Mineral Supply Chain Due Diligence Assessment

Summary Report

Assessed Party	Henan Yuguang Gold and Lead Co., Ltd.				
Assessment Date	11/03/2025-11/04/2025				
Assessed Material	Copper				
LME-listed Brand	YG				
Assessment Type	☑Main Assessment	□Tracking Assessment			
Assessment Result	□AAA	□AA	☑A	□B	□C
Assessment Firm	China Quality Mark Certification Group Co.,Ltd.				
Assessor	Zhang Sen, Lu Da				

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 Yuguang Gold and Lead Co., Ltd.
Location	No.1, Jingliang South Street, Jiyuan City, Henan Province, China
Profile Number	DDMSC-CNCuPb0143

2. Assessment Results

Type	☑ Main Assessment		☐ Tracking Assessment		
Result	☐ Level AAA	☐ Level AA	☑ Level A	☐ Level B	☐ Level C

3. Assessment Scope

Materials	Copper		
LME-listed Brand	YG		
Types of Materials	☐ Mine materials	☐ Recycled materials	☑ Both
Assessment Period	☑ 12 months: 08/01/2024-07/31/2025	☐ Less than 12 months:	

4. Summary of Assessment Results

Assessment Result	**A**

Step 1: Establishing A Corporate Due Diligence System	
Develop and adopt due diligence policy	The company has developed, approved and publicly released the publication of the *Henan Yuguang Gold & Lead Co., Ltd. Lead/Copper Supply Chain Due Diligence Management Policy*, in compliance with the requirements of the *Chinese Due Diligence Guidelines for Mineral Supply Chain*.
Structure appropriate internal management systems	The Company has established a Supply Chain Due Diligence Management Committee and set up a Joint Office for Supply Chain Due Diligence Management across departments, responsible for the operation of the supply chain due diligence management system.
Establish a system of controls and transparency over the supply chain	The Company has established a supply chain control and transparency system and developed a Supplier Classification Management Procedure to collect and understand the company's mineral supply chain traceability information. For suppliers that trigger warning signs, the company is required to further collect mineral supply chain traceability information needed for reviewing supply chain warning signs.
Strengthen engagement with suppliers	The Company has formulated the *Supply Chain Due Diligence Management Statement* and *Commitment and Supplier Code of Conduct*, to ensure that they comply with policies consistent with the Company's supply chain due diligence management policy. The Company needs further improvement in assisting suppliers in

	capacity building of supply chain due diligence management.
Establish a company level grievance mechanism and/or participate an industrial level grievance mechanism	The company has formulated the *Henan Yuguang Gold & Lead Co., Ltd. Supply Chain Due Diligence Management Complaint Mechanism*, which includes the scope of complaints, the subjects of complaints, and the methods for lodging complaints, and has publicly posted it on the company's website. The company has recognized industry complaint mechanisms and has committed to participating in them.
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 established the *CAHRAs Identification Procedure* and conducted warning signal reviews on its suppliers. The company has formulated and implemented an information verification procedure, verifying information through the *Supplier Compliance Monitoring Form*. No warning signals were triggered by the company.
When warning signs are identified, companies shall conduct an on-the-ground assessment of the corresponding supply chain	During this assessment period, the company did not trigger any warning signals. The company has formulated an *On-site Assessment Plan*, stipulating that an on-site assessment must be conducted within one year if warning signals are detected.
Assess risks in the supply chain	The company has conducted a supply chain risk assessment and produced the *Copper Supply Chain Risk Identification and Assessment Report*, currently classified as low risk.
Step 3: Risk Prevention and Mitigation	
Report risk assessment results internally	The Company is able to report the results of its supply chain due diligence risk assessment to senior management.

Develop and adopt risk management plan	The Company has developed and approved the *Risk Management Plan*, covering mitigation strategies for different types of risks.
Implement risk management plan, monitor and track performance of risk mitigation strategies	The company has implemented the *Risk Management Plan*, but cooperation with affected stakeholders, local and central governments, upstream enterprises, international or civil society organizations, and local communities needs to be strengthened.
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 *Lead/Copper Additional Risk Assessment Requirements Form* and conducts assessments based on changes in the company's operating environment, supply chain, mining areas, transportation routes, and export ports. The assessment results indicate that no additional risk assessment is required 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 carried out internal assessment and completed the internal assessment report.
Companies should designate the second or third party to conduct assessment when applicable	This is the third third-party assessment that the company has participated in for supply chain due diligence management.
When necessary, the company at the key points (smelters/refiners) makes necessary disclosures on the assessment results	The Company promises to disclose the summary report of due diligence management evaluation of supply chain.

Step 5: Reporting and Communication	
Develop due diligence progress report	The company has prepared the *Supply Chain Due Diligence Progress Report 2024-2025*.
With due regard to business confidentiality and other competitive concerns, companies should publish due diligence progress reports or summary	The company has publicly released the *Supply Chain Due Diligence Progress Report 2024-2025* on its official website. Report link: https://yggf.com.cn/cn/News.aspx?TypeId=10853
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