

# MINMETALS COPPER (HUNAN) COMPANY LIMITED

## Supplier Code of Conduct

### 1. Purpose

MINMETALS COPPER (HUNAN) COMPANY LIMITED (hereinafter referred to as the "Company") has formulated its own *Supply Chain Due Diligence Management Policy* in accordance with the requirements of the *China Mineral Supply Chain Due Diligence Management Guidelines (2nd Edition)*, the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (hereinafter referred to as the "OECD Guidance"), and the relevant *Responsible Sourcing Policy* of the London Metal Exchange (LME). To ensure that the Company's suppliers adopt consistent policies and practices, the Company has hereby formulated this *Supplier Code of Conduct* (hereinafter referred to as the "Code"). The purpose of this Code is to identify, prevent and mitigate human rights abuses and conflict financing risks within the mineral supply chain.

### 2. Scope of Application

This Code applies to all suppliers of mineral raw materials to the Company.

### 3. Requirements

The Company requires all suppliers to comply with the laws and regulations of their respective countries of operation and to implement due diligence management to identify, prevent and mitigate the following risks:

#### **(1) Severe Human Rights Abuses Related to Mineral Extraction, Transportation or Trading**

When conducting procurement or business activities in **conflict-affected and high-risk areas**, we neither tolerate nor allow any party to profit from, assist, facilitate, or enable, in any form whatsoever:

- a. Torture of any kind, or cruel, inhuman or degrading treatment or punishment;
- b. Forced or compulsory labor of any kind. Forced or compulsory labor shall mean any work or service exacted from any person under the menace of any penalty, for which the said person has not offered himself voluntarily;



- c. The worst forms of child labor;
- d. Other serious human rights abuses and violations, such as widespread sexual violence;
- e. War crimes, other serious violations of international humanitarian law, crimes against humanity, or genocide.

**(2) Direct or Indirect Support to Non-State Armed Groups<sup>1</sup>**

Such armed groups or their affiliated parties<sup>2</sup> shall be those that: Illegally control mining sites, or otherwise control transportation routes<sup>4</sup>, mineral trading points, or upstream entities<sup>3</sup> in the supply chain; **and/or**

**(3) Public or Private Security Forces**

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

- (i) Illegally control mining sites, transportation routes, or upstream entities in the supply chain;<sup>5</sup>
- (ii) Illegally levy taxes or extort money or minerals at mining site entrances, along transportation routes, or at mineral trading points; or
- (iii) Illegally levy taxes or extort money or minerals from intermediaries, exporting enterprises, or international traders.

We recognize that the sole role of public or private security forces at or in the vicinity of mining sites, and/or along transportation routes, is 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 trading activities 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, and shall require that, such security forces comply with internationally recognized standards and guiding documents governing public and private security forces.<sup>6</sup>

In particular, we will support or take measures to implement screening policies to ensure that individuals or security force units with a known record 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 jointly develop feasible solutions for enhancing the transparency, proportionality, and accountability of security costs paid to public security forces.

In cases where minerals in the supply chain are extracted through artisanal or small-scale mining, we will support or take measures to engage with local governments, international organizations, and civil society organizations to avoid or minimize the negative impacts on vulnerable groups, particularly artisanal miners, arising from the stationing of public or private security forces at mining sites.

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

We will not offer, promise, give, solicit, or accept any form of bribe. We will also resist all inducements and refrain from offering bribes for the purpose of concealing or falsifying the origin of minerals, or underreporting taxes, fees, or mining royalties payable to the government in connection with mineral extraction, trading, processing, transportation, or export activities.<sup>7</sup>

#### **Anti-Money Laundering**

If we have reasonable grounds to believe that there is a risk of money laundering arising from, or related to, the extraction, trading, processing, transportation, or export of minerals that are subject to illegal taxation or extortion at mining site 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 such money laundering activities.

#### **Taxes, Fees, and Royalties Paid to Governments**

We will ensure the full payment of all legitimate taxes, fees, and royalties to the government in connection with the extraction, trading, and export of minerals from conflict-affected and high-risk areas. We also commit to disclosing such payments in accordance with the requirements of the country where the enterprise is located regarding the transparency of payments to government authorities, based on the enterprise's position in the supply chain.

Notes:

1. *Enterprises shall refer to the relevant resolutions of the United Nations Security Council for the identification of non-state armed groups.*
2. *The term "affiliated parties" includes traders, wholesalers, intermediaries, and other entities in the supply chain that directly cooperate with armed groups to facilitate mineral extraction, trading, and processing activities.*
3. *The term "control" over mining sites, transportation routes, mineral trading points, and upstream entities in the supply chain means: (i) monitoring extraction activities, including authorizing access to mining areas, and/or coordinating sales to downstream intermediaries, exporting enterprises, or international traders; (ii) utilizing any form of forced or compulsory labor in the course of mineral extraction, transportation, trading, or sales; or (iii) holding leadership or management positions in upstream enterprises or mining sites, or enjoying beneficial ownership or other proprietary rights.*
4. *The term "extortion" against mining sites, transportation routes, mineral trading points, or upstream enterprises means demanding money or minerals that the victim is not voluntarily willing to pay, usually by threatening violence or other means, in exchange for permission to conduct extraction, use transportation routes, or carry out mineral transportation, purchase, sales, or other such activities.*
5. *The term "direct or indirect support" as used herein does not refer to legitimate forms of support. Legitimate forms include statutory taxes, fees, and/or mining royalties paid by the enterprise to the government of the country where it conducts its business operations.*
6. *Examples include international guiding documents such as the Voluntary Principles on Security and Human Rights.*
7. *Reference is made to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997) and the United Nations Convention against Corruption (2004).*