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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 erac



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

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. t a"



11. We will support efforts, or take steps, to engage with local authorities, international organizations and civil society organizations to avoid or minimize the exposure of vulnerable groups, in particular, artisanal miners, to the minerals in the supply chain extracted through their activities or small-scale mining to avoid or minimize the risks associated with the presence of armed forces, public or private, on mining 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 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 consistent with paragraphs 8 and 9, we will respond in the same vein in



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...control, the location, and the transport and export of minerals derived from the  
illegal activities. In addition, we will monitor points of sale to mine sites, along transport  
routes or at points where minerals are traded by upstream suppliers.

## 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 affected by attempts at mitigation of 6 months. ~~of UIC~~

## 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



### 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 will support or take actions to evaluate periodically to minimize the adverse impacts of extraction regarding soil, air and water.



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environmental impact or local cultural heritage damage. If the risk mitigation measures do not work, we will suspend or terminate our cooperation with upstream suppliers

### Dissemination of the Policy:

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.