



# MICA SUPPLY CHAIN DUE DILIGENCE REPORT (2024)

## PAMICA TECHNOLOGY CORPORATION

Under the global trend of green economic transformation and sustainable development, Responsible Minerals Procurement (RMP) has become a critical strategic issue across all segments of the industrial chain. As a leading enterprise in China's mica insulation materials industry—Pamica Technology Corporation. (Stock Code: 001359, a national manufacturing single champion demonstration enterprise)—we place supply chain responsibility management at the core of our corporate development. We fully recognize the Environmental, Social, and Governance (ESG) risks in the mica supply chain, including but not limited to: the ecological impact of resource extraction; Labor rights protection Supply chain transparency and other key challenges.

Based on this understanding, Pamica Technology Corporation solemnly commits to: we will continuously improve supply chain transparency; collaborate with suppliers, customers, and stakeholders to build a more responsible and sustainable mica supply chain. To this end, we have specially compiled and released the "2024 Annual Report on Mica Supply Chain Due Diligence", which systematically evaluates the social responsibility performance across the entire mica procurement process, identifies potential risks, and formulates continuous improvement plans.

## **Compilation Principles**

This report is prepared with reference to: EU Battery and Waste Battery Regulation and OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) , and also Requirements of the Responsible Minerals Initiative (RMI)

## **Content Framework**

This report strictly adheres to international standards such as the OECD Guidance and EU Battery Regulation, incorporating third-party audit results and field research data, it provides an in-depth analysis of the supply chain's ESG performance, focusing on: environmental protection, social responsibility, corporate governance. Through these measures, we aim to enhance supply

chain compliance, strengthen supply chain resilience, and contribute to the sustainable development of the industry.

## **Publication Method**

The report is published annually in a digital format, accessible on our official website: [www.pamica.com.cn](http://www.pamica.com.cn).

## **Copyright Notice**

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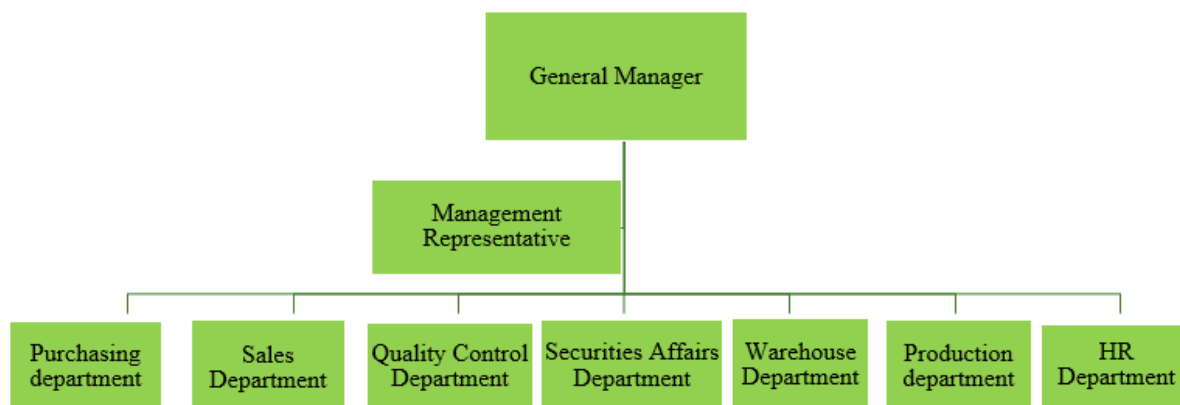
## **Annex**

To improve our due diligence management system, we have engaged the professional agency RCS to conduct specialized training on supply chain due diligence. We have systematically established a mineral supply chain due diligence management system and formulated supporting documents: "Responsible Minerals Sourcing Policy" (published on our website) and "Due Diligence Manual".

## **Chapter 1: Corporate Due Diligence Management System**

1. Establish responsible sourcing policy: Aligned with OECD Guidance and EU Battery Regulation, Following the "Five-Step Framework". We have published on our website and communicated to all stakeholders. Link of policy: [www.pamica.com.cn](http://www.pamica.com.cn).

2. To effectively advance the responsible management of the mineral supply chain and ensure the successful implementation of relevant policies, our company has established a comprehensive organizational system for responsible management. Each functional department strictly adheres to its designated responsibilities, and through regular internal accountability and cross-departmental communication and collaboration, we ensure the effective enforcement and execution of these policies. The specific organizational structure is as follows:



3. Our company conducts regular annual responsible procurement training for relevant departments, with records maintained.

4. We have Collected Know Your Supplier (KYS) forms and mapped the supply chain.

5. All incoming materials from suppliers are strictly controlled. Material receipt and issuance (based on production processes and workflows) are recorded in SAP system, with batch-level control and traceability implemented.

6. Conduct regular management reviews, develop improvement plans based on evaluation results, and implement these plans. Supervise and build the capacity of suppliers, and sign legally effective agreements (Commitment to Responsible Mineral Supply Chain Procurement Policy). Currently, through our company's training and guidance, five suppliers have undergone audits by third-party auditing agencies commissioned by RMICA, and one supplier has undergone a second-party audit by RCS.

7. For mica supply chain stakeholders, our company has established both internal and external grievance channels and has published a due diligence public email address and contact number: ✉Email: IR@pamica.com.cn; Phone: +86 715-4637899. We encourage participation from internal employees, business partners, and other stakeholders to report complaints, submit inquiries, conduct investigations, or provide notifications related to due diligence management. All matters will be addressed and resolved within the stipulated timeframe.

## **Chapter 2: Risk (CAHRAs) Identification & Assessment**

### **1. CAHRAs Identification Process and result:**

We established the Identification Procedure of CAHRAs, our company assesses supply chain risks through three critical dimensions (Human Rights, Conflict Governance) in alignment with two regulatory frameworks: the *Dodd-Frank Act* (Section 1502) and *EU Regulation (2017/821)*, then we get the list of CHHRAs. This process enables identification of CAHRAS-affected areas in our supply chain. Almost all the countries our supplier located in are with CAHRAs (For example Madagascar, Nigeria, India) due to mining origins or transit routes are in the area with CAHRAS.

### **2. Alert Signal Identification and Mitigation:**

We identify and mitigate alert signals generated from the identified CAHRAs (Conflict-Affected and High-Risk Areas) list. Currently, for six suppliers in our supply chain, we have excluded warning signals based on their provided third-party audit reports (e.g., SGS, TÜV) and SA8000 certifications, eliminating the need for further due diligence. For suppliers without third-party audits or supporting certifications to verify risk status, we conduct enhanced due diligence, including on-site and remote assessments, as the alert signals cannot be ruled out. Through enhanced due diligence, we evaluate risks and develop corresponding mitigation plans based on the final risk assessment.

## **Chapter 3: Develop and execute risk mitigation plans targeting identified risk exposures**

### **1. Risk Categories & Mitigation:**

High Risk: Terminate supplier contracts if compliance is unmet within 3 months.

Medium Risk: Follow Responsible Sourcing Policy guidelines.

Low Risk: No mitigation required.

Action Plan: Engaging stakeholders to develop risk mitigation plans. Encouraging suppliers to undergo third-party audits (human rights/environmental safety).

#### **Chapter 4: Independent Third-Party Audits**

At the beginning of 2024, our company engaged RCS to provide training, system development, and auditing for our supply chain due diligence program. Currently, we are formulating plans to subject another one of our refineries to third-party auditing.

#### **Chapter 5: Annual Supply Chain Due Diligence Report**

As a core participant in the mineral supply chain, we publicly disclose our supply chain due diligence measures through annual reports, fulfilling our international commitment to responsible sourcing and addressing transparency requirements from regulators, customers, and the public. We promote industry transparency and establish a credible traceability system. Furthermore, We Pamica Technology Corporation actively engages in global responsible mineral supply chain initiatives. We promote due diligence requirements and best practices across the industry while incorporating feedback and insights on responsible mineral supply chain management. This report is available for viewing and download on our official website ([www.pamica.com.cn](http://www.pamica.com.cn)).

**PAMICA TECHNOLOGY CORPORATION**

**2nd of April,2025**