



Mineral Supply Chain Due Diligence Assessment

Summary Report

Assessed Party	Guangxi Nanko Copper Co., Ltd.				
Assessment Date	09/20/2025-09/21/2025				
Assessed Material	Copper				
LME-listed Brand	QL				
Assessment Type	<input checked="" type="checkbox"/> Main Assessment <input type="checkbox"/> Tracking Assessment				
Assessment Result	<input type="checkbox"/> AAA	<input type="checkbox"/> AA	<input checked="" type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C
Assessment Firm	China Standard Conformity Assessment CO., LTD (CSCA)				
Assessor	Yu Haixin, Zhou Chu				

Instruction

Objective

This assessment program is an independent third-party assessment conducted by China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCCMC) based on *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chain (Second Edition)*, aiming to assess the performance of the company's due diligence management system and process, and support the company to identify the gaps that need further improvements and develop corresponding improvement measures.

Basis of the Assessment

The assessment is based on *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chain (Second Edition)*, hereinafter referred to as *the Guidelines*. The companies shall meet the content of "Companies should" in *the Guidelines*. "Companies should" refers to specific requirements of *the Guidelines* for companies' due diligence management, as well as the specific refinement of the requirements, which is consistent with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition)*.

Explanation of Conformity Degree

Conformity: Indicates that the company's management system, policies, procedures or processes meet the requirements of corresponding provisions of *the Guidelines*.

Need improvement: Indicates that the company's management system, policies, procedures or processes partially meet the requirements of

corresponding provisions of *the Guidelines*, but lack some necessary elements or content, or can not prove or lack evidence to prove that they are substantively functional, and further measures are needed to improve its performance.

Non-conformity: Indicates that the company's management system, policies, procedures, or processes cannot meet the requirements of corresponding provisions of *the Guidelines*, resulting in systematic and repetitive non-conformities.

Not applicable: Indicates that corresponding provisions of *the Guidelines* do not apply to the Company.

Zero tolerance: If any of the following situations occurs, it is a "zero tolerance" situation.

1. Misrepresentation, deliberately forging false evidence or vouchers;
2. Any form of support for illegal control, or illegal taxation and extortion by non-state armed groups;
3. Any form of torture, cruel, inhuman and degrading treatment;
4. Directly cause or contribute to forced or compulsory labor;
5. Cause or contribute to widespread sexual violence;
6. The worst forms of child labor;
7. War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide;
8. Other situations generally considered unacceptable.

Explanation of Assessment Results

The overall assessment result is based on the percentages of "non-conformity" items and "need improvement" items. The China Chamber of Commerce of Metals, Minerals & Chemical Importers & Exporters (CCCMC) provides the following suggestions on the assessment results:

Level AAA: There is no "non-conformity" items, indicating that the company has excellent supply chain due diligence management performance.

Level AA: the percentage of "Need improvement" items does not exceed 15% of all applicable items, and the percentage of "non-conformity" items does not exceed 5% of all applicable items.

Level A: the percentage of "Need improvement" items does not exceed 25% of all applicable items, and the percentage of "non-conformity" items do not exceed 10% of all applicable items.

Level B: the percentage of "Need improvement" items does not exceed 35% of all applicable items, and the percentage of "non-conformity" items do not exceed 20% of all applicable items.

Level C: The above level cannot be reached or there is any "zero tolerance" situation.

Description of Assessment Type

The assessment is divided into main assessment and tracking assessment. The main assessment needs to be carried out once a year. The tracking assessment is conducted every six months or during the re-assessment (main assessment) based on the conformity degree and assessment results.

1. Assessed Party

Company Name	Guangxi Nanko Copper Co., Ltd.
Refinery Name	Guangxi Nanko Copper Co., Ltd.
Location	Guangxi China ASEAN Youth Industrial Park (Quli Town, Fusui County, Chongzuo City, Guangxi)
Profile Number	DDMSC-CNCu0138

2. Assessment Results

Type	<input checked="" type="checkbox"/> Main Assessment		<input type="checkbox"/> Tracking Assessment		
Result	<input type="checkbox"/> Level AAA	<input type="checkbox"/> Level AA	<input checked="" type="checkbox"/> Level A	<input type="checkbox"/> Level B	<input type="checkbox"/> Level C

3. Assessment Scope

Materials	Copper
LME-listed Brand	QL
Types of Materials	<input checked="" type="checkbox"/> Mine materials <input type="checkbox"/> Recycled materials <input type="checkbox"/> Both
Assessment Period	<input checked="" type="checkbox"/> 12 months: 08/01/2024 - 07/31/2025 <input type="checkbox"/> Less than 12 months:

4. Summary of Assessment Results

Assessment Result	A
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Step 1: Establishing A Corporate Due Diligence System

Develop and adopt due diligence policy	The Company has formulated and approved <i>Supply Chain Due Diligence Management Policy of Guangxi Nanko Copper Co., Ltd</i> , which complies with the requirements of the <i>Chinese Due Diligence Guidelines for Mineral Supply Chain</i> , and has been publicly released on its official website.
Structure appropriate internal management systems	The Company has established a Compliance Team for the mineral supply chain, appointed senior managers as Compliance Directors and Team Leaders, appointed department heads as members of the Compliance Team, and clarified the responsibilities and working mechanisms of each department. The Company has set performance goals and authorized the management and employees responsible for supply chain due diligence management to implement performance assessment and incentive mechanisms. The management and employees have received training on mineral supply chain due diligence management.

<p>Establish a system of controls and transparency over the supply chain</p>	<p>The Company has established a supply chain control and transparency system and formulated procedures related to supply chain transparency to collect and understand the company's mineral supply chain traceability information. For suppliers that triggered warning signs, these procedures require to further collect mineral supply chain traceability information needed for reviewing supply chain warning signs. The company still needs to further strengthen their constraints on supplier information disclosure.</p>
<p>Strengthen engagement with suppliers</p>	<p>The Company has formulated the <i>Supply Chain Due Diligence Statement and Commitment</i>, <i>Supplier Code of Conduct</i> and <i>Liability Contract Terms</i>, requiring suppliers to sign to ensure they comply with policies consistent with the company's due diligence policy. The company builds the capacity of suppliers through on-site visits to mines, offline visits to suppliers, non-ferrous metal industry exchange meetings and other communication methods, and keeps training records.</p>
<p>Establish a company level grievance mechanism and/or participate an industrial level grievance mechanism</p>	<p>The Company has established <i>the Supply Chain Due Diligence Management Grievance Mechanism</i> which identifies the industry grievance mechanism and promises to participate. However, this mechanism lacks written provisions on the complaint handling process, response methods, response timelines, etc.</p>
<p>Step 2: Risk Identification and Assessment</p>	
<p>Conduct warning signs review, and identify the scope of the risk assessment of the mineral supply chain based on the results of warning signs review</p>	<p>The Company has developed the Identification Procedure of "Conflict-Affected and High-Risk Areas (CAHRAs)", and the mineral supply chain compliance team has completed a warning signal review. The review results show that its supply chain has warning signs. The company should strengthen the integrity of the warning signal review and identification process, and further improve the collection of mineral supply chain traceability information in collaboration with suppliers.</p>

<p>When warning signs are identified, companies shall conduct an on-the-ground assessment of the corresponding supply chain</p>	<p>During the assessment period, the company conducted a warning sign review, identified warning signs, and carried out mineral source tracing and on-the-ground assessment work.</p>
<p>Assess risks in the supply chain</p>	<p>The Company conducted supply chain due diligence management risk assessment according to the "<i>Mineral Supply Chain Risk Management Procedure</i>" and formed the "<i>Mineral Supply Chain Risk Identification and Assessment Report</i>".</p>
<p>Step 3: Risk Prevention and Mitigation</p>	
<p>Report risk assessment results internally</p>	<p>The Company carried out risk assessment, formulated <i>the Risk Assessment Results Report Form</i> and <i>the Supply Chain Risk Identification and Assessment Report</i>, and reported the risk assessment results to the Supply Chain Compliance Group Leader.</p>
<p>Develop and adopt risk management plan</p>	<p>The Company has developed and approved <i>the Risk Management Plan</i> to prevent supply chain risks, covering mitigation strategies for different types of risks. During the formulation of <i>the Risk Management Plan</i>, the company did not keep records to substantiate its consultation with affected stakeholders such as the community. During the assessment period, the company did not disclose the <i>Risk Management Plan</i>.</p>
<p>Implement risk management plan, monitor and track performance of risk mitigation strategies</p>	<p>The Company has established the <i>Risk Management Plan Implementation and Monitoring Procedures</i> to ensure that the implementation of the risk management plan can change according to environmental changes. The company should further strengthen communication with stakeholders and communities, and jointly promote and monitor the implementation of risk management measures.</p>

<p>Supplementary assessment of risks that need to be mitigated. Supplementary assessment can also be conducted after actual circumstances have changed</p>	<p>The Company has developed <i>the Supplementary Risk Assessment Requirements Form</i> to ensure supplementary risk assessments can be conducted in the event of changes in the supply chain, and no supplementary assessments are required during the assessment period.</p>
<p>Step 4: Internal and External Assessment</p>	
<p>Companies should establish internal assessment system, to continuously monitor and manage due diligence performance</p>	<p>The Company has developed an <i>Internal Assessment Work Plan</i>, established an internal assessment working group, conducted internal assessments, and completed internal assessment reports. The internal assessors of the Company need to be improved in obtaining the qualification.</p>
<p>Companies should designate the second or third party to conduct assessment when applicable</p>	<p>This assessment is the third external assessment commissioned by the Company to an independent third party.</p>
<p>When necessary, the company at the key points (smelters/refiners) makes necessary disclosures on the assessment results</p>	<p>The Company has committed to releasing the Chinese and English versions of <i>Supply Chain Due Diligence Assessment Summary Report</i> to the public.</p>
<p>Step 5: Reporting and Communication</p>	
<p>Develop due diligence progress report</p>	<p>The Company compiled <i>the Guangxi Nanko Copper Co., Ltd. 2024-2025 Supply Chain Due Diligence Progress Report</i>. For the supply chain that triggers the warning signal, the information disclosed in the report needs to be further enhanced to improve completeness.</p>



With due regard to business confidentiality and other competitive concerns, companies should publish due diligence progress reports or summary	The Company released <i>the Guangxi Nanko Copper Co., Ltd. 2024-2025 Supply Chain Due Diligence Progress Report</i> on its official website. Report link: https://www.nanfangmetal.com/news/patform168.html
Step 6: Provide for or Cooperate in Remediation When Appropriate	
When the company recognize that it has caused or contributed to actual adverse impacts, they should mitigate these impacts by providing for or cooperating in remediation when appropriate.	N/A
Companies provide conditions or cooperate with existing remedial mechanisms in a timely manner.	N/A