

Mineral Supply Chain Due Diligence Assessment

Summary Report

Assessed Party	Yunnan Chengfeng Non-Ferrous Metals Co., Ltd.				
Assessment Date	12/11/2024-12/12/2024				
Assessed Material	Tin				
LME-listed Brand	YUNHENG				
Assessment Type	<input checked="" type="checkbox"/> Main Assessment <input type="checkbox"/> Tracking Assessment				
Assessment Result	<input type="checkbox"/> AAA	<input type="checkbox"/> AA	<input checked="" type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C
Assessment Firm	China Standard Conformity Assessment CO., LTD (CSCA)				
Assessor	Yang Dong, Zou Dezhi				

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 Responsible 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 Responsible 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 (CCCCMC) 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 do 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 do 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	Yunnan Chengfeng Non-Ferrous Metals Co., Ltd.
Refinery Name	Yunnan Chengfeng Non-Ferrous Metals Co., Ltd.
Location	Hongtupo, Datun Prefecture, Gejiu City, Yunnan Province, China
Profile Number	DDMSC-CNSn0092

2. Assessment Results

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

3. Assessment Scope

Materials	Tin
LME-listed Brand	YUNHENG
Types of Materials	<input checked="" type="checkbox"/> Mine materials <input type="checkbox"/> Recycled materials <input type="checkbox"/> Both
Assessment Period	<input type="checkbox"/> 12 months: <input type="checkbox"/> Less than 12 months: <input checked="" type="checkbox"/> 14 months:(08/01/2023-09/30/2024)

Warning Signal Triggered or Not	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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4. Summary of Assessment Results

Assessment Result	A
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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 release of the <i>Responsible Mineral Supply Chain Policy</i> , which is in line with the requirements of the <i>Chinese Due Diligence Guidelines for Mineral Supply Chain</i> .
Structure appropriate internal management systems	The company has established an internal supply chain due diligence framework, established a cross-functional responsible mineral supply chain management team, and assigned the responsibilities of due diligence to relevant management and employees. The appraisal and accountability of management and staff for whom the company has delegated responsibility needs to be further improved.
Establish a system of controls and transparency over the supply chain	The company has established a tin supply chain transparency and control system to collect and understand the traceability information of the company's mineral supply chain. For supply chains that trigger warning signals, further supplementary collection of supply chain traceability information is required.

Strengthen engagement with suppliers	Responsible mineral supply chain clauses are included in business contracts with suppliers; A <i>Code of Conduct for Responsible Mineral Suppliers</i> has been developed and passed on to suppliers for signature, which covers the requirements of due diligence policies. In the process of developing the risk management plan, the company engages in communication with suppliers to reach a consensus.
Establish a company level grievance mechanism and/or participate an industrial level grievance mechanism	The company established and approved the <i>Responsible Minerals Supply Chain Communication and Grievance Procedure</i> to provide a channel for stakeholders to express their concerns; The company should strengthen the identification and participation of grievance mechanism at the industry level.
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 has developed the <i>Responsible Mineral Supply Chain Management Manual</i> , established the <i>Conflict Affected and High Risk Areas (CAHRAs) Identification Procedure</i> , clarified the mineral supply chain risk identification procedure, and carried out the review of warning signs. The company has developed and implemented information verification procedures, and collected information and relevant evidence required by sending <i>Supplier Identification Questionnaire</i> to suppliers.
When warning signs are identified, companies shall conduct an on-the-ground assessment of the corresponding supply chain	During the assessment period, the company's supply chain triggered "warning signs" and developed <i>on-site assessment plan</i> . However, due to the accessibility of supply chain destinations, on-site assessments could not be carried out, and the company expressed their desire to jointly conduct on-site assessments by participating in actions at the industry level. The company need to further improve the integrity of supply chain traceability information collection.

Assess risks in the supply chain	The company conducted a supply chain risk assessment and formed the <i>Responsible Mineral Supply Chain Risk Assessment Report</i> . The comprehensiveness and adequacy of the company's identification and determination of supply chain risks need to be further improved.
Step 3: Risk Prevention and Mitigation	
Report risk assessment results internally	During the assessment period, the company did report supply chain due diligence risk assessments to senior management.
Develop and adopt risk management plan	The company has developed the <i>Responsible Mineral Supply Chain Risk Mitigation Plan</i> to provide suppliers with feedback channels for risk mitigation opinions and suggestions, and to communicate the content, implementation and mitigation measures of the risk mitigation plan to first-tier suppliers. The effectiveness of the approval date of the Risk mitigation plan needs to be further clarified.
Implement risk management plan, monitor and track performance of risk mitigation strategies	The company maintains communication with suppliers and other stakeholders on the implementation, monitoring and performance tracking of the risk management plan.
Supplementary assessment of risks that need to be mitigated. Supplementary assessment can also be conducted after actual circumstances have changed	In the <i>Responsible Mineral Supply Chain Management Manual</i> , the company clearly stipulates that in the process of implementing the <i>Risk Mitigation Plan</i> , the risks that need to be mitigated will be continuously monitored and supplementary assessed when the actual situation or the supply chain changes. During the assessment period, there were no major changes in the supply chain.

Step 4: Internal and External Assessment	
Companies should establish internal assessment system, to continuously monitor and manage due diligence performance	The company has formulated the <i>Internal evaluation Work Plan</i> , set up an internal evaluation team, carried out an internal evaluation and completed the <i>Internal Evaluation Report</i> .
Companies should designate the second or third party to conduct assessment when applicable	The company has commissioned a third party to conduct the evaluation, and this evaluation is the second annual third-party evaluation of the company's supply chain due diligence.
When necessary, the company at the key points (smelters/refiners) makes necessary disclosures on the assessment results	The company has promised to publicly disclose the <i>Mineral Supply Chain Due Diligence Assessment Summary Report</i> in the future.
Step 5: Reporting and Communication	
Develop due diligence progress report	The company compiled the <i>Responsible Minerals Supply Chain Due Diligence Annual Report</i> . The completeness of the report and the accuracy of the description of its contents should be further improved.
With due regard to business confidentiality and other competitive concerns, companies should publish due diligence progress reports or summary	The company publicly released the <i>Responsible Minerals Supply Chain Due Diligence Annual Report</i> on the official website. Report link: https://www.yhtin.cn/xwzx

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