# Jiangxi Copper Lead & Zinc Metal Co., Ltd

# 2026 Progress Report on Lead and Zinc Supply Chain Due Diligence Management

We recognize that mineral resource exploitation, trading, processing, export and other business activities carried out in conflict-affected and high-risk areas may give rise to significant social and environmental risks. We bear the responsibility to respect human rights, avoid fuelling conflicts, and eliminate and control relevant risks. Adhering to the core values of Responsibility, Respect and Integrity, the Company compiles and releases this report for each assessment cycle. By demonstrating and advancing effective management, we continuously strengthen our supply chain management capacity and build a responsible corporate image. Meanwhile, we communicate clear codes of conduct to suppliers and reinforce their awareness and capacity for due diligence management.

## I. Company Information

Company Name: Jiangxi Copper Lead & Zinc Metal Co., Ltd. Company Address: Hukou High-tech Industrial Park, Jiujiang City, Jiangxi Province Raw Materials Used: Lead concentrate, zinc concentrate, silver concentrate, recycled materials, other smelting by-products Main Products: Lead ingots, zinc ingots LME Registered Brands (Pending Registration): Lead Ingot: JCC 99994 Zinc Ingot: JCC SHG Report Period: April 1, 2026 – June 30, 2026

## II. Applicable Standards

The Company implements mineral supply chain due diligence management in accordance with the following standards:

1. *China Guidance on Mineral Supply Chain Due Diligence (Second Edition)* (hereinafter referred to as the China Guidance);

2. Reference: *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition)* (hereinafter referred to as the OECD Guidance).

## III. Practices of Lead and Zinc Supply Chain Due Diligence Management

Since launching mineral supply chain due diligence management in March 2026, Jiangxi Copper Lead & Zinc Metal Co., Ltd. has gradually established and improved its lead and zinc mineral supply chain due diligence management system in compliance with relevant national regulatory requirements for mineral supply chain due diligence as well as applicable laws and regulations of source countries. In accordance with the *China Guidance on Mineral Supply Chain Due Diligence*

*(Second Edition)*, the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition)* and other relevant standards and requirements, the Company has formulated supply chain policies, other control documents and transparency recording files to achieve systematic and traceable supply chain due diligence management. Detailed work carried out is set out below:

**Step 1 Establish and Improve the Lead and Zinc Mineral Supply Chain Due Diligence Management System**

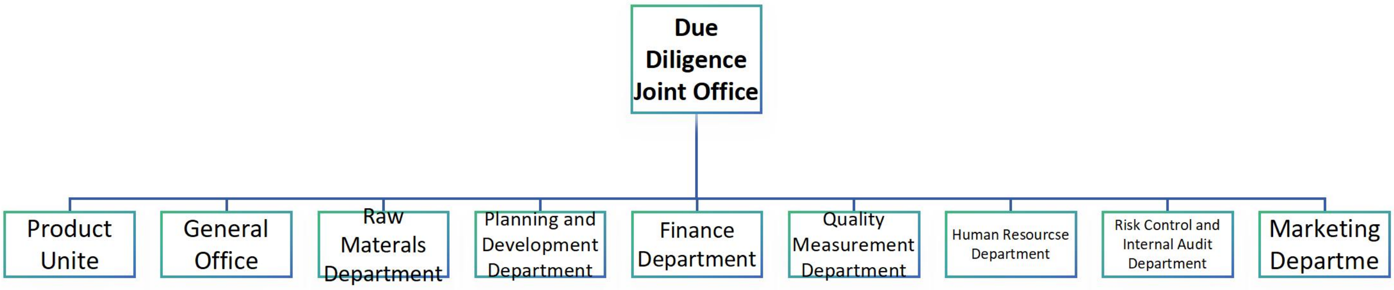
**1. Lead and Zinc Mineral Supply Chain Due Diligence Policy**

To avoid sourcing conflict minerals that directly or indirectly fund armed groups or benefit them, or minerals linked to severe human rights violations in high-risk and conflict-affected areas, the Company formulated the *Jiangxi Copper Lead & Zinc Metal Co., Ltd. Lead and Zinc Mineral Supply Chain Due Diligence Management Policy* in line with the China Guidance, OECD Guidance and other relevant standards. This policy has been widely communicated to stakeholders including suppliers, customers and employees, and published on the Company's official website: http://www.jxccqx.com/news/show/169.

**2. Corporate Management System Structure and Operation Mechanism**

**2.1 Organizational Structure**

The Company has established a management framework led by the General Manager with a Management Representative taking overall charge to plan, promote and improve lead and zinc mineral supply chain due diligence management and allocate necessary resources. A top management lead has been appointed; a Lead and Zinc Mineral Supply Chain Due Diligence Committee and a cross-functional Joint Due Diligence Office have been set up with clear role definitions. Under the Management Representative, daily operations are implemented by the Joint Due Diligence Office with coordination from the Marketing Department, Quality & Measurement Department, Finance Department, Planning & Development Department, Raw Materials Department, General Administration Office, Risk & Internal Audit Department, Human Resources Department and production units. (Organizational chart omitted)




To standardize supply chain due diligence management, the Joint Due Diligence Office has compiled and issued more than 30 documents including the *Lead and Zinc Supply Chain Due Diligence Policy*, *Lead and Zinc Supply Chain Due Diligence Grievance Mechanism*, *Supplier Code of Conduct*, *Supply Chain Due Diligence Grievance Handling Procedures*, *Control Procedures for Due Diligence System Documents and Records*, *Mineral Supply Chain Risk Management Procedures*, *Annual Training Plan*, *Risk Management Plan Control Procedures*, *Internal Assessment Procedures*, *Due Diligence Report Control Procedures*, and *On-Site Assessment Control Procedures*, together with supporting record forms.

**2.2 Specialized Training**

The Company organizes special training on lead and zinc supply chain due diligence management for relevant internal staff, departments and suppliers in accordance with the annual training plan to help them master management concepts and working methodologies. Three training sessions were held between April and June: one internal training on mineral supply chain due diligence knowledge and practical implementation, one supplier training, and one training on supply chain control and transparency systems. Trainers were appointed by consulting institutions accredited by the China Chamber of Commerce for Import and Export of Metals, Minerals and Chemicals (CCCMC). Training content covered interpretation of LME responsible sourcing policies and implementation pathways, the importance of establishing mineral supply chain due diligence, the Company's due diligence policy, Supplier Code of Conduct, grievance mechanisms, a six-step interpretation of the China Guidance, transparency system requirements, supplier and material traceability requirements and methodologies, admission and evaluation standards for domestic and overseas concentrate suppliers, recycled material suppliers and by-product suppliers, mandatory due diligence clauses in contracts, as well as traceability requirements and supporting documentary evidence. Members of the Company's Due Diligence Office and all categories of suppliers have acquired basic knowledge, methodologies and requirements for due diligence management.

The Due Diligence Office regularly collects and shares domestic and international updates, materials and trends on supply chain due diligence to improve overall corporate capacity. The Company maintains regular communication with CCCMC; three staff members attended an internal auditor training hosted by CCCMC in May and obtained internal auditor qualifications to expand professional knowledge and skills in mineral supply chain due diligence.

### 3. Supply Chain Transparency Management

The Company has built a supply chain control and transparency system (encompassing internal records of supply chain due diligence procedures, systems, outcomes and corresponding decisions) to identify upstream participants, source countries/regions and transportation routes of purchased lead and zinc materials. This system supports red flag screening, risk identification and assessment, facilitates communication of responsible sourcing practices to third-party stakeholders, and provides foundational data to optimize system operation.

A quality management system is deployed to record, analyze and display incoming batch information and quality data for all raw materials, with mass balance calculations maintained within reasonable ranges. The Marketing Department, Raw Materials Department, Quality & Measurement Department, Planning & Development Department and production units carry out material transparency management in accordance with responsibilities defined in the *Supplier Classification Management Procedures*, supported by forms such as the *Supplier Compliance Monitoring Form*. Full traceability is realized for lead and zinc materials covering procurement, factory intake, finished product manufacturing and sales, continuously advancing transparent, standardized and process-driven lead and zinc supply chain due diligence management.

### 4. Record Retention

The *Control Procedures for Due Diligence System Documents and Records* stipulate that all records related to lead and zinc mineral supply chain due diligence shall be retained for a minimum of five years, a requirement fully implemented in daily business operations.

## Step 2 Collaboration with Suppliers

When formulating the lead and zinc mineral supply chain due diligence policy, the Company identified potential risks in raw material procurement and developed targeted mitigation strategies aligned with acceptable risk thresholds, which have been communicated to suppliers and relevant parties. The Company issued the *Supplier Code of Conduct*, requiring suppliers to sign statements and commitments on supply chain due diligence to communicate their corresponding accountability obligations. *Mandatory Contract Clauses on Responsible Sourcing* were drafted to embed core requirements and key points for lead and zinc raw material procurement into legally binding contracts.

To further mitigate supply chain risks and objectively evaluate performance improvements for identified risks, the Company developed the *Know Your Supplier (KYS) Questionnaire* and feedback forms for management policies, risk management plans and progress reports. During this reporting period, feedback forms covering management policies, grievance mechanisms, risk management plans and progress reports were distributed to all Tier 1 suppliers, selected key customers, government authorities and local communities. Some suppliers have completed and returned the forms, with further in-depth communication to follow.

**Step 3 Supply Chain Risk Identification and Assessment**

1.The Company formulated and implemented the Lead and Zinc Mineral Supply Chain Due Diligence Risk Management Procedures. Based on these procedures, supplementary documents including the Lead and Zinc Mineral Supply Chain Due Diligence Risk Management Plan, Information Verification Procedures and CAHRAs Identification Procedures strengthen risk identification and control for all incoming lead and zinc-bearing materials. Compliance, raw material and due diligence information from suppliers is collected via KYS questionnaires, direct supplier communication and review of public supplier disclosures. (Supply chain mapping framework covering mines, traders, the Company and downstream customers omitted)

2.Supply chain mapping frameworks have been developed based on the collected information.

Mine → Merchant → Our company → Downstream customer

3.Risk assessments of mineral source jurisdictions are conducted via desk research and risk matrix methodologies across three dimensions: armed conflict, human rights and governance, with a *Red Flag Identification Checklist* generated. Assessment reference tools include:

a. UN peacekeeping operations and UN Security Council resolutions to identify relevant operations and sanctions;

b. UN Human Development Index to classify jurisdictions by very high/high/medium human rights development levels;

c. World Bank Worldwide Governance Indicators to measure supply chain governance performance;

d. EU CAHRAs list, Great Lakes Region country list, and alerts issued by China's Ministry of Commerce and Ministry of Foreign Affairs to classify high/low risk jurisdictions based on listed content.

Upholding a high sense of accountability, the Company actively conducts supplier audits with a core focus on verifying whether suppliers fully comply with local national laws and EITI (Extractive Industries Transparency Initiative) requirements by paying full and timely taxes to governments and disclosing information in compliance with standards. Reference: https://eiti.org/countries/

A *Risk Identification and Assessment Report* has been compiled, concluding that all lead and zinc raw materials sourced by the Company originate from low-risk jurisdictions with overall controllable supply chain risks.

**Step 4 Risk Management and Mitigation**

The Company issued the *Lead and Zinc Mineral Supply Chain Due Diligence Risk Management Plan*, which defines three risk response approaches:

(1) Continue trade while implementing measurable risk reduction measures;

(2) Temporarily suspend trade while continuously advancing measurable risk mitigation;

(3) Terminate cooperation with suppliers if risk mitigation fails, or if mitigation measures are deemed unfeasible or unacceptable by the Company.

Supply chain investigations are conducted using supply chain traceability maps, *Supply Chain Traceability Map Information Forms*, KYS questionnaires and face-to-face supplier communication. During this assessment cycle, traceability of the Company's lead and zinc raw materials identified sources including domestic mines and traders, as well as overseas sources spanning nine countries: China, Peru, Mexico, Bolivia, the United States, Australia, Argentina， Georgia and Mongolia.

**Extractive Industries Transparency Initiative (EITI)**

We recognize transparency as the foundation for collaborative partnerships, and due diligence investigations support risk mitigation and positive impact creation, ultimately driving responsible performance improvement across the full value chain. The Company conducts proactive supplier audits focused on compliance with local national legislation and EITI standards, verifying full, timely tax payments to governments and standardized public disclosures. Reference: https://eiti.org/countries/

**Step 5 Grievance Mechanism and Outcomes**

To promptly identify and resolve potential supply chain risks and hidden hazards, enable smooth communication between stakeholders and the Company, and build mutually beneficial stakeholder relationships, the Company established and implemented the *Lead and Zinc Supply Chain Due Diligence Grievance Mechanism*. The mechanism is publicly accessible via the corporate website (http://www.jxccqx.com/news/show/171) and physical notice boards on-site to collect feedback and suggestions from all stakeholders.

Statistics collected during this assessment cycle confirm zero grievances or complaints submitted by suppliers and other stakeholders.

**Step 6 Management of Raw Materials Triggering Red Flags**

During this reporting period, the Company sourced lead and zinc raw materials from 48 Tier 1 suppliers, including:

- 6 overseas suppliers of lead and zinc concentrate;

- 9 overseas suppliers of silver concentrate (associated lead and zinc by-products);
- 17 domestic suppliers of lead and zinc concentrate;
- 3 domestic recycled material suppliers;
- 13 domestic by-product suppliers.

Source jurisdictions cover China, Peru, Mexico, Bolivia, the United States, Australia, Argentina and Georgia, all classified as low-risk countries and regions. As procurement operations expand, the Company may source lead and zinc-bearing materials from additional high-risk jurisdictions. The following measures will be implemented to address this potential scenario:

1. Strengthen collection and verification of traceability information across production and supply chains. For materials originating from jurisdictions triggering red flags, intensified supervision will be implemented via online research, telephone interviews and written information requests to continuously improve supply chain data integrity, obtain full batch-level material details, and transmit the Company's due diligence requirements and oversight pressure upstream through Tier 1 suppliers to multi-tier upstream suppliers.

2. Conduct further collection and validation of origin information for materials triggering red flags in compliance with Clauses 5.1.3.1 and 5.1.3.3 (12 sub-clauses) of the China Guidance on Mineral Supply Chain Due Diligence (Second Edition).

3. Where feasible, systematically collect complete traceability documentation for all overseas mineral purchases, including certificates of mineral origin, cross-border transportation routes and modalities, mine production volumes and extraction methods, to build a comprehensive traceability system.

The above measures will be formally developed and implemented moving forward. An on-site assessment procedure will be formulated, and an on-site assessment team established. The Company will liaise closely with CCCMC to submit on-site assessment requests and actively participate in joint industry-led on-site evaluations. Through these measures, the Company will strengthen oversight of raw materials triggering red flags and ensure lead and zinc material procurement does not generate the three categories of risks outlined in the Company's supply chain policy.

**Step 7 Internal Assessment and Independent Third-Party Evaluation**

To fully verify the implementation and outcomes of the lead and zinc supply chain due diligence management system, the Company established internal assessment procedures and developed an internal assessment plan. An internal audit covering all lead and zinc supply chain due diligence activities from April to June 2026 was conducted on July 29, 2026, using sampling, document review, on-site production visits and management interviews. Deficiencies identified during the audit were analyzed by relevant departments, corrective actions implemented, and follow-up verification of remediation effectiveness will be carried out. An internal assessment report has been compiled, which comprehensively evaluates the Company's due diligence performance and concludes that system operation generally meets the requirements of the China Guidance and internal corporate policies and procedures.

Beyond internal continuous improvement, the Company plans to conduct its first independent third-party external audit to meet stakeholder expectations for compliant and transparent lead and zinc supply chain due diligence. The external assessment is scheduled for August–September 2026. In accordance with the China Guidance and internal system requirements, annual internal assessments will be conducted on a recurring basis. Combined with external audits, these evaluations deliver objective, fair and comprehensive reviews of the rationality and effectiveness of the due diligence management system, document progress achieved, propose improvement recommendations and drive continuous system optimization.

**Step 8 Reporting on Due Diligence Processes and Outcomes**

This document is an interim progress report. Moving forward, the Company will compile an annual supply chain due diligence report covering the preceding assessment cycle and publish it on the corporate website once per year. Real-time updates and developments related to supply chain due diligence will also be released on the website to fulfill disclosure obligations to the public and stakeholders. The Company commits to publishing assessment results and full reports on its official website following formal adoption of the China Guidance on Mineral Supply Chain Due Diligence (Second Edition).

To continuously refine and fulfill lead and zinc mineral supply chain due diligence obligations under the China Guidance and internal policies and procedures, the Company will actively pursue multi-channel resolution of non-conformities and improvement items.

While advancing internal due diligence capacity, Jiangxi Copper Lead & Zinc Metal Co., Ltd. closely monitors emerging external compliance requirements for supply chains. We strengthen communication and exchange with upstream and downstream partners to build mutual trust, participate actively in industry conferences, forums and training events, share experience and progress on supply chain due diligence, and call on all stakeholders in the lead and zinc industry to jointly build a sustainable, robust and effective industry-wide mineral supply chain due diligence management mechanism.

Prepared by: Li Jian, Zhou Deji　　Preparation Date: July 30, 2026

Approved by: ____________ Approval Date: 2026 / 7 / 30