

## **Jiangxi Copper Lead&Zinc Metal Co., Ltd**

### **Due Diligence Management Policy for the Lead&Zinc Supply Chain**

Jiangxi Copper Lead&Zinc Metal Co., Ltd (hereinafter referred to as the "Company") recognizes the potential adverse risks associated with the exploitation, trade, processing, and export of mineral resources in conflict-affected and high-risk areas.

We also acknowledge our obligations to respect human rights, refrain from contributing to conflicts, and avoid adverse environmental and social impacts.

The Company commits to adopting and widely disseminating the relevant contents of the *Guidelines for Due Diligence Management of China's Mineral Supply Chains (2nd Edition)*, the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (3rd Edition)*, and the London Metal Exchange (LME) *Responsible Sourcing Policy*. These contents shall be incorporated into the contracts and agreements signed with our suppliers.

We will adopt the Six-Step Due Diligence Management Framework outlined in the *Guidelines for Due Diligence Management of China's Mineral Supply Chains (2nd Edition)* as the methodological basis for the daily management of our lead and zinc supply chain due diligence.

This policy serves as a reference for conflict-sensitive procurement activities throughout the entire supply chain and for suppliers to enhance their risk awareness.

The Company pledges not to engage in any activity that funds conflicts and to comply with relevant sanction resolutions of the United Nations and other international bodies.

The Company commits to identifying and managing the following risks in the operational practices of its lead and zinc supply chain:

#### **1. Severe Human Rights Abuses Related to Mineral Extraction, Transportation, or Trade**

When conducting procurement or business activities in conflict-affected and high-risk areas, we will neither tolerate nor in any way benefit from, assist, facilitate, or enable

any party to commit:a. Torture or cruel, inhuman, or degrading treatment or punishment of any kind;b. Forced or compulsory labor of any kind. Forced or compulsory labor refers to any work or service exacted from any person under the threat of penalty and for which the person has not offered voluntary consent;c. The worst forms of child labor;d. Other serious human rights violations and abuses, such as widespread sexual violence;e. War crimes, other serious violations of international humanitarian law, crimes against humanity, or genocide.

### **Risk Mitigation Strategy**

If we have reasonable grounds to believe that such risks exist—i.e., that an upstream supplier is procuring from or is associated with any party committing the aforementioned severe abuses—we will immediately suspend or terminate cooperation with that supplier.

## **2. Direct or Indirect Support to Non-State Armed Groups**

[Enterprises shall refer to the relevant resolutions of the United Nations Security Council for the identification of non-state armed groups.]

We will not tolerate any direct or indirect support to non-state armed groups through mineral extraction, transportation, trade, processing, or export. **Direct or indirect support** to non-state armed groups through these activities includes, but is not limited to, purchasing minerals from, making payments to, or otherwise providing logistical support or equipment to non-state armed groups or their **associated parties**. [*Associated parties* include traders, wholesalers, intermediaries, and other entities in the supply chain that directly cooperate with armed groups to facilitate mineral extraction, trade, or processing.]

Such armed groups or associated parties:i. Illegally control mining sites, or otherwise control transportation routes, mineral trading points, or upstream entities in the supply chain;[*Control* over mining sites, transportation routes, mineral trading points, or upstream supply chain entities means:ii) Monitoring extraction activities, including authorizing access to mining areas, and/or coordinating sales to downstream intermediaries, exporting enterprises, or international traders;ii) Using any form of forced or compulsory labor in the course of mineral extraction, transportation, trade,

or sales; oriii) Holding leadership or management positions in upstream enterprises or mines, or possessing beneficial ownership or other proprietary interests.]ii. And/or illegally tax or extort money or minerals at mine entrances, along transportation routes, or at mineral trading points:[*Extortion* against mines, transportation routes, mineral trading points, or upstream enterprises means demanding money or minerals from the victim under the threat of violence or other means, typically in exchange for permitting extraction, the use of transportation routes, or the transportation, purchase, or sale of minerals, where the payment is not voluntary.]iii. And/or illegally tax or extort intermediaries, exporting enterprises, or international traders.

### **Risk Mitigation Strategy**

If we have reasonable grounds to believe that an upstream supplier is procuring from or is associated with any party that provides direct or indirect support to non-state armed groups, we will immediately suspend or terminate cooperation with that supplier.

### **3. Public or Private Security Forces**

We prohibit the provision of direct or indirect support to any public or private security forces that:

- Illegally control mining sites, transportation routes, or upstream entities in the supply chain;
- Illegally tax or extort money or minerals at mine entrances, along transportation routes, or at mineral trading points; or
- Illegally tax or extort intermediaries, exporting enterprises, or international traders.

[The term **direct or indirect support** as used herein does not refer to legitimate forms of support, including statutory taxes, fees, and/or mining royalties paid by the enterprise to the government of the country where it operates.]

We recognize that the role of public or private security forces at and/or around mining sites and/or along transportation routes is **solely to uphold the rule of law**. This includes protecting human rights, safeguarding the safety of miners, equipment, and facilities, and securing mining sites or transportation routes to ensure that legitimate extraction and trade are not disrupted.

In cases where the Company or any enterprise in our supply chain enters into contracts with public or private security forces, we commit to ensuring, or requiring, that such forces are aligned with internationally recognized standards and guidance documents for the conduct of public and private security forces.[E.g., international guidance documents such as the *Voluntary Principles on Security and Human Rights*.] In particular, we will support or take measures to implement screening policies to ensure that individuals or units of security forces with a known history of committing serious human rights abuses are not engaged.

We will support or take measures to cooperate with central or local governments, international organizations, and civil society organizations to develop feasible solutions for enhancing the transparency, proportionality, and accountability of security expenditures for public security forces.

We will support or take measures to engage with local governments, international organizations, and civil society organizations to avoid or minimize the adverse impacts of the deployment of public or private security forces at mining sites on vulnerable groups, particularly artisanal miners.

### **Risk Mitigation Strategy**

If we identify the existence of such risks to any degree, we will immediately develop, adopt, and implement a risk management plan for upstream suppliers and other stakeholders, based on the Company's specific position in the supply chain. This plan aims to contain or mitigate the risk of providing direct or indirect support to public or private security forces.[In the event of force majeure factors such as tsunamis, earthquakes, fires, pandemics, or wars during the implementation of the risk plan, the time limit may be adjusted accordingly, and a written explanation of the circumstances shall be provided.]

If the risk management plan fails to produce results within six months, we will temporarily suspend or terminate cooperation with the upstream supplier.[Enterprises shall conduct an additional risk assessment of the risks to be mitigated after the adoption of the risk management plan. If the risk management plan fails to achieve significant results within six months, and the risk of providing direct or indirect

support to public or private security forces has not been contained or mitigated, the enterprise shall temporarily suspend cooperation with the supplier for a period of at least three months. During the suspension period, the enterprise shall revise the risk management plan and clarify the performance targets that must be met through improvement efforts before the resumption of cooperation.]

The same response measures shall be adopted if we identify the potential existence of violations of the contents set forth in paragraphs 8 and 9 above to any degree.

#### **4. Bribery, Corruption, and Fraudulent Misrepresentation of Mineral Origin**

We will not offer, promise, give, or solicit any bribe. We will also resist inducements to bribe for the purpose of concealing or falsifying mineral origins, or underreporting taxes, fees, or royalties payable to the government in connection with mineral extraction, trade, processing, transportation, or export.[See the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997)* and the *United Nations Convention against Corruption (2004)*.]

#### **Money Laundering**

If we have reasonable grounds to believe that there is a money laundering risk arising from or related to the extraction, trade, processing, transportation, or export of minerals that are the proceeds of illegal taxation or extortion at mine entrances, along transportation routes, or at mineral trading points of upstream suppliers, we will support or take measures to contribute to the effective elimination of money laundering activities.

#### **Payments of Taxes, Fees, and Royalties to Governments**

We will ensure the payment of all legitimate taxes, fees, and royalties related to the extraction, trade, and export of minerals from conflict-affected and high-risk areas to the relevant governments. We also commit to disclosing such payments in accordance with the requirements of the country where we operate regarding the transparency of payments to government entities, based on the Company's specific position in the supply chain.

#### **Risk Mitigation Strategy**

Based on the Company's specific position in the supply chain, we commit to cooperating with suppliers, central or local government authorities, international organizations, civil society, and affected third parties as appropriate, to improve or track performance with the goal of taking significant measures to prevent or mitigate adverse risks within a reasonable time frame.

If the risk management plan fails to produce significant results within six months, and the risks of bribery, corruption, fraudulent misrepresentation of mineral origin, money laundering, or underpayment of taxes, fees, or royalties have not been contained or mitigated, we will temporarily suspend or terminate cooperation with the supplier for a period of at least three months. During the suspension period, we will revise the risk management plan and clarify the performance targets that must be met through improvement efforts before the resumption of trade relations.

The Company will, in accordance with the principle of continuous improvement, integrate this policy into its lead and zinc supply chain due diligence management system and the responsibilities of all relevant departments. This policy shall also apply to all of the Company's suppliers. The Company will take active measures to communicate this policy to its suppliers.

This policy shall take effect on the date of issuance and will be published on the Company's official website.

Jiangxi Copper Lead & Zinc Metal Co., Ltd

April 01, 2026



## Notes

1. Enterprises shall refer to the relevant resolutions of the United Nations Security Council for the identification of non-state armed groups.
2. *Associated parties* include traders, wholesalers, intermediaries, and other entities in the supply chain that directly cooperate with armed groups to facilitate mineral extraction, trade, or processing.
3. *Control* over mining sites, transportation routes, mineral trading points, or upstream supply chain entities means: (i) Monitoring extraction activities, including authorizing access to mining areas, and/or coordinating sales to downstream intermediaries, exporting enterprises, or international traders; (ii) Using any form of forced or compulsory labor in the course of mineral extraction, transportation, trade, or sales; or (iii) Holding leadership or management positions in upstream enterprises or mines, or possessing beneficial ownership or other proprietary interests.
4. *Extortion* against mines, transportation routes, mineral trading points, or upstream enterprises means demanding money or minerals from the victim under the threat of violence or other means, typically in exchange for permitting extraction, the use of transportation routes, or the transportation, purchase, or sale of minerals, where the payment is not voluntary.
5. The term **direct or indirect support** as used herein does not refer to legitimate forms of support, including statutory taxes, fees, and/or mining royalties paid by the enterprise to the government of the country where it operates.
6. E.g., international guidance documents such as the *Voluntary Principles on Security and Human Rights*.
7. In the event of force majeure factors such as tsunamis, earthquakes, fires, pandemics, or wars during the implementation of the risk plan, the time limit may be adjusted accordingly, and a written explanation of the circumstances shall be provided.
8. Enterprises shall conduct an additional risk assessment of the risks to be mitigated after the adoption of the risk management plan. If the risk management plan fails to achieve significant results within six months, and the risk of providing direct or indirect support to public or private security forces has not been contained or mitigated, the enterprise shall temporarily suspend cooperation with the supplier for a period of at least three months. During the suspension period, the enterprise shall revise the risk management plan and clarify the performance targets that must be met through improvement efforts before the resumption of cooperation.
9. See the OECD *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997)* and the United Nations *Convention against Corruption (2004)*.