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Report Guide



Entity

In this report, CNMC Luanshya Copper Mines Plc is also referred to as "Luanshya", "the Company" or "we" for the sake of concise expression and easy reading.



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Release Cycle

The time frame of this report is from July 1, 2024 to June 30, 2025.

The Company's Supply Chain Due Diligence Management Progress Report is an annual report released once a year. Stakeholders can access the report's progress on the official website.

The Company will regularly update this report, and we sincerely welcome all sectors to provide suggestions and comments on our supply chain due diligence management work.



Basis for Compilation

The Company has compiled this report in accordance with the *Guidelines for Due Diligence in China's Mineral Supply Chains* issued by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC), the *OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and the United Nations Guiding Principles Reporting Framework.*



Range

Due diligence management steps such as the Company's due diligence management system, risk identification and assessment, risk prevention and mitigation, internal and external assessment, communication and reporting, and remediation.



About Us



CNMC Luanshya Copper Mines Plc(hereinafter referred to as "CNMC Luanshya") was established in 2009 and is a subsidiary of China Nonferrous Metal Group ("CNMC"), with CNMC holding an 80% stake and Zambia Consolidated Copper Mines - Investment Holdings (ZCCM-IH) holding a 20% stake.

CNMC Luanshya currently operates the Luanshya Copper Mine, a century-old mine with the longest history in Zambia, producing over 50,000 tons of copper metal annually.



Supply Chain Due Diligence Management Practices





Step 1:Establish a Due Diligence Management System



Develop supply chain due diligence management policies

In line with the actual needs of supply chain due diligence management, Luanshya has established a supply chain due diligence management system and formulated and approved the implementation of due diligence management documents, including the Mineral Supply Chain Due Diligence Management Policy, Supplier Code of Conduct, and Supply Chain Due Diligence Management Grievance Mechanism.



Strengthen Cooperation with Suppliers

Luanshya advocates for the establishment of long-term and stable cooperative relationships with suppliers, establishes a regular communication mechanism with suppliers, enhances suppliers' awareness of performing responsible procurement, and promotes the construction of responsible supply chains.



Establish a Supply Chain Due Diligence Management Committee

Luanshya has established an internal supply chain due diligence management framework and formed a Mineral Supply Chain Due Diligence Management Committee, which consists of a team leader, deputy team leader, and relevant departments including the Sales Department, General Affairs Department, Human Resources Department, Technical Department, Finance Department, and Quality Inspection Center. The Company has issued the Notice on the Establishment of the Mineral Supply Chain Due Diligence Management Committee of CNMC Luanshya Copper Mines Plc

to jointly establish and improve the Company's supply chain due diligence management system and enhance its supply chain due diligence management capabilities.



Provide a Grievance Mechanism

We fully respects the demands of stakeholders and understands the importance of establishing communication channels with them. In order to promptly identify and address risks in the supply chain that may fuel conflicts or human rights violations, and to ensure smooth communication between internal and external stakeholders and we, a grievance mechanism has been established, along with detailed Grievance Management Measures and grievance procedures. The channels for lodging grievances are published on our official website for relevant parties to consult. As of the date of this report's publication, we have not received any grievances.



Establish a supply chain control and transparency system

We have established an internal material control and traceability system to identify participants in the corresponding mineral supply chain, origin, transportation routes and modes, trade names and types of minerals or metals, suppliers' ownership information, etc. As a mining enterprise, we do not have externally purchased materials, and made every effort to collect supply chain due diligence management information.

We conduct alarm signal reviews. Zambia, the country where we are located, has triggered alarm signals, and we have further improved the supply chain control and transparency system and supplemented supply chain traceability information.

Table 1: Supply Chain Traceability Information

To carry out the "Alarm Signal Review", the following information items 1-5 need to be collected:

- 1. Country and region of raw material origin;
- 2. Names and addresses of upstream participants, including mining areas, local traders, warehouses, trading markets, smelters, exporters, international traders, etc.;
- 3. Transportation routes and modes;
- 4. Trade names and types of minerals or metals;
- 5. Ownership information (including beneficial ownership information) of direct suppliers and other known upstream enterprises.

For suppliers that trigger "alarm signals", the following additional information items 6-12 need to be collected:

Taxes, fees, or royalties paid to the government for mineral mining, trade, transportation, and export;

Any other payments made to government officials for mineral mining, trade, transportation, and export;

All taxes and any other payments made to public or private security forces or other groups at all stages of the supply chain since mineral mining began;

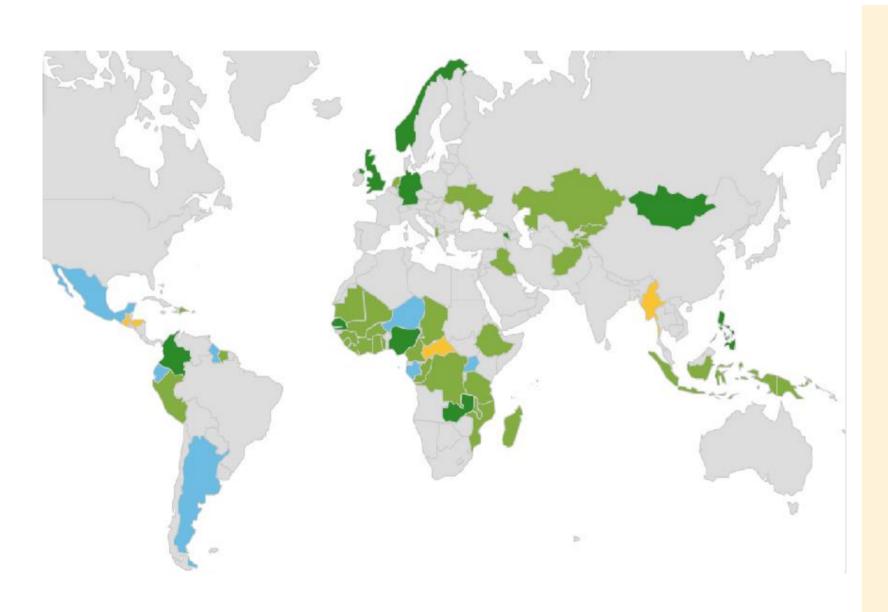
Ownership (including beneficial ownership) and corporate structure of exporters, including the names of corporate managers and directors, and their affiliations with the government or military;

Mines, mining volumes, dates, and mining methods (e.g., artisanal and small-scale mining or large-scale mining);

Locations of mineral trading, smelting, and export;

Export and import documents of smelters and traders.

The Extractive Industries Transparency Initiative (EITI)



We are fully aware that transparency serves as an foundation for building opportunity and cooperation with all stakeholders. Zambia, the where Luanshya is located country (https://eiti.org/countries/zambia), is a member of the Extractive Industries Transparency Initiative (EITI). We actively discloses relevant information on tax and fee payments to the government in accordance with the legal requirements of the host country and the EITI initiative.

We are willing to strengthen cooperation with all parties to jointly promote positive changes in supply chains, industrial chains, and value chains, so that the mining industry can create value and benefit people's livelihoods.



Step 2: Risk Identification and Assessment



Supplier Alarm Signals

Suppliers or other upstream enterprises carry out business activities in regions with the abovementioned alarm signals, or are shareholders of suppliers in such regions, or have interests in them;

It is known that suppliers or other upstream enterprises have purchased minerals from alarmed mineral sources and transit locations within the past twelve months.



Alarm Signals in Specific

Circumstances Collect information to identify abnormal situations and determine whether mineralrelated activities may fuel conflicts or other human rights violations;

Situations where the country of origin and transit countries of minerals cannot be determined.



Alarm Signals for Mineral Sources and

Transportation Routes

Minerals originate from "Conflict-Affected and High-Risk Areas" (CAHRAs);

Mineral transportation routes pass through CAHRAs; The country of mineral origin is a known storage area, or its estimated reserves or expected production levels are limited (i.e., the declared mineral production from the country does not match its known reserves or expected production levels); The country of mineral origin is actually only a transit country for CAHARs;

Minerals come from multiple recycling channels and are processed in CAHARs.

We conduct alarm signal reviews and has formulated the CAHRAs Identification Procedure" to identify and assess risks related to mining, processing, and export, and to confirm the scope of supply chain risk identification based on review results. Once alarm signals are detected during the review process, the enterprise shall conduct on-site assessments of the actual conditions of the corresponding supply chain and initiate enhanced due diligence management;

Step 2: Risk Identification and Assessment



Our Efforts

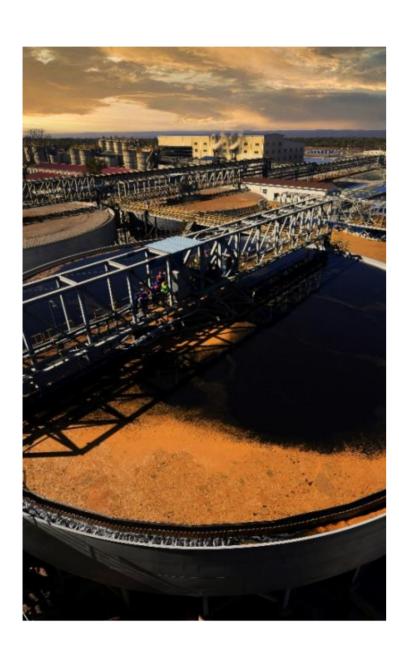
Luanshya does not have mineral suppliers. As it is located in Zambia, the on-site assessment team organized by the Company carried out on-site assessments. The on-site assessment team understands its situation, has received supply chain due diligence management training, possesses relevant professional knowledge, and has the ability to conduct assessments in the field.

In May 2025, the on-site assessment team conducted on-site assessments with reference to the relevant requirements of the Guidelines for Due Diligence in China's Mineral Supply Chains and the OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Guidance on Risk Assessment for Upstream Enterprises.

Luanshya adopts an evidence-based approach, ensures that assessors are independent of the activities being assessed and have no conflicts of interest, safeguards the reliability and quality of supply chain risk assessments, and ensures that on-site assessment team members are competent and possess the knowledge and skills required for on-site assessments.

Luanshya evaluated four categories of risks in accordance with Annex II of the OECD Guidelines and "Category 1 Risks" in the China Guidelines, and prepared an On-Site Assessment Report. Based on the on-site assessments, Luanshya identified and evaluated supply chain due diligence management risks through methods such as collecting internationally influential resource information, benchmarking against international rules, and conducting risk matrix assessments, and prepared a Risk Identification and Assessment Report. As a mining enterprise with standardized operations, Luanshya has formulated relevant policies and systems to promote the improvement of its due diligence management. Zambia, where Luanshya is located, is a Conflict-Affected and High-Risk Area (CAHRA). After on-site assessments and risk identification and evaluation, no clear evidence was found to demonstrate the existence of the four categories of risks in the supply chain. However, Luanshya needs to further integrate due diligence management requirements into its operations to prevent potential risks.

Step 2: Risk Identification and Assessment



Risk Identification

- 1. Risks of serious human rights violations related to mineral mining, transportation, or trade;
- 2. Risks of directly or indirectly supporting illegal nonstate armed groups;
- 3. Risks involving public or private security forces;
- 4. Risks of fraudulent misrepresentations (e.g., bribery, corruption, or false statements about mineral origin), money laundering, and issues related to taxes, fees, or royalties paid to governments.

Identification of CAHRAs

To enhance the objectivity of identifying and assessing CAHRAs, our evaluation simultaneously references public information from external authoritative institutions, including but not limited to:

- EU List of CAHRAs: https://www.cahraslist.net/cahras
- **UN Security Council Sanctions Information:** https://scsanctions.un.org/consolidated/
- Heidelberg Institute for International Conflict Research (HIIK) Conflict Barometer: https://hiik.de/conflict-barometer/currentversion/?lang=en
- World Bank World Governance Indicators: http://info.worldbank.org/governance/wgi/index.aspx#home
- List of Great Lakes Region Countries: https://www.greatlakesofafrica.org/about-the-lakes/



Step 3: Risk Prevention and Mitigation



Risk Prevention

Luanshya has established the principle of "risk prevention as the priority," which is embodied in comprehensive internal control measures. These internal control measures specifically include a series of control procedures: Procedure for Prohibiting the Use of Forced Labor, Procedure for Prohibiting the Use of Child Labor and Remedial Controls, Identification Process for Non-State Armed Forces and Their Affiliated Parties

Risk Management and Mitigation

Based on the results of risk identification and assessment in Step 2, we promptly formulate a Risk Management Plan. During actual production and operations, once risks in the supply chain are identified, we investigate the facts and report the supply chain risk investigation results and the monitoring results of the effectiveness of the due diligence management system to the Supply Chain Due Diligence Management Committee and senior management, determine the areas where risks exist, and implement risk mitigation measures. When developing the risk management plan, we fully consult with suppliers and affected stakeholders, reach consensus on the risk mitigation strategies in the plan, and provide stakeholders with sufficient time to review and provide feedback on the risk management plan.

03

Tracking and Monitoring

We run a closed-loop system: monitor, review, adjust. We check how well our risk controls are working on a fixed schedule, watch for new signals in real time, and act the moment a risk threshold is crossed. If a control fails, we trigger a pre-agreed mitigation plan. An annual review confirms that every risk stays within acceptable limits. Nowadays, our risk monitoring and management systems are operating smoothly; all key metrics are normal and no signs of escalation or loss of control have been detected.

We keep an open line with every supply-chain partner—sharing data, splitting accountability, and working together to keep risks on a downward path.

Risk Mitigation Strategies

- Temporarily suspend transactions during the process of continuously mitigating material risks
- 2 Continue transactions during the process of mitigating material risks

3 If efforts to mitigate risks fail, or the enterprise deems the risks unmitigable or unacceptable, it shall terminate the partnership with the supplier.



Step 3: Risk Prevention and Mitigation

Risk Awareness Raising

Our company runs regular training on responsible mineral-supply-chain management, covering the full system and targeted topics. These sessions raise our overall capability, and every training is logged using a standard template and filed.





Stakeholder Collaboration

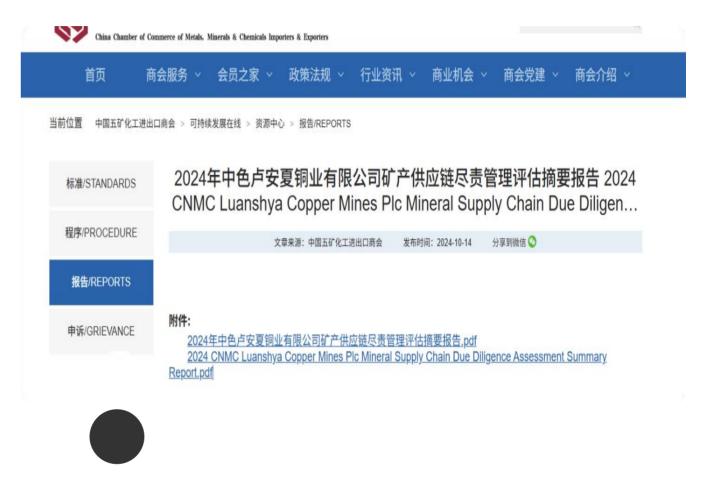
We stay open and collaborative, ready to engage every stakeholder in dialogue. When we design riskmanagement plans and mitigation measures, we actively seek input from mining contractors, security providers, and others, working side by side to prevent and reduce risks and build a sustainable supply chain.

Step 4: Conduct Internal and External Evaluations



Internal Assessments

We have formulated an internal assessment work plan, regularly conducts internal assessments, and continuously monitor and manages the performance of due diligence management.



External Assessments

We participated in the assessment of *China Guidelines* by the CCCMC, responding to the requirements of due diligence management in mineral supply chains and meeting stakeholders' expectations for supply chain compliance and transparency. We underwent a third-party assessment in 2024, and CCCMC has publicly released the summary evaluation report of the company.

In the future, we will continue to strive to enhance the performance of supply chain due diligence management and fulfill stakeholders' expectations.



Step 5: Communicate and Report on the Risk Management Process and

Results

Publishing supply chain due diligence management reports is an effective way to enhance understanding and trust with stakeholders. We prepare an annual due diligence management progress report to promote necessary information disclosure and improve supply chain transparency.

Stakeholders can access the Supply Chain Due Diligence Management Progress Report on our official website. We sincerely welcome all sectors to provide suggestions on our supply chain due diligence management work. The report is led by the Supply Chain Due Diligence Management Joint Office and compiled with the participation of various business departments. The report outline, content, and materials shall be jointly determined or collected by all departments. Multi-department involvement plays a critical role in ensuring the report's substance, effectiveness, and credibility in reflecting supply chain compliance progress.

Stakeholders can review the Supply Chain Due Diligence Management Progress Report on our official website. We regularly prepare and publish the report annually and earnestly welcome feedback and suggestions from all walks of life regarding our supply chain due diligence management efforts.

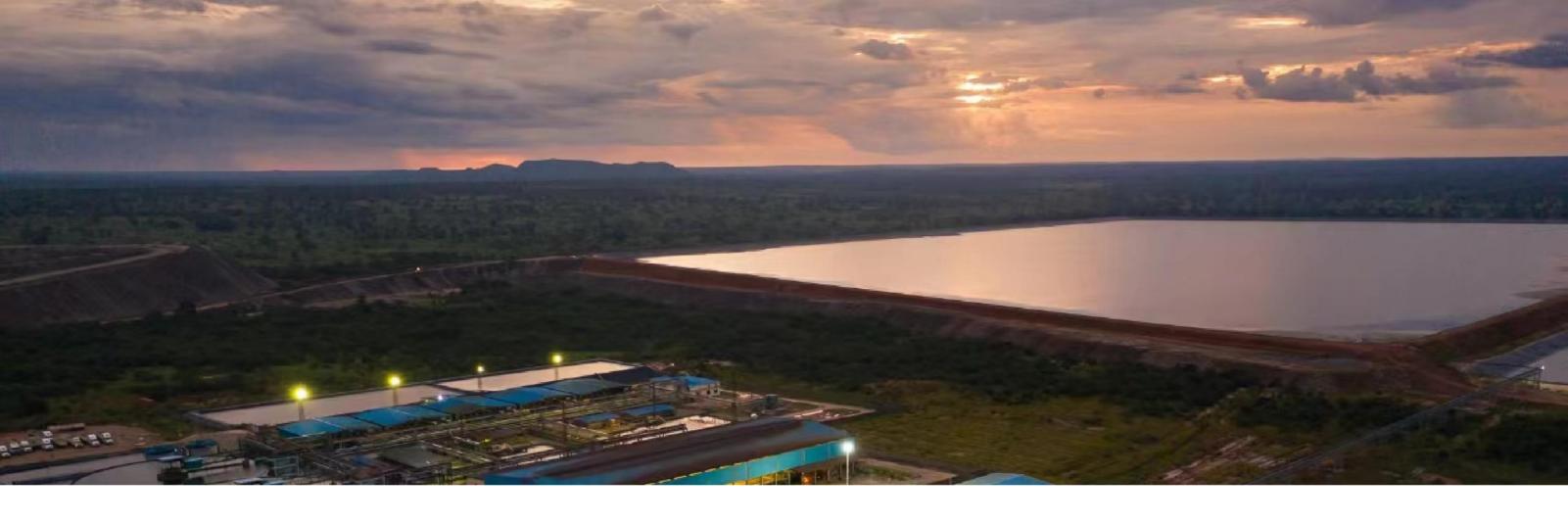




Remediation Principles

Remediation is not a component of the due diligence management process, but rather a separate and critical process for which due diligence must provide conditions and support.

During the reporting period, no incidents requiring measures to be taken for remediation occurred at the Company.



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| Reporting Requirements of China Guidelines | 答复位置 |
|---|------|
| a. Corporate due diligence management policies | P9 |
| b. Corporate management structure responsible for due diligence management | P9 |
| c. Description of the enterprise's control and transparency systems | P9 |
| d. Methods and content of supplier collaboration | P9 |
| d. Methods and content of supplier collaboration | P9 |
| f. Identification procedures or methodologies for "conflict-affected and high-risk areas" | P14 |
| g. Corporate evaluation reports or summaries | P18 |
| h. Channels or methods for report disclosure | P19 |
| h. Channels or methods for report disclosure | P19 |
| j. Chain of custody or supply chain traceability information | P9 |
| k. Origin information of raw materials | P9 |
| l. Methods and results of risk identification and assessment | P12 |
| m. Methods, processes, and results of on-the-ground assessments | P13 |
| n. Measures, strategies in risk management plans, and participation status of affected stakeholders, etc. | P15 |
| o. Risk monitoring and tracking performance results | P15 |
| p. In some countries, there may also be disclosure content recommendations for extractive industry transparency or information disclosure | P11 |