

Minmetals Copper (Hunan) Company Limited 2026 Copper Supply Chain Due

Diligence Progress Report

We recognize that engaging in mining, trading, processing, and exporting activities in conflict-affected and high-risk areas may pose significant social and environmental risks, and we bear the responsibility to respect human rights, not contribute to conflict, and eliminate and manage related risks. Upholding the core values of responsibility, respect, and integrity, the Company compiles and publishes this report on a per-assessment-cycle basis. Through demonstrating and advancing effective management, we continuously enhance our supply chain management capabilities to establish a responsible corporate image. Meanwhile, we communicate clear codes of conduct to suppliers to strengthen their due diligence awareness and capabilities.

I. Company Information

Company Name: Minmetals Copper (Hunan) Company Limited

Address: Shuikoushan Town, Changning City, Hunan Province, China

Raw Materials Used: Copper concentrate, recycled materials, by-products from other metal smelting

Main Products: Cathode copper

LME Registered Brand: Proposed brand TORCH-C

Reporting Period: January 1, 2026 – March 31, 2026

II. Applicable Standards

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

- 1) Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (Second Edition), hereinafter referred to as the "Chinese Guidelines";
- 2) Reference to 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. Supply Chain Due Diligence Practices

Since initiating mineral supply chain due diligence management in December 2025, Minmetals Copper (Hunan) Co., Ltd. has gradually established and improved its copper mineral supply chain due diligence management system in compliance with relevant regulations in China's mineral supply chain due diligence field and applicable regulations in source countries. Following the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (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 constructed its copper mineral supply chain due diligence management system, formulated

supply chain policies and other control documents and transparency system records, and progressively achieved systematic and traceable supply chain due diligence management. Specific work conducted is as follows:

Step 1: Establish and Improve the Copper Mineral Supply Chain Due Diligence Management System

1. Copper Mineral Supply Chain Due Diligence Policy

To avoid using conflict minerals that directly or indirectly finance or benefit armed groups and/or conflict minerals involving other serious human rights abuses in high-risk and conflict-affected areas, the Company has formulated the Copper Mineral Supply Chain Due Diligence Management Policy of Minmetals Copper (Hunan) Co., Ltd. based on the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (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. This policy has been widely disseminated to stakeholders (suppliers, customers, employees, etc.) and is published on the Company's official website: https://wkty.minmetals.com.cn/xxgk_7354/gkgd_17636/202601/t20260113_313039.html.

2. Company Management System Structure and Operating Mechanism

2.1 Organizational Structure. The Company has established a management structure led by the General Manager and fully managed by the Management Representative to plan, promote, and improve copper mineral supply chain due diligence management and provide necessary resource support. A top management executive has been appointed, and the Company's Copper Mineral Supply Chain Due Diligence Management Committee and cross-departmental Joint Due Diligence Management Office have been established with defined responsibilities. Daily operations are conducted under the leadership of the Management Representative, with the Supply and Marketing Center, Quality Assurance Center, Operations Management Department, Production Management Department, Party-Mass Work Department, Financial Management Department, and production units cooperating with the Supply Chain Management Joint Office to carry out specific tasks.

The organizational chart is as follows:

To standardize supply chain due diligence management, the Company's Copper Supply Chain Due Diligence Joint Office has successively prepared and issued more than 30 documents, including the Copper Mineral Supply Chain Due Diligence Policy, Performance Assessment Management Measures, Supplier Code of Conduct, Supply Chain Due Diligence Grievance Handling Measures, Due Diligence Management System Documentation and Records Control Procedure, Mineral Supply Chain Risk Management Procedure, Annual Training Plan, Risk Management Plan Control Procedure, Internal Assessment Procedure, Due Diligence Reporting Control Procedure, On-site Assessment Control Procedure, and supporting record documents.

2.2 In accordance with the annual training plan, the Company organizes specialized training on

copper supply chain due diligence management for personnel and departments related to the Company's copper supply chain due diligence management and suppliers, enabling them to understand and master management concepts and working methods. From January to March, three training sessions were conducted, including one supplier training session taught by instructors dispatched by a consulting institution recognized by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC). The training content included interpretation of LME Responsible Sourcing Policy and pathways, the importance of establishing mineral supply chain due diligence management, the Company's due diligence management policy, supplier code of conduct, grievance mechanism, interpretation of the six steps of the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (Second Edition) and transparency system requirements, traceability requirements and methods for various suppliers and materials, including admission and evaluation of domestic and foreign concentrate suppliers, recycled material suppliers, and by-product suppliers, due diligence clause requirements in contracts, material traceability requirements, and required evidentiary materials. Members of the Company's Due Diligence Management Office and various suppliers have initially mastered the content, methods, and requirements of due diligence management. Meanwhile, the Due Diligence Management Office regularly collects domestic and international supply chain due diligence information, materials, and developments to share and learn with relevant personnel, thereby improving the Company's overall due diligence management capabilities.

3. Supply Chain Transparency Management. The Company has established a supply chain control and transparency system (including internal records of supply chain due diligence management procedures, systems, results, and corresponding decisions) to identify upstream participants in the copper material supply chain we procure, source countries or regions, and transportation routes, and other key information. This provides a foundation for conducting "red flag reviews," "risk identification and assessment," and communicating responsible sourcing behavior information to concerned third parties, while also providing basic information for subsequent work to support and improve system operations. The Company has established a quality inspection system where information and quality data for each batch of raw materials entering the factory can be recorded, analyzed, and displayed on the system. Through material balance calculations, the overall quantity is maintained within a reasonable range. The Supply and Marketing Center, Quality Assurance Center, Operations Management Department, Production Management Department, and production units carry out material transparency management work according to the responsibilities and content determined by the Company's "Supplier Classification Management Procedure," supported by the Supplier Compliance Monitoring Form and other documents, achieving full-process traceability of copper-containing raw materials from: procurement – entry into the Company – finished products – sales. This continuously advances the transparency, process standardization, and normalization of the Company's copper mineral supply chain due diligence management.

4. Record Retention. The Company clearly stipulates in the Due Diligence Management System Documentation and Records Control Procedure that all records related to copper mineral supply chain due diligence management shall, in principle, be retained for at least five years, and this is implemented in daily business operations.

Step 2: Cooperate with Suppliers

When establishing the copper mineral supply chain due diligence policy, the Company identified various risks that may be faced during raw material procurement and, accordingly, formulated targeted mitigation strategies based on risk acceptability levels, which are presented and communicated to suppliers and related parties. Furthermore, we have formulated the Supplier Code of Conduct, requiring suppliers to sign supply chain due diligence management declarations and commitments to communicate due diligence-related responsibilities to suppliers; we have formulated Responsible Contractual Terms, incorporating specific core requirements and key points for the Company's copper raw material procurement into contract content to be observed in contractual form. Meanwhile, to further reduce risks in the supply chain or objectively and effectively evaluate performance improvements for identified risks, the Company has established the Supplier Identification Questionnaire (KYS), Management Policy, Risk Management Plan, and Report Consultation Form. During this reporting period, management policies, grievance mechanisms, risk management plans, and progress report consultation forms were successively sent to all first-tier suppliers and some major customers for completion. Some suppliers have completed and responded, with deeper communication pending.

Step 3: Supply Chain Risk Identification and Assessment

1. The Company has planned and established the copper mineral supply chain due diligence risk management procedure. Based on this procedure and foundation, daily work is enhanced through institutional documents such as the Copper Mineral Supply Chain Due Diligence Risk Management Plan, Information Verification Procedure, and CAHRAs Identification Procedure to identify and control risks for copper-containing raw materials entering the Company. Information on supplier compliance, raw materials, and due diligence management is also collected through KYS questionnaires, direct communication with suppliers, and inquiries into suppliers' public information.

2. Based on the above information, the supply chain mapping framework is drawn as follows:

3. From the three aspects of armed conflict, human rights, and governance, the following resources or desktop research and risk matrix methods are used to assess mineral source locations and form the Red Flag Identification List. The main tools used include:

- a. United Nations peacekeeping operations and UN Security Council resolution documents to determine whether relevant actions and sanctions exist;
- b. UN Human Development Index to determine human rights development levels as very high, high, or medium;
- c. World Bank Worldwide Governance Indicators to define supply chain governance conditions based on governance indices;

d. EU CAHRAs list and Great Lakes Region country list to determine high or low risk based on content within or outside the lists.

The Company upholds a high sense of responsibility and proactively conducts verification of suppliers. We focus on whether suppliers strictly comply with their country's legal requirements and the relevant provisions of the EITI initiative, paying taxes and fees to the government in full and on time, and conducting information disclosure in accordance with standards. See: <https://eiti.org/countries/>.

We have prepared the Risk Identification and Assessment Report, with the final conclusion being: most of the Company's suppliers are located in low-risk areas, operate in compliance with regulations, and pose low risks.

Step 4: Risk Management and Control

The Company has formulated the Copper Mineral Supply Chain Due Diligence Risk Management Plan to manage risks through the following approaches:

- (1) Continue trade while reducing measurable risks throughout the process;
- (2) Temporarily suspend trade while continuously reducing measurable risks;
- (3) Terminate cooperation with suppliers in cases where risk mitigation fails or the Company has reason to believe that risk mitigation measures are not feasible or acceptable.

In our work, we understand and investigate the supply chain through supply chain traceability maps, Supply Chain Traceability Map Information Forms, KYS Questionnaires, and face-to-face communication with suppliers. During this assessment year, the Company's copper raw materials were traced and found to include domestic procurement, and some raw materials were traced through multiple levels and found to originate from five countries: Mexico, Peru, Chile, Mauritania, and Botswana. Through CAHRAs, we further understand that these risks are mainly caused by limited or low development levels in source countries, which cannot be completely resolved by the Company's unilateral efforts alone. We advocate for collaborative cooperation among all stakeholders (including upstream and downstream enterprises in the supply chain, industry organizations, and relevant national governments) to more effectively address the root causes of risks. The Company has engaged in much constructive communication and negotiation with relevant suppliers to discuss risk mitigation measures and their feasibility, but progress remains slow and below expectations to date.

Extractive Industries Transparency Initiative

We deeply understand that transparency is the opportunity and foundation for building cooperation. Meanwhile, due diligence work will help strengthen risk mitigation and the creation of positive impacts, with the result being improved responsibility throughout the value chain. The Company

upholds a high sense of responsibility and proactively conducts verification of suppliers. We focus on whether suppliers strictly comply with their country's legal requirements and the relevant provisions of the EITI initiative, paying taxes and fees to the government in full and on time, and conducting information disclosure in accordance with standards. See: <https://eiti.org/countries/>.

Step 5: Grievance Mechanism and Results

To promptly identify and address various risks and hidden dangers that may exist in the supply chain, ensure smooth communication between stakeholders and the Company, and build harmonious and mutually beneficial interest relationships, the Company has established and implemented the Supply Chain Due Diligence Grievance Mechanism, which is publicly announced on the Company website (https://wkty.minmetals.com.cn/xxgk_7354/gkgd_17636/202601/t20260113_313039.html) and at internal physical locations to collect opinions or suggestions from various stakeholders and ensure their smooth communication with the Company to build harmonious and mutually beneficial interest relationships. During this assessment year, statistics collected showed no grievance opinions received from various stakeholders. Therefore, the number of complaints received from suppliers and interested parties during this reporting period was "zero."

Step 6: Management of Raw Materials Procured that Trigger Red Flags

During this assessment cycle, the Company procured copper raw materials from 12 first-tier suppliers, including 2 copper concentrate suppliers with mineral sources located abroad, 2 copper concentrate suppliers with mineral sources located domestically, 5 domestic recycled material suppliers, and 3 domestic by-product suppliers. The countries involved include China, Peru, Mexico, Chile, Botswana, and Mauritania, all of which are low-risk countries, and no red flags were triggered. However, as the Company's procurement work progresses, it is possible that copper concentrate may be procured from high-risk areas and countries. To this end, we will carry out relevant work from the following aspects: First, strengthen the further collection and verification of chain of custody or supply chain traceability information. With the intention of identifying, reducing, and controlling risks from the source, the Company will intensify supervision of raw materials from red flag-triggering areas, continuously improving and perfecting supply chain information through the internet, telephone communication, and written information inquiries, and attempting to clarify and understand detailed information for each batch of materials, continuously transmitting the Company's due diligence demands and pressure upstream through first-tier suppliers to multi-tier suppliers; Second, we will further collect and confirm information on the origin of red flag-triggering raw materials in accordance with Articles 5.1.3.1 and 5.1.3.3 of the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (Second Edition) and the 12-item requirements; Third, if possible, we will gradually collect detailed supply chain traceability information for all foreign-procured minerals, including mineral certificates of origin, overseas transportation routes and methods, mining volume and mining methods, with the aim of establishing a more complete traceability system. Going forward, the Company will gradually begin to formulate and implement the above measures, establish on-site assessment procedures, form on-site assessment teams, and simultaneously contact the CCCMC to promptly report the

Company's possible on-site assessment needs to the Chamber and actively participate in joint on-site assessments organized by industry organizations. In summary, we look forward to implementing the above measures to strengthen the management of raw materials procured that trigger red flags, ensuring that the Company's procurement of copper materials does not cause the three types of risks committed to in the supply chain policy.

Step 7: Internal Assessment and Independent Third-Party Assessment

To comprehensively examine the process and results of the Company's copper supply chain due diligence management system operation, the Company has established internal assessment procedures, formulated internal assessment plans, and conducted internal assessments on March 30, 2026. Using sampling methods, document review, production site visits, and management interviews, a comprehensive internal evaluation was conducted of the Company's copper supply chain due diligence management work from January to March 2026. Some issues were identified, and relevant departments conducted root cause analysis and implemented corrective actions, with subsequent verification of the effectiveness of corrective actions. An internal assessment report was prepared, comprehensively evaluating the Company's due diligence management work, with the overall evaluation being that the system operation basically meets the requirements of the Chinese Guidelines and the Company's internal management policies and procedures.

The Company not only continuously promotes copper mineral supply chain due diligence management internally but also plans to undergo external independent third-party audit assessment for the first time to meet stakeholders' expectations for the Company's copper mineral supply chain due diligence compliance and transparency. The external assessment for this year is planned for April 2026. Meanwhile, the Company also conducts internal assessments annually in accordance with the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (Second Edition) and the requirements of the Company's copper mineral supply chain due diligence management system. This allows for gradual, more objective, fair, and comprehensive assessment of the rationality and effectiveness of the Company's due diligence management system operation from a side perspective, and also reflects the achievements of the Company's due diligence management practices. Meanwhile, improvement opinions and suggestions are proposed to achieve continuous improvement.

Step 8: Reporting on Due Diligence Process and Results

This progress report is a stage-based progress report. Going forward, the Company will complete the supply chain due diligence management report for the previous assessment period annually and publish it on the Company website once a year. Meanwhile, supply chain due diligence management-related information and work developments will be released on the website in a timely manner to fulfill the obligation to inform the public and stakeholders. The Company commits to publishing assessment results and reports on the Company website after accepting the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (Second Edition). To continuously improve and fulfill the Company's due diligence management obligations for copper mineral supply chains, we actively and through multiple channels promote the gradual closure of CAP items in

accordance with the requirements of the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (Second Edition) and the Company's copper mineral supply chain due diligence management policies and procedures.

While continuously improving its own due diligence management, Minmetals Copper (Hunan) Co., Ltd. pays even more attention to the latest external supply chain compliance requirements. We continuously strengthen communication, contact, and exchange with upstream and downstream enterprises to enhance mutual trust, actively participate in industry conferences, forums, and various trainings, share and report supply chain due diligence management experiences and progress with relevant parties, and call on relevant parties in the copper industry to jointly build a more sustainable, healthy, and effective copper mineral supply chain due diligence management mechanism.

Prepared by: Ding Xiaonan, Yin Meifu, Tang Wenzhuo
Preparation Date: March 30, 2026

Minmetals Copper (Hunan) Company Limited