

四川宏达股份有限公司

2025 年度供应链尽责管理进展报告

关于本报告

编制主体：

为四川宏达股份有限公司，文中“公司”或“我们”、“我司”均指代“四川宏达股份有限公司”。

编制范围：

公司矿产供应链尽责管理体系、风险识别与评估、风险缓解、审计与评估、报告等尽责管理步骤。本报告的信息和数据主要涵盖 2024 年 7 月到 2025 年 6 月，12 个月内公司开展的各项供应链尽责管理活动。基于报告的延续性，部分内容和数据适当溯及其他重要年份，不仅限于上述时间范围

编制依据：

公司根据中国五矿化工进出口商会（CCCMC）发布的《中国矿产供应链尽责管理指南》、经济合作与发展组织（OECD）的《关于来自受冲突影响和高风险区域的矿石的负责任供应链尽职调查指南》、伦敦金属交易所《负责任采购政策》和《联合国指导原则报告框架》进行编制。

特别说明：

本报告依据伦敦金属交易所关于负责任采购透明度的要求（可参见网址：<https://www.lme.com/Company/Responsibility/Responsible-sourcing>）进行披露。

公司每年定期更新本报告，相关方可在官网：www.sichuanhongda.com 查阅报告进展，我们诚挚欢迎各界对我司供应链尽责管理工作提出建议和意见。（联系邮箱：shouhai.he@sichuanhongda.com）

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卷首语

锌是世界上第四大常用金属，仅次于铁、铝和铜，在运输、基础设施建设、电子产品和可再生能源中发挥着关键作用。用于电动汽车的锌离子电池也被认为比锂离子电池更加安全。随着全球能源转型向低碳经济过渡，对于锌金属的需求将进一步扩大。金属矿产不断扩大的需求造就了行业的新一轮繁荣，与此同时，也面临着前所未有的环境、创新、投资和社会经营许可等众多挑战。

过去十多年来，国际社会一直致力于打破工商业与侵犯人权、助长冲突及其他重大不利影响之间的联系。国际上先后出台一系列规范公司供应链尽责管理的标准与指南，包括《经济合作与发展组织关于来自受冲突影响和高风险地区矿石的负责任供应链尽职调查指南》（第三版）（以下简称“经合组织指南”），中国五矿化工进出口商会（CCCMC）《中国矿产供应链尽责管理指南》（以下简称“中国指南”）等。这个趋势表明，国际社会已经就企业开展供应链尽责管理，以识别、防范、缓解和说明如何消除自身运营、供应链与其他业务关系中实际和潜在的不利影响达成了共识。

公司遵守国际国内的法律法规，包括对非法矿产贸易进行约束的法律和联合国的制裁决议，坚决反对任何形式的人权侵害和助长冲突。我们承诺采纳并广泛传播《中国指南》和《经合组织指南》相关内容，为矿产供应链中涉及冲突的活动提供参考。

公司承诺在供应链运营实践中识别和管理以下风险：

一、与矿产开采、运输或贸易有关的严重侵权风险；

二、直接或间接支持非法的非国家武装团体风险；

三、公共或私人安全武装风险；

四、关于行贿受贿及矿产原产地的欺诈性失实陈述、洗钱、及向政府支付的税收、费用、特许费的风险。

公司愿意与行业伙伴及利益相关方一同努力，采取联合行动，致力于构建可持续、负责任的矿产供应链。

供应链尽责管理委员会

四川宏达股份有限公司

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第一章 公司简介

关于四川宏达股份有限公司：

四川宏达股份有限公司是蜀道投资集团有限责任公司旗下五家上市企业之一，于2001年在上海证券交易所主板上市（股票代码：600331）。公司注册资本26.42亿元，员工总数近2600人，下设什邡磷化工分公司、什邡有色金属分公司，控股四川绵竹川润化工有限公司、四川宏达金桥大酒店有限公司、四川华宏国际经济技术投资有限公司、四川宏达工程技术有限公司等六家子公司，参股西藏宏达多龙矿业有限公司。

在磷化工领域，公司拥有超过60年的深厚底蕴，从最早一批掌握磷铵料浆压力式喷雾流化干燥技术，建设工业化示范装置，到研发“肥盐联产、梯级利用”的工业级磷铵生产模式，推动我国中低品位磷矿应用技术的发展。在有色矿冶方面，凭借30余年的湿法炼锌经验，掌握了铅锌采选冶及伴生稀贵金属综合回收的先进技术，产品涵盖锌锭、热镀锌合金、铸造锌合金等，是宝钢、攀钢等大型钢铁企业的主要锌合金产品供应商。在天然气化工方面，依托丰富的天然气资源，发展合成氨（液氨）等天然气化工产品，综合能耗在同行业中处于领先水平；在辅助产业方面，公司积极拓展科技服务业和酒店服务业，为客户提供全方位的服务支持。

公司致力于构建绿色、低碳、循环的发展优势，通过ISO9001质量体系、ISO14001环境管理体系和ISO45001职业健康安全管理体系认证，主持或参与8项国家或行业标准制定，拥有34项专利、四川省企业技术中心和德阳首批院士专家工作站等平台。主导产品“云顶”牌磷酸一铵、复混（合）肥料和“慈山”牌锌锭曾多次荣获“四川省名牌产品”称号，畅销国内外市场，享有良好的声誉。

面向未来，公司将在蜀道集团引领下，秉承“安全至上、质量第一、民生为大、效益优先”的发展理念，坚持“矿冶一体、矿冶一体、冶化结合、产业耦合”的发展思路，聚焦绿色磷化工、有色金属采选冶一体化两大产业链，加大创新力度，推动传统产业高端化、智能化、绿色化转型升级，为建设成为全国一流磷化工企业、全国一流有色金属企业而努力奋斗。

第二章 供应链尽责管理实践

本章包括尽责管理的六个步骤，这六个步骤参照了《中国指南》中对于企业开展尽责管理工作的建议。

2.1 运行和完善尽责管理体系

公司供应链尽责管理体系已运行两年半，分别组织了两次内外部评估，达到预期效果。供应链尽责管理办公室制定并批准实施了《供应链尽责管理评估项目改进行动计划（CAP）》，对评估中出现的问题进行汇总并实施改进。2024年12月，供应链尽责管理委员会对各程序文件进行了评审、修订。

公司设立了内部供应链尽责管理框架，成立了供应链尽责管理委员会，委员会由组长、副组长、供应链管理办公室（营销公司负责日常归口管理）、营销公司、生产技术部、安全环保部、人力资源部、财务部等相关部门负责人组成，共同建立和完善公司的供应链尽责管理体系，提升公司供应链尽责管理能力。

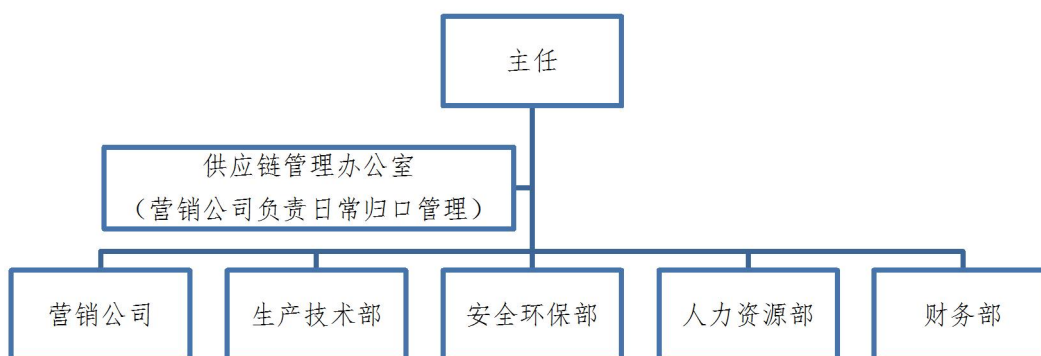


图 1：供应链尽责管理委员会架构

公司建立了供应链控制和透明度系统，以识别相应矿产供应链中的参与者、原产地信息（矿权信息）、运输路线的信息，及按照中国法律法规要求向政府进行支付税费并进行披露。公司制定了《“受冲突影响和高风险区域”识别程序》，识别公司及供应链所涉及的国家并非受冲突影响和高风险区域，并根据本公司制定的《警示信号识别清单》对警示信号进行识别，经识别，我们认为本公司未触发警示信号。

表 1：供应链追溯信息

公司开展“警示信号审查”汇总搜集的信息有：

1. 原料来源国和地区；
2. 参与者的名字和地址，包括矿区、当地贸易商、仓库、交易市场、冶炼厂、出口商、国际贸易商等；
3. 运输路线和运输方式；
4. 矿产或金属的商品名和类型；
5. 收集直接供应商和其他已知上游企业的所有权信息（包括实益所有权信息）。

公司充分理解打造可持续、负责任的矿产供应链需要各方的共同努力，公司也致力于与供应商合作共同完善供应链尽责管理体系。公司制定了供应商尽责管理程序，管理不同类型的供应商，要求重点供应商签署《供应商行为守则》，确认重点供应商遵守与企业尽责管理政策一致的供应商政策。公司多次与供应商保持沟通，协助其改善尽责管理的绩效表现。

公司充分尊重利益相关方的诉求，并深知与其建立沟通渠道的重要性。为了及时识别和处理供应链可能存在的助长冲突或人权侵害等风险，保障内外部利益相关方与本公司的顺畅沟通，公司建立了申诉机制并制定了详尽的申诉管理办法。

申诉机制提供了内外部利益相关方表达期望与诉求的渠道，同时也是建立尽责管理体系必不可少的组成部分。所有相关方均可通过申诉机制向公司反映存在的合理诉求，在任何情况下，我们均保证以独立、公正和客观的方式处理、调查、回复并归档所接收的申诉材料。截止本报告发布之日，公司尚未接收到申诉。

随着企业运营、供应链、所在地政府政策要求与其他业务关系中出现的变化，公司会定期审阅和更新尽责管理的相关政策。

2.2 风险识别和评估

公司开展警示信号审查，对开采、贸易、加工和出口的相关风险进行识别和评估，并根据审查结果确认供应链风险识别的范围。

表 2：三类警示信号

矿产来源地和运输路线警示	<ol style="list-style-type: none">1. 矿产来自于“受冲突影响和高风险区域”（CAHRAs）；2. 矿产运输路线经过“受冲突影响和高风险区域”；3. 矿产原产国为已知储存、预估储量或预期生产水平有限的国
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信号	<p>家（即宣称的来自该国的矿产的产量与其已知储量或预期生产水平不符）；</p> <p>4. 矿产原产国实际上只是“受冲突影响和高风险区域”的中转国；</p> <p>5. 矿产来自多个回收渠道，且在“受冲突影响或高风险区域”进行加工；</p>
供应商警示信号	<p>1. 供应商或其他上游企业在出现上述警示信号的地区开展经营活动，或是上述地区供应商的股东，或与之存在利益关系；</p> <p>2. 获知供应商或其他上游企业在过去十二个月内曾经从示警矿源地和中转地采购过矿产。</p>
特定情况下的警示信号	<p>1. 收集信息识别异常情况，判断与矿产有关的活动是否有可能助长冲突或者其他侵犯权利的行为；</p> <p>2. 无法判定矿产原产国和中转国的情况。</p>

如前文所述，公司位于中国，经公司《“受冲突影响和高风险地区”识别程序》评估，中国及供应链涉及国家均不属于“受冲突影响和高风险地区”。经过公司的《警示信号识别清单》评估，公司未触发警示信号。

表 3：风险评估参考的部分资料

<p>为了提高“受冲突影响和高风险地区”识别评估的客观性，我们的评估同时参考了外部权威机构的公开信息，包括但不限于：</p> <p>欧盟受冲突影响和高风险地区清单： https://www.cahaslist.net/cahas</p> <p>联合国安理会制裁信息： https://scsanctions.un.org/consolidated/</p> <p>海德堡国际冲突研究所“冲突晴雨表”： https://hiik.de/conflict-barometer/current-version/?lang=en</p> <p>世界银行“世界治理指数”： http://info.worldbank.org/governance/wgi/index.aspx#home</p> <p>大湖国家清单： https://www.greatlakesofafrica.org/about-the-lakes/</p>

2.3 风险预防和缓解

公司建立了“风险预防为主”的原则，这一原则体现在全面的内控措施上。内控措施具体包括一系列控制程序，例如《禁止使用强迫劳动管理程序》、《禁止使用童工和补救控制程序》等，帮助公司部门具体实施和执行矿产供应链尽责管理。

公司定期开展矿产供应链尽责管理培训，邀请内部培训师开展尽责管理体系的培训，对供应链尽责管理举办相应专题的培训，提升公司整体供应链尽责管理水平，并对开展的培训活动填写培训记录模板留档。

我们在步骤二风险识别与评估中未识别出任何证据能证明公司的矿产供应链存在直接或间接存在《中国指南》附录一和《经合组织指南》（第三版）附录二所列四类风险的情况，但为预防公司供应链中出现四类风险，及时制定了《风险管理计划》。在实际生产运营的过程中，一旦识别到供应链可能存在风险，我们会调查事实并向供应链尽责管理委员会报告，确定风险存在的版块并开展风险缓解措施。

确立《风险管理计划》后，我们会定期核查、跟踪风险缓解策略的效果，如果风险出现重大变化会及时调整风险管理的方案，持续对风险进行监测及补充评估，确保风险有效缓解。我们也会持续与供应链上各个利益相关方合作，共同推动风险的缓解。

2.4 开展内外部评估

公司建立了内部评估小组，2024年7月制定了内部评估工作计划，于2024年7月26日开展内部评估，总结问题点和风险点，制定改进计划并监督实施效果，对尽责管理绩效进行持续的监督和管理。

交易市场、客户等利益相关方对我们提出了尽责管理的要求，以确保供应链是可追溯和透明的，并且是无冲突和不助长人权侵害的。我们将此视为是一种机会，通过外部评估将为公司赢得社会美誉度和稳定的市场机会。我们积极响应矿产供应链尽责管理要求，于2024年8月14日至15日接受了外部评估并顺利取得评估证书，充分满足利益相关方对供应链合规性、透明度的期待。我们高度重视每场审核与评估工作，针对此次评估中发现的问题点，已编制行动改进计划，切实推动供应链尽责管理绩效提升。为进一步增强供应链管理的透明度，相关评估摘要报告已同步公示于公司官网（<http://www.sichuanhongda.com/Uploadfiles/Files/2025-8-11/20258111147158687.pdf>），欢迎社会各界查阅监督。

未来，我们将持续以外部评估为契机，不断完善供应链尽责管理体系，以更高标准践行对矿产供应链尽责管理的承诺，携手利益相关方共同构建可持续的产业生态。

2.5 对风险管理过程和结果进行沟通 and 报告

公司定期更新尽责管理进展报告，各相关方可查阅年度《供应链尽责管理报告》。本报告依据伦敦金属交易所关于负责任采购透明度的要求（可参见网址：<https://www.lme.com/Company/Responsibility/Responsible-sourcing>）进行披露。我们诚挚欢迎各界对我司供应链尽责管理工作提出建议。

本进展报告由供应链尽责管理办公室牵头，公司各个业务部门参与共同编制，报告大纲、内容、材料均应由管理部门和业务部门共同确定或收集，多部门参与对于供应链合规进展报告的实质性、有效性、可信度发挥至关重要的作用。

按照《中国指南》，并参考《经合组织指南》，进展报告重点陈述公司尽责管理体系（例如供应链政策、管理架构与负责人、供应链监管链与追溯、申诉机制等），供应链风险识别与评估（例如识别出的风险要素、风险评估结果等）以及风险管理（例如风险管理计划中降低风险的策略、风险缓解行动计划等，以及开展的绩效监督和跟踪工作情况等）等方面，以推动必要的信息公开、提高供应链透明度。

2.6 适时提供条件或合作开展补救

补救不是尽责管理过程的组成部分，而是尽责管理中需提供条件并支持的一个单独和关键的过程。公司尽最大努力来试图确保各项突出问题相关的潜在影响不会实际发生。过往的12个月内尚未发生需要补救的事件。

第三章 附录

3.1 《中国指南》和《经合组织指南》报告要求答复索引

《中国指南》报告要求	答复位置	《经合组织指南》报告要求	答复位置
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f. “受冲突影响和高风险地区”的识别程序或方法	P9-10	e. 根据所在国的法律法规要求披露向政府进行支付的相关信息	P9
g. 企业评估报告或概要	P12	2. 企业供应链风险评估	P9-10
h. 报告公开的途径或方法	P2/P12	a. 在适当考虑商业机密和其他竞争保密因素的情况下，公布风险评估结果	P10
i. 每年定期编制报告和公开	P2/P12	b. 阐述实地评估采用的方法、惯例、以及取得的信息	P10
j. 产销监管链或供应链追溯信息	P10	c. 解释企业供应链风险评估使用的方法	P10
k. 原料的原产地信息	P10	3. 风险管理	P11
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		情况。	
m. 实地评估的方法、过程和结果	P10	b. 披露企业开展的绩效监督和跟踪工作情况	P11-12
n. 风险管理计划中所采取的措施、策略、受影响利益相关方的参与情况等	P11		
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Sichuan Hongda Co., Ltd.

2025 Annual Progress Report on Supply Chain Due Diligence Management

About This Report

Prepared by:

Sichuan Hongda Co., Ltd. (hereinafter referred to as "the Company," "we," or "our").

Scope of Reporting:

This report covers the Company's mineral supply chain due diligence management system, including risk identification and assessment, risk mitigation, auditing and evaluation, and reporting steps. The information and data primarily reflect supply chain due diligence activities conducted between July 2024 and June 2025. For continuity, some content and data may reference key developments from prior years.

Reporting Framework:

Aligned with:

China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCME) – *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains*

OECD – *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*

London Metal Exchange (LME) – *Responsible Sourcing Policy*

UN Guiding Principles Reporting Framework

Special Note:

This disclosure complies with the **LME's Responsible Sourcing transparency requirements** (www.lme.com/Company/Responsibility/Responsible-sourcing) .

Updates & Feedback:

The Company updates this report annually. Stakeholders may access progress reports via our official website: www.sichuanhongda.com. We welcome feedback on our due diligence efforts (Contact: shouhai.he@sichuanhongda.com).

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Foreword

Zinc ranks as the world's fourth most widely used metal, following iron, aluminum, and copper. It plays a pivotal role in transportation, infrastructure development, electronics, and renewable energy. Zinc-ion batteries, utilized in electric vehicles, are also considered safer than lithium-ion alternatives. As the global energy transition advances toward a low-carbon economy, demand for zinc is poised to expand further. While growing demand for metallic minerals fuels industry prosperity, it also brings unprecedented challenges—environmental sustainability, innovation, investment, and social license to operate.

Over the past decade, the international community has actively worked to sever ties between industrial and commercial activities and human rights violations, conflict financing, and other severe adverse impacts. A series of global standards and guidelines have emerged to regulate corporate supply chain due diligence, including:

The *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (3rd Edition)* (hereafter "OECD Guidance")

The *China Due Diligence Guidelines for Responsible Mineral Supply Chains* issued by CCCMC (hereafter "China Guidance")

This trend reflects international consensus that businesses must implement supply chain due diligence to identify, prevent, mitigate, and account for actual or potential adverse impacts in their operations, supply chains, and business relationships.

We adhere to domestic and international laws and regulations, including those prohibiting illegal mineral trade and UN sanctions resolutions. We firmly oppose all forms of human rights abuses and conflict facilitation. By adopting and disseminating the *China Guidance* and *OECD Guidance*, we provide a framework for addressing conflict-sensitive activities in mineral supply chains.

The Company commits to identifying and managing the following risks in its supply chain operations:

1. Serious violations associated with mineral extraction, transportation, or trade
2. Direct or indirect support to illegal non-state armed groups
3. Risks related to public or private security forces
4. Bribery, fraudulent misrepresentation of mineral origin, money laundering, and risks concerning tax, fee, and royalty payments to governments

We are committed to collaborating with industry partners and stakeholders to take collective action in building a sustainable and responsible mineral supply chain.

Supply Chain Due Diligence Committee

Sichuan Hongda Co., Ltd.

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Chapter 1: Company Profile

About Sichuan Hongda Co., Ltd.

Sichuan Hongda Co., Ltd. is one of the five listed companies under Shudao Investment Group Co., Ltd. It was listed on the Main Board of the Shanghai Stock Exchange in 2001 (Stock Code: 600331). With a registered capital of 2.642 billion yuan and nearly 2,600 employees, the company operates subsidiaries including the Shifang Phosphorus Chemical Branch, Shifang Non-ferrous Metals Branch, Sichuan Mianzhu Chuanrun Chemical Co., Ltd., Sichuan Hongda Jinqiao Hotel Co., Ltd., Sichuan Huahong International Economic & Technical Investment Co., Ltd., and Sichuan Hongda Engineering Technology Co., Ltd. It also holds equity in Tibet Hongda Duolong Mining Co., Ltd.

In the phosphorus chemical sector, the company has over 60 years of extensive experience. It was among the first to master the ammonium phosphate slurry pressure spray fluidized bed drying technology and built industrial demonstration facilities. It further developed the "fertilizer-salt co-production and cascade utilization" model for industrial-grade ammonium phosphate production, driving advancements in China's utilization technologies for medium- and low-grade phosphate rock. In non-ferrous metallurgy, leveraging more than 30 years of hydrometallurgical zinc production expertise, the company has mastered advanced technologies for lead-zinc mining, beneficiation, smelting, and comprehensive recovery of associated rare and precious metals. Its product range includes zinc ingots, hot-dip galvanizing alloys, and cast zinc alloys, making it a key zinc alloy supplier for major steel enterprises such as Baosteel and Pangang Group. In natural gas chemical production, the company utilizes abundant natural gas resources to develop products like synthetic ammonia (liquid ammonia), achieving industry-leading energy efficiency. In auxiliary industries, it actively expands into technology services and hospitality, providing comprehensive support to clients.

The company is committed to building a green, low-carbon, and circular development model. It holds certifications for ISO9001 Quality Management System, ISO14001 Environmental Management System, and ISO45001 Occupational Health and Safety Management System. It has led or participated in the formulation of eight national or industry standards and possesses 34 patents, along with platforms such as the Sichuan Provincial Enterprise Technology Center and Deyang's first Academician Expert Workstation. Its flagship products, including "Yunding" brand monoammonium phosphate, compound fertilizers, and "Cishan" brand zinc ingots, have been repeatedly honored as "Sichuan Famous Brand Products" and enjoy a strong reputation in domestic and international markets.

Looking ahead, under the leadership of Shudao Group, the company will adhere to the development philosophy of "safety first, quality foremost, people's livelihoods

as priority, and efficiency as focus." It will uphold the strategic approach of "integrated mining and chemical production, integrated mining and metallurgy, combined metallurgy and chemical processing, and industrial synergy," concentrating on two major industrial chains—green phosphorus chemicals and integrated non-ferrous metal mining, beneficiation, and smelting. By intensifying innovation efforts, the company will drive the high-end, intelligent, and green transformation of traditional industries, striving to become a nationally leading phosphorus chemical enterprise and a top-tier non-ferrous metals company.

Chapter 2: Supply Chain Due Diligence Practices

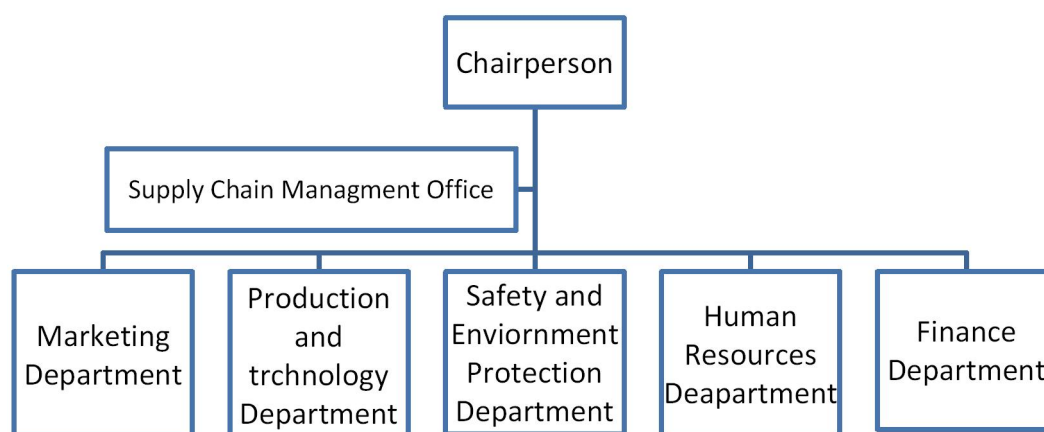
This chapter outlines the six-step due diligence process, developed in accordance with the recommendations of the *Chinese Due Diligence Guidelines* for corporate due diligence implementation.

2.1 Implementation and Enhancement of the Due Diligence Management System

The Company's supply chain due diligence management system has been operational for two and a half years, during which two internal and external evaluations were conducted, achieving the expected outcomes. *The Supply Chain Due Diligence Office formulated and approved the Corrective Action Plan (CAP)* for Supply Chain Due Diligence Evaluation Projects, which aggregates and addresses issues identified during assessments. In December 2024, the Supply Chain Due Diligence Committee reviewed and revised all procedural documents.

An internal supply chain due diligence framework has been established, supported by the Supply Chain Due Diligence Committee. The Committee comprises:

- Chairperson and Deputy Chairperson
- Supply Chain Management Office (overseen by the Marketing Company for daily operations)
- Representatives from key departments:
 - ✧ Marketing Company
 - ✧ Production and Technology Department
 - ✧ Safety and Environmental Protection Department
 - ✧ Human Resources Department
 - ✧ Finance Department



The company has established a supply chain control and transparency system to identify participants in the corresponding mineral supply chain, origin information (mining rights), transportation route details, as well as to fulfill tax and fee obligations to the government and make disclosures in compliance with Chinese laws and regulations.

The company has formulated the Procedure for Identifying "*Conflict-Affected and High-Risk Areas*" (CAHRAs), confirming that the countries involved in its operations and supply chains are not designated as conflict-affected or high-risk regions. Based on the company's *Red Flag Identification Checklist*, the assessment concludes that no red flags were triggered within the company's operations.

This framework ensures responsible mineral sourcing aligned with internationally recognized due diligence standards.

Table 1: Supply Chain Traceability Information

<p>The Company conducts "Red Flag Reviews" to compile and analyze the following critical supply chain data:</p> <ol style="list-style-type: none"> 1. Country/Region of Origin for raw materials 2. Names and addresses of all entities in the supply chain, includes: Mining sites, local traders, warehouses, trading hubs, smelters, exporters, and international merchants 3. Transportation routes and Shipping methods 4. Trade names of minerals/metals and Product types 5. Direct suppliers' ownership structures and Beneficial ownership information for all known upstream enterprises

The Company fully recognizes that establishing a sustainable and responsible mineral supply chain requires concerted efforts from all parties, and is committed to collaborating with suppliers to jointly improve the supply chain due diligence management system. The Company has developed a supplier due diligence management procedure to oversee different types of suppliers, requiring key suppliers to sign the "*Supplier Code of Conduct*" to confirm their compliance with supplier

policies aligned with the Company's due diligence policies. The Company maintains regular communication with suppliers to assist them in enhancing their due diligence performance.

The Company highly values the demands of stakeholders and fully acknowledges the importance of establishing communication channels. To promptly identify and address potential risks in the supply chain, such as those that may contribute to conflicts or human rights violations, and to ensure smooth communication between internal and external stakeholders and the Company, a grievance mechanism has been established along with detailed grievance management procedures.

The grievance mechanism provides a channel for both internal and external stakeholders to express their expectations and demands, and serves as an essential component of the due diligence management system. All relevant parties may submit reasonable demands to the Company through the grievance mechanism. Under any circumstances, the Company guarantees that all received grievance materials will be handled, investigated, responded to, and archived independently, fairly, and objectively. As of the date of this report's release, the Company has not received any grievances.

In response to changes in corporate operations, supply chains, local government policy requirements, and other business relationships, the Company will periodically review and update its due diligence policies.

2.2 Risk Identification and Assessment

The Company conducts red flag screening to identify and assess risks associated with mining, trading, processing and export activities, and determines the scope of supply chain risk identification based on the screening results.

Table 2: Three Categories of Red Flags

Red Flags for Mineral Origin and Transportation Routes	<ol style="list-style-type: none"> 1. Sourcing from Conflict-Affected and High-Risk Areas (CAHRAs) 2. Transportation passing through CAHRAs 3. Discrepancy between claimed and actual production capacity (e.g., declared origin country's output exceeds known reserves or expected production levels) 4. Transshipment through CAHRAs (origin country merely serving as a transit point) 5. Recycled materials processed in CAHRAs
Supplier Red Flags	Operations in High-Risk Areas

	<p>1. Supplier or upstream entities conduct business in Conflict-Affected and High-Risk Areas (CAHRAs)</p> <p>2. Ownership/beneficial interest in suppliers located in CAHRAs</p> <p>Historical Sourcing from Red Flag Zones</p> <p>1. Evidence of procurement from warned mining sites or transit countries within the past 12 months</p>
Red Flags Under Specific Circumstances	<p>1. Collect information to identify abnormal circumstances and determine whether mineral-related activities may contribute to conflicts or other rights violations;</p> <p>2. Cases where the country of origin or transit countries of minerals cannot be determined.</p>

As previously stated, the Company is located in China. According to the assessment conducted under the Company's "*Identification Procedure for Conflict-Affected and High-Risk Areas*", neither China nor any countries involved in our supply chain are classified as "Conflict-Affected and High-Risk Areas". Furthermore, based on the Company's "*Red Flag Identification Checklist*" evaluation, no red flags have been triggered in our operations.

Table 3: Partial Reference Materials for Risk Assessment

<p>To enhance the objectivity of identifying and assessing "Conflict-Affected and High-Risk Areas," our evaluation references publicly available information from authoritative external sources, including but not limited to:</p> <ol style="list-style-type: none"> 1. EU List of Conflict-Affected and High-Risk Areas: https://www.cahraslist.net/cahras 2. UN Security Council Sanctions Information: https://scsanctions.un.org/consolidated/ 3. Heidelberg Institute for International Conflict Research "Conflict Barometer": https://hiik.de/conflict-barometer/current-version/?lang=en 4. World Bank "Worldwide Governance Indicators": http://info.worldbank.org/governance/wgi/index.aspx#home 5. Great Lakes Region List: https://www.greatlakesofafrica.org/about-the-lakes/

2.3 Risk Prevention and Mitigation

The Company has established the principle of "prioritizing risk prevention," which is reflected in comprehensive internal control measures. These internal control measures specifically include a series of control procedures, such as the "*Prohibition of Forced Labor Management Procedure*" and the "*Prohibition of Child Labor and Remedial Control Procedure*", to assist various departments in concretely implementing and executing mineral supply chain due diligence management.

The Company regularly conducts training on mineral supply chain due diligence management, inviting internal trainers to deliver training on the due diligence management system and organizing specialized training sessions on supply chain due diligence. These efforts aim to enhance the overall level of supply chain due diligence management across the Company, with all training activities documented using standardized training record templates.

In Step 2 (Risk Identification and Assessment), we did not identify any evidence indicating that the Company's mineral supply chain directly or indirectly involves the four categories of risks listed in Appendix 1 of the "*Chinese Guidelines*" and Appendix II of the "*OECD Guidelines*" (Third Edition). However, to prevent the occurrence of these four risk categories in our supply chain, we promptly developed a "*Risk Management Plan*." During actual production and operations, once potential risks in the supply chain are identified, we investigate the facts, report to the Supply Chain Due Diligence Committee, determine the specific areas where risks exist, and implement risk mitigation measures.

After establishing the "*Risk Management Plan*," we regularly review and track the effectiveness of risk mitigation strategies. If significant changes in risks occur, we promptly adjust the risk management approach, continuously monitor the risks, and conduct supplementary assessments to ensure effective risk mitigation. We also maintain ongoing collaboration with various stakeholders in the supply chain to jointly promote risk mitigation.

2.4 Conducting Internal and External Assessments

The Company established an internal assessment team, formulated an internal assessment work plan in July 2024, and conducted an internal assessment on July 26, 2024. The assessment summarized issues and risk points, developed improvement plans, monitored implementation effectiveness, and ensured continuous oversight and management of due diligence performance.

Stakeholders such as trading markets and clients have raised due diligence requirements to ensure the supply chain is traceable, transparent, conflict-free, and does not contribute to human rights violations. We view this as an opportunity to enhance the Company's social reputation and secure stable market prospects through external assessments. In response to mineral supply chain due diligence requirements, we underwent an external assessment on August 14-15, 2024, successfully obtaining the assessment certificate. This fully meets stakeholders' expectations for supply chain

compliance and transparency. We attach great importance to each audit and assessment. For the issues identified in this assessment, we have developed an action improvement plan to effectively enhance supply chain due diligence performance. To further improve supply chain transparency, the assessment summary report has been published on the Company's official website (<http://www.sichuanhongda.com/Uploadfiles/Files/2025-8-11/20258111147158687.pdf>), and we welcome public review and oversight.

Moving forward, we will continue leveraging external assessments as opportunities to refine our supply chain due diligence management system. By adhering to higher standards, we will fulfill our commitment to responsible mineral supply chains and collaborate with stakeholders to build a sustainable industrial ecosystem.

2.5 Communicating and Reporting on Risk Management Processes and Outcomes

The Company regularly updates due diligence progress reports, which are accessible to relevant parties in the annual *Supply Chain Due Diligence Report*. This report is disclosed in accordance with the London Metal Exchange's responsible sourcing transparency requirements (refer to: <https://www.lme.com/Company/Responsibility/Responsible-sourcing>). We sincerely welcome suggestions from all sectors regarding our supply chain due diligence efforts.

The progress report is led by the Supply Chain Due Diligence Office and jointly prepared with input from various business departments. The report outline, content, and materials are collaboratively determined or collected by management and operational departments. Multi-departmental involvement plays a crucial role in ensuring the substance, effectiveness, and credibility of the supply chain compliance progress report.

Aligned with the *Chinese Guidelines* and referencing the *OECD Guidelines*, the progress report highlights the Company's due diligence management system (e.g., supply chain policies, management structure and responsible parties, supply chain oversight and traceability, grievance mechanisms, etc.), supply chain risk identification and assessment (e.g., identified risk factors, risk assessment results), and risk management (e.g., risk mitigation strategies in the Risk Management Plan, risk mitigation action plans, and performance monitoring and tracking efforts). These measures promote necessary information disclosure and enhance supply chain transparency.

2.6 Providing Conditions or Collaborating on Remediation When Appropriate

Remediation is not part of the due diligence process but rather a separate and critical process that requires provision of conditions and support under due diligence. The Company makes every effort to ensure potential impacts related to identified

issues do not materialize. Over the past 12 months, no incidents requiring remediation have occurred.

Chapter 3: Appendices

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