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 Due Diligence Guidelines for Responsible Mineral Supply Chains* (Chinese Guidelines), published by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC) and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, 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 lawsimplementing 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:



3. While sourcing from, or operating in high-risk areas, we

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transportation routes or at points where minerals are [illegible]ed; 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

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.



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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.