



Konkola Copper Mines plc

Supply Chain Policy

Introduction

The objective of this Supply Chain Policy is to communicate KCM's position and expectations with respect to the responsible sourcing of raw materials. The Policy aligns with KCM's Code of Business Conduct and Ethics (KCM-P-24) and the Procurement commitments as well as the Sustainability goals. The Policy promotes engagement and standardized communication with our Suppliers.

Our Purpose as a company is to responsibly source the commodities that advance everyday life in areas of social, ethical and environmental considerations when managing our relationships with suppliers. Through our policies, standards and procedures, including this Responsible Sourcing Policy, we respect human rights in accordance with the United Nations (UN) Universal Declaration of Human Rights, the International Labour Organization (ILO), including all national and international Principles on Business and Human Rights (refer also to KCM-P-24). We cannot do this alone, therefore we rely on strong relationships with our Suppliers to share responsibility in building transparent and ethical supply chains together. We expect our suppliers to share our commitment to ethical, safe and responsible business practices. Where feasible, engage and promote dialogue with other stakeholders to advance these commitments and industry best practice.

Our primary source of copper materials is mainly from our own mines, however, we at times source these materials from other mines within Zambia and the neighboring countries.

Applicability & Scope

This Policy applies to all KCM Personnel, Business Partners, Direct and Indirect Suppliers, as well as contractors, consultants and temporary employees or secondees. This Policy and other relevant policies and procedures set a minimum standard that must be followed. Where local laws, regulations or rules impose a higher standard, that higher standard must be followed. The scope of the Policy includes the sourcing of all raw materials and related services purchased by KCM. The expectations set forth in this Policy apply to all Direct and Indirect Suppliers in our businesses globally.

RESPONSIBLE SOURCING POLICY

As Konkola Copper Mines Plc, through our policies, standards and processes, including this Responsible Sourcing Policy, we respect human rights and support sustainability and protection of the environment. We aim to oversee the activities of contractors and their employees in a way that ensures the welfare, health and safety of themselves, and promote the same within our supply chain.

Requirements and Expectations of Suppliers

- We expect our Suppliers to abide by the requirements and expectations we set in order to ensure that they share our commitment to responsible sourcing. We require our suppliers, when working with KCM, to act in a manner consistent with the KCM Supplier & Contractor Sustainability Management Policy as well as the KCM's Code of Business Conduct and Ethics KCM-P-24. Additionally, we expect our suppliers to set expectations for their own suppliers which aligns to our acceptable Supplier Code of Conduct.

Support for suppliers

- We strive to contribute to communities wherever we operate by providing employment opportunities and supporting local businesses. Our procurement strategies are developed locally to reflect the diverse environments in which we operate. We work with local suppliers in the context of these procurement strategies to communicate our expectations and build understanding of our requirements.

Management of Suppliers

- We have a comprehensive framework and action plan for identifying and managing the key risks associated with our suppliers, from supplier due diligence, selection, vendor evaluation and monitoring, through to disengagement. We allocate appropriate resources and assign clear roles, responsibilities and accountabilities within KCM to implement this framework. We assess suppliers based on their risk and direct them to the most appropriate due diligence and management process for their risk level. Additionally, for suppliers of metals and minerals, we conduct due diligence in accordance with the 5-Step due diligence framework as defined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
- We use a variety of tools to assist us in our due diligence processes, which may include: on-site inspections, third party verification, obtaining information from third party sources including authorities, international organisations and civil society, and consulting experts and technical literature.



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- We communicate our requirements and due diligence expectations to all suppliers which are attached to the online application and tendering forms, newsletters, meetings and other forms of media communication.
- Where we find instances of non-compliance with the Supplier Code of Conduct, we investigate these incidents to understand causes and contributing factors, and we take appropriate action accordingly. We collaborate with our suppliers and relevant stakeholders to address the deficiencies identified and mitigate identified actual or potential adverse impacts as appropriate. However, where we find that a supplier cannot or will not take actions to demonstrate compliance within an agreed timeframe, we may review our continuing relationship with that supplier, up to and including termination of engagement. With regards to instances of non-compliance by our suppliers of metals and minerals with the risks identified in Annex II of the OECD Guidance, we comply with the mitigation and termination requirements defined in Annex II of the OECD Guidance. In the event that we identify we have caused or contributed to an adverse impact on human rights in our supply chain, we will provide for, or cooperate in, processes to enable an appropriate remedy.
- We train our employees who are involved in procurement, purchasing, marketing / sales, contracting, contractor management and other relevant functions, on our supplier risk management framework. We make available anonymous channels of communication to our employees and all stakeholders to be able to raise concerns regarding compliance with the Supplier Code of Conduct and our policies.

Speaking openly

- We expect our employees, business partners and contractors to speak openly and raise concerns about possible breaches and questionable action regarding any KCM policy with their manager, supervisor or via other available reporting channels. Our Whistleblowing platform and toll-free hotline numbers are available to employees, contractors and external parties. KCM takes concerns seriously and handles them promptly.
- KCM has zero tolerance for retaliation against anyone who speaks openly about conduct they believe is unethical, illegal or not in line with the KCM Code of Conduct policies, as long as they have not knowingly made a false report.

Our policies support our Values and Code of Business Conduct and Ethics, and reflect what is important to us. KCM takes breaches of our policies seriously. Depending on the magnitude, complexity and severity of the breach, consequences may range from a warning to termination of contract or employment.

APPENDIX I

ADDITIONAL REQUIREMENTS OF THE OECD GUIDELINES

REGARDING SERIOUS ABUSES ASSOCIATED WITH THE EXTRACTION, TRANSPORT OR TRADE OF MINERALS:

While sourcing from, or operating in, conflict-affected and 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:

- i) any forms of torture, cruel, inhuman and degrading treatment;
- ii) 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;
- iii) the worst forms of child labour;
- iv) other gross human rights violations and abuses such as widespread sexual violence;
- v) war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

REGARDING RISK MANAGEMENT OF SERIOUS ABUSES:

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 the preceding paragraph.

REGARDING DIRECT OR INDIRECT SUPPORT TO NON-STATE ARMED GROUPS:

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:

- i) illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
- ii) illegally tax or extort money or minerals 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 THE PAYMENT OF TAXES, FEES AND ROYALTIES DUE TO GOVERNMENTS:



We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments in accordance with the principles set forth under the local and international laws.

REGARDING RISK MANAGEMENT OF BRIBERY AND FRAUDULENT MISREPRESENTATION OF THE ORIGIN OF MINERALS, MONEY-LAUNDERING AND PAYMENT OF TAXES, FEES AND ROYALTIES TO GOVERNMENTS:

In accordance with the specific position of the company in the supply chain, we commit to engage 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.

APPENDIX II

LIST OF KCM MAIN RAW MATERIAL SOURCES AND ASSOCIATED RISKS

Source of Materials	Is it a Possible CAHRA	Possible Red Flag	Possible Risks	Possible Controls	Usage Decision
KCM Own Mines	NO	NO	NO	National Regulations and Internal Policies	YES
Local Mines within Zambia	NO	NO	Sourcing from other mines.	- Visit Supplier often - Source only from Compliant mines	YES
Democratic republic of Congo	YES	YES	- Armed Violence - Forced labor - Fraud / Bribe - environment degradation	- Visit to new suppliers - Prioritize volumes with local suppliers based on risks - Collaborate with the industry	Sourcing dependent on established controls.
Other neighboring Countries	NO	Transporting through DRC	- Support Armed Violence - Forced labor - Fraud / Bribe evading tax	- Only consume materials with valid documentation. - Visit to new suppliers	YES

Approved By: Manager Quality Assurance