

Mineral Supply Chain Due Diligence Assessment

Summary Report

Assessed Party	Jiyuan Wanyang Smeltery Group Co., Ltd.				
Assessment Date	10/24/2024-10/25/2024				
Assessed Material	Lead				
LME-listed Brand	WANYANG				
Assessment Type	<input checked="" type="checkbox"/> Main Assessment <input type="checkbox"/> Tracking Assessment				
Assessment Result	<input type="checkbox"/> AAA	<input checked="" type="checkbox"/> AA	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C
Assessment Firm	China Standard Conformity Assessment CO., LTD (CSCA)				
Assessor	Hou Chao, Yang Dong				

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 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 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 does 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 does 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	Jiyuan Wanyang Smelter Group Co., Ltd.
Refinery Name	Jiyuan Wanyang Smelter Group Co., Ltd.
Location	North of Sili Village, Sili Town, Jiyuan City, Henan Province.
Profile Number	DDMSC-CNPb0073

2. Assessment Results

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

3. Assessment Scope

Materials	Lead				
LME-listed Brand	WANYANG				
Types of Materials	<input type="checkbox"/> Mine materials	<input type="checkbox"/> Recycled materials	<input checked="" type="checkbox"/> Both		

Assessment Period	<input type="checkbox"/> 12 months: <input type="checkbox"/> Less than 12 months: <input checked="" type="checkbox"/> Other: 07/01/2023-07/31/2024
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4. Summary of Assessment Results

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

Develop and adopt due diligence policy	The company has formulated and approved the <i>Mineral Supply Chain Due Diligence Management Policy</i> , which has been publicly released on its official website. The policy includes requirements for the company and its suppliers, descriptions of the management process for identified risks, commits to undertaking due diligence steps, and implementation plans. The company undertakes to regularly review and update the <i>Mineral Supply Chain Due Diligence Management Policy</i> .
Structure appropriate internal management systems	The company has established a Mineral Supply Chain Due Diligence Management Committee, under which a Joint Office for Due Diligence Management has been set up.

Establish a system of controls and transparency over the supply chain	The company has established a responsible procurement procedure for the supply chain and a supplier compliance monitoring form, encompassing requirements for collecting information on mineral raw material origins, suppliers, transportation, commodity names and types, as well as ownership details of direct suppliers and other known upstream enterprises.
Strengthen engagement with suppliers	The cooperation agreements signed between the company and its suppliers include the <i>Due Diligence Management Statement and Commitment</i> and the <i>Supplier Code of Conduct</i> . The company assists suppliers in capacity building through mineral supply chain due diligence management training and retains training records.
Establish a Company level grievance mechanism and/or participate an industrial level grievance mechanism	The company has formulated the <i>Supply Chain Due Diligence Management Complaint Mechanism and Handling Procedures</i> , including information on the company's participation in the grievance mechanism at the industry level. No complaints occurred during the on-site confirmation assessment period.
Step 2: Risk Identification and Assessment	
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	The company's Joint Office for Due Diligence Management conducted a warning signal review this year, and the results showed that no warning signals were triggered during the assessment period.

When warning signs are identified, companies shall conduct an on-the-ground assessment of the corresponding supply chain	The company has established a <i>Warning Signal Identification List</i> and a “ <i>Conflict-Affected and High-Risk Areas (CAHRAs)</i> ” <i>Identification Procedure</i> . The company conducted a warning signal review this year, and the results showed that no warning signals were triggered during the assessment period.
Assess risks in the supply chain	The company has identified and assessed due diligence management risks in the supply chain through methods such as desktop research and online interviews.
Step 3: Risk Prevention and Mitigation	
Report risk assessment results internally	The company's Joint Office for Due Diligence Management has conducted lead supply chain risk identification and assessment and reported the assessment results to the Supply Chain Due Diligence Management Committee.
Develop and adopt risk management plan	The company has formulated and approved the <i>Risk Management Plan</i> , which has been approved and taken effect by the Due Diligence Management Committee. The plan covers mitigation strategies and response plans for different risks.
Implement risk management plan, monitor and track performance of risk mitigation strategies	During the development of the <i>Risk Management Plan</i> , the company sought opinions from suppliers and affected stakeholders, reaching a consensus on the risk mitigation strategies in the plan.

Supplementary assessment of risks that need to be mitigated. Supplementary assessment can also be conducted after actual circumstances have changed	The company has formulated the <i>Additional Risk Assessment Requirements Form</i> . And it has confirmed that no additional assessments are needed during the assessment period.
Step 4: Internal and External Assessment	
Companies should establish internal assessment system, to continuously monitor and manage due diligence performance	The company has established an internal assessment team, which has conducted internal assessment work and produced an internal assessment report. The company stipulates that an internal assessment shall be conducted regularly once a year.
Companies should designate the second or third party to conduct assessment when applicable	This is an independent third-party assessment of the lead supply chain due diligence management participated by the company.
When necessary, the Company at the key points (smelters/refiners) makes necessary disclosures on the assessment results	The company has committed to releasing the Assessment Summary Report of Supply Chain Due Diligence to the public.
Step 5: Reporting and Communication	

Develop due diligence progress report	The company has compiled and publicly released the <i>Supply Chain Due Diligence Management Progress Report</i> on its official website, covering the company's due diligence management information.
With due regard to business confidentiality and other competitive concerns, companies should publish due diligence progress reports or summary	The company has compiled and publicly released the <i>Supply Chain Due Diligence Management Progress Report</i> on its official website. This report is an annual report, with a release cycle of once a year. Report link: http://www.wanyanggroup.cn/content/?928.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