

**Responsible Management Report of Mineral
Supply Chain (Copper)**

For

YUNNAN COPPER CORPORATION LTD.

July 2024

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1. Introduction

“The China Mineral Supply Chain Due Diligence Management Guidelines ”(Second Edition) were developed in accordance with the OECD's Responsible Supply Chain Due Diligence Guidelines for Mines from Conflict Affected and High Risk Regions, and has been endorsed by the LME for consistency. Conduct due diligence on suppliers in a high standard manner to address the risks of war, widespread human rights violations, money laundering, or terrorism in the supply chain, improve business management, establish a reliable supply chain, and protect business operations from supply chain risks. This report summarizes how Yunnan Copper Co., LTD. (hereinafter referred to as Yunnan Copper or YCC) has complied with the requirements of “The China Mineral Supply Chain Due Diligence Management Guidelines ” (Second Edition) during the reporting period.

Name of Company	Yunnan Copper Corporation Ltd.
Address	Kunming, Yunnan, P.R. China
Reporting period	25/04/2023 -25/05/2024
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2. Company Profile

Yunnan Copper was listed in Shenzhen Stock Exchange in 1998. The former of YCC was Yunnan Smelter which was approved and built during the 1st Five-Year Plan period 1958. YCC manages 8 copper mines and 6 copper smelters, and YCC industry chain engages mainly in mining, ore-dressing, smelting and etc. It is the core listed company under Chinalco Group and China Copper for copper business (Stock Name: Yunnan Copper; Stock Code: 000878). In 2023 Year. YCC have registered capital of RMB 2.004 billion, total assets of RMB 39.380billion, net assets of RMB 13.909 billion, operating revenue of RMB146.985 billion, and 8746 employees.

YCC's major products include copper cathode, gold and silver. It can also recover various rare and precious metals, such as Se, Te, Pt, Pd, In, Re and so on. With strict quality control, all major products are organized and produced strictly according to international standard ISO9001 Quality Management System. Among them, "Tie Feng" Brand of Copper Cathode has been registered and dealt in Shanghai Metals Exchange (SME) and London Metals Exchange (LME). "Tie Feng" Brand of Gold Ingot has been registered and dealt in Shanghai Gold Exchange (SGE). "Tie Feng" Brand of Silver Ingot has been registered and dealt in LBMA. Up to now, smelting block has achieved annual production capacities: 85,000 tons of copper in Cu concentrate, 1,300,000 tons of high purity

copper cathode, 5,000,000 tons of industrial sulfuric acid, 18 tons of gold and 1,300 tons of silver. The smelting production capacity ranks in the forefront of the domestic copper industry. The with a output of 1.380,100 tons of cathode copper in 2023.

YCC already got ISO9001 certification of quality management system and ISO14001 certification of environment management system, the production and processing authorization includes cathode copper, gold, silver, and sulfuric acid. In addition, YCC also got ISO45001 certification of occupational health and safety management system.

The sourced gold and silver bearing materials include copper concentrate, copper matte, blister copper, anode copper, unrefined gold and high purity copper cathode.

3. Establish a responsible management system for enterprises: in compliance with management requirements. Prior to this assessment, we have established a responsible management system for the enterprise supply chain.

On February 7, 2024, in accordance with "The China Mineral Supply Chain Due Diligence Management Guidelines", the company revised and released the "YCC Due Diligence Policy and Commitment for Mineral Supply Chain" As our management policy and commitment in this regard

(https://ynty.chinalco.com.cn/tzzgx/tzzfw/202402/t20240207_121930).

html)

In December 2023, the Mineral Supply Chain Due Diligence Management Manual was updated and formulated according to the Implementation Rules. In addition, 19 attachments including the “Yunnan Copper Responsible Mineral Supply Chain Questionnaire”, the “Supplier Code of Conduct”, and the “Yunnan Copper suppliers or stakeholders responsible supply chain management complaint handling process and record form” have been updated and developed as auxiliary policy management tools.

4. Management organizational structure and personnel position: in compliance with management requirements.

The company policy stipulates the organizational structure for responsible management of the supply chain, and stipulates that the deputy general manager in charge of marketing work is the top manager of the supply chain. The compliance and risk control specialist is located in the company's marketing settlement department. A production enterprise compliance specialist and a raw material business compliance specialist are set up in the Southwest Copper Industry Branch of the production enterprise. In the marketing enterprise, China Copper International Trade Group Company has set up a marketing business compliance specialist, Import raw material compliance specialist and domestic raw material compliance specialist. Specific job personnel

information.

5. Established supply chain control and transparency system: in compliance with management requirements.

(1) Through the forms of the "Supplier code of conduct" and the "Industry Due Diligence list", the supply chain management policy and related documents were communicated to the supplier, who also responded. We also take advantage of phone calls, emails, and visits to suppliers to promote the company's supply chain management requirements to them.

(2) We were strive to include supply chain management requirements in the contract terms as much as possible. However, due to the strong position of suppliers in the market, this work has only made partial progress, achieving the inclusion of sanctions, money laundering, anti-corruption and other clauses in the contract.

(3) Before cooperating with suppliers, according to the company's customer management measures, the raw material procurement department conducts admission surveys and annual evaluations of suppliers, including comprehensive credit surveys, supply capacity surveys, supply chain surveys, etc., to comprehensively understand and evaluate suppliers.

6. Collaboration with suppliers: in compliance with management requirements.

Ensure supply chain security, we maintain long-term cooperation with suppliers and sign annual long-term contracts or spot purchase contracts. During the evaluation period, a total of 28 suppliers purchased copper containing materials, including 13 domestic suppliers and 15 foreign suppliers. According to the investigation of the supplier's relevant situation, the supplier meets the management requirements. According to the company's management requirements, materials are controlled and stored using MES electronic systems and paper documents provided by suppliers, as well as incoming records, including waybills, quality certificates, certificates of origin, incoming records, data storage, procurement contracts, customer information, and other related traceability documents.

7. Training situation: in compliance with management requirements.

From July 11 to 14, 2023, the compliance risk control management specialist of the company participated in the internal auditor training for mineral supply chain due diligence management enterprises held by China Chamber of Commerce for Metals, Minerals and Chemicals Importers and Exporters in Chengdu, and obtained the internal auditor certificate; On October 27, 2023, internal training on responsible

management of mineral supply chain was held, with 20 participants; On June 4, 2024, the company invited a third-party organization to conduct a mineral supply chain management training for 117 people from the company's headquarters, 9 affiliated enterprises and 32 raw material suppliers at home and abroad.

8. Complaint mechanism, process, and handling of complaint that have occurred: in compliance with management requirements.

We have formulated the "Yunnan Copper suppliers or stakeholders responsible supply chain management complaint handling process and record form", Suppliers can read our supply chain management policies and annual compliance reports published on our website, provide feedback to our company on the risks existing in the supply chain and opinions on the supply chain policy system and implementation. No complaints have been received.

9. Identification procedures or methods for conflict affected and high-risk areas: in compliance with management requirements, mitigation measures have been taken for the identified risks.

(1) Identify and assess supply chain risks with reference to the following key tools:

A. Sanctions list (US, UK, EU, UN and related sanctions list)

B. 10 states under Section 1502 of the Dodd-Frank Act

C. Heidelberg Barometer

(2) Internal evaluation results show that it meets management requirements.

We carried out risk assessment for each supplier through the above tools, supplier situation and transportation route analysis and other indicators, and formed the "High risk warning Signal Statistical Table". During the evaluation period, domestic suppliers were not involved in high-risk matters, while the country of origin of foreign suppliers, DRC, involved the Dodd-Frank Act and the warning signal of the Global Conflict Barometer. After analysis and identification of the cause of risk in the country of origin, kamoia mine in DRC was not in the conflict zone in the country, and the nearby mining area and transportation route were safe and stable. The company commissioned a third-party professional organization to carry out a field evaluation of the kamoia mine in the Democratic Republic of Congo and formed a field evaluation report. The mine of origin was not involved in war and other high-risk items, so it was identified as a low-risk supply chain.

10. Conclusion on Management

We have conducted an internal evaluation of our Responsible mineral supply chain due diligence during the reporting period, completed the

Yunnan Copper Internal Evaluation Form for Mineral Supply Chain Due Diligence, and applied to the China Chamber of Commerce for Metals, Minerals and Chemicals Importers and Exporters to conduct an independent third-party evaluation service in accordance with the China Mineral Supply Chain Due Diligence Guide. China Chamber of Commerce for Metals, Minerals and Chemicals Importers and Exporters will arrange an assessment team to enter our company to carry out assessment work.

11. Report and contact Information

We have compiled the Yunnan Copper Compliance report according to the "China Mineral Supply Chain Due Diligence Management Guide". The annual supply chain due diligence from May 2023 to April 2024 is reported and published on the company's official website.

Any question about this report, please contact us at +86 871 6312 4933 or by email ynty_yxjsb@chinalco.com.cn