



ZCCM INVESTMENTS HOLDING PLC

Strategic Plan

2020-2026



"Mining SMARTLY"

Abridged Version

CONTENTS

FOREWORD.....	2
STATEMENT.....	3
GLOSSARY.....	4
1 Executive Summary.....	5
1.1 Overview.....	5
1.2 Rationale for Developing a New Strategic Plan.....	6
1.3 Projected Performance January 2020 to December 2026.....	6
1.4 ZCCM-IH 2020-2026 Balanced Score Card.....	8
2 ZCCM-IH Background and History.....	8
2.1. ZCCM-IH Investments.....	9
2.2. ZCCM-IH Shares on Stock Exchanges.....	11
2.3. ZCCM-IH Shareholder Profile.....	11
3 ZCCM-IH 2020-2026 Corporate Strategy Formulation.....	14
3.1 ZCCM-IH Business Model.....	14
3.1 Value Chain Drivers.....	16
4 Vision, Mission and Organisation Transformation.....	17
4.1 Vision and Mission.....	17
4.2 Organisation Transformation- Change Agenda.....	17
4.3 Values and Leadership Philosophy.....	20
4.4 Corporate Strategic Goals	20
4.5 ZCCM-IH Revenue Prime Movers: 2020-2026.....	22
5 Looking Ahead.....	22





> FOREWORD < from the Chairman

“The Strategic Plan creates an effective impetus that will drive the company to profitability and excellence in all set standards. It gives me great satisfaction to endorse it and urge all stakeholders, our management and staff to effectively and timeously operationalise this Strategic Plan.”

Two years into our 2018-2023 Strategic Plan we have undertaken further strategic introspection which culminated into a strategic revision

This led to the development of a new strategic plan as it became imperative that the change in strategic focus required a complete overhaul of the 2018-2023 strategic plan. This was necessitated by the changing business environment that calls for us to remain impactful, maximize shareholder value and drive growth largely in the mining industry in which we are deeply associated as an entity.

Therefore, we present a review of the 2018-2020 strategic period and a new strategic plan for the period 2020-2026 (the “2020-2026 Strategic Plan” or the “Strategic Plan”). This Strategic Plan shall continue to guide us as we pursue our goals, objectives and strategies.

The Strategic Plan creates an effective impetus that will drive the company to profitability and excellence in all set standards. It gives me great satisfaction to endorse it and urge all stakeholders, our management and staff to effectively and timeously operationalise this Strategic Plan.

We have streamlined our vision, **‘To be a world class investment holding company with a focus on mining’** to emphasise our renewed focus on the development of the mining sector in Zambia. Our mission, however, remains to be a transformative company with an investment agenda that benefits all our stakeholders. As such we have the mandate to ensure that Zambia’s finite mineral resources are optimised sustainably to benefit all Zambians in the present and in generations to come.

The new strategic impetus is anchored on the theme, **“Mining S.M.A.R.T.L.Y”**. We will ensure, and are committed to **Sustainability** in the first instance through adherence to Environmental, Social and Governance principles; **Managed** by our people proactively; who will drive our portfolio and revenue growth by being **Accretive** and Agile; ensuring **Risk** mitigated investments; to be undertaken in a **Timely**, effective and efficient manner; with business **Longevity** in purpose; that **Yields** a return on investment and maximises shareholder value.

As such, this theme resonates with our renewed focus in mining and encapsulates our brand and image as a company moving forward. Through teamwork, common purpose and dedication, we can drive ZCCM-IH to a world class mining investment Company.

Sincerely

Mr. Eric S. Silwamba, SC.



> STATEMENT <

from the Chief Executive Officer

“ We have developed the ZCCM Investments Holdings Plc (ZCCM-IH) new Strategic Plan 2020-2026 to pursue a mining focused investment strategy that is premised on growth and innovation, with a clear intent to drive the company to investment optimisation and financial excellence. ”

We have developed the ZCCM Investments Holdings Plc (ZCCM-IH) new Strategic Plan 2020-2026 to pursue a mining focused investment strategy that is premised on growth and innovation, with a clear intent to drive the company to investment optimisation and financial excellence. This new strategic plan (the “2020-2026 Strategic Plan” or the “Strategic Plan”) has been motivated by the need for ZCCM-IH to re-focus its investments in mining and the mining value chain.

We have refined the previous sixteen Strategic Goals into four Goals that underpin the company’s strategic impetus, which are to:

1. Extract, and where possible, to add value to our current portfolio;
2. Investment in greenfield and brownfield mining, and mining related ventures across a diverse range of minerals:
 - i. Commodity diversification to include cobalt, gold, manganese and other base metals, gem stones, limestone, phosphate and rare earth minerals;
 - ii. Value addition downstream and exploration upstream: and
 - iii. Energy – to support sustainability of mining operations.
3. Achieve operational and financial excellence; and
4. Generate greater shareholder value by ensuring price discovery on our stock exchange listings.

In pursuit of our ultimate goal to create a world class investment holding company in Zambia and beyond, I urge all ZCCM-IH staff to play their role in fully implementing this strategic plan.

Sincerely

Mr Mabvuto T. Chipata
Chief Executive Officer

GLOSSARY

- CAGR** - Compound Annual Growth Rate.
- CSR** - Corporate Social Responsibility.
- ESG** - Environment, Social, Governance
- GDP** - Gross Domestic Product.
- GRZ** - Government of the Republic of Zambia.
- IDC** - Industrial Development Corporation of Zambia.
- LASI** - LuSE All Share Index
- LME** - London Metal Exchange.
- LuSE** - Lusaka Securities Exchange.
- NAPS** - National Pension Scheme Authority.
- NAV** - Net Asset Value.
- SBU** - Strategic Business Unit
- SADC** - Southern African Development Community.
- TB** - Treasury Bill.
- TIER 1** - Mining asset in first half of global cost ranked by C1 cost, and upper quartile of the world's mines ranked by output
- USD** - United States Dollar.
- ZMW** - Zambian Kwacha.



1 EXECUTIVE SUMMARY

1.1 OVERVIEW

Our vision for the next six years is to transform ZCCM-IH into a competitive world class mining investment holding company that takes into account the interests of Zambians and all stakeholders. The focus for ZCCM-IH in this new strategic plan is directed to mining and mining related investments, and emphasises the need for ZCCM-IH to drive the development and growth of the mining sector in Zambia.

This new strategic plan continues to reinforce our collective values to operate in a business environment where innovation is cultivated and ensures that our systems and resources are strong enough to be a much bigger player in mining investment. We have revised our Vision to challenge ourselves to excel in ensuring high quality investments (with a significant socio-economic impact). Over the past two years of implementing our 2018-2023 strategic plan, we made some notable achievements which include the following:

1. Consistent dividend pay-outs to shareholders;
2. Portfolio Return above the set benchmark;
3. Increased shareholding in CEC Plc;
4. Diversified into Manganese exploration and mining through Kabundi Resources Ltd;
5. Increased to 100% shareholding in Kariba Minerals Limited;
6. Recapitalisation of Investrust Bank Plc through the injection of ZMW286 million as Tier 1 Capital;
7. Began implementation of the mandate to develop the gold sub-sector in the country;
8. Commenced discussions with our partners in the mining companies for the introduction of a more reliable and predictable revenue stream in form of royalties, metal streams and management fees; and,
9. Implementation of a new performance management system.

1.2 RATIONALE FOR DEVELOPING A NEW STRATEGIC PLAN

The 2018-2023 ZCCM-IH Strategic plan was hinged on diversifying the holdings portfolio so as to hedge against concentration risk in copper, minority stakes and lack of control. The purpose of the new strategic plan is to take stock of the progress made to date and to identify and address any emerging opportunities in the mining sector.

Specifically, the objectives of the new strategic plan include the following:

- Streamline goals, objectives and strategies that are not aligned to mining and mining related value adding activities; and,
- Improve strategic planning, implementation and review processes.



1.3 PROJECTED PERFORMANCE JANUARY 2020 TO DECEMBER 2026

The following will be the Strategic Goals that will underpin the company's strategic impetus for the period January 2020 to December 2026:

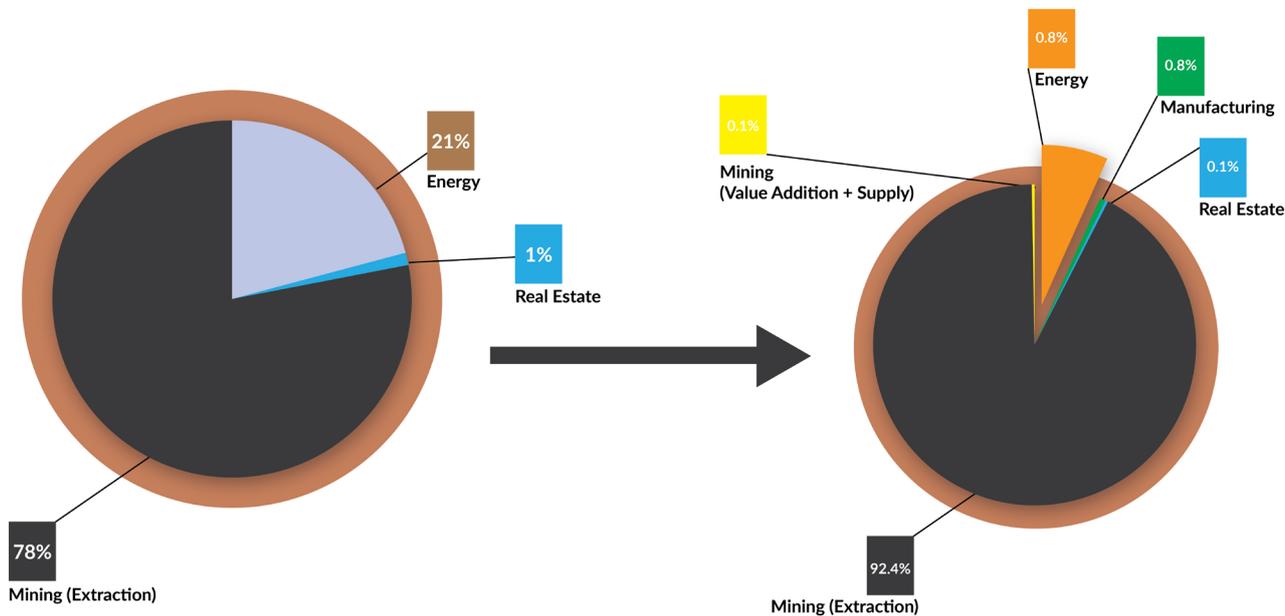
1. To extract value from our current portfolio;
2. To invest in greenfield and brownfield mining, and mining related ventures across a diverse range of minerals:
 - i. Commodity diversification to include cobalt, gold, manganese and other base metals, gemstones, limestone, phosphate and rare earth minerals;
 - ii. Value addition downstream and exploration upstream; and,
 - iii. Energy.
3. To achieve operational and financial excellence; and,
4. Generate greater shareholder value by ensuring price discovery on our stock exchange listings.

Despite the above achievements, the following were the challenges faced by ZCCM-IH in the last two years:

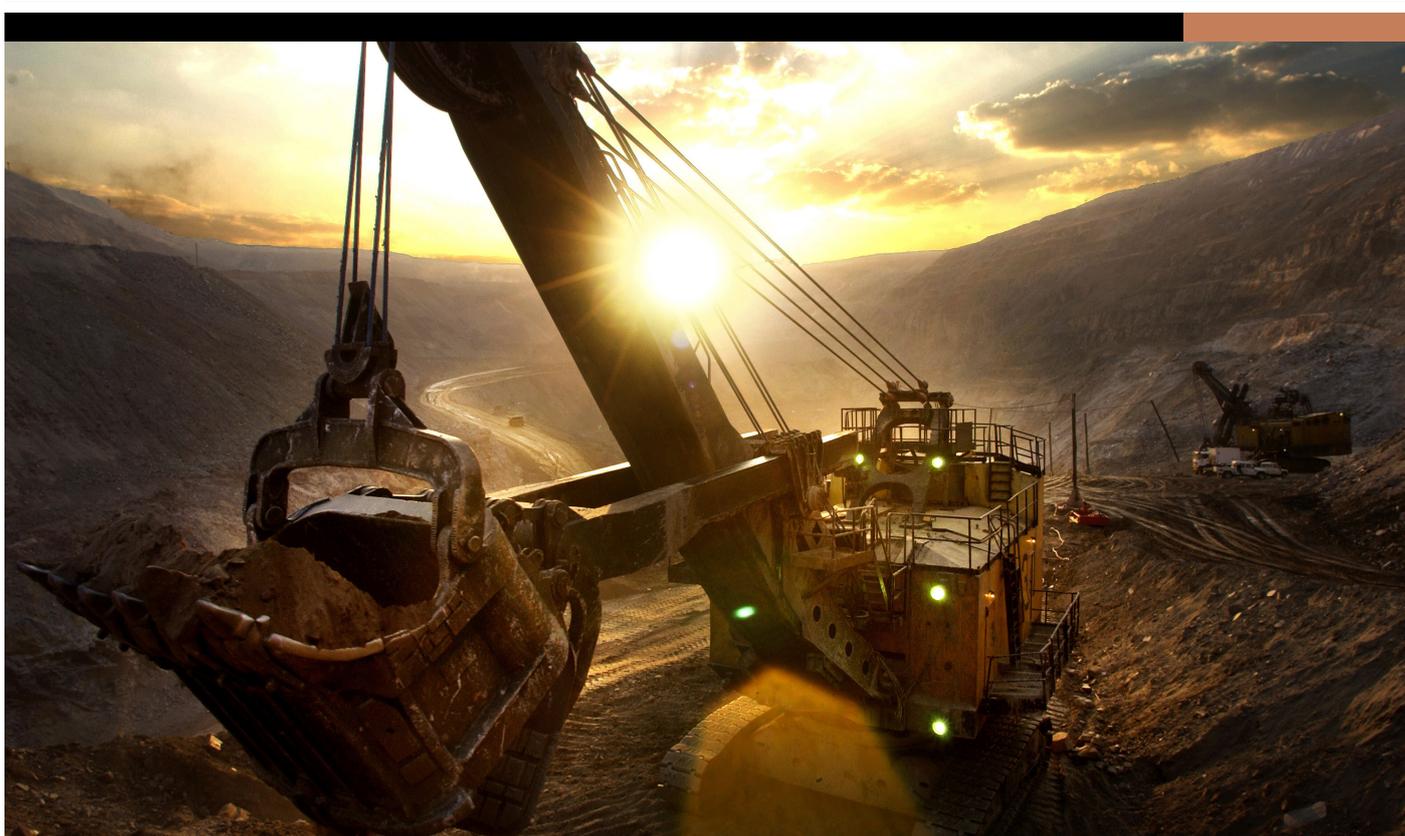
Historical Challenges	Proposed Remedies Going forward
<ul style="list-style-type: none"> • Its inability to realise full value from its investee companies in the mining sector – the traditional dividend model has not worked. • Minority shareholding which has resulted in limited ability to influence operational and strategic direction for investees. 	<ul style="list-style-type: none"> • Alternative Revenue Streams – Royalties, Mine Supply income, Management Fees etc. • Lobby for change in policy and legal framework to support proposed alternative revenue streams. • Majority or significant minority shareholding. • Implementation of the Board and Portfolio Evaluation Matrix. • Utilization of the BCG Matrix, through the defined strategies of all Portfolio Companies • Acquire an operating mine. • Acquire a controlling interest in existing mines. • Management participation. • Cultural Transformation (Performance oriented culture).
<ul style="list-style-type: none"> • Limited local participation in the mining sector. 	<ul style="list-style-type: none"> • Exploration activity to foster development of new mines. • Mineral beneficiation and value addition. • Aggressively acquire new licenses pursuant to section 17 of the mines and minerals act.

ZCCM-IH projects to invest circa USD2.69 billion in the selected sectors in the Strategic Plan period. The impact in terms of diversification of the portfolio within the mining and mining related sub-sectors including the energy sector is as exhibited in the pie charts:

FIGURE 1: PROJECTED PORTFOLIO COMPOSITION AND SECTOR (VALUE WEIGHTED): 2020-2026



	US\$'000	ZMW'000	
External financing *	2,613,238	56,841,080	82%
Capital raise	24,799	384,377	1%
Internal financing	563,031	12,267,848	18%
	3,201,067	69,493,305	100%



1.4 ZCCM-IH 2020-2026 BALANCED SCORE CARD

VISION	To be a world class investment holding company with a focus on mining.		
MISSION	To be a transformative company with an investment agenda that benefits all our stakeholders		
PERSPECTIVE	EXPECTATIONS	MEASURES	TARGETS
FINANCIAL	Net income growth from ZMW 280 million in 2020 to ZMW 1,117.4m per year in 2026.	Portfolio return (%)	> Benchmark returns – S&P/TSX Global Mining Index.
	<ul style="list-style-type: none"> Portfolio return (NAV growth) above the higher benchmark or 40% Realised yield of 2% 	Cost to Total Income	<40%
	<ul style="list-style-type: none"> Operating costs to be below: 40% of Total Income 	Realised yield	> 2%
		Consistent dividend pay-out	35%
STAKEHOLDERS	Diversify portfolios by identifying and investing in new and quality opportunities in the mining sector	Portfolio return (%)	Mining (Extraction): 51% Mining (Value Addition); 12% Manufacturing; 25% Energy: 12%;
	Improve communication and relations	Dividend pay-out ratio	35%
	Identify new and quality investments	Minimum shareholding in investees	35%
INTERNAL PROCESSES	Acquire, upgrade and implement an integrated information and reporting system	Reporting turnaround time	-Financial report within 90 days of end of the reporting period -Automation & Integration of Finance, HR & Procurement systems
	Strengthen weekly, monthly, and quarterly reporting system		
	<ul style="list-style-type: none"> Improve turn-around internal processes Effective implementation of the annual reporting 	Turn-around time for internal processes	Timely attainment of strategic objectives
LEARNING AND GROWTH	Undertake Organisational Design & ensure organisational structure.	New Organizational Design	Organisational structure completed and fully implemented
	Effective Performance Management System (PMAS).	Automated PMAS	Automation of PMAS
	Improve employee skills capacity.	Staff skills upgrade	100% Staff skills upgraded

2 ZCCM-IH BACKGROUND AND HISTORY

ZCCM-IH has a rich heritage in the Zambian mining sector which spans more than 100 years. Mining in the country was recorded to have begun with the discovery of copper at Kansanshi in 1899 and commenced commercial mining in 1908. This was followed by the lead and zinc discoveries in Kabwe in 1902 with commercial mining having started in 1906 and 1923 respectively.

The modern history of the Copperbelt began in 1923 when exclusive prospecting concessions were granted to the Anglo-American Corporation for the 3000 square kilometre Rhokana Concession, and to Roan Selection Trust (RST) for the 80 000 square kilometre Rhodesia Congo Border Concession. Anglo American Corporation which was later known as Nchanga Consolidated Copper Mines (NCCM) operated Nchanga, Nkana and Konkola copper mines, while RST which was later known as Roan Consolidated Copper Mines Limited (RCM) operated Roan Antelope, Mufulira and Chambishi copper mines. RST's first production came from Roan Antelope Copper Mines Limited into Luanshya in 1931, and was followed by the Anglo-American Corporation group's first production from Rhokana Corporation in Kitwe in 1932.

Following the Mulungushi Reforms of April 1968 and the subsequent proclamation in August 1969, the Zambian Government acquired 51% interests in the companies of the Anglo-American Corporation group on 26 June 1970 and that of RST on 16th August 1970. The two companies were subsequently merged into one company, namely Zambia Consolidated Copper Mines Limited (ZCCM) on 25th March 1982. ZCCM operated underground and open pit mines, and had copper and its related metals' plant and metallurgical installations.

All the operating divisions of ZCCM were privatized by 2000 with ZCCM-IH plc retaining minority shares in the new mining companies as indicated below:

- **Konkola Copper Mines Plc**- took over Nchanga and Konkola Divisions;
- **Mopani Copper Mines Plc** took over Nkana and Mufulira Divisions;
- **Binani** took over Luanshya Division and is now owned by CNMC Luanshya Copper Mines Plc;
- **Chibuluma Mines Plc** took over the Chibuluma mine;
- **Kabwe Division** was closed in 1994;
- **NFC Africa Mining Plc** took over Chambishi Copper Mine;
- **Chambishi Metals Plc** took over Chambishi Cobalt Smelting Plant;
- **Copperbelt Energy Corporation Plc** took over the Electricity Power Distribution Division; and,
- **Kansanshi Mine Plc** took over Kansanshi Mine, which had several years of intermittent dormancy and activity.



2.1. ZCCM-IH INVESTMENTS

ZCCM-IH is the investment vehicle in the mining sector for the Government Republic of Zambia (GRZ) through the Industrial Development Corporation Limited (IDC). ZCCM-IH investment portfolio comprises the companies in Table 1 below:

TABLE 1: PORTFOLIO OF INVESTEE COMPANIES

S/N	Asset Name	% Interest	Product/Service	Status
1	Chambishi Metals Plc	10.0	Copper cathode and cobalt metal.	Operational
2	Mopani Copper Mines Plc	10.0	Copper cathode and anode slimes.	Operational
3	Oranto Petroleum Limited	10.0	Oil and gas	Exploration
4	NFCA Africa Mining Plc	15.0	Copper concentrates.	Operational
5	Chibuluma Mines Plc	15.0	Copper concentrates.	Operational
6	Copper Tree Minerals Limited	15.6	Copper cathode	Development
7	CNMC Luanshya Copper Mines Plc	20.0	Copper concentrates and copper cathode	Operational
8	Kansanshi Mine Plc	20.0	Copper anode, copper cathode and Gold Dore.	Operational
9	Lubambe Copper Mine Plc	20.0	Copper concentrates.	Operational
10	CEC Africa Limited	20.0	Electricity distribution company in Lagos, Nigeria.	Operational
11	Konkola Copper Mines Plc	20.6	Copper cathode, copper-cobalt alloys and anode slimes.	Operational
12	Copperbelt Energy Corporation Plc	24.1	Distribution network to large-scale copper mines on the Copperbelt in Zambia.	Operational
13	Maamba Collieries Limited	35.0	Supplier of coal and generator of 300Mw thermal power.	Operational
14	Consolidated Gold Company Ltd.	45.0	Gold Processing	Operational
15	Central African Cement Ltd	49.0	Cement and Thermal power energy	Development
16	Rembrandt Properties Ltd	49.0	Real Estate	Development
17	Zambia Gold Company Ltd	51.0	Gold Mining, Exploration and Trading	Development/Exploration
18	Investrust Bank Plc	71.4	Commercial bank	Operational
19	Limestone Resources Ltd	100.0	Supplier of lime products.	Development
20	Misenge Environmental and Technical Services Ltd	100.0	Services to the mining sector.	Operational
21	Kariba Minerals Ltd	100.0	Amethyst Mine	Operational
22	Kabundi Resources Ltd	100.0	Manganese Mining	Operational
23	Mushe Milling Ltd	100.0	Milling	Operational
24	Ndola Lime Company	100.0	Supplier of lime products	Operational

*Settlement of outstanding liabilities

2.2. ZCCM-IH SHARES ON STOCK EXCHANGES

ZCCM-IH Plc shares are listed on three stock exchanges with the Lusaka Securities Exchange as the primary listing, London Stock Exchange and Euronext Access Paris in France.

2.3. ZCCM-IH SHAREHOLDER PROFILE

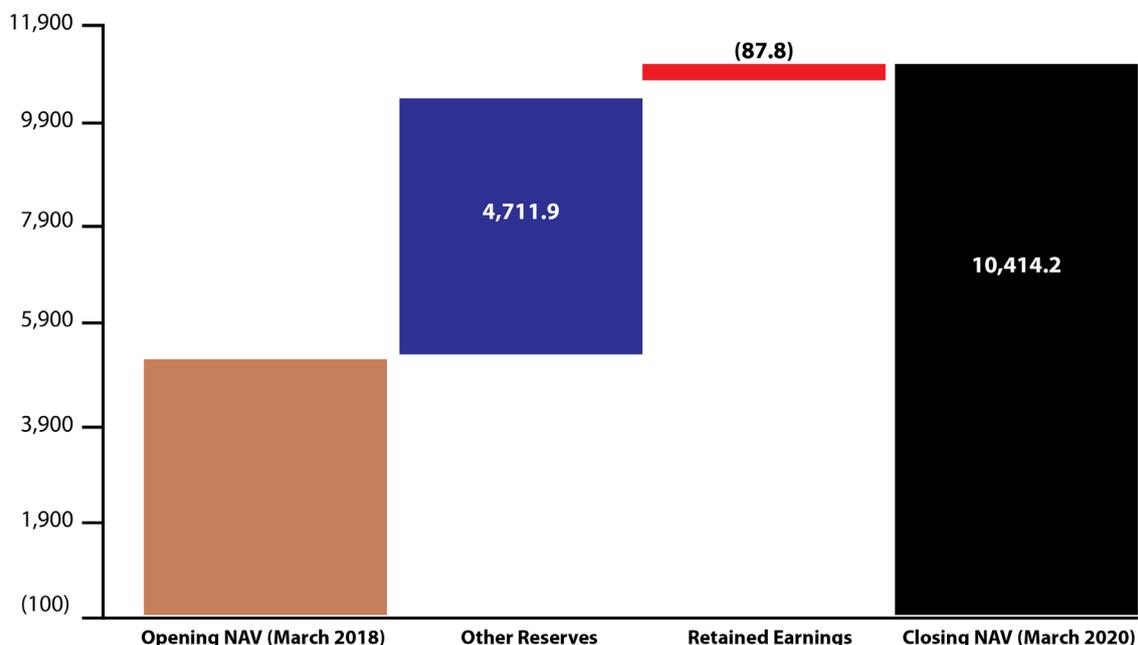
ZCCM-IH's major shareholders include the IDC, which holds 60.28% of the issued shares; GRZ, which holds 17.25% of the issued shares, NAPSA which holds 15% of the shares while the remaining 7.47% of the shares are held by other institutional and individual shareholders as shown in Table 2 below:

TABLE 2: SHAREHOLDERS

Registered Name	Share Class	Number of Shares	Percentage
IDC	A	96,926,669	60.28
GRZ	B	27,735,173	17.25
NAPSA	B	24,120,043	15.00
Other	B	12,018,401	7.47
TOTAL		160, 800, 286	100.00

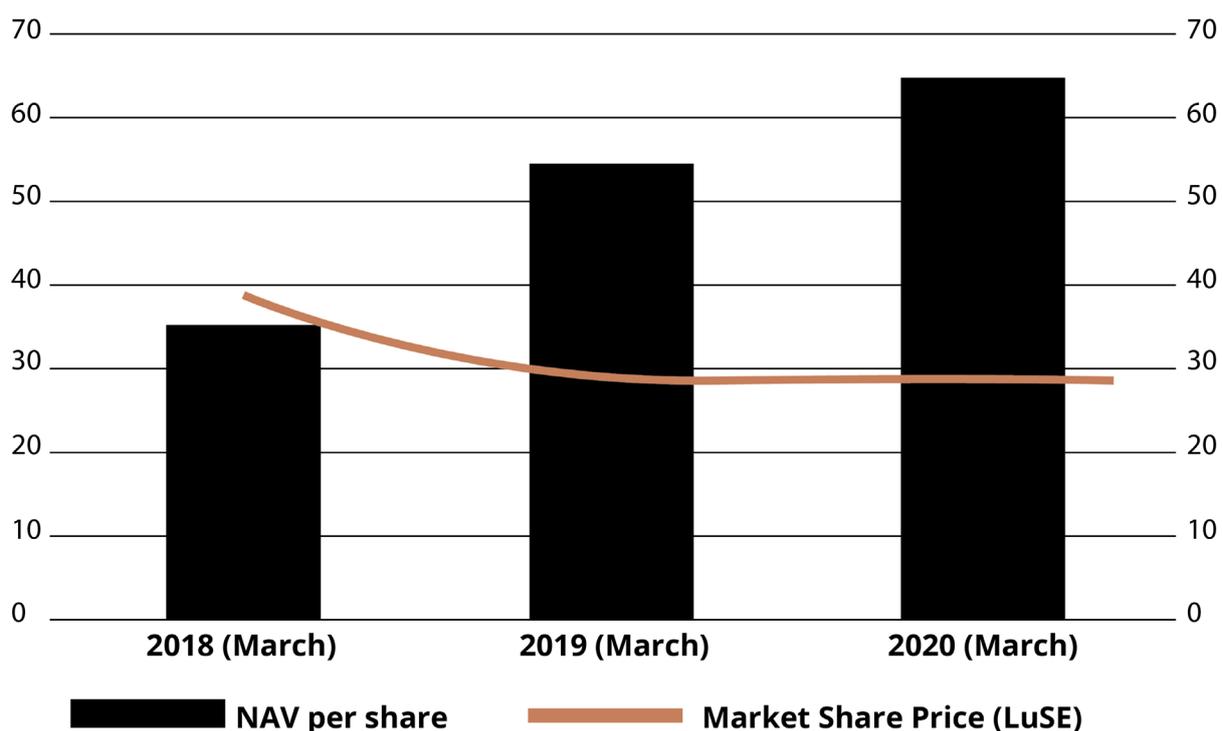


FIGURE 2: CHANGES IN THE NET ASSET VALUE (NAV) – MARCH 2018 TO MARCH 2020



The graph above shows a movement in the NAV from ZMW5,790 million in March 2018 to ZMW10,414 million in March 2020. This shows a growth in NAV of over 40 per cent during the review period. The growth in NAV was mainly driven by an increase in investment in associates and operational profits recorded in 2018 and 2020 (unaudited) financial years.

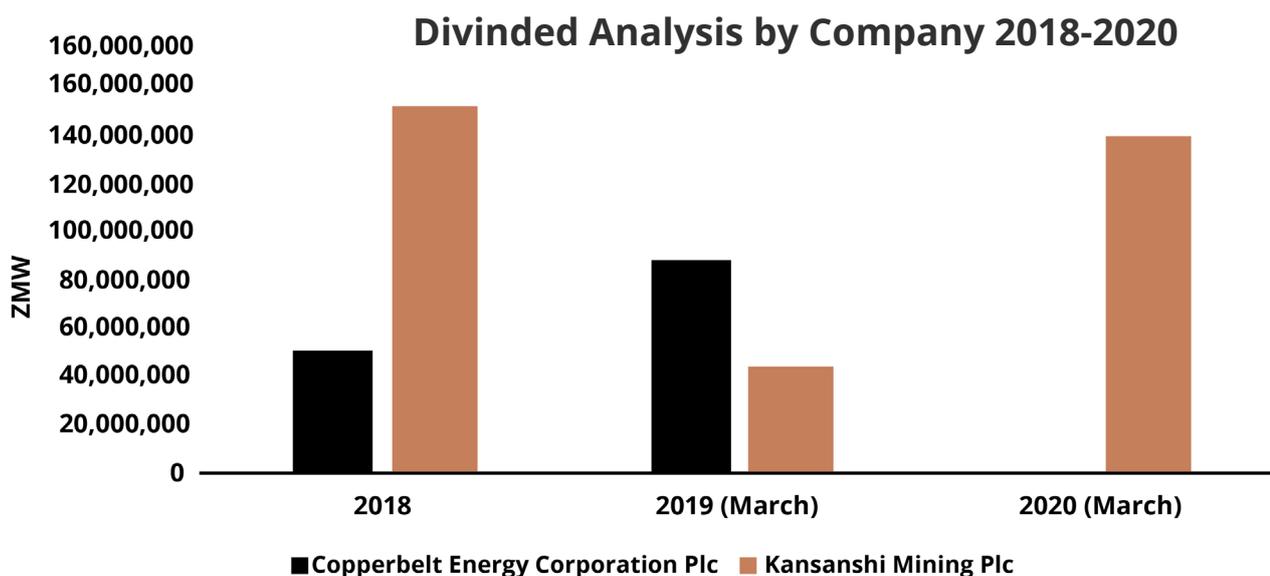
FIGURE 3: MOVEMENTS IN NAV PER SHARE AND MARKET SHARE PRICE – (2018 – 2020)



It can be noted from the above graph that while the NAV per share has been increasing over the review period; moving from about ZMW35 per share in March 2018 to just over ZMW60 per share as at 31st December 2019; the price per share on the LuSE has declined from ZMW38 per share around March 2018 to about ZMW30 per share in December 2019.

The drop on the LuSE can be attributed to the illiquid nature of the market and the lower than expected dividend payments from the investee companies that resulted in some shareholders exiting the stock and selling their shares at below market prices. The growth in NAV was mainly driven by an increase in fair value of investments in Kansanshi Mining Plc and Maamba Collieries Limited coupled with operational profits recorded in 2018 and 2020 (unaudited) financial years.

FIGURE 4: DIVIDEND RECEIPTS FROM INVESTEES – MAR 2018 TO MARCH 2020



It can be noted from the table above that only Kansanshi and CEC paid dividends to ZCCM-IH. Kansanshi paid the higher dividend at about ZMW316.4 million whereas CEC paid about ZMW139.3 million. Due to the low dividend receipts from the investees in the past which has mainly been attributed to the negative equity positions of the investees and low profitability, ZCCM-IH is going to push for the introduction of alternative revenue streams that include Royalties, Metal Streams and Management Fees, from the investee companies that are not dependent on the solvency test as stipulated in the Companies Act 2017. This will ensure ZCCM-IH receives income from the investees where the alternative revenue streams will be introduced even when the respective companies have negative equity positions.





3.1 ZCCM-IH BUSINESS MODEL

The table below highlights the business model ZCCM-IH will operate under in order to achieve the Strategic Goals highlighted in the 2020-2026 Strategic Plan. ZCCM-IH's shareholders have set expectations of the company in which key activities such as managing portfolio risk and returns, identification of new investments and raising of finance have been aligned to the company's strategic plan. These activities will be achieved through the value proposition of ZCCM-IH, with strong Tier 1 assets, deep industry knowledge, brand recognition and strong government links. Through the segments of mining and energy investments, ZCCM-IH will look to realise varying revenue streams through dividends, supply chain income, trading, royalty income, management fees, and divesting from assets that in our view cannot generate any further value for our portfolio.

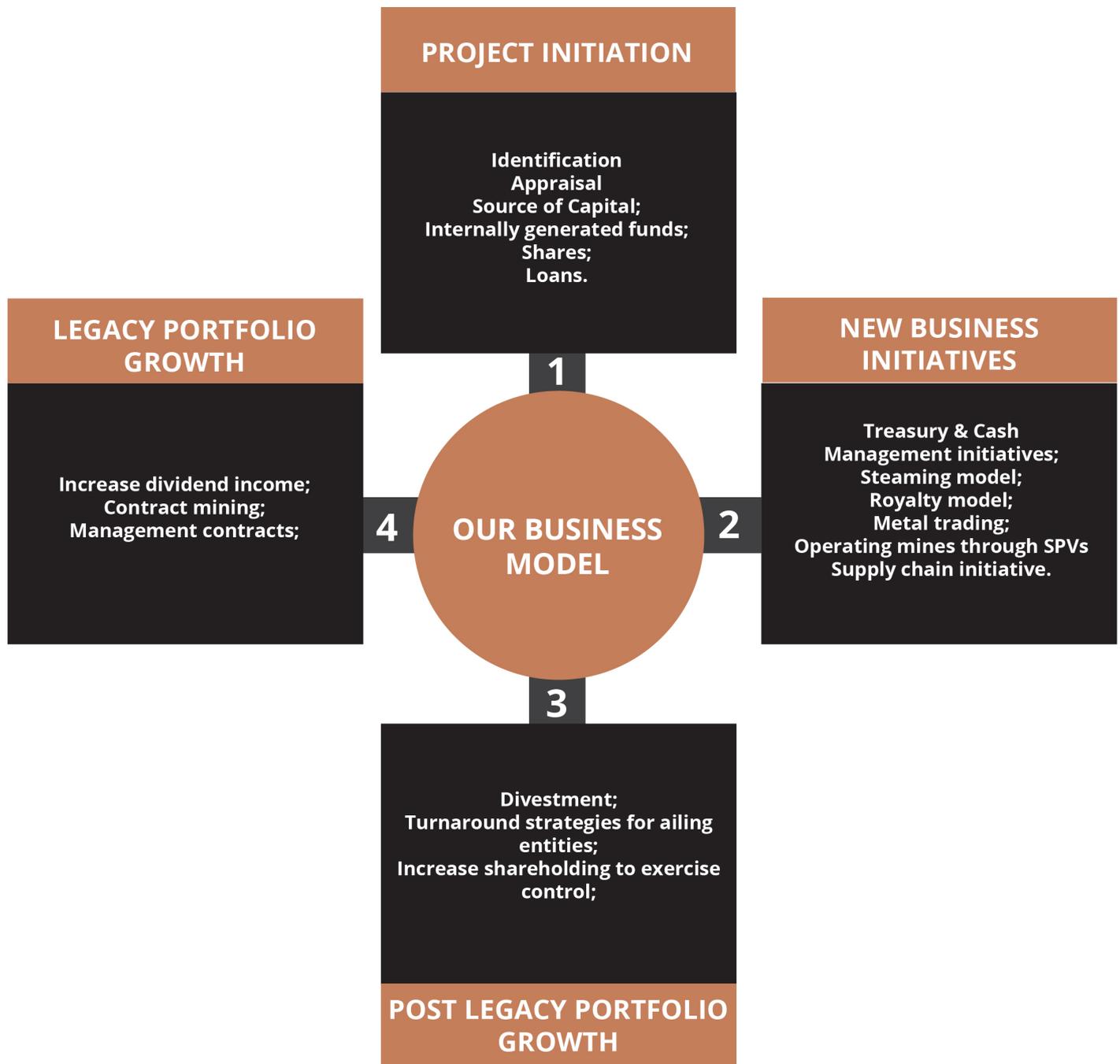


TABLE 3: ZCCM-IH BUSINESS MODEL

KEY STAKEHOLDERS	KEY ACTIVITIES	VALUE PROPOSITIONS	STAKEHOLDER RELATIONSHIPS	INVESTMENT SEGMENTS
MoF MoMMD IDC REGULATORS: SEC, LuSE, LSE, EURONEXT MINORITY SHAREHOLDERS INVESTEES COMPANIES AND SUBSIDIARIES BANKS AND OTHER FINANCIAL INSTITUTIONS STRATEGIC PARTNERS LOCAL COMMUNITIES	MANAGING PORTFOLIO RISKS AND RETURNS MANAGING STAKEHOLDER RELATIONSHIPS BUSINESS DEVELOPMENT EXPLORATION AND MINING RAISING FINANCE (EQUITY AND DEBT)	TIER 1 ASSETS CLEAN BALANCE SHEET COUNTRYWIDE GOLD MANDATE DIVIDEND POLICY TECHNICAL EXPERTISE AND DEEP INDUSTRY KNOWLEDGE ESTABLISHED BRAND STRATEGIC PARTNERSHIPS WITH WORLD CLASS COMPANIES ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) STANDARDS ADHERENCE	CUSTOMER RELATIONSHIP MANAGEMENT (CRM) – INTERNAL AND EXTERNAL	TYPE - FOCUSED 1. MINING 2. ENERGY
	KEY RESOURCES		CHANNELS	
	HUMAN CAPITAL CURRENT AND FIXED ASSETS SYSTEMS AND PROCESSES VALUE CHAIN AND LINKAGES		ZCCM-IH WEBSITE SALES AND MARKETING ANNUAL REPORTS SOCIAL NETWORKS REGULATORY NEWS SERVICES (STOCK EXCHANGES)	
COST STRUCTURE			REVENUE STREAMS	
CAPITAL EXPENDITURE STAFF COST CONSULTANCY PUBLIC RELATIONS AND MARKETING LITIGATION EXPLORATION AND MINE DEVELOPMENT			DIVIDENDS MANAGEMENT FEES RENTAL INCOME ASSET SALES SUPPLY CHAIN INCOME REALISED GAINS FROM INVESTMENT TRADING TREASURY MANAGEMENT INCOME ROYALTIES INCOME/STREAMING INCOME DIVESTMENT INCOME METALS TRADING INCOME	

3.1 VALUE CHAIN DRIVERS

ZCCM-IH has identify value chains that are a fundamental aspect of achieving the company's goals over the strategic period. Each function component provides a special level of added value and is supported by a level of physical infrastructure. They are each impacted differently by a series of drivers.





4.1 VISION AND MISSION

4.1.1 VISION

To be a world class investment holding company with a focus on mining.

4.1.2 MISSION

To be a transformative company with an investment agenda that benefits all our stakeholders.

4.2 ORGANISATION TRANSFORMATION - CHANGE AGENDA

In response to the challenges and opportunities outlined in this plan, a Change Agenda was developed as an articulation of the changes we intend to make over the coming six years. ZCCM-IH needs to build on the progress made in recent years in order to transform the company to be in line with its vision.

TABLE 4: CHANGE AGENDA

FROM	CHANGE DOMAIN	TO
<p>1. Dependence on mines' dividend income</p>	<p>Portfolio dependency on the traditional dividend model</p>	<ul style="list-style-type: none"> • Apply Royalty/Streaming/ Preference share model across current portfolio. • Build cash reserves from new business model to build next generation of mines with aligned strategic partners which are profitable and value adding.
<p>2. Poor overall portfolio performance</p>	<p>Low portfolio return</p>	<p>Subsidiary</p> <ul style="list-style-type: none"> • Implement turnaround per Investee Company. <p>Other investments</p> <ul style="list-style-type: none"> • Invest/exit strategies guided by individual investee company performance.
<p>3. Illiquid ZCCM-IH shares</p>	<p>Trading ZCCM-IH Shares</p>	<ul style="list-style-type: none"> • Increased liquidity through corporate image enhancement, investor engagement (roadshow) and regular dividend payments and issuance of new shares. • Restructuring the listing of ZCCM-IH on Euronext Access. • Enforce dividend policies with investee companies to bolster predictability of revenue streams. • Timely release of company financials.
<p>4. Large stakes in non-mining assets as part of the portfolio</p>	<p>Re-focus on core business which is mining and mining-related investments</p>	<ul style="list-style-type: none"> • Exit shareholding from non-mining assets through the IDC Group Rationalisation programme

This plan is specifically designed to implement these changes, which we believe will result in the ability to achieve our Vision.



The table below speaks to the ZCCM-IH value proposition, which refers to the value the company will endeavour to deliver to our shareholders and stakeholders alike. The value proposition provides ZCCM-IH's declaration of intent on what the company stands for, how it will operate during this strategic period.

2020-2026 ZCCM-IH Value Proposition						
PURPOSE	EXTRACT VALUE FROM CURRENT PORTFOLIO, UNDERTAKE NEW VENTURES, INVEST IN GREENFIELD AND BROWNFIELD MINING AND MINING RELATED AND ENERGY PROJECTS					
Legitimacy (Foundation)	Heritage of more than 100 years	Zambia has the second largest known copper reserves in Africa and 6% of the known world copper reserves .	Owens extensive copper and energy asset investments	An Investment vehicle of GRZ in the mining sector	Shares listed on three stock exchanges	Countrywide gold mandate
Vision	To be a world class investment holding company with a focus on mining.					
Mission	To be a transformative company with an investment agenda that benefits all our stakeholders.					
Enforced by our values	Integrity	Team Work	Efficiency	Respect	Accountability	
Guided by our principles	We work as a team		Promote Entrepreneurship		We are proactive and innovative	
Executed through	Mining	Minerals value addition	Organisation design	Energy	Performance Management	Financial Services
Delivered by	Our people		Smart partnerships		Our entities	



4.3 VALUES AND LEADERSHIP PHILOSOPHY

As ZCCM-IH, we will operate in a culture that encourages openness. The following set of values represent the culture we are moulding in order to achieve our vision and accomplish our strategic goals. They are a platform on which all of us operate.

These are our values which guide each employee's day-to-day execution of tasks:

- **Integrity:** All our teams work for a common purpose. The resolve to do the right thing for ZCCM-IH, for one's colleagues and for one's stakeholders even when no one is looking. The spirit of honesty is very sacrosanct in all our dealings.
- **Teamwork:** The collective strength of the team is our biggest asset and we will harness it to its fullest extent. We promote teamwork, responsible participation and contribution from diversity of experiences.
- **Respect:** We give respect to ourselves, our peers, our subordinates and to our superiors. The ability and self-control to recognize the value of every individual and treat them with dignity is our key founding work ethos.
- **Transparency and accountability:** We respect following processes and procedures in an open manner in all our dealings and we will be responsible for all our actions.
- **Efficiency:** We maintain a peak level of performance that uses the least amount of inputs to achieve the highest amount of output.

ZCCM-IH's Values and Leadership Philosophy encompass three key areas:

- i. The team we build;
- ii. The culture we maintain; and
- iii. The philosophy behind our business.

4.4 CORPORATE STRATEGIC GOALS

Based on the Vision and Mission, we have identified four Strategic Goals that are the basis for establishing the objectives that have been formulated.

The four Strategic Goals which underpin the company's strategic impetus, are to:

1. Extract value from our current portfolio;
2. Investment in greenfield and brownfield mining, and mining related ventures across a diverse range of minerals:
 - i. Commodity diversification to include cobalt, gold, manganese and other base metals, gemstones, limestone, phosphate and rare earth minerals;
 - ii. Value addition downstream and exploration upstream; and,
 - iii. Energy.
3. Achieve operational and financial excellence; and,
4. Generate greater shareholder value by optimising our stock exchange listings. The table below shows the strategic objectives based on the four goals:

TABLE 5: STRATEGIC GOALS AND OBJECTIVES

Strategic Goals	Objectives
1. tract value from the current portfolio.	1. To generate dividend revenue of at least USD 28 million per annum from the current portfolio by 2026.
	1. Diversify revenue sources to include royalties, streaming, trading and copper split by 2026.
	3. Recover at least USD48 million of interest on shareholder loans from investee companies by 2026.
	4. Generate a return of at least 30% from the legacy properties by 2026.
2. Invest in greenfield and brownfield mining and mining related ventures across a diverse range of minerals	1. Invest at least USD 2.69 billion in new investment grade projects in the mining and energy sectors by 2026.
	2. Identify opportunities in the mining supply chain and implement business plan arising from the opportunities identified.
	3. Generate total revenue of USD 27.5 million over the next 6 years from supply chain activities.
3. Achieve Operational and Financial Excellence.	1. Achieve profit after tax with CAGR of more than 15% year on year.
	2. Ensure cost to income ratio is no more than 40% each year.
	3. Conclude at least 30% of the conveyancing of properties sold pursuant to the privatisation of Zambia Consolidated Copper Mines Limited's assets by 2026.
	4. Rehabilitate, manage and monitor all legacy liabilities.
	5. Ensure Corporate Governance Best Practices across all Portfolio Companies.
	1. Assure the adequacy and effectiveness of the Governance, Risk Management and Controls of ZCCM-IH and its Subsidiaries.
	7. Embed risk management processes by inculcating a Risk management culture in all operations of the Company and Subsidiaries.
	8. Adherence to Environmental, Social and Governance (ESG) Best Practice Standards and Principles.
4. Generate greater Shareholder value by optimising our stock exchange listings	1. Improve liquidity of ZCCM-IH shares by 20%+ annually across the 3 stock listings by 2026.
	2. Increase analyst coverage of ZCCM-IH.

4.5 ZCCM-IH REVENUE PRIME MOVERS: 2020-2026

Over the period covered by the strategic plan (2020-2026), ZCCM-IH will endeavour to maximise value extraction for its shareholders as shown by the revenue and income prime movers that are segmented by source in the illustration below. By Mining SMARTLY, ZCCM-IH will ensure that each segmented revenue source enjoys above average annual growth during this period.

TABLE 6: ZCCM-IH REVENUE PRIME MOVERS: 2020-2026

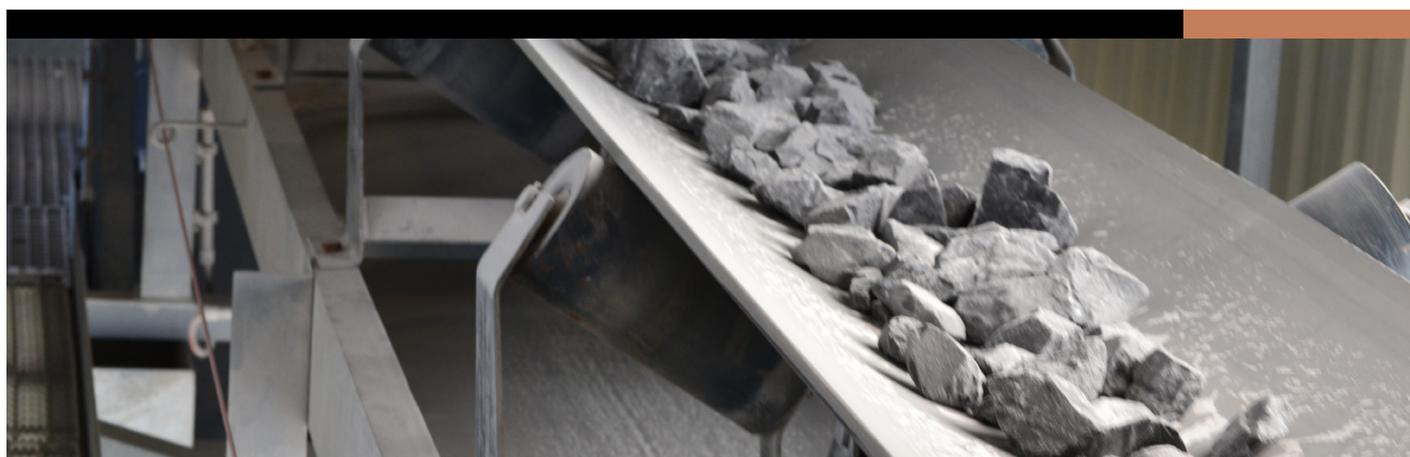
ROYALTY AND METAL STEAMING	OTHER SOURCES (MNGT FEES, RENTAL & OTHER INCOME)	DIVIDENDS FROM CURRENT PORTFOLIO	INTEREST INCOME FROM PLACEMENTS	DIVIDENDS FROM PROSPECTIVE PORTFOLIO	INTEREST ON LOANS TO INVESTEES
CONTRIBUTE 58%	CONTRIBUTE 19%	CONTRIBUTE 12%	CONTRIBUTE 6%	CONTRIBUTE 3%	CONTRIBUTE 2%
15.03% ADJUSTED ANNUALISED GROWTH	23.15% ANNUAL GROWTH	31.09% ANNUAL GROWTH	30.73% ANNUALISED GROWTH	68.51% ANNUALISED GROWTH	11.31% ANNUALISED GROWTH

5 LOOKING AHEAD

The Strategic Plan 2020 -2026 proposes a new approach for ZCCM-IH, to respond to the challenges faced in the implementation of the 2018 to 2023 Strategic Plan. The ZCCM-IH Strategic Plan 2020–2026 takes effect at the time when the world and the mining sector is facing the Covid-19 pandemic.

In the early years, we will accelerate the pace of progress working with various key stakeholders to build on what works and find new ways to achieve the outlined strategic goals. The focus of the strategic plan, as outlined, will be on inter alia, value extraction from the current portfolio, commodity diversification and value addition.

This Strategic Plan is a tool for enhancing the impact of ZCCM-IH to deliver greater results in order to maximise wealth for the benefit of all our stakeholders. It is keyed to drive progress toward the achievement of the Vision of being a world class investment holding company with a focus on mining.



“Gold Dore Bars from Kasenseli Gold Project”



Call: +260 211 388 000 | Email: corporate@zccm-ih.com.zm

Physical Address:

ZCCM-IH Office Park

Stand No. 16806, Alick Nkhata Road, Mass Media Complex Area
Lusaka, Zambia