

Mineral Supply Chain Due Diligence Assessment

Summary Report

Assessed Party	Jiangxi Copper (QingYuan) Co., Ltd.				
Assessment Date	11/28/2024-11/29/2024				
Assessed Material	Copper				
LME-listed Brand	JCC-QY				
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 Standard Conformity Assessment CO., LTD (CSCA)				
Assessor	Yang Dong, Qiao Yazhen				

Instruction

Objective

This assessment program is an independent third-party assessment conducted by China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCCMC) based on *Chinese Due Diligence Guidelines for Responsible 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 Responsible 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 do 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 do 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	Jiangxi Copper (QingYuan) Co., Ltd
Refinery Name	Jiangxi Copper (QingYuan) Co., Ltd
Location	No. 39 Qingsan Road, Nonferrous metal processing Manufacturing base, Shijiao Town, Qingcheng District, Qingyuan City, Guangdong Province
Profile Number	DDMSC-CNCu0099

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	JCC-QY
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: 09/01/2023 - 08/31/2024 <input type="checkbox"/> Less than 12 months:
Warning Sign Triggered or Not	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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</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 an internal supply chain due diligence framework and established a joint supply chain due diligence office composed of cross-functional departments to assign the responsibilities of due diligence to relevant management and employees.
Establish a system of controls and transparency over the supply chain	The company has established a supply chain control and transparency system to collect and understand the traceability information of the company's mineral supply chain. For supply chains that trigger warning signals, further supplementary collection of supply chain traceability information is required.
Strengthen engagement with suppliers	The company requires suppliers to sign <i>the Supplier Code of Conduct</i> , <i>the Responsibility Contract Terms</i> and <i>the Due Diligence Management Statement and Commitment</i> to pass on the supply chain due diligence management requirements. Further improvements are needed in working with suppliers to develop risk management plans, assisting suppliers in capacity building, and enhancing their due diligence performance.

Establish a company level grievance mechanism and/or participate an industrial level grievance mechanism	The company has developed the <i>Grievance Mechanism for Supply Chain Due Diligence</i> to provide channels for stakeholders to express concerns. The company has also identified and participated in the grievance mechanism 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 a process for identifying <i>Conflict Affected and High Risk Areas (CAHRAs)</i> <i>Identification Procedure</i> and conducted supplier warning signal reviews. The company has developed and implemented information verification procedures to collect information and relevant evidence for warning signs review by collecting the <i>Know Your Supplier (KYS) Questionnaires</i> from suppliers. The integrity of mineral supply chain traceability information needs to be further improved.
When warning signs are identified, companies shall conduct an on-the-ground assessment of the corresponding supply chain	The company has conducted warning sign reviews and identified "warning signal" in the supply chain, developed the <i>on-site assessment procedure</i> , and planned to jointly commission an external evaluation team to carry out the field evaluation.
Assess risks in the supply chain	The company has carried out the copper supply chain risk assessment and produced the <i>Risk Identification and Assessment Report</i> .
Step 3: Risk Prevention and Mitigation	
Report risk assessment results internally	The company has developed a <i>Report Form on Risk Assessment Results</i> and reported it to the senior management.

Develop and adopt risk management plan	The company has developed and approved the <i>Risk Management Plan</i> , which covers mitigation strategies and response options to address different risks.
Implement risk management plan, monitor and track performance of risk mitigation strategies	The company has developed and implemented <i>Risk Implementation and Monitoring Procedures</i> to monitor the implementation of the management of identified potential risks in the supply chain. Collaboration with stakeholders and local communities in the implementation of risk management monitoring needs 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 has conducted additional risk assessment needs assessments during the year and did not find any cases that required additional assessments due to changes in the supplier profile. The company makes it clear that when the real situation or the supply chain changes or risks are found, the risks that need to be mitigated are monitored and supplementary assessment is carried out.
Step 4: Internal and External Assessment	
Companies should establish internal assessment system, to continuously monitor and manage due diligence performance	The company has formulated the <i>Internal evaluation Work Plan</i> , set up an internal evaluation team, carried out an internal evaluation and completed the <i>Internal Evaluation Report</i> , but the <i>Internal evaluation Work Plan</i> needs to be further improved.
Companies should designate the second or third party to conduct assessment when applicable	The company has commissioned a third party to conduct the evaluation, and this evaluation is the second annual third-party evaluation of the company's supply chain due diligence.

When necessary, the company at the key points (smelters/refiners) makes necessary disclosures on the assessment results	The company has committed to releasing the <i>Mineral Supply Chain Due Diligence Assessment Summary Report</i> to the public.
Step 5: Reporting and Communication	
Develop due diligence progress report	The company has compiled the <i>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 has publicly released the <i>Supply Chain Due Diligence Progress Report</i> on the official website. Report link: http://www.jccs.com.cn/news_show.aspx?id=244
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
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