

## Mineral Supply Chain Due Diligence Assessment

### Summary Report

Assessed Party	Jinchuan Group Copper and Precious Metal Co., Ltd.
Assessment Date	06/25/2024-06/27/2024
Assessed Material	Copper
LME-listed Brand	GRADE A BRAND JNMC
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	Mao Qingsong, Qiao Yazhen; Internship assessor: Yang Dong

## 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 (CCCCMC) 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	Jinchuan Group Copper and Precious Metal Co., Ltd.
Refiner Name	Jinchuan Group Copper and Precious Metal Co., Ltd.
Location	No.2 Jianshe Road, Jinchuan District, Jinchang City, Gansu Province, China
Profile Number	DDMSC-CNCu0056

## 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	GRADE A BRAND JNMC
Types of Materials	<input type="checkbox"/> Mining materials <input type="checkbox"/> Recycled materials <input checked="" type="checkbox"/> Both
Assessment Period	<input checked="" type="checkbox"/> 12 months: 04/01/2023-03/31/2024 <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 <i>Policy for Due Diligence Management of Copper Supply Chain</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 organizational structure for copper supply chain due diligence management, set up a Due Diligence Committee of Copper Supply Chain, and assigned due diligence responsibilities to relevant senior 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, formulated <i>Supplier Classification Management Procedure</i> to collect and understand the traceability information of its mineral supply chain. For suppliers that trigger warning signs, the Company require further collection of mineral supply chain traceability information for supply chain warning sign review.
Strengthen engagement with suppliers.	The Company formulated the <i>Liability Contract Terms</i> and <i>Supply Chain Due Diligence Statement and Commitment</i> , and required suppliers to sign above documents, to ensure its suppliers comply with policies that are consistent with the Company's due diligence policy. The Company needs to further strengthen its efforts to assist suppliers in capacity building and improve their due diligence awareness and performance.

Establish a company level grievance mechanism and/or participate an industrial level grievance mechanism.	The Company has established the <i>Grievance Mechanism for Supply Chain Due Diligence</i> and <i>Grievance Handling Measures for Supply Chain Due Diligence</i> . The Company identified and committed to participating in the grievance mechanism at the industry level.
<b>Step 2: Risk Identification and Assessment</b>	
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 formulated the <i>Procedure for Identification of Conflict Affected and High-Risk Areas (CAHRAs)</i> and carried out warning sign review on suppliers. The Company has formulated and implemented information verification procedure, and verified information by requiring suppliers to fill in the <i>Know Your Supplier (KYS) Questionnaire</i> and <i>Copper Chain Custody Information Form for Raw Material of the Mine Source</i> . The Company needs to further improve their cooperation with suppliers in collecting traceability information of mineral supply chain.
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 that supply chain triggered warning signs. The Company has participated in the industry joint on-the-ground assessment and jointly commissioned an external expert team to conduct the on-the-ground assessment.
Assess risks in the supply chain.	The Company has established the <i>Supply Chain Risk Management Procedure</i> , conducted supply chain risk assessment accordingly, and compiled the <i>Risk Identification and Assessment Report</i> .
<b>Step 3: Risk Prevention and Mitigation</b>	
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> , covering mitigation strategies and response plans for different risks. The Company has communicated with stakeholders during the development of the <i>Risk Management Plan</i> . Limited by the accessibility of supply chain traceability information, the Company has adopted a risk mitigation strategy of temporarily suspending trade while pursuing ongoing measurable risk mitigation.
Implement risk management plan, monitor and track performance of risk mitigation strategies.	The Company maintains communication with stakeholders to jointly promote the implementation of the <i>Risk management Plan</i> , and regularly monitors the implementation 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 has formulated the <i>Additional Risk Assessment Form</i> to ensure after the implementation of the <i>Risk Management Plan</i> , it can continuously monitor and conduct supplementary assessment of the risks that need to be mitigated in the event of changes in the actual situation and supply chain.
<b>Step 4: Internal and External Assessment</b>	
Companies should establish internal assessment system, to continuously monitor and manage due diligence performance.	The Company has formulated an <i>Internal Assessment Work Plan</i> , established an internal assessment team, carried out internal assessment and compiled the <i>Internal Assessment Report</i> . The personnel qualification and capacity requirements for internal assessors in the Company's internal assessment system need further clarified.
Companies should designate the second or third party to conduct assessment when applicable.	It is the first time for the Company to participate in the independent third-party assessment of copper supply chain due diligence management.
When necessary, the company at the key points (smelters/refiners)	The Company has committed to releasing the <i>Assessment Summary Report of Supply Chain Due Diligence</i> to the public.



makes necessary disclosures on the assessment results.	
<b>Step 5: Reporting and Communication</b>	
Develop due diligence progress report	The Company compiled the <i>Annual Progress Report on Supply Chain Due Diligence of Jinchuan Group Copper and Precious Metal Co., Ltd.</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>Annual Progress Report on Supply Chain Due Diligence of Jinchuan Group Copper and Precious Metal Co., Ltd.</i> Link: <a href="https://mp.weixin.qq.com/s/N0Ob1qa3vWKOLcm4ZnGSuw">https://mp.weixin.qq.com/s/N0Ob1qa3vWKOLcm4ZnGSuw</a>
<b>Step 6: Provide for or Cooperate in Remediation When Appropriate</b>	
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