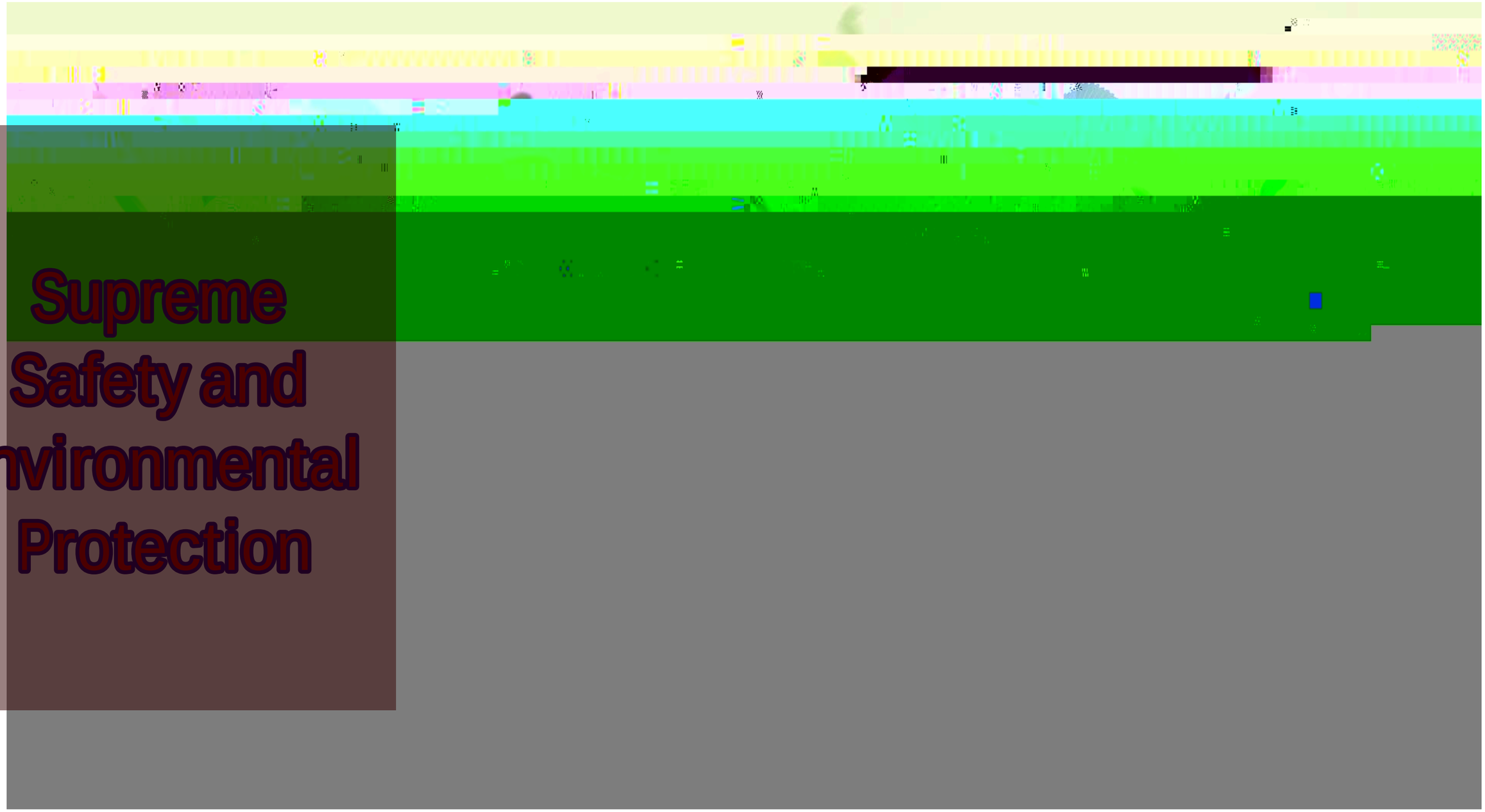
Cultivation of university/college students

In 2020, 14 new university/college students [illegible] employed in Africa region [illegible] according to the university/college students training plan formulated by the Group's human resources department and combined with the management characteristics of Africa region, the Report Plan for University/College Students in Africa Region and the Follow-up Management Plan for University/College Students in Africa Region in Probation Period have been formulated. Each department formulates the university/college students training plan and objectives. Through the one-to-one training and guidance by business mentors, the human resources department of Africa management headquarters pays close attention to the progress and status of university/college students' learning and growth, and prepares university/college students' management weekly report, and organizes and carries out mid-term and to-be-formal-employee examination and defense respectively 3 months and 6 months after on-boarding of the university/college students. All university/college students have successfully passed the defense for becoming a formal employee. At present, the university/college students on-boarding in 2020 have completed the transformation from students to professionals, and have better adapted to and completed the stage goals of their posts.



Colorful activities





Supreme Safety and Environmental Protection

Huayou Cobalt Company Limited deeply implements the concept of safety development, attaches great importance to the physical and mental health and safety of employees, always puts the life, health and safety of employees at the first place, adheres to life first, firmly establishes the concept that development can not be at the expense of human life and health, firmly adheres to the bottom line and red line of safety production, and actively creates a safe, harmonious and healthy working environment.

Improve the building of safety management system

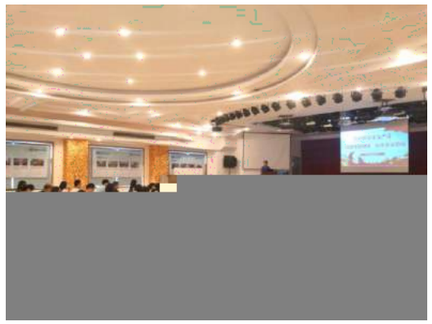
In 2020, the Company pays close attention to the building of safety management system, revises and improves about 64 safety regulations, formulates such regulations as the Regulations on Accountability for Dereliction of Duty by Leaders for Safety and Environmental Protection and so on, standardizes the management processes of EHS inspection, hidden danger management, accident/incident investigation and handling, safety and environmental protection supervision and so on, strengthens the assessment of similar accidents, hidden dangers and dereliction of duty. The basic level safety and environmental protection building guidance service mechanism has been established. Each share-holding subsidiary actively carries out the certification of occupational health and safety management system and the standardization certification of safety production, builds the standardized management system, and continuously improves the safety management level of the Company.

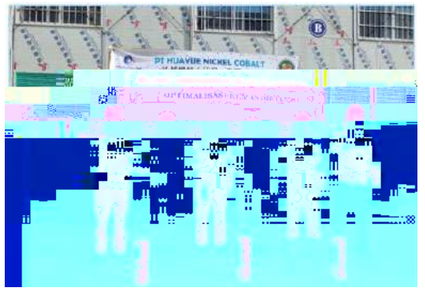
Improve safety organization guarantee

The Company attaches great importance to the safety organization guarantee, establishes EHS committees at all levels from the Group to the industrial group and the subsidiary companies, and has set up safety management organizations, such as the Group safety and environmental protection department, regional safety and environmental protection department, industrial group safety and environmental protection department, subsidiary safety and environmental protection department and branch plant safety and environmental protection section and so on. The production workshops are equipped with full-time/part-time safety personnel, a safety management network covering all levels has been formed. On April 29, the Company successfully held the 2020 safety and environmental protection conference, discussed and deployed major safety and environmental management decisions, signed the objective responsibility promises. Each unit holds a regular safety meeting every month. In 2020, about 77 safety production committee meetings or safety special meetings at different levels were held to discuss major safety production management issues.

Strengthen safety awareness and safety skills

Improving employee safety awareness and safety skills level has always been the focus of the Company’s safety management. The Company focuses on the "three basics building", and actively carries out safety training and education for all employees, and organizes various forms of safety activities, such as training lectures, practical exercises, post practice, skills competition, knowledge contest, team activities, etc. With the official public account, WeChat and QQ groups, publicity board, posters, banners and so on, safety knowledge is publicized extensively. During the "safety production month", the Company issued the Activity Plan for the Safety Production Month and Environmental Day in 2020, and all units actively responded to carry out groups, in Ã t > sp for ³





Improve the ability of risk management and control

In 2020, focusing on the building of dual-prevention mechanism, the Company actively carries out risk identification and safety control measures to effectively prevent and resolve the risk of major safety accidents. External consulting units were invited to implement and complete the project of "safety and environmental capability improvement of the Group risk identification and risk control". Special guidance and training were conducted for JSA and HAZOP of subsidiaries, workshops and teams. 215 JSAs and HAZOPs were completed, 404 improvement measures were put forward, and Huayou Company's advanced safety and environmental risk identification and control system has been built. Relying on the mechanism, the Company achieves self-optimization and continuous improvement, improves the level of risk identification and risk control, and cultivates a qualified and high-level risk identification and risk control team for Huayou.

Strengthen the investigation and treatment of hidden dangers

In 2020, the hidden danger investigation and treatment has become the main theme of the Company's safety management work. The Regulations on EHS Inspection and Hidden Danger Rectification has been revised to further improve the hidden danger investigation and treatment mechanism. Various units have carried out various forms of safety inspection. Wherein, the main directors of various industrial groups and holding subsidiaries have led the inspection team for 83 times to effectively prevent accidents.

Improve the emergency rescue system

The Company has established a perfect emergency rescue system. A full-time fire brigade has been set up in Quzhou Park, and the fire brigade is equipped with fire vehicles. The fire brigade has achieved good results in the mini-fire station competition of Smart Manufacturing New Town in Quzhou Agglomeration Area, and actively assisted the surrounding units in fighting fire accidents, and has the courage to assume corporate social responsibility. All units have formulated emergency rescue plans, special emergency plans and spot management plans and emergency treatment card for safety production accidents. Emergency rescue equipments (such as light and heavy chemical protective clothing, fire fighting clothing, air respirator, gas mask, etc.) are equipped on spot, and various forms of emergency rescue drills and training are carried out. In 2020, all units of the Company have carried out emergency drills and training for 159 times.

Improve the substantive safety level

Improving the substantive safety level has been the goal of the Company with great efforts; this is a powerful measure to reduce the probability of accidents. The Company implements substantive safety through the whole life cycle of equipment selection, design, manufacturing, installation, commissioning, use, maintenance and scrapping, selects non-toxic and low toxic raw materials to replace toxic materials, eliminates backward equipment and facilities, optimizes the process flow, and establishes a complete and intelligent safety and environmental protection platform. Through the optimized management of human, machine, material, law and environment, the substantive safety management level is continuously improved.

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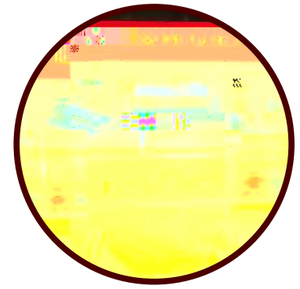


Strengthen occupational health management

In 2020, the Company actively performs the duty of occupational disease prevention and control, regularly carries out the detection of occupational hazard factors, equips personal labor protection articles, carries out occupational health training and publicity, popularizes health knowledge, and does a good job in physical examination of occupational hazard exposed posts. In 2020, the rate of occupational health physical examination is 100%, and no occupational disease occurs.

Epidemic prevention and control

Employees' physical and mental health and medical and health security has always been one of the continuous and key concerns of Huayou as a responsible enterprise. In the face of COVID-19 in 2020, the Company made overall plans for practical epidemic prevention policies, actively purchased and distributed epidemic prevention and control materials, and carried out self-protection knowledge training. The Company was responsible for setting up a factory policy in line with the interests of employees during the period when the Congo (CDR) employees stationed in the African area, ensured that the factory employees had three meals to eat, so as to ease the difficulties and demands of the Congo (CDR) employees. At the same time, the clinic of African company actively undertook the detection, treatment and curing of Chinese and Congo (CDR) employees and their families, carried out double antibody rapid detection for more than 1500 Chinese and Congo employees of the management headquarters and CDM company, further ensured the life, health and safety of employees.

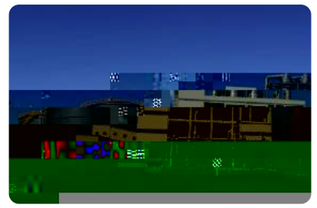
At the site of Huayue project in Indonesia, the Company actively publicized the epidemic prevention knowledge, and took various measures to strengthen the epidemic prevention work and ensure the safety of all the employees at the site. In the critical period of epidemic prevention and control, the closed management has been started since March 29. As for ensuring the food, housing and travel of all employees or as for refining various prevention and control measures, the site strived to be "stable", so that the project construction can be carried out in an orderly manner.

Occupational health and safety indexes for 2018-2020

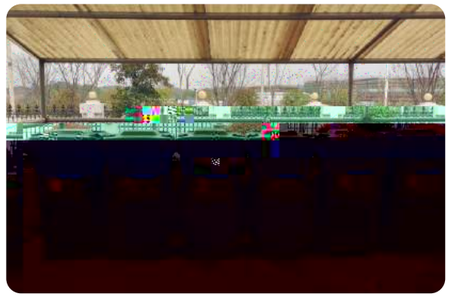
System building and implementation

Emission management

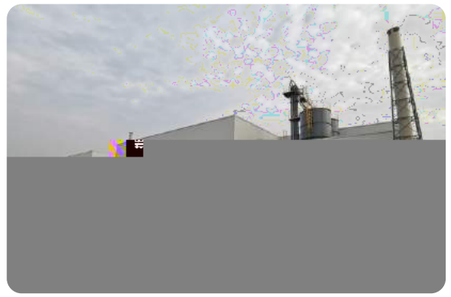
Upgrade and replacement of interceptor valves of rainwater interception pools for Quzhou Huayou



In order to improve the standardized management of each operation site, Huayou has actively implemented ISO14001 environmental management system certification throughout the Company, actively carried out clean production and actively promoted green manufacturing. During the reporting period, four companies including Huayou Cobalt, Quzhou Huayou, Quzhou New Energy, and Resource Recycling have passed the environmental management system certification. At the same time, according to the requirements of relevant standards, the Company establishes a series of environmental protection related systems, such as "three wastes" (waste water, waste gas, solid waste) pollution control management and control procedure documents, identifies the environmental impact factors within the scope of the Company, formulates corresponding control measures, clarifies the regulations and requirements of the Company's environmental management work, and realizes environmental improvement, pollution control and effective resource utilization.



Industrial waste classification of Quzhou Huayou



Homogenization and dewatering treatment project of solid waste center of Quzhou Huayou

Emergency plan for environmental emergencies

In order to further improve the Company's ability to prevent and handle environmental emergencies and effectively prevent and reduce pollution hazards and impacts caused by environmental emergencies, the subsidiaries of Huayou have formulated the Emergency Plans for Environmental Emergencies according to relevant laws and regulations and the requirements of environmental departments at all levels. Wherein, the emergency plans of Huayou Cobalt Company Limited., Quzhou Huayou, Quzhou New Energy and Huahai New Energy and Resource Recycling have been put on record, with the record numbers of 330483-2020-089-H, 330802-2020-032-H, 330802-2019-003-M, 330802-2020-002-M and 330802-2020-005-M respectively; Huajin and Huayou Posco plan to complete the plan review, record and training in 2021. During the reporting period, there are no any environmental pollution accident, no environmental disputes and no environmental protection administrative punishment.

Environmental protection drill for hydrogen peroxide leakage of Huahai New Energy

no

Ethanol deoiling unit leakage drill of Quzhou Huayou

Self-monitoring scheme

According to the relevant laws and regulations and the requirements of environmental departments at all levels on self-monitoring and information disclosure, except for Huajin New Energy Company which has not been officially put into operation, Huayou Cobalt Company Limited, Quzhou Huayou, Quzhou New Energy, Huahai New Energy, Resource Recycling and Huayou Posco have entrusted the qualified third-party monitoring institutions to carry out self-monitoring, and the monitoring items mainly include waste water, waste gas, noise and so on. The monitoring items and frequency meet the requirements of relevant documents, and the monitoring results meet the relevant emission standards.

Environmental indexes for 2018-2020

	2018	2019	2020
Purchased power consumption (KWH /year)	310535906	648022665.5	738476207.84
Consumption of purchased steam (KJ/year)	1014676916877	1840370566800	1628902095041
Natural gas consumption (NM3/year)	4296458	6631258	6473499.27
Consumption of ore raw materials (T/year)	1910694	2372498	3843015.01
Water consumption (T/year)	4165860	8049077.63	7816040.45
Water resource reuse (ton/year)	2373706	4843467.11	1949192
Wastewater discharge (T/year)	/	4111766.36	4033560
Quantity of recycled materials (T/year)	/	19171.22	16008
Greenhouse gas emission quantity (T/year)	/	549345.02	439736.65
Total emission of waste gas pollutants (T/year)	/	88.4113	114.27
Comprehensive utilization rate of waste (T/year)	/	38791.05	93814.86
Discharge and treatment capacity of hazardous waste(T/year)	/	4102.815	3936.78
Number of chemical leakage accidents (times/year)	0	11	1
Investment amount for environmental protection (RMB 10000/year)	5027	18832.50	22770.27
Whether it has obtained the environmental management system certification or not	/		
Environmental screening rate of investment projects (%)	/	/	100
Discharge rate of sewage treatment up to standard (%)	100	100	100
Emission rate of waste gas up to standard (%)	100	100	100
Recycled	/	14400	7263.58
	/	/	2932.42
	/	/	588 tce
	/	0	0

Harmonious Coexistence of Industries

Starting from the building of its own corporate social responsibility management system, the Company has continuously improved the requirements for supply chain partners. From the transmission of basic documents (such as the basic supplier code of conduct), the filling of corporate social responsibility checklist to the spot audit of key and core suppliers, the Company is gradually improving the corporate social responsibility management system of supply chain, and contributes to the sustainable development of the industry.

As an important participant in the new energy lithium battery material industry, the Company adheres to the development concepts of innovation, harmony, green, open and sharing, attaches great importance to corporate social responsibility governance and sustainable development, and also attaches great importance to the due diligence management of cobalt supply chain.

The cobalt mining amount in Congo (DRC) of Africa is the largest in the world. Due to the backwardness of politics and economy, human rights risks and people's poverty concerned by the human are widespread in Congo (DRC). Whether the purity and sustainability of the Company's cobalt supply chain can be guaranteed or not is very important for the sustainable development of the whole industrial chain and winning the trust of customers.

Since 2016, Huayou has started to carry out the building of systematic cobalt supply chain due diligence management. Through the efforts in

The main risk assessment and mitigation situations are described as follows:

Since April 2020, the Company's Congo (DRC) smelter officially suspended the use of manually mined cobalt as the raw material. At the same time, the Company is also working with downstream stakeholders to standardize responsible manually mined cobalt projects.

As for its own LSM mines, Huayou manages it in strict accordance with the requirements of due diligence management, conducts mechanized mining, forbids child labor to enter the mine, controls human rights violations, occupational health and safety, and constantly improves the site environment, so the risk is relatively small.

As for the recycled materials, according to the requirements of the OECD Guidelines, it shall mainly confirm that the raw materials are recycled materials or wastes, and the risk is relatively small.

The purchased raw materials include LSM and large traders. Information is collected and evaluated through KYS (know your suppliers) and other documents. LSM companies generally own their own mines, mine the ore by mechanized means, and have their own policies in human rights, occupational health and safety, environment and other aspects. The management of mining site is relatively good, and the risks of child labor and human rights violations are relatively small.

For suppliers who are not willing to give feedback, Huayou will conduct communication, inspection and evaluation, and Huayou will suspend cooperation for the supplier who still does not cooperate.

Although the risk of LSM is relatively small, in order to enable the Company to continuously provide customers with responsible materials, the Company is also communicating and cooperating with downstream institutions specializing in LSM management, and continuously improving the overall corporate social responsibility performance of LSM through systematic supervision and evaluation mode.

As for the above, it mainly analyzes the current main risks and improvement actions through different source types (ASM and LSM). In view of the problems existing in the process of risk identification and assessment, Huayou Cobalt has organized relevant departments of the Company to discuss the problems, communicated the existing problems with the suppliers, jointly formulated the risk mitigation plan, and submitted such plan to the leaders of the Company for approval.

In 2020, Huayou has received 6 due diligence management audits, including audit by the customers:

Time	Audit scope	Audit unit	Others
May, 2020	Huayou Group	RCS	Entrusted by the customer
November, 2020	Huayou Group	RCS	Entrusted by the customer
November, 2020	CDM Company and MIKAS Company	RCS	Entrusted by the customer
November, 2020	Huayou Group	RCS	Entrusted by the customer
November, 2020	CDM Company	RCS	Entrusted by the customer
November, 2020	Pe527	RCS	Entrusted by the customer

The following are the problems to be followed up in RMI audit and the Company's improvement action plan or comments:

1. Chain of supervision: there are no documents for verifying the source of raw materials; building a chain of supervision from the mining area to the crude smelter/export port, and building the integrity of transportation (open);

--The Company tried different ways, and even pressed suppliers to provide relevant documents, but such efforts were not successful. This is an industrial problem. Raw materials are in the seller's market. The Company thinks that the setting of this checkpoint is also questionable. Therefore, we also propose to RMI and RCI that this checkpoint may be cancelled or further improved.

2. On site evaluation: no on-site evaluation was conducted for suppliers or key participants who touched warning signals or red flags (partially closed);

--The Company has cooperated with the third party to implement according to the time plan. The problem is that the leverage influence of the Company on upstream suppliers is limited, so it needs the understanding and support of the whole industry.

3. Identification of CAHRAs in transit countries: CAHRAs identification was not conducted for the transit countries according to the procedures (partially closed);

--The Company has conducted CAHRAs identification for the transit countries according to the procedure requirements.

4. Disclosure of due diligence report: no disclosure of due diligence management report;

--The Company is preparing the report of supply chain due diligence management in 2020 as required, the report is expected to be issued in May 2021.

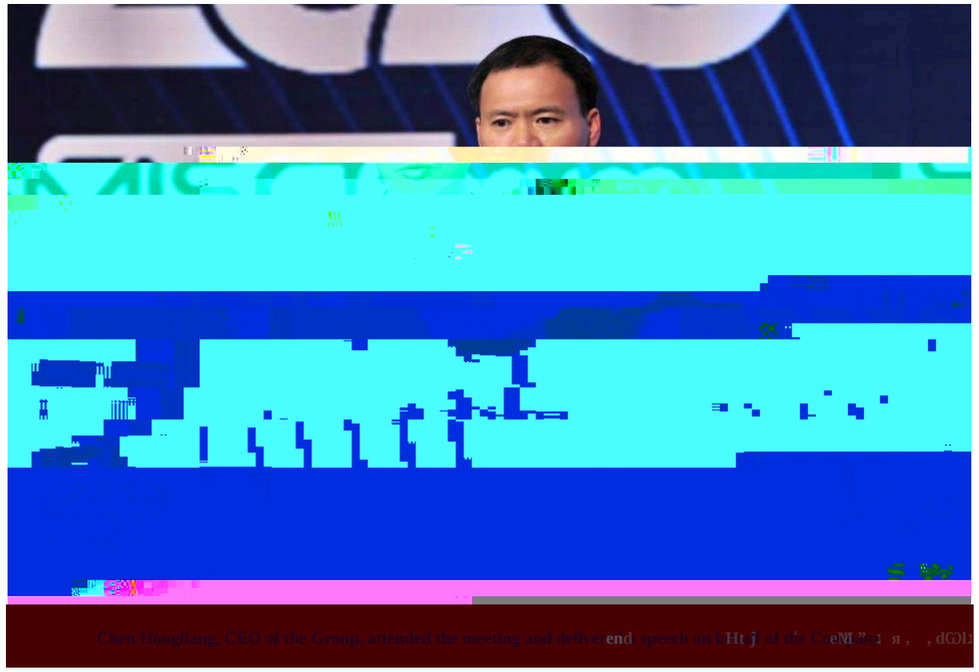
5. Information collection of key participants: information on all key participants and for risk identification and analysis is not collected;

--The Company will collect information on all key participants that can be identified.

6. Collection of evidence such as taxes and fees: no evidence such as taxes and fees of suppliers has been collected;

--Most suppliers will not cooperate to provide such evidence because of their own trade secrets. At present, the Company's alternative approach is to continuously communicate with suppliers (but there is little effect), and continuously search for relevant information through the Internet. However, the information collected is limited to more well-known enterprises, and the information is not the information required by the audit. The Company will also ask the suppliers to be subject to the audit conducted by the third-party organization appointed by the Company, but the content of the audit is only the description of the degree of compliance, the actual tax evidence can not be collected, and it can not fully meet the requirements of the current audit. The Company thinks that the setting of this checkpoint is also questionable. Therefore, we also propose to RMI and RCI that this checkpoint may be cancelled or further improved.

集团总裁陈红良代表公司出席会议并发表演讲



Chen Hongliang, CEO of the Group, attended the meeting and deliver end speech on b Ht ĵ of the Co eM

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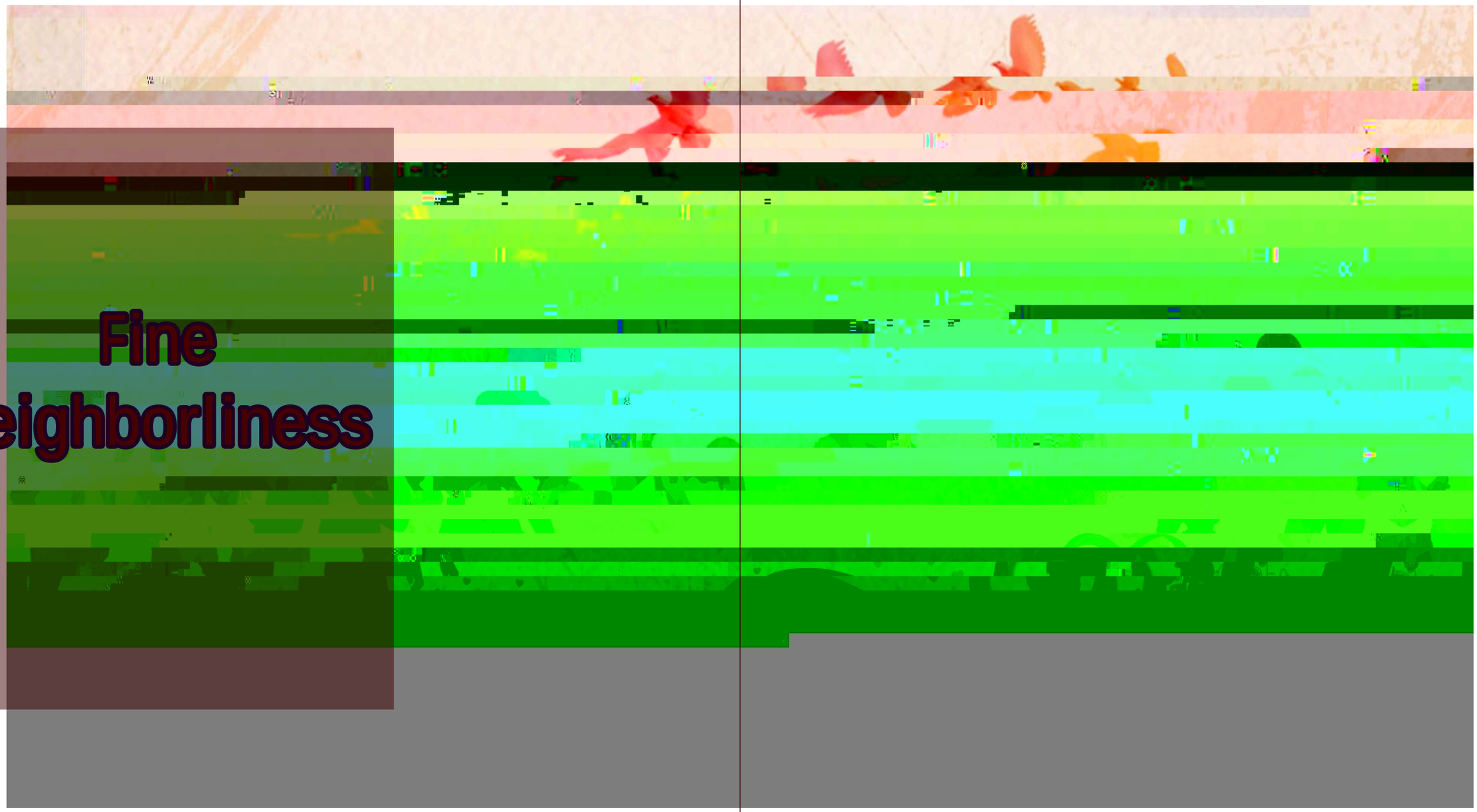
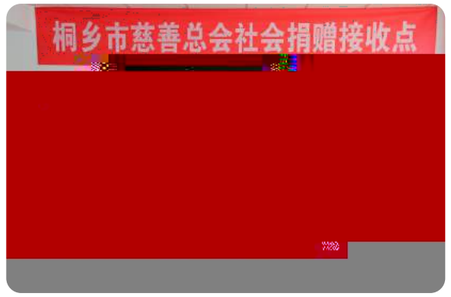


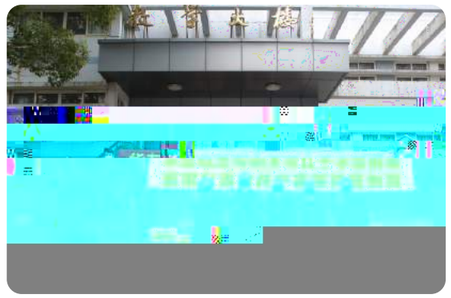
Fine Neighborliness

In 2020, Huayou Cobalt adheres to the concept of focusing on social responsibility and enterprise develops simultaneously. The larger the enterprise is, the greater the social responsibility is. While taking the green development route, the Company focuses on the epidemic prevention and control work in the whole year, actively promotes donation of epidemic prevention materials, special contributions for epidemic resistance, and such public welfare activities as cooperation and aid, helping students in the autumn and helping others, and shows its social value, and makes its own contribution to the society. The following public welfare and charity activities are mainly carried out in 2020:

Donation of epidemic prevention supplies

After the outbreak of novel coronavirus pneumonia, Huayou took an active action to purchase supplies urgently, and tried its best to help the departments and units that needed help while meeting its own demand. The main contributions were mainly 437889.88 yuan and 30000 dollars by the employees for anti-epidemic. Materials (such as masks and protective clothing) valued in 800000 yuan were donated to the first-line anti-epidemic units, such as the Municipal People's Hospital and traffic police brigade.





Care for special groups

With its own development and growth, Huayou has always been caring for the social vulnerable groups. On January 23, 2020, employees from the labor union and social responsibility office of the Company were appointed to participate in the caring and condolence activities organized by Tongxiang Charity Federation and the Disabled Persons' Federation, and visited 23 convalescent personnel with special diseases in the leprosy hospital of Tongxiang City, offered them a condolence gift worth 6177 yuan.

Wuzhen Longxiang Nursing Home is a pair care unit of Huayou for many years. On January 24, 2020, the Company offered two condolences to the elderly there before the Spring Festival and the Mid-autumn Festival, offered them rich gift bags, pork and festival blessings. The total value of the two condolences was 17866 yuan.

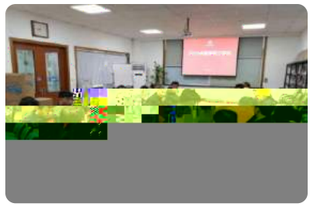
Participate in the "cooperating with Party branch, creating a better life" care project

Under the unified launch of the superior Party committee and the government, the Party organization of the Company carried out the "care project" to express the Company's care for the poor families in the surrounding villages, and offered cash of 5000 yuan, necessities (rice and oil) valued in more than 500 yuan, so that these families could feel the care for the special social groups and from the healthy development of enterprises around them.

Carry out helping and condolence for employees with special difficulties

On the morning of January 25, Zhang Jianhong, Secretary of the General Party Branch and Chairman of the Labor Union of the Company, organized a condolence group with members of the labor union and the social responsibility office to express sympathy to the 10 employees who were in difficulties due to illness or accident. They listened to their family reports, encouraged them to work at ease, overcome difficulties, and rely on the development of the Company and the help of the labor union to get out of difficulties and strive for family development. After the meeting, they were given New Year’s condolence cash and necessities.

For the employees’ families with very great difficulties, for two of these families from other places, a consolation fund of 6800 yuan was given, and then a helping fund of 20000 yuan was offered from Huayou love fund for each family, so as to show Huayou's ideas of people-orientation and caring for employees.



Community co-building to promote public welfare

In terms of co-building activities with communities, for this year, Huayou continued to subsidize Baile community with a co-building fund of 20000 yuan for public welfare activities such as building the civilized city, care for the elderly living alone in the community, summer vacation education for children in the community, and organized Party member volunteers to participate in the patrol inspection of the responsible area of the road leader unit and the night safety inspection during the Internet Conference, so as to create a civilized and healthy environment and serve the Internet Conference. The total number of participants reached more than 50 person times.

Donate money to help students relying on the named charity fund

Huayou invested 10 million yuan in its name to establish a fund at Tongxiang Charity Association. 500000 yuan of fund interest is paid to the Charity Association every year, and is used for such projects as financial aid for poor university/college students' in autumn led by the Charity Association. On behalf of the Company, the Party, Labor Union and Youth League organizations of Huayou organized to participate in the annual autumn student financial aid activities with more than 10 large-scale enterprises in this City. The annual total student financial aid fund was more than 120000 yuan, making that more than 10 poor students were successfully enrolled by the universities/colleges and realized their dream.

Quzhou

On January 10, the Company carried out assistance visit and condolence activities to surrounding villages to help poor villagers, retired and old Party members, etc., and expressed original harmony and safety.

On May 21, the Chairman of Quzhou Huayou Labor Union and his colleagues went to the new vegetable planting base in Shifan Village of Kaihua to hold the launching ceremony of the pairing assistance project and complete the contract. At the same time, on the eve of Children's Day, they got the information that the students in the Central Primary School of Cuntou Town were short of stationery and sporting goods, Huayou Cobalt donated more than 200 pieces of stationery and porting goods for the Central Primary School of Cuntou Town, bringing care to the students and blessing of the Children's Day.

Since the formal implementation of this work in October 2019, the collective economic level of Shifan village, Cuntou Town, Kaihua County has been greatly improved. From October to December in 2019, 16264.5kg of vegetables and agricultural products were purchased, with a total amount of 74151 yuan; in 2020, 44349kg of vegetables and agricultural products were purchased, with a total amount of 181967 yuan. A total of 60613.5kg of vegetables and agricultural products were purchased in 15 months, with the amount of 256118 yuan. This work is still in progress, has the win-win situations have been achieved!

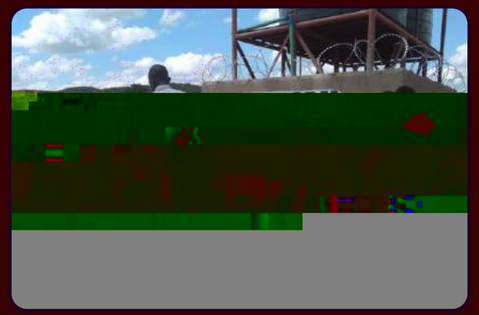
On May 28, one second days before Children's Day, the Company went to Xinxin Primary School to donate stationery and sporting goods. In the visit, the Company arranged the children of the Company's employees to apply for school assistance. At present, these students have been successfully enrolled.

On July 6, the Company cooperated with Quzhou Green Industry Cluster Zone to carry out the activity of "caring and cool comfort for sanitation workers in midsummer", donated 580 cases of iced black tea to offer blessings to sanitation workers.

On December 17, Huayou Quzhou Industrial Park Party Committee was awarded the honorary titles of advanced collective against the novel crown pneumonia epidemic in Quzhou and advanced Party grassroots organization in Quzhou.

Overseas

Huayou is committed to effectively solving the problems concerned by the people in the communities of Congo (DRC), creates conditions to promote the Company's various public welfare activities while attempting to take epidemic prevention and control, such as building water wells for the communities, delivering materials to welfare units, providing assistance for the victims in consequence of the work dangers, providing financial support for Labor Day activities, providing scholarships for poor students, and providing financial assistance for rural schools. In addition, combining with the local epidemic prevention and control situation, the Company organized the mission of epidemic prevention and control and the material donations, such as disinfectant, medical masks, detergent, gloves and alcohol, etc. in LUKUSU Village, and put up publicity papers on the knowledge of novel crown pneumonia in LUKUSU Village, organized lectures on epidemic prevention knowledge in LUKUSU Village and taught the villagers about epidemic prevention knowledge.



Donation of rice and salt to KINDU Village, DRC

Donation of materials to KINDU police station in DRC

Information collection conducted by Kindu Police in DRC

Donation of materials to KINDU police station in DRC

Donation received by KINDU Orphan Center in DRC

Cuntou Primary School

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ESG Reporting Guide

Part A: Introduction	Page
1. This Guide comprises two levels of disclosure obligations: (a) mandatory disclosure requirements; and (b) "comply or explain" provisions.	
2. Mandatory disclosure requirements are set out in Part B of this Guide. An issuer must include such information for the period covered by the ESG report.	
3. "Comply or explain" provisions are set out in Part C of this Guide. An issuer must report on the "comply or explain" provisions of this Guide. If the issuer does not report on one or more of these provisions, it must provide reasons in its ESG report.For guidance on the "comply or explain" approach, issuers may refer to the "What is "comply or explain"?" section of the Corporate Governance Code and Corporate Governance Report ("Corporate Governance Code") in Appendix 14 of the Main Board Listing Rules.	
4. (1) An issuer must disclose ESG information on an annual basis and regarding the same period covered in its annual report. An ESG report may be presented as information in the issuer's annual report, or in a separate report. Regardless of the format adopted, the ESG report should must be published on the Exchange's website and the issuer's website. (2) Where the ESG report does not form a part of the issuer's annual report, to the extent permitted under all applicable laws and regulations and the issuer's own constitutional documents, an issuer is not required to provide printed form of the ESG report to its shareholders irrespective of whether such shareholders have elected to receive the issuer's corporate communication electronically or otherwise under rule 2.07A. (3) The issuer must notify the intended recipient of: (i) the presence of the ESG report on the website; (ii) the address of the website; (iii) the place on the website where it may be accessed; and (iv) how to access the ESG report. (4) Notwithstanding the above, the issuer shall promptly provide a shareholder with a printed form of the ESG report upon its specific request. (5) Where the ESG information is not presented in the issuer's annual report, the issuer should publish such information as close as possible to, and in any event no later than four months after the end of the financial year to which such information relates.	
Overall Approach	
5. This Guide is organised into two ESG subject areas ("Subject Areas"): Environmental (Subject Area A) and Social (Subject Area B). Corporate governance is addressed separately in the Corporate Governance Code.	
6. Each Subject Area has various aspects ("Aspects"). Each Aspect sets out general disclosures ("General Disclosures") and key performance indicators ("KPIs") for issuers to report on in order to demonstrate how they have performed.	
7. In addition to the "comply or explain" matters set out in this Guide, the Exchange encourages an issuer to identify and disclose additional ESG issues and KPIs that reflect the issuer's significant environmental and social impacts; or substantially influence the assessments and decisions of stakeholders. In assessing these matters, the issuer should engage stakeholders on an ongoing basis in order to understand their views and better meet their expectations.	
8. This Guide is not comprehensive and the issuer may refer to existing international ESG reporting guidance for its relevant industry or sector. The issuer may adopt international ESG reporting guidance so long as it includes comparable disclosure provisions to the "comply or explain" provisions set out in this Guide.	
9. The issuer may seek independent assurance to strengthen the credibility of the ESG information disclosed. Where independent assurance is obtained, the issuer should describe the level, scope and processes adopted for assurance clearly in the ESG report.	
10. The board has overall responsibility for an issuer's ESG strategy and reporting.	
Complementing ESG discussions in the Business Review Section of the Directors' Report	
11. Pursuant to paragraph 28(2)(d) of Appendix 16 of the Main Board Listing Rules, an issuer's directors' report for a financial year must contain a business review in accordance with Schedule 5 to the Companies Ordinance. The business review must include, to the extent necessary for an understanding of the development, performance or position of the issuer's business: (i) a discussion of the issuer's environmental policies and performance; (ii) a discussion of the issuer's compliance with the relevant laws and regulations that have a significant impact on the issuer; and (iii) an account of the issuer's key relationships with its employees, customers and suppliers and others that have a significant impact on the issuer and on which the issuer's success depends. This Guide should complement the content requirements of the directors' report, as it calls for issuers to disclose information in respect of specific ESG areas.	

Part B: Mandatory Disclosure Requirements	
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KPI A1.3	

Part C: "Comply or explain" Provisions	
A. Environmental	

2019

Aspect B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	14
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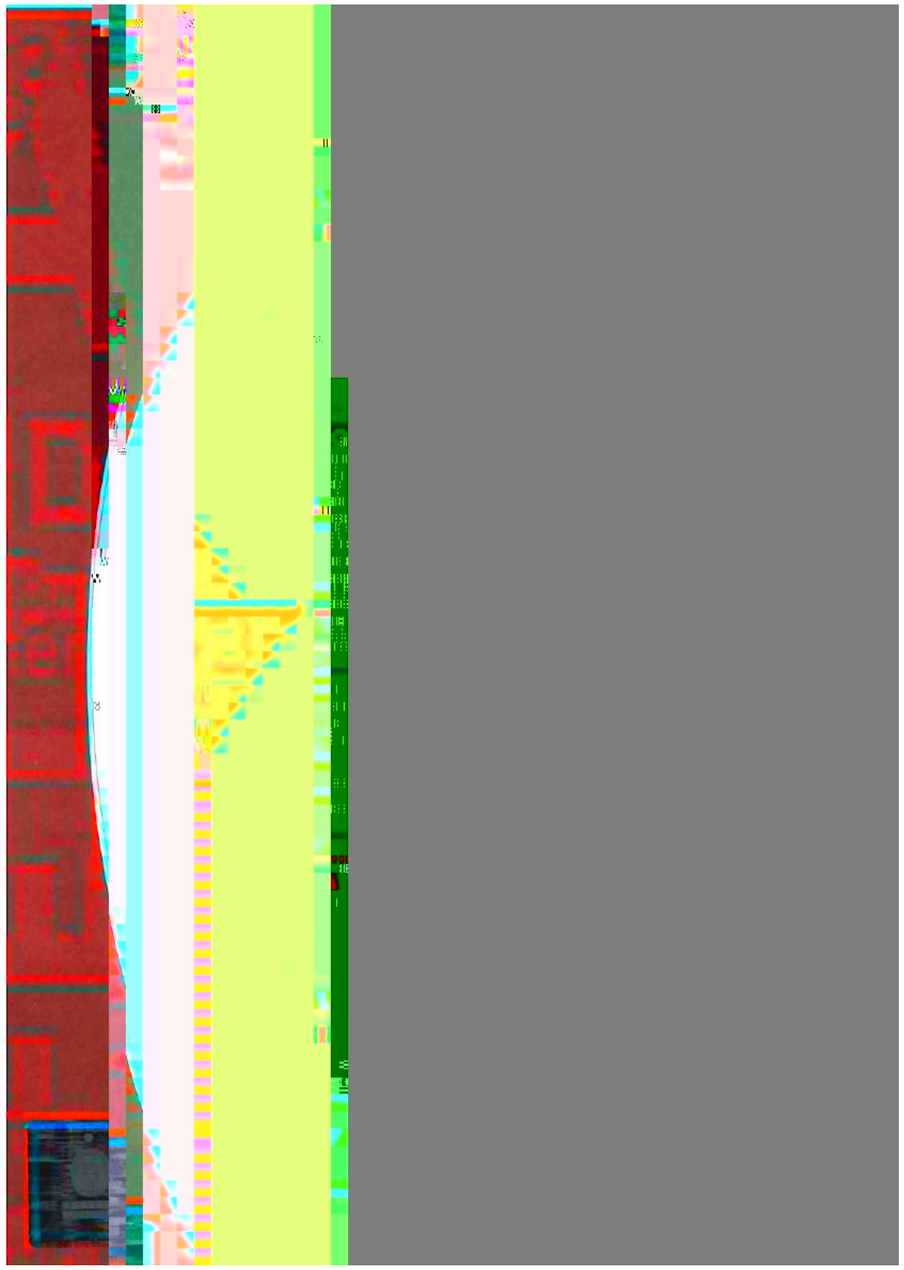

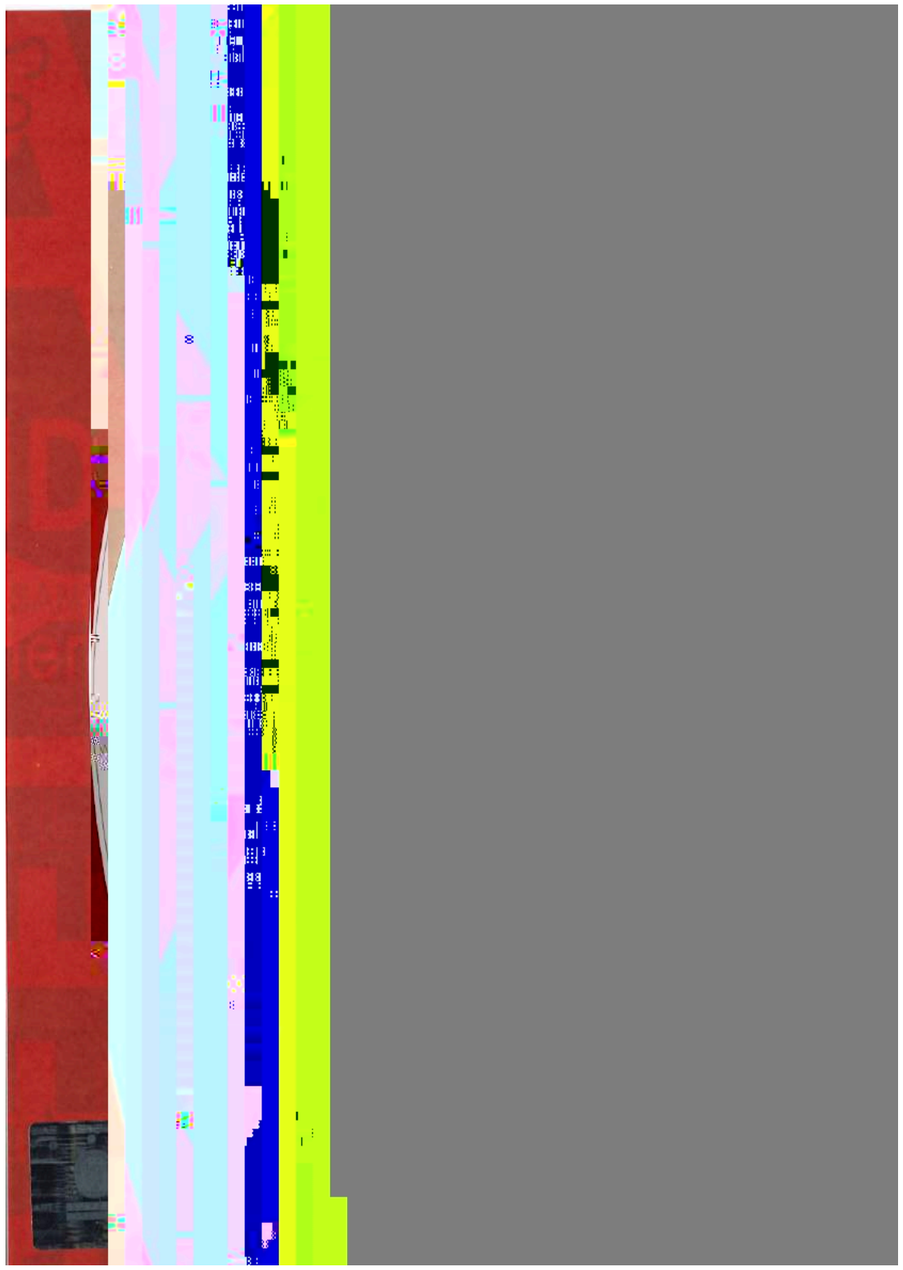

Reader Feedback

Dear Readers,

Greeting!

Thank you very much for reading the 2020 Corporate Social Responsibility Report of Zhejiang Zhejiang Huayou Cobalt Co., Ltd. If you have any ideas or suggestions for this report, please fill in the following feedback form and send us your feedback form by mail, fax or email. We greatly appreciate your valuable opinions!

Name: _____ **Contact phone:** _____ **E-mail:** _____

1. Which section do you think provides important information for you?

☐ Struggling Huayou ☐ Management Method ☐ A Platform for Achievement

☐ Supreme Safety and Environmental Protection ☐ Harmonious Coexistence of Industries ☐ Fine Neighborliness

2. How do you think about this report?

Legibility	☐ Good	☐ Fair	☐ Bad
Integrity	☐ Good	☐ Fair	☐ Bad
Balance	☐ Good	☐ Fair	☐ Bad
Layout design	☐ Good	☐ Fair	☐ Bad
Overall impression	☐ Good	☐ Fair	☐ Bad

3. Do you have any suggestion for our next annual report?

4. Please contact us:

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