

Mineral Supply Chain Due Diligence Assessment

Summary Report

Assessed Party	Jilin Zijin Copper Co., Ltd				
Assessment Date	07/24/2023-07/25/2023				
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	Yang Jing, Wei Zongping				

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	Province/ municipality	Jilin Province, China	City	Hunchun City
Profile Number	DDMSC-CNCu0003			

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: 06/01/2022-05/31/2023

	<input type="checkbox"/> Less than 12 months:
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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 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 Due Diligence Committee and a Joint Office for Due Diligence to assign due diligence responsibilities to relevant management and employees. The Company has invited experts to provide training for relevant personnel of the Joint Office. However, the scope of the training participants needs to be further expanded to promote employees at all levels and departments to improve their awareness of supply chain due diligence and understand the Company's supply chain due diligence policies and requirements.
Establish a system of controls and transparency over the supply chain.	The Company has established a supply chain control and transparency system, requiring suppliers to fill out the <i>Know Your Supplier (KYS) Questionnaire</i> to collect and understand traceability information of its mineral supply chain.
Strengthen engagement with suppliers.	The Company requires suppliers to sign the <i>Supplier Code of Conduct</i> , Contract terms 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 and improve their due diligence performance.
Establish a company level grievance mechanism and/or participate an industrial level grievance mechanism.	The Company has formulated the <i>Grievance Mechanism of Supply Chain Due Diligence</i> , and is committed to participating in the grievance mechanisms at the industry level.

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>Procedure for Identification of Conflict Affected and High-Risk Areas (CAHRAs)</i> , and carries out warning sign review on suppliers. The Company has developed and implemented the information verification procedure. Information is verified through <i>Know Your Supplier (KYS) Questionnaire</i> to suppliers. However, the Company needs to further expand the scope of traceability information in the mineral supply chain.
When warning signs are identified, companies shall conduct an on-the-ground assessment of the corresponding supply chain.	Through the review process, the Company identified warning signs of raw material sourcing. However, due to limited access to the supply chain, the Company has not yet been able to conduct on-site assessments, but it has developed and approved an on-site assessment plan, and the Company is communicating and coordinating with suppliers.
Assess risks in the supply chain.	The Company carried out supply chain risk rating and completed a brief report on risk assessment. However, the assessment scope is incomplete.

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 a <i>Risk Management Plan</i> , covering risk mitigation strategies that comply with the requirements of the <i>Chinese Due Diligence Guidelines for Mineral Supply Chain</i> . The Risk

	<i>Management Plan</i> has been approved by the Due Diligence Committee.
Implement risk management plan, monitor and track performance of risk mitigation strategies.	The Company has implemented the <i>Risk Management Plan</i> . However, the Company needs to further strengthen the communication and cooperation with suppliers, industry organizations and other relevant parties in the implementation, supervision and performance tracking of the <i>Risk Management Plan</i> .
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 established an internal assessment team and conducted internal assessments. However, it is necessary to further strengthen internal auditor's capacity building, and refine its internal assessment system.
Companies should designate the second or third party to conduct assessment when applicable.	This is the first 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 compiled the <i>2022-2023 Supply Chain Due Diligence Progress Report</i> .

With due regard to business confidentiality and other competitive concerns, companies should publish due diligence progress reports or summary.	The Company released the <i>2022-2023 Supply Chain Due Diligence Progress Report</i> to the public. Link: http://www.zijinty.com/upload/file/20230627/16878342783095334.pdf
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