



# Mineral Supply Chain Due Diligence Assessment

## Summary Report

Assessed Party	Henan Jinli Gold and Lead Group Co., Ltd				
Assessment Date	10/22/2023-10/23/2023				
Assessed Material	Lead				
LME-listed Brand	JIJIN				
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	Liu Xuan, Hou Chao				

## Instruction

### Objective

This assessment program is an independent third-party assessment conducted by China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC) 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	Henan Jinli Gold and Lead Group Co., Ltd			
Refinery	Henan Jinli Gold and Lead Group Co., Ltd			
Location	Province/ municipality	Henan Province, China	City	Jiyuan City
Profile Number	DDMSC-CNPb0014			

## 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	Lead
LME-listed Brand	JIJIN
Types of Materials	<input type="checkbox"/> Mine materials <input type="checkbox"/> Recycled materials <input checked="" type="checkbox"/> Both
Assessment Period	<input checked="" type="checkbox"/> 12 months: 07/01/2022-06/30/2023



CCCCMC

	<input type="checkbox"/> Less than 12 months:
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## 4. Summary of Assessment Results

<b>Assessment Result</b>	<b>A</b>
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<b>Step 1: Establishing A Corporate Due Diligence System</b>	
Develop and adopt due diligence policy.	The Company has formulated the <i>Policy of Lead Supply Chain Due Diligence</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 developed the <i>Administrative Measures for the Working Group of Lead Supply Chain Due Diligence Management</i> and established a cross-departmental working group for lead supply chain due diligence management. Due diligence responsibilities have been assigned to relevant management and employees. The Company conducted mineral supply chain due diligence training on a regular basis, to enhance the due diligence awareness and capabilities of the management and employee; training records have been kept and maintained.
Establish a system of controls and transparency over the supply chain.	The Company has established a supply chain control and transparency system to collect and understand the traceability information of its mineral supply chain.
Strengthen engagement with suppliers.	The Company requires suppliers to sign the <i>Supplier Code of Conduct</i> and Contract terms regarding responsible conduct to ensure that suppliers follow policies in consistent with the Company's due diligence policy. However, the Company needs to further strengthen its efforts in actively cooperating with suppliers in the field of supply chain due diligence management and assisting suppliers in capacity building.
Establish a company level grievance	The Company developed and released the <i>Grievance Mechanism of Lead Supply Chain Due</i>

mechanism and/or participate an industrial level grievance mechanism.	<i>Diligence Management</i> , and identified and participated in the grievance mechanisms at the industry level.
<b>Step 2: Risk Identification and Assessment</b>	
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>Procedure for Identification of Conflict Affected and High-Risk Areas (CAHRAs)</i> , and conducted review of warning signs in the supply chain. The Company has formulated and implemented information verification procedure. Information verification was conducted through distributing and collecting the Know Your Supplier (KYS) Questionnaires to suppliers. However, the Company needs to further strengthen its efforts in the collection of mineral supply chain traceability information.
When warning signs are identified, companies shall conduct an on-the-ground assessment of the corresponding supply chain.	The Company has formulated and implemented <i>Supplier Due Diligence Management Procedure</i> and established a Warning Sign Identification List. Through the review process, no warning signs have been identified, thus, no on-site assessment is required.
Assess risks in the supply chain.	The Company has carried out supply chain risk assessment, and the risk assessment results have been concluded.
<b>Step 3: Risk Prevention and Mitigation</b>	
Report risk assessment results internally.	The Company's risk assessment results can be reported to senior managers.
Develop and adopt risk management plan.	During this assessment period, no warning signs have been found. Though, in order to prevent risks in its supply chain, the Company formulated a <i>Risk Management Plan</i> .
Implement risk management plan, monitor and track performance of risk mitigation strategies.	According to the Company's requirements for supply chain due diligence management, if supply chain risks are identified, the <i>Risk Management Plan</i> shall be implemented. The Company has formulated a Monitoring Form for Risk Management Plan Implementation, which clarifies that performance of supply chain risk mitigation measures must be monitored and tracked on a regular basis. However, communication

	and cooperation with multiple stakeholders such as suppliers and industry organizations on supply chain due diligence issues need to be further strengthened to improve supply chain partners' response to the Company's due diligence requirements.
Supplementary assessment of risks that need to be mitigated. Supplementary assessment can also be conducted after actual circumstances have changed.	The Company's due diligence management system stipulates that if the actual situation or the supply chain changes, continuous monitoring and additional assessment shall be conducted for risks that need to be mitigated.
<b>Step 4: Internal and External Assessment</b>	
Companies should establish internal assessment system, to continuously monitor and manage due diligence performance.	The Company has developed an <i>Internal Assessment Plan</i> , established an internal assessment team, and completed internal assessment. However, the Company needs to further strengthen the capabilities of internal auditors, further improve the internal assessment system.
Companies should designate the second or third party to conduct assessment when applicable.	This assessment is the first third-party independent assessment of lead supply chain due diligence management that the Company has participated in.
When necessary, the company at the key points (smelters/refiners) makes necessary disclosures on the assessment results.	The Company made commitment to release the <i>Summary Report of Supply Chain Due Diligence Assessment</i> to the public.
<b>Step 5: Reporting and Communication</b>	
Develop due diligence progress report	The Company compiled the <i>2022-2023 Lead Supply Chain Due Diligence Progress Report</i> .
With due regard to business	The Company released the <i>2022-2023 Lead Supply Chain Due Diligence Progress Report</i> on its official



<p>confidentiality and other competitive concerns, companies should publish due diligence progress reports or summary.</p>	<p>website. Link: <a href="http://www.jyjyl.com/gonggao_detail_1/51.html">http://www.jyjyl.com/gonggao_detail_1/51.html</a></p>
<p><b>Step 6: Provide for or Cooperate in Remediation When Appropriate</b></p>	
<p>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.</p>	<p>N/A</p>
<p>Companies provide conditions or cooperate with existing remedial mechanisms in a timely manner.</p>	<p>N/A</p>