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## Policy for a Responsible Global Supply Chain of Minerals from High-Risk Areas

Recognising that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from high-risk areas, and recognising that we have the responsibility to respect human rights and not contribute to adverse impacts on society, Huayou commits to adopt, widely disseminate and incorporate in contracts and/or agreements with suppliers a policy on responsible sourcing of minerals based on the

(Chinese Guidelines), published by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC) and the

, Edition 3 published by the OECD (OECD Guidance), as representing a common reference for conflict-sensitive sourcing practices and suppliers' risk awareness from the point of extraction until end user. We commit to refraining from any action which contributes to the financing of conflict and we commit to complying with relevant United Nations Sanction Resolutions or, where applicable, domestic laws implementing such resolutions. This Policy is applicable for Huayou Cobalt and all of its controlling subsidiaries.

### Regarding child labour:

1. While sourcing from, or operating in high-risk areas, we will not employ, profit from, assist with, or facilitate, or source from, or be linked to, any party employing, profiting from, assisting with, or facilitating the employment of any kind of children under the minimum working age which is legally prescribed by the host country laws and regulations. If there is no relevant host country law or regulation, the minimum working age shall be 16 years.

### Regarding risk management of child labour:

2. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party employing children as defined in paragraph 1.

### Regarding serious abuses associated with the extraction, transport or trade of minerals:

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3. While sourcing from, or operating in high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:

the worst forms of child labour (Hazardous work is one of the worst forms of child labour)<sup>1</sup>;

any forms of torture, cruel, inhuman and degrading treatment;

any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;

other gross human rights violations and abuses such as widespread sexual violence;

war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

#### Regarding risk management of serious abuses:

4. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in paragraph 3.

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#### Regarding direct or indirect support to non-state armed groups:

5. We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. “Direct or indirect support” to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

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illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or

illegally tax or extort money or minerals resources at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or

iii. illegally tax or extort intermediaries, export companies or international traders.

### Regarding risk management of direct or indirect support to non-state armed groups:

6. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in paragraph 5.

### Regarding public or private security forces:

7. We agree to eliminate, in accordance with paragraph 12, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.

8. We recognise that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

9. Where we or any company in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with internationally recognised standards. In particular, we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.

10. We will support efforts, or take steps, to engage with central or local authorities, international organisations and civil society organisations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.

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11. We will support efforts, or take steps, to engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

#### Regarding risk management of public or private security forces:

12. In accordance with the specific position of the company in the supply chain, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces, as identified in paragraph 7, where we identify that such a reasonable risk exists. In such cases, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan. Where we identify a reasonable risk of activities inconsistent with paragraphs 8 and 9, we will respond in the same vein.

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#### Regarding bribery and fraudulent misrepresentation of the origin of minerals:

13. We will not offer directly or indirectly, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling transport and export, or failing to follow relevant international standards and conventions for anti-corruption.

#### Regarding money laundering:

14. We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

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Regarding the payment of taxes, fees and royalties due to governments:

15. We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from high-risk areas are paid to governments and, in accordance with the company's position in the supply chain, we commit to disclosing such payments in accordance with internationally recognised transparency standards.

Regarding risk management of bribery and fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to governments:

16. In accordance with the specific position of the company in the supply chain, we commit to engaging with suppliers, central or local governmental authorities, international organisations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measurable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation of 6 months.

Regarding occupational health and safety:

17. While sourcing from, or operating in high-risk areas, we will not profit from, assist with, or facilitate or source from, or be linked to, any party providing life threatening occupational health and safety conditions to direct and / or indirect employees and / or any person present on the party's operations.

Regarding risk management of occupational health and safety:

18. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing life threatening occupational health and safety conditions as defined in paragraph 17.

Regarding Environmental Protection:

19. While sourcing from, or operating in high-risk areas, we will not profit from, assist with, or facilitate significant adverse impacts regarding ambient soil, air and water conditions, or source from or be linked to any party with gross violation of local laws and regulations. We



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The Company informs the supplier of this policy and asks the suppliers to communicate this policy to their upstream to ensure that there is no situations of promoting conflict or human rights abuses (especially rights of children) appearing in the Company's supply chain.

The Company appeals all companies engaged in mineral mining, handling, trading, exporting or using related products to establish responsible supply chain due diligence management systems to avoid promoting conflict and violating human rights, especially rights of children.