



Konkola Copper Mines plc

KONKOLA COPPER MINES Plc

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Contents

1. Company Information	2
2. RMAP Assessment Summary	2
3. Company Supply Chain Policy	2
4. Company Management Systems	3
Management Structure	3
Internal Systems of Control	3
Training	3
Chain of custody controls	3
Speaking Openly and raising concerns	4
Record Keeping System	4
5. Risk Identification	4
Risk Assessment	5
6. Risk Mitigation	5
7. Reporting on Risks beyond Annex II	5

1. Company Information

Company Name	Konkola Copper Mines plc. (KCM)
Company location	The company runs operations in four locations namely; Nchanga mine in Chingola, Konkola in Chililabombwe, Nkana Operations in Kitwe and Nampundwe mine near Lusaka.
Description of industrial asset	Konkola Copper Mines (KCM) is a Zambian integrated copper producer, which operates underground mines and an open pit mine, as well as metallurgical plants. The company has one open pit mine in Chingola and three underground mines, one in Chililabombwe, Chingola and Nampundwe. Its metallurgical plants include three concentrator plants, one Smelter, a leaching plant and a copper refinery plant. KCM is one of the major employers in the country with around 16,000 employees and contractors, making it one of the top employers in the private sector of Zambia. Website: http://kcm.co.zm
Metal/mineral material produced	Copper metal and by-product of Copper/Cobalt alloy and Anode slimes which contain small quantities of precious metals.
Type of operation	Mining, Concentrators, Smelting and Refinery
Ownership structure	Vedanta Resources is the major shareholder in partnership with the Zambian Government through ZCCM-IH.

2. RMAP Assessment Summary

An onsite assessment has been scheduled for 25-26 September 2023. This will be the first responsible sourcing assessment for KCM. The assessment will be conducted by Arche Advisors.

The assessment summary report will be made public and available on our website: <http://kcm.co.zm>

3. Company Supply Chain Policy

To avoid the use of conflict minerals, which directly or indirectly finance or benefit armed groups and/or involve other serious human right abuses in high-risk and conflict-affected regions, the company has developed a supply chain policy. The supply chain policy is fully aligned with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). It covers all of the risks identified in Annex II of the OECD Guidance and its geographic scope is global. The company is committed to addressing any Annex II risks if identified. The policy was reviewed and approved by senior management, which committed to support its implementation. The policy has been widely disseminated to relevant stakeholders, and is available on the company website at <http://kcm.co.zm>.

4. Company Management Systems

Management Structure

KCM recognises the imperative of responsible sourcing and supplying metals and minerals that advance everyday life. Responsible sourcing is our commitment to take into account social, ethical and environmental considerations with regards to our products and supply chains and when managing our relationships with our suppliers. We expect our suppliers to share our commitment to ethical, safe and responsible business practices.

The company follows through on its commitments in the supply chain policy and has developed an internal procedure for due diligence with the following aspects:

- KCM Management as assigned responsibility to relevant functions to oversee the due diligence program and risk management design and implementation across the company.
- The company implements a “Code of Ethics” which it has documented and made available on its website <http://kcm.co.zm/corporate-profile/corporate-governance/code-of-ethics>
- The company conducts due diligence management system training once a year for key staff from all relevant departments required in due diligence program. If there is an update of the program, the company conducts additional training as necessary.

Internal Systems of Control

Training

KCM employees receive induction and training on a wide range of policies and standards, including Responsible Sourcing Policy, compliance policies and KCM Code of Conduct. The latter include Compliance with laws and regulations, Human rights, anti-bribery and corruption, Fraud and Money Laundering, Health, Safety and Environment policies which includes guidance on important topics such as raising concerns, the giving and receiving of gifts and entertainment and dealings with public officials. In support of the KCM Code of Conduct, management has further communicated to its workforce, KCM’s expectations with regards to the behaviour standards expected from its employees.

Training is provided across our marketing activities to raise awareness and inform the respective sourcing teams on our responsible sourcing program. In 2023, relevant employees of KCM marketing offices involved in sourcing and handling of third-party feed metals/minerals have been trained on KCM’s Responsible Sourcing policy.

Chain of custody controls

KCM has controls in place for receiving material including but not limited to checking Certificates of Origin, Bills of lading, packing lists, certificates of analysis and consignment weight for each delivery. These are checked at every point in the third-party feed supply chain and a final monthly reconciliation is done. The movement of material at KCM is tracked throughout using sampling and measurement systems for mass and or metal content. The data is analyzed by met-accounting which produces an on-going metal balance for the operation.

The KCM finance department is responsible for maintaining the KCM transaction documentation in accordance with the Financial Control Procedures.

Speaking Openly and raising concerns

KCM is committed to creating a culture where everyone feels free to speak about concerns securely and confidentially. That includes employees, contractors, directors, as well as third parties such as customers, suppliers, or other stakeholders.

We expect our employees, business partners and contractors to speak openly and raise concerns about possible breaches of the law or any KCM policy with their manager, supervisor or via other available reporting channels. Our Whistleblowing [platform](#) and senior management are available to employees, contractors and external parties. KCM takes concerns seriously and handles them promptly.

Record Keeping System

KCM's due diligence program requires that all records relating to third-party feed metals and minerals are maintained at least for five years and that they be properly used and safely stored in our company database.

5. Risk Identification

As outlined in the KCM Supply Chain Policy, KCM has a robust process framework for identifying and managing key risks in our metals and minerals supply chains, from supplier due diligence, selection, registering, monitoring and through to disengagement. Suppliers are assessed based on their risk and directed to the most appropriate risk management process. For suppliers of metals and minerals, due diligence is conducted in accordance with the 5-Step due diligence framework defined in Annex I of the OECD Guidance.

As part of the risk identification process, KCM reviews and determines whether any third-party feed is sourced from, or a supplier is operating in, conflict affected and high-risk areas (CAHRAs) and, if so, such supplier is reviewed against risks associated with the extraction, transport or trade of minerals specified in Annex II of the OECD Guidance. CAHRAs are typically regions or countries with socio-economic and political crises, institutional weakness and weak rule of law, widespread violence including armed conflicts. Such countries are susceptible to widespread human rights abuses - torture, cruel, inhuman, and degrading treatment, child, forced or compulsory labour and sexual violence.

KCM's CAHRA is developed based on internationally recognised indices on conflict, democracy and rule of law, and human rights. The company uses The Heidelberg Conflict Barometer, which provides conflict maps, representing an annual snapshot of the presence of armed conflict. KCM has designed a Know Your Supplier (KYS) to include information concerning supplier legal status and identity, supplier mapping and potential risks. Teams screen suppliers against Sanctions, Law Enforcements, Regulatory Enforcements and Politically Exposed Person (PEP) watch lists for compliance with Anti-Money Laundering (AML), Counter Terrorist Financing (CFT) and Politically Exposed Person. The company's due diligence team reviewed its suppliers in 2023 using the following tools

Armed Conflict

- [ACLED Conflict Index](#)

Governance

- [World Governance Indicators](#)

Gross Violations of Human Rights

- [US Department of Labor List of Goods Produced by Child Labor or Forced Labor](#) (updated 23 June 2021)

Child labour

- [US Department of Labor List of Goods Produced by Child Labor or Forced Labor](#) (updated September 28, 2022)

Corruption

- [Corruption Perceptions Index](#)

Sanctions List

- [Office of Foreign Assets Control](#)

Risk Assessment

For material and supply chains determined to be “high-risk”, KCM conducts enhanced due diligence. This may include and is not limited to:

- Assessing the context of CAHRAs;
- Clarifying the chain of custody;
- Assessing the activities, policies and relationships of upstream suppliers;
- Identifying risks related to trade, handling, and export of minerals; and,
- Conducting on-the-ground assessments.

During the assessment period, KCM’s majority of this third-party feed was confirmed to come from non CAHRA, were as two of the suppliers were from CAHRA. However, review of these supplier’s system presented evidence of relevant policies and systems in place which are aligned to the OECD Guidance.

Further supplier engagement is required to confirm the absence of risk and appropriate management of (potential) risks. The outcome of which will determine the need for an on the ground assessment and/or CAPs.

6. Risk Mitigation

We are committed to addressing OECD Due Diligence Guidance Annex II risks identified through our supply chain due diligence programme.

Where KCM identifies high risk supplier based on OECD Guidance or red flags, suppliers shall be engaged, and appropriate CAPs designed based on the size and complexity of the situation. KCM follows the OECD Due Diligence Guidance while sourcing from, or operating in, CAHRAs including the suspension and termination guidance on risks outlined in Annex II of the OECD Guidance which is reflected in the Supply Chain Policy. As outlined in section 5, further engagement is required for suppliers who present possibility of red flag, and the outcome of which would determine the need for risk mitigation-measures such as on the ground assessments and/or CAPs or even termination of relationship.

7. Reporting on Risks beyond Annex II

Human Rights

KCM has been an active supporter of the International Human rights regulations since it inception in 2000 and engages at both local and international levels. At KCM, upholding people's fundamental rights is central in our everyday business operations. At a minimum KCM PLC complies with all applicable local, state and national laws regarding human rights and workers’ rights where the Company does business. All our units are compliant with applicable regulations, strive to uphold all labour rights and are aligned with national and international regulations. All employees and partners are required to comply with our Human Rights Policy-KCM-P-72 and our [Code of Business Conduct and Ethics](#). The Company’s Human Rights Policy is aligned to the UN Guiding Principles on business and human rights and includes a ban on child or forced labour either directly or through contract labour.

We manage risks outside those identified by Annex II and use the RRA to report to our customers on how we manage those issues.

A handwritten signature in blue ink, appearing to read 'Charles Tambatamba', with a horizontal line underneath.

Compiled By;
Charles Tambatamba – Manager Quality Assurance