

Huayou Due Diligence Policy for a Responsible Global Supply Chain of Cobalt (The Third Edition)

华友关于负责任全球钴供应链的尽责管理政策（第三版）

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 to society, Huayou commits to adopt the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (Chinese Guidance), published by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCC MC) 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). We will widely disseminate and incorporate the following policy into contracts and/or agreements with suppliers on responsible sourcing of minerals from high-risk areas on daily basis. We commit not to contribute to the activities that may provide financial support for the conflict, and commit to comply with relevant Sanction Resolutions of United States, or under the available situations, to comply with the domestic laws that execute such kind of resolutions. This Policy is applicable for Huayou Cobalt and all of its controlling subsidiaries.

认识到在高风险区域从事矿产开采、交易、处理、出口存在可能形成重大负面影响的风险,并认识到我们有尊重人权、不对社会产生负面影响的义务,华友承诺采纳中国五矿化工进出口商会(CCCMC)发布的《中国负责任矿产供应链尽责管理指南》(以下简称中国指南)和经济合作与发展组织(OECD)发布的《经济合作与发展组织关于来自受冲突影响和高风险区域的矿石的负责任供应链尽责管理指南,第三版》(以下简称OECD指南),并将广泛传播这个政策,将这一政策纳入到供应商从高风险区域负责任采购的日常管理里面。我们承诺不从事任何会为冲突提供资助的活动,承诺遵守联合国相关制裁决议,或者在适用情况下,遵守执行此类决议的国内法律。本政策适用于华友钴业及其所有控股子公司。

Regarding serious abuses associated with the extraction, transport or trade of minerals:与矿产开采、运输、或交易有关的严重侵权行为:

1. 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:在高风险区域开展采购或经营活动时,我们既不会容忍也不会以任何方式获利于、帮助、协助或便利任何一方实施:
 - i. the worst forms of child labour (Hazardous work is one of the worst forms of child labour)¹;最恶劣形式的童工(危害性工作是最恶劣形式童工中的一种)

¹Many activities in artisanal mining are considered hazardous as it includes work underground, under water, carrying heavy loads, work with dangerous machinery and tools and working with toxic chemicals such as mercury and cyanide. The ILO includes in its definition of hazardous child labour “work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health”, ILO Recommendation 190 to C182, Section II Hazardous work, item 3d

1 手工矿区的许多活动被认为是有害的,因为它包括地下工作、水下工作、搬运重物、使用危险的机械和工具以及使用有害化学品,例如水银和氰化物。ILO 在建议 190 至 C182 的第二节有害工作,3d 条款中定义了有害童工,即在不健康的环境下工作,例如可能将儿童暴露在有害物质、药剂或工艺中,或者使其承受会损害其健康的温度,噪音或震动。

http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312528:NO).

- ii. any forms of torture, cruel, inhuman and degrading treatment; 任何形式的酷刑、残暴、不人道和有辱人格的待遇;
- iii. 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; 任何形式的强迫或强制劳动, 即以惩罚相威胁, 在他人非自愿的情况下迫使从事一切劳动或服务;
- iv. other gross human rights violations and abuses such as widespread sexual violence; 其他严重侵犯和践踏人权的行为, 如普遍的性暴力行为;
- v. war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide. 战争罪、反人类罪、种族灭绝罪或其他严重违反国际人道法的行为

Regarding risk management of serious abuses:对严重侵权行为的风险管理

- 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 committing serious abuses as defined in paragraph 1. 如果我们有合理理由认为该风险存在, 即上游供应商正从实施第 1 条所规定的严重侵权行为的任何一方进行采购或与该方有关联, 我们将立即中止或中断与该上游供应商的合作。

Regarding direct or indirect support to non-state armed groups:

关于直接或间接支持非国家武装团体

- 3. 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: 我们不会容忍任何通过矿产开采、运输、交易、处理或出口为非国家武装团体提供直接或间接的支持。通过矿产开采、运输、交易、处理或出口为非国家武装团体提供“直接或间接的支持”包括且不限于从非国家武装团体或其关联方购买矿产, 支付费用, 或以其他方式为其提供后勤支援或设备等。
 - i. illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or 非法控制矿区, 或以其他方式对运输路线、矿产资源交易地、以及供应链的上游行为主体进行控制; 并/或
 - ii. illegally tax or extort money or minerals resources at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or 在矿区入口、通往矿区沿线或矿产资源交易地非法征税或者勒索钱财或自然资源; 并/或
 - iii. illegally tax or extort intermediaries, export companies or international traders. 对中间商、出口企业或国际贸易商非法征税或勒索。

Regarding risk management of direct or indirect support to non-state armed groups:对向非国家武装团体提供直接或间接支持的风险管理

- 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 providing direct or indirect support to non-state armed groups as defined in paragraph 3. 如果我们有理由认为, 上

游供应商从向非国家武装团体（见第三段中定义）提供直接或间接支持的任何一方进行采购或与之存在关系，我们将立即中止或中断与该供应商的合作。

Regarding public or private security forces:关于公共或私人安全武装:

5. We agree to eliminate, in accordance with paragraph 10, 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.我们同意根据第十段之规定，杜绝向非法控制矿区、运输路线以及供应链上游参与方；在矿区入口、通往矿区的沿线或矿产资源交易点非法征税、勒索钱财或矿产资源；对中间商、出口企业或国际贸易商非法征税或勒索钱财的公共或私人安全武装提供直接或间接支持。
6. 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.我们认可，矿区及/或其周边地区以及/或运输道路沿线的公共或私人安全武装的作用仅是维护法治，包括保障人权、保护矿工、设备和设施安全、保护矿区或运输路线以使合法的开采和交易不受干扰。
7. Where we or any company in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with internationally recognised standards. In particular, we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.在我们或我们供应链上的任何企业与公共或私人安全武装签订了合约的情况下，我们承诺或者将规定，这类安全武装须和国际认可标准一致。尤其是，我们将会支持或采取措施运用筛查政策，确保已知的实施过严重侵犯人权行为的个人或安全武装单位不被录用。
8. We will support efforts, or take steps, to engage with central or local authorities, international organisations and civil society organisations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.我们将支持或采取措施与中央或地方政府、国际组织和民间组织开展合作，共同为如何提高公共安全武装安保费用的透明度、相称性和问责性找到可行的解决方案。
9. 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.我们将支持或采取措施，与当地政府，国际组织和民间组织开展合作，供应链上的矿产资源通过小作坊或小规模采矿方式开采的，避免或最大限度地降低公共或私人安全武装驻扎在矿区给弱势群体带来的不利影响，尤其是对小作坊的不利影响。

Regarding risk management of public or private security forces:

对公共或私人安全武装的风险管理:

10. 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 5, where we identify that 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 inconsistent with paragraphs 8 and 9, we will respond in the same vein.如果我们发现在一定程度上存在此类风险，将根据企业在供应链上所处的具体位置，立即与供应商和利益相关方一起制定、采用和实施风险管理计划，从而使第五段中所述的为公共或私人安全武装提供直接或间接支持的风险得到遏制或降低。如果风险管理计划实施六个月未奏效，我们将中止或中断与上游供应商的合作。我们发现在一定程度上有可能存在违背第 8 段和第 9 段行为的情况下，将采取同样的应对措施。

Regarding bribery and fraudulent misrepresentation of the origin of minerals:

关于行贿受贿及矿产原产地的欺诈性失实陈述：

11. We will not offer directly or indirectly, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export, or failing to follow relevant international standards and conventions for anticorruption.我们不会直接或间接地提出、承诺、给予或索要任何贿赂，并且抵制索贿，不会为了掩盖或伪造矿产资源原产地，虚报矿产资源开采、交易、处理、运输、出口等活动应向政府缴纳的税收、费用和特许开采费而行贿或不遵守相关国际反腐败标准和惯例。

Regarding money laundering:关于洗钱：

12. We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers. 如果我们有理由认为，存在因开采、交易、处理、运输或出口在矿区入口、运输路线沿线、或上游供应商矿产资源交易地进行非法征税或勒索而得的矿产资源所引起或与之相关的洗钱风险，我们将支持或采取措施，为有效消除洗钱行为做出贡献。

Regarding the payment of taxes, fees and royalties due to governments:

关于向政府支付的税收、费用及特许费：

13. 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 disclose such payments in accordance with internationally recognised transparency standards.
我们将确保向政府支付所有高风险区域矿石开采、交易、出口相关的合法税收、费用和特许费，并承诺根据企业在供应链上所处位置，对此类支付根据国际认可的透明度标准进行披露。

Regarding risk management of bribery and fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to governments:对行贿受贿及矿产原产地的欺诈性失实陈述、洗钱及向政府支付的税收、费用、特许费的风险管理

14. 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 measureable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation of 6 months. 根据企业在供应链上所处的具体位置, 我们承诺与供应商、中央或地方政府机关、国际组织、民间社会以及受影响的第三方酌情进行合作, 本着在合理的时间跨度内采取显著措施防范或降低有负面影响的风险之目的, 对绩效进行改善或跟踪。风险降低措施实施六个月未奏效, 我们将中止或中断与上游供应商的合作。

Regarding occupational health and safety:关于职业健康与安全

15. 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. 在高风险地区进行采购或生产时, 我们不会获利于、协助、便利于任何为其直接和/或间接雇员和/或在其生产现场的任何人员提供威胁到生命的职业健康与安全环境的一方, 或从该方处采购或与之存在关联。

Regarding risk management of occupational health and safety:

关于职业健康与安全的风险管理:

16. 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 life threatening occupational health and safety conditions as defined in paragraph 15. 如果我们有合理理由认为上游供应商提供如 15 条中所定义的威胁到生命的职业健康和安全环境的任何一方采购或与之存在关联, 我们将立即中止或中断与该供应商的合作。

Regarding child labour:关于童工

17. 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 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. 在高风险区域开展采购或开展经营活动时, 我们将不会雇佣、获利于、协助或为低于东道国法律或法规规定的最低工作年龄的儿童就业而提供便利或跟其采购或与其有关联。如果东道国没有相关的法律或法规规定, 最低工作年龄为 16 岁。

Regarding risk management of child labour: 关于童工的风险管理

18. 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 17. 如果我们有合理理由认为该风险存在, 即上游供应商正从第 17 条所规定的任何一方雇佣童工进行采购或与该方有关联, 我们将立即中止或中断与该供应商的合作。

Regarding Environmental Protection:关于环境保护

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. 在高风险地区进行采购或生产时，我们不会获利于、协助、便利于任何给周围土壤、空气和水的状况造成重大不利影响，严重违反当地相关法律法规的一方或从该处采购或与之存在关联。我们将支持或采取措施定期评估、降低采矿对土壤、空气、水造成的不利影响。

Regarding Exploitation of Resources:关于资源开采

20. We do not participate in, tolerate, or profit from the exploitation of resources from land where the free, prior and informed consent of local and indigenous peoples has not been obtained, a legal title, lease, concession, or license has been obtained illegally, or national laws have been violated. 我们不参与、不容忍、也不受益于在未获得当地人和土著人自由、事先和知情同意或在非法获得法定所有权、租赁权、特许权或许可证，或违反国内法的土地上开采资源。

Regarding Culture, Heritage Protection and Legally Protected Areas:

关于文化、遗产保护和法定保护区

21. We do not participate in, tolerate, or profit from extracting or sourcing resources from mining operations where the culture and heritage of local and indigenous peoples have not been respected and protected, or where traditional cultures and heritage of local peoples have been harmed. 我们不参与、不容忍、也不受益于从不尊重、不保护当地人和土著人文化和遗产，或损害当地人传统文化和遗产以及在法定保护区的采矿作业中开采或采购资源。

Regarding Artisanal or Small-Scale Mining:关于小作坊或小规模采矿

22. We particularly concern about forced labor, child labor, unsafe working conditions, uncontrolled use of hazardous chemicals and other significant environmental impact risks related with artisanal or small-scale miners, seeking to establish production relationship with artisanal or small-scale miners in mining areas. 我们具体关注与小作坊或小规模采矿商相关强迫劳动、童工、不安全工作条件、不受控危险化学品使用和其他重大环境影响的风险，寻求与开采区的小作坊或小规模采矿商建立生产关系。

Regarding Risk Management of Environment, Culture, Heritage and Artisanal or Small-Scale Mining:关于环境、文化、遗产和小作坊或小规模采矿的风险管理

23. If we have proper reasons to believe that such a risk exists, we will immediately work with suppliers and other stakeholders to develop, adopt and implement risk management plans basing on where the enterprise's specific position in the supply chain is. In order to prevent or mitigate the specific risks related to infringement of land rights, leading to significant adverse 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 如果我们有合理理由认为存在此类风险，我们将根据企业在供应链上所处的具体位置，立即与供应商及其他利益相关方一起制定、采用和实施风险管理计划，从而防范或降低侵害土地权利、引发重大不利环境影响或与当地文化遗产破坏相关的具体风险。风险降低措施未起作用的，我们将中断或终止与上游供应商的合作。

Dissemination of the Policy:政策传播

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.

本公司将本政策函件告知有关供应商，并要求本公司的供应商将此政策传达给其上游，以确保本公司的供应链中不出现助长冲突和侵犯人权尤其是儿童权益的情形。

The Company appeals all companies engaged in cobalt mining, handling, trading, exporting or using cobalt-related products to establish responsible supply chain due diligence management systems to avoid promoting conflict and violating human rights, especially rights of children.

本公司呼吁所有从事钴开采、处理、贸易、出口的企业或者使用钴相关制品的企业一起建立负责任供应链尽责管理体系，避免助长冲突和侵犯人权尤其是儿童权益。

Zhejinag Huayou Cobalt Company Limited

浙江华友钴业股份有限公司

January, 2, 2019

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