



COREMAX CORPORATION

2022 Cobalt Supply Chain Due-diligence Report

August 2022

Introduction to the report

Scope of the Report

The report is published by CoreMax Corporation for cobalt supply chain due-diligence purpose for the year 2022, covering every management activity of cobalt supply chain due-diligence from 1st August 2021 to 31st July 2022.

Principles of the Report

Coremax prepares this report in pursuance of the outline of 《OECD Due Diligence Guidance for Responsible Supply Chains of Mineral from Conflict-Affected and High-Risk Areas》 and 5 steps mechanism. We refer to the "Cobalt Refiner Supply Chain Due Diligence Standard" developed in collaboration with the Responsible Cobalt Initiative (RCI) and the Responsible Minerals Initiative (RMI), Coremax recognizes that community development is an important part of corporate sustainability, so has added a sixth step: community participation. CoreMax states and reports the performance of the due-diligence management of cobalt per OECD 6 steps mechanism.

Reporting Route

1. The cobalt supply chain due-diligence report has been published on CoreMax official website www.coremaxcorp.com under section Corporate Social Responsibilities.
2. The publication is once a year, and will be updated regularly as needed.

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1. Company Introduction



1-1 Company Profile

Company name: CoreMax Corporation

Company address: 11 Wenhua Road, Hsinchu Industrial Park, Hsinchu County 3033035, Taiwan, R.O.C.

Address of cobalt refining factory: 440 Zonghua Road, Toufen City, Miaoli County, Taiwan, R.O.C.

Processing material: Crude Cobalt Hydroxide

Period of assessment on the report: from 1st August 2021 to 31st July 2022.

Assessment conclusion website: www.coremaxcorp.com

The report prepared by: RMI RMAP Responsible Mineral Supply Chain Due-diligence Management Team

1-2 Company Background

CoreMax Corporation was established in 1992, publicly listed on TWSE in 2017. The products and services of CoreMax includes Cobalt Hydroxide, Cobalt Oxide, Cobalt Sulfate, Cobalt based oxidation catalyst, Nickel Sulfate, Electronic Chemicals, Sulfuric Acid and Chemical Fertilizers. CoreMax Group (incl. Uranus Chemicals Co., Ltd. and Heng-I Chemicals Co., Ltd.) is across three different regions in Taiwan, namely, Hsinchu County, Miaoli County and Taichung City respectively. Moreover, there are two production bases in China, which are Ningbo and Zhangzhou respectively. Furthermore, there is one Catalyst production factory in Rayong, Thailand. In 2019, Toufen refinery at Miaoli County was established to process Crude Cobalt Hydroxide, to produce battery cathode raw material, such as Cobalt Sulfate and other specialty chemicals such as Cobalt Oxide and Cobalt Hydroxide.

1-3 Core values and behavioral indicators

CoreMax follows the established strategy of "whole-process product management" and strives to cultivate outstanding talents and innovative technology production, to provide high-quality products and services to meet customers' expectations and improve CoreMax's business performance. CoreMax is committed to continuous improvements on all aspects of its operations and to create a common vision between colleagues.

In 2020, CoreMax announced its 5 major core values and 25 key behavioral indicators, and initially evaluating its executive managers on the basis of the "Evaluation Form for Core Values and Key Behavioral Indicators". In 2021, the Company continues to evaluate all employees. We expect that all group-wide employees should uphold the same values, and should display the behavior expected by the Company in their everyday working attitude and working methods. This will ensure cohesion among our employees, encourage everyone to work toward the same shared goals, and ultimately build a great corporate culture.

CoreMax's core values and conduct guidelines

Safety

- ✓ Underscoring individuals' safety and environmental responsibilities, protecting one's own safety and the safety of the personnel around one.
- ✓ Upholding operating procedures and regulations, striving to maintain reliable operating methods that are in accord with safety and environmental requirements.
- ✓ Respecting the professionalism and competence of personnel with environmental protection and safety duties, and complying with their instructions and suggestions.
- ✓ Strengthening professional environmental and safety knowledge, promoting continuing learning and the development of environmental, safety, and risk management skills in individuals and teams.
- ✓ No compromising environmental or safety principles for the sake of simplification of operating procedures or enhancement of commercial benefit.

Employee

- ✓ Maintaining due respect for all employees of the Company.
- ✓ Respecting and affirming others' views and contributions.
- ✓ Valuing and affirming every employee's diverse knowledge, skills, and experience.
- ✓ Continued providing training and development opportunities, actively helping employees to grow.
- ✓ Pledging fair and equitable treatment of all employees, upholding the spirit of transparency, openness, and trust.

Quality

- ✓ Taking the consistent attainment of the Company's quality requirements as a working goal.
- ✓ Understanding and conveying the importance of improving quality, striving to improve the quality of our products, work, and service.
- ✓ Establishing excellent partnerships with colleagues, engaging in close collaboration to resolve quality problems.
- ✓ Continuing analysis and improvement or re-integration of operating procedures, enhancing the quality of products, work, and service.
- ✓ Establishing comprehensive quality documents, performing regular tracking, maintaining all types of quality requirements, and ensuring that all quality systems are realized on a continuing basis.

Innovation

- ✓ Accepting new information and ideas with an open and flexible attitude.
- ✓ Proactively cooperating with others, and continuing to improve existing operating procedures and systems on the basis of innovative ideas and methods in order to enhance working efficiency and effectiveness.
- ✓ Optimistically tackling challenging circumstances and situations, vigorously seeking out solutions.
- ✓ Continuing to express innovative thinking, making major contributions to the development of innovative solutions.
- ✓ Relying on imagination and vision to understand the possibilities, opportunities, and trends inherent in the course of matters.

Enhance

- ✓ Performing one's own work with the highest professional standards.
- ✓ Displaying the ability to innovate, taking excellence as a goal.
- ✓ Feeling a sense of pride in one's work, continuing focus on the details of one's work and the working environment as a whole.
- ✓ Displaying determination to do the job right at the first time, being able to learn lessons from errors when mistakes occurred.
- ✓ Continued learning from all types of situations, making vigorous efforts to improve work performance and quality.

2. Implementation of Supply Chain Due-diligence Management

6 Steps approach



5 step approach in accordance with 《 OECD Regarding Due Diligence Guidance for Responsible Supply Chains of Mineral from Conflict-Affected and High-Risk Areas》

Step 6 refers to the 《 "Cobalt Refiner Supply Chain Due Diligence Standard" developed in collaboration with the Responsible Cobalt Initiative (RCI) and the Responsible Minerals Initiative (RMI)》

2-1 Step 1: Establish strong company management systems

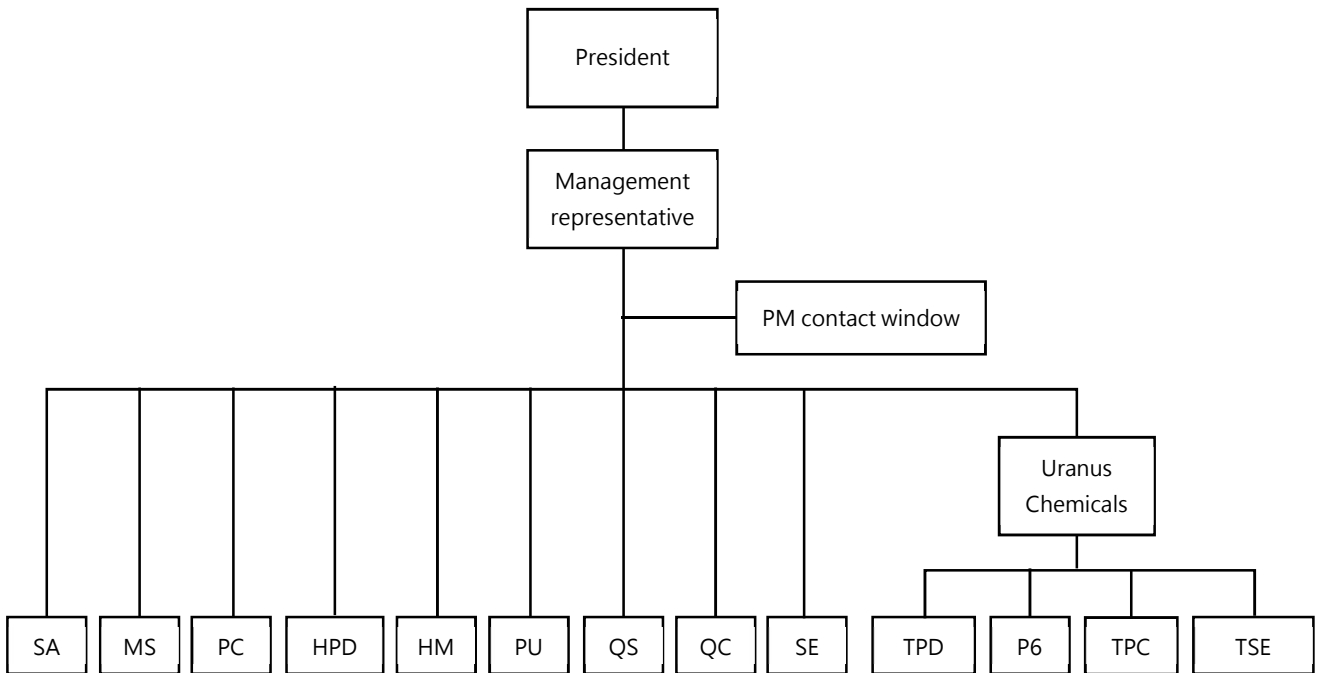
◆ CoreMax Supply Chain Policy

CoreMax has been aware of mining, trading, processing and exporting mineral from/in high risk area could lead to significant social impact. Therefore, in regard to respecting human rights and to avoid causing negative social impact, CoreMax has been committed to comply with the "OECD Due Diligence Guidance for Responsible Supply Chains of Mineral from Conflict-Affected and High-Risk Areas 3rd edition" issued by Organization for Economic Cooperation and Development (OECD) to formulate "Responsible Mineral Supply Chain Due-diligence Management Policy" and include the criteria of the policy in the responsible purchase contract or related agreement for the suppliers identified as sourcing from high risk areas. Responsible Mineral Supply Chain Due-diligence Management Policy has been published on the official website of CoreMax www.coremaxcorp.com, and announced to both internal and external stakeholders.

◆ CoreMax Group Responsible Due-diligence Management Organizational Structure

In order to carry out and complete "Responsible Mineral Supply Chain Due-diligence Management Policy", CoreMax has established the RMI RMAP Responsible Mineral Supply Chain Due-diligence Management Team and the company President and Special Assistant to President office are the representative leader of the team, responsible for supervising implementation of the due-diligence management. The team is constituted of the President and the management representative, the cobalt product related Departments. incl. the Procurement, HR, Sales, PP, MFG (incl. CoreMax Corp., Uranus Chemicals Co., Ltd.), QA and EHS departments.

RMI RMAP Responsible Mineral Supply Chain Due-diligence Management Team



Definitions:

SA-Sales Department, MS-Market Strategy Department, PC-Production Control Department, HPD-Production Department Hsinchu Site, HM-HR Management Department, PU-United Purchase Center, QS-Quality Assurance Department, QC-Quality Control Section, SE-Safety & Environmental Office, TPD-Production Department Toufen Site, P6-Toufen Production 1st Section, TPC-Toufen Production Control Section, TSE-Toufen Safety & Environmental Office

◆ Communication and Training

1. CoreMax communicates with its employees periodically, imparts the related policy to the employees and acquires their feedback and continuously improves.
2. According to the supply chain due-diligence management training plan, providing the key personnel in the relevant departments training and assessment regularly.

◆ **Supply Chain Management and Internal Control**

1. Collecting suppliers' corporate information via KYS and kept in suppliers' database.
2. Requiring suppliers to obey CoreMax supply chain due-diligence management policy and suppliers' CSR and code of conduct. In addition, incorporate the related risk controls into the contract or the related agreement.
3. Establishing materials control system, ensuring the materials are identifiable, traceable, assessable and feasible to mitigate the risks.

◆ **Establish a Company Level Grievance Mechanism**

1. External: the spokesman of CoreMax is responsible for hearing the appeals from external stakeholders (incl. suppliers, shareholders, general public, residents, academic research institutions, government authorities), regarding the anonymously complaint and blow the whistle for behaviors of violations of responsible sourcing, conflict mineral management, RMI RMAP management system, child labor, money laundering, bribery, human right infringement, violation of code of conduct, and hence should execute inspection, imposing disciplinary, investigating and responding externally.
2. Internal : Human Resources department is responsible for dealing with appeals and blow the whistle escalated internally in respect of violation of responsible sourcing, conflict mining management, RMI RMAP management system, child labor, labor, human right, code of conduct behavior, as well as carry out investigation and impose disciplinary.
3. Complaint/Report channel:

No.	Channel	Receiving method
1	Dpt. Manager	Report to Dpt. Manager directly.
2	Special line	(03)598-3101 Ext: 3233 ; Ext: 2140
3	CEO Mailbox	CEO@coremaxcorp.com
	HR Mailbox	CMX.Communication@coremaxcorp.com
	Stakeholders Mailbox	related_party@coremaxcorp.com
4	Official website	https://www.coremaxcorp.com/zh-tw/contact-us Official website/Contact us/Fill out the fact/Send out
5	Suggestion box	Set at every site.
6	Fax	03-5983103

2-2 Step 2: Identify and assess risks in the supply chain

◆ Responsible Mineral Supply Chain Risk Management Process

Applicable to Conflict Affected High Risk Areas (CAHRAs) defined by RMAP standards criteria and OECD guidance.

1. Per "KYS questionnaire" establishing a list of suppliers' information for cobalt smelting/refining manufactory.

2. Conflict Affected High Risk Areas (CAHRAs) stipulates:

In pursuance of RMI Responsible Mineral Initiates to provide "Risk Map", marking the country of mine and transportation routes of suppliers, ensuring the rating and color indicated in Risk Map, the results of assessment are categorized into 4 levels in Risk Map, Red and Orange colors are deemed CAHRAs, while Yellow and Green are regarded not CAHRAs.

SN	Risk level	Color	Rating range	CAHRAs judgement
1	Severe	● Red	0 – 2.49	CAHRAs
2	High	● Orange	2.50 – 4.99	CAHRAs
3	Medium	● Yellow	5 – 7.49	Not CAHRAs
4	Low	● Green	7.50–10	Not CAHRAs

3. Per Responsible Mineral Supply Chain Risk Management Procedures formulated by CoreMax referring to "Risk Map", which identified the cobalt material sources of CoreMax are originated from DRC which is deemed CAHRAs.

(The latest version of CAHRAs risk identification and assessment record was completed in July 2022)

2-3 Step 3: Design and implement a strategy to respond to identified risks

◆ Risk Mitigation and Strategy

As the suppliers are identified as CAHRAs, CoreMax will conduct onsite assessment or communication with the suppliers in accordance with RMI RMAP procedures, in order to mitigate the risks.

The cobalt suppliers have been communicated by CoreMax to implement RMI RMAP procedures. As a result, the suppliers have agreed to implement RMI RMAP procedures, and passed the RMI RMAP third-party certification in April 2021.

2-4 Step 4: Carry out independent third party audit

◆ CoreMax and Cobalt Refinery

CoreMax has established a Responsible Mineral Supply Chain Due-diligence Management Team since July 2019. Actively collecting the information available from the supply chain per Due-diligence criteria through each functional teams. Also, utilizing RMI e-Learning to impart internal training and establish the required procedures and records system for Responsible Mineral Supply Chain Due-diligence, the cobalt refinery of Coremax has passed RMI RMAP third-party certification in April 2021. Continuing to accept the annual review by the independent third-party verification agency designated by RMI to satisfy stakeholders internally and externally with conformance of cobalt supply chain criteria and transparency.

◆ Suppliers of Raw Material (crude cobalt hydroxide)

The CoreMax existing suppliers of crude cobalt hydroxide have been identified as sourced from CAHRAs, and hence CoreMax has been proactively communicating with the suppliers to conform with Responsible Mineral Supply Chain criteria bilaterally. In consequence, the suppliers have agreed and been establishing RMI RMAP procedures management system, meanwhile CoreMax

has prepared Risk Response Action Plan. Furthermore, the suppliers have consented to carry out RMI RMAP procedures, and the supplier have agreed to implement the RMI RMAP program and passed the RMI RMAP third-party certification in April 2021.

2-5 Step 5: Report on supply chain due diligence

CoreMax Supply Chain Due-diligence Management Report for cobalt has been organized and constituted by the Responsible Mineral Supply Chain Due-diligence Team, and the management representative convened the directors to review the report. Finally, authorized by the Chairman & CEO then published on CoreMax public official website www.coremaxcorp.com, for stakeholders' best interest. Earnestly welcome any feedback and comment regarding the contents of the Cobalt Supply Chain Due-diligence Management issued by CoreMax.

2-6 Step 6: Community participation

Regarding community participation, CoreMax actively pays attention to and interacts with the neighboring communities around each plant, including suppliers, neighboring communities, government and non-governmental organizations, and other stakeholders to establish partnerships; CoreMax recognizes that community development is an important part of corporate sustainable development, so actively participates in community affairs, supports community development, and fully demonstrates corporate social responsibility. We are aware of our responsibility to industry, society, and even economic development. Therefore, we continue to carry out our corporate social responsibility with a steady pace and under the premise of social stability, harmony, and sustainable development.

CoreMax attaches importance to sustainable management and ESG issues that stakeholders care about. From 2022, the corporate social responsibility report (CSR) will be adjusted to a sustainability report. For more information on community participation and ESG sustainability reports, please refer to CoreMax Group Sustainability Report www.coremaxcorp.com.

The Activity of Community Participation

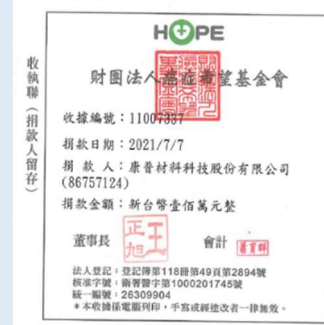
1. Winter Care Dinner

Since 2018, CoreMax has participated in the Hukou Township Winter Care Dinner for four consecutive years. On the eve of the Lunar New Year each year, the Township Office invites low-income residents, local legislators, low income elders, solitary elders, family with special conditions, vulnerable children and teenagers, and various distinguished guests this gathering, and the head of Toufan Township presents certificates of appreciation to CoreMax.



2. Donation to Hope Foundation for Cancer

CoreMax donated NT\$ 1,000,000 to Hope Foundation for Cancer, assisting the foundation to provide expert consultations, learning courses, resource subsidies, rehabilitation supplies, and growth groups and patient activities for cancer patients during their treatment, so that cancer patients and their family members could overcome the difficulties during the cancer treatment and actively participate in the treatment.



3. Good Neighbor Environmental Clean-up Activity

To be a good neighbor, CoreMax's Toufen Plant organized 70-80 employees to help clean up areas totaling nearly 3 kilometers in length along Zhonghua Road on the morning of November 3, 2020. On the same day, Luo Hsue-chu, the mayor of Toufen City and two of the city's borough chiefs were present to thank the Plant for their warm-hearted public welfare contributions and the clean-up of Zhonghua Road, which will create a better living environment for local residents.



4. Sow the Seeds of Reading to Give Children a Brighter Future

Since 2018, CoreMax has provided annual support to the "Sow the Seeds of Reading to Give Children a Brighter Future" project initiated by the Global Views Educational Foundation by donating "Future Children" and "Future Teenagers" magazines to 32 primary schools in Miaoli County. CoreMax thus actively fulfilled its corporate social responsibilities and fostered the joy of lifelong learning among young people. Chairman Ho believes that reading can increase comprehension and judgment, enhancing readers' perceptiveness and vision. He hopes that through long-term cultivation, children will gain interest in reading and form the habit of lifelong learning, so that they can live happy and meaningful lives inspired by a virtuous heart.

In a press conference held on October 26, 2020, CoreMax signed a contract for making more donations in support of reading. The Company expects to donate a total of 177 magazines to 41 primary schools in Miaoli County and 13 junior high schools in remote areas in the next three years. The Company was also praised for its outstanding contributions to society at a December 25 press conference for the sixth anniversary of the Miaoli County chief's inauguration.



Coremax Corporation

Jim C. Ho
Chairman & CEO