

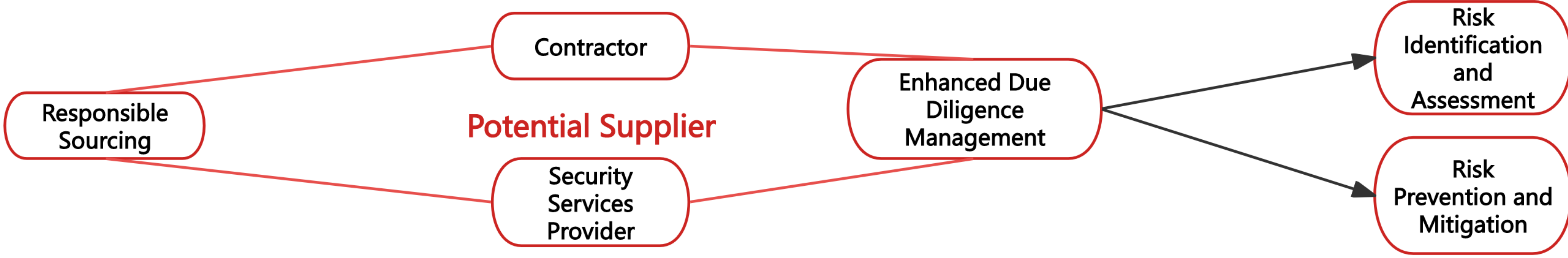
CNMC Luanshya Copper Mines PLC

Risk Management Plan

Management Objective

To effectively prevent or mitigate identified risks, consistently implement risk management measures, monitor their effectiveness, engage suppliers and affected stakeholders for feedback, and ensure a closed-loop risk management process.

Responsible Sourcing



Management Structure



Risk Mitigation

Four Types of Risks

1. Serious violations related to mineral extraction, transportation, or trade;
2. Direct or indirect support to non-state armed groups;
3. Engagement with public or private security forces;
4. Bribery, fraudulent misrepresentation of mineral origin, money laundering, and payments of taxes, fees, and royalties to governments.

Source: *Chinese Due Diligence Guidelines for Mineral Supply Chain*

Risk Mitigation Strategies

- a. Continuing trade throughout the course of major risk mitigation efforts;
- b. Temporarily suspending trade while pursuing ongoing risk mitigation;
- c. Disengaging with a supplier in cases where mitigation measures fail or mitigation appears not feasible or unacceptable.

Source: *Chinese Due Diligence Guidelines for Mineral Supply Chain*

Implementation

- a. Jointly implement the risk management plan, monitor and track performance of risk mitigation measures in cooperation with stakeholders
- b. In the process of implementing the risk management plan, if major changes in risks are identified, the risk management plan should be adjusted accordingly.
- c. Cooperate and/or consult with affected stakeholders, local and central governments, upstream companies, international or civil society organizations on the implementation, monitoring, performance tracking and other measures of the risk management plan.
- d. This can be done by establishing or supporting local community monitoring networks.
- e. Report to designated senior managers and confirm whether the risk management plan needs to be adjusted.

Source: *Chinese Due Diligence Guidelines for Mineral Supply Chain*

Stakeholder Engagement

Government

Peer companies

Community

Suppliers

Staff

LME
(London Metal Exchange)

Customer

International or
Civil Society
Organizations

Others

Six-Step Due Diligence Management for Mineral Supply Chains

Establish a Corporate Due Diligence System| Risk Identification & Assessment| Risk Prevention & Mitigation| Internal/External Evaluation| Reporting & Dissemination| Providing for or Cooperating in Remediation When Appropriate