

Mineral Supply Chain Due Diligence Assessment

Summary Report

Assessed Party	Jilin Zijin Copper Co., Ltd.				
Assessment Date	08/22/2024-08/23/2024				
Assessed Material	Copper				
LME-listed Brand	JILIN ZIJIN				
Assessment Type	<input checked="" type="checkbox"/> Main Assessment <input type="checkbox"/> Tracking Assessment				
Assessment Result	<input type="checkbox"/> AAA	<input type="checkbox"/> AA	<input checked="" type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C
Assessment Firm	China Quality Mark Certification Group Co.,Ltd.				
Assessor	Wei Zongping, Zhang Sen Intern Assessor: Wang Lixin, Wang Jinghan				

Instruction

Objective

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

Basis of the Assessment

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

Explanation of Conformity Degree

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

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

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

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

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

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

Explanation of Assessment Results

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

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

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

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

items does not exceed 10% of all applicable items.

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

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

Description of Assessment Type

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

1. Assessed Party

Company Name	Jilin Zijin Copper Co., Ltd.
Refinery Name	Jilin Zijin Copper Co., Ltd.
Location	No. 18 Community, Border Cooperation Zone, Hunchun City, Yanbian Prefecture, Jilin Province
Profile Number	DDMSC-CNCu0064

2. Assessment Results

Type	<input checked="" type="checkbox"/> Main Assessment		<input type="checkbox"/> Tracking Assessment		
Result	<input type="checkbox"/> Level AAA	<input type="checkbox"/> Level AA	<input checked="" type="checkbox"/> Level A	<input type="checkbox"/> Level B	<input type="checkbox"/> Level C

3. Assessment Scope

Materials	Copper
LME-listed Brand	JILIN ZIJIN
Types of Materials	<input type="checkbox"/> Mine materials <input type="checkbox"/> Recycled materials <input checked="" type="checkbox"/> Both
Assessment Period	<input checked="" type="checkbox"/> 12 months: 06/01/2023-05/31/2024 <input type="checkbox"/> Less than 12 months:

4. Summary of Assessment Results

Assessment Result	A
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Step 1: Establishing A Corporate Due Diligence System	
Develop and adopt due diligence policy	The Company has formulated and approved the release of the <i>Copper Supply Chain Due Diligence Policy for Jilin Zijin Copper Co., Ltd.</i> , which is in line with the requirements of the <i>Chinese Due Diligence Guidelines for Mineral Supply Chain</i> .
Structure appropriate internal management systems	The Company has established a Supply Chain Due Diligence Committee and a cross departmental Supply Chain Due Diligence Joint Office, responsible for the operation of the Supply Chain Due Diligence Management System.
Establish a system of controls and transparency over the supply chain	The Company has established a supply chain control and transparency system, formulated the <i>Responsible Procurement Control Procedure</i> , and clearly collected and understood the traceability information of the Company's mineral supply chain. For supply chains that trigger warning signs, The Company require further supplementation and collection of mineral supply chain traceability information required for the review of supply chain warning signals.
Strengthen engagement with suppliers	The Company required the suppliers to sign the <i>Supplier Code of Conduct</i> , <i>Contract terms</i> and a commitment/statement to comply with the <i>Responsible Supply Chain Risk Management Measures</i> , to ensure that suppliers follow policies consistent with the company's due diligence policy. However, the company needs to make further efforts to assist suppliers to build their capabilities.
Establish a company level grievance mechanism and/or participate an	The Company has formulated the Complaint Mechanism of Supply Chain Due Diligence Management, which includes the recording, response and handling of complaints and is publicized

industrial level grievance mechanism	on the Company official account. The Company has recognized and committed to participating in the grievance mechanisms at the industry level.
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Step 2: Risk Identification and Assessment	
Conduct warning signs review, and identify the scope of the risk assessment of the mineral supply chain based on the results of warning signs review	The Company has established the <i>Copper Supply Chain Risk Management Procedure</i> and <i>The Conflict Affected and High Risk Areas (CAHRAs) Identification Procedure</i> , and has carried out warning signs review on suppliers. The Company has developed and implemented an information verification procedure. Information is verified through <i>Know Your Supplier (KYS) Questionnaire</i> and <i>Supply Chain Traceability Form</i> to suppliers. However, the company needs to further improvement in the collection of supply chain traceability information.
When warning signs are identified, companies shall conduct an on-the-ground assessment of the corresponding supply chain	During this assessment period, the company identified warning signs in the supply chain, developed the <i>On-site Assessment Control Procedure</i> and <i>On-site Assessment Tool</i> , and commissioned a management consulting company to complete the on-site Assessment. However, the on-site Assessment report has not yet been completed.
Assess risks in the supply chain	The Company has carried out a supply chain risk assessment and formed a <i>Risk Identification and Assessment Report</i> . However, as the on-site Assessment report has not yet been completed, further supplementation is needed to comprehensively identify supply chain risks.
Step 3: Risk Prevention and Mitigation	
Report risk assessment results internally	The Company's risk assessment results can be reported to senior managers.
Develop and adopt risk management plan	The Company has formulated and approved the <i>Risk Management Plan</i> , which covers mitigation strategies and response programmes for different risks.
Implement risk management plan, monitor and track performance of	The Company has implemented the <i>Risk Management Plan</i> , and the communication and cooperation with multiple stakeholders in tracking and monitoring the implementation of the <i>Risk Management Plan</i> need

risk mitigation strategies	to be further strengthened.
Supplementary assessment of risks that need to be mitigated. Supplementary assessment can also be conducted after actual circumstances have changed	The Company clearly requires the implementation of the <i>Risk Management Plan</i> in its due diligence policy, and if the actual situation or the supply chain changes, continuous monitoring and additional assessment shall be conducted for risks that need to be mitigated.
Step 4: Internal and External Assessment	
Companies should establish internal assessment system, to continuously monitor and manage due diligence performance	The Company has conducted an internal assessment and completed an internal assessment report. However, it is necessary to further strengthen the due diligence management ability and professionalism of the internal assessment personnel.
Companies should designate the second or third party to conduct assessment when applicable	This is the second time for the company to participate in the third-party assessment of copper supply chain due diligence.
When necessary, the company at the key points (smelters/refiners) makes necessary disclosures on the assessment results	The Company made commitment to release the <i>Summary Report of Supply Chain Due Diligence Assessment</i> to the public.
Step 5: Reporting and Communication	
Develop due diligence progress report	The Company has compiled the <i>Jilin Zijin Copper Industry Co., Ltd. 2023-2024 Supply Chain Due Diligence Management Progress Report</i> , and the completeness of the disclosed content in the report needs to be further improved.
With due regard to business confidentiality and other	The Company has released the <i>Jilin Zijin Copper Industry Co., Ltd. 2023-2024 Supply Chain Due Diligence Management Progress Report</i> to the public on the WeChat official account.

competitive concerns, companies should publish due diligence progress reports or summary	Link: https://mp.weixin.qq.com/s/w7pzxwVBjSfXw_Gl2TtfSg
Step 6: Provide for or Cooperate in Remediation When Appropriate	
When the company recognize that it has caused or contributed to actual adverse impacts, they should mitigate these impacts by providing for or cooperating in remediation when appropriate	N/A
Companies provide conditions or cooperate with existing remedial mechanisms in a timely manner	N/A