CCCMC

Mineral Supply Chain Due Diligence Assessment

Summary Report

Assessed Party	China Tin Smelter Co. Ltd.				
Assessment Date	11/14/2024-11/15/2024				
Assessed Material	Tin				
LME-listed Brand	JH				
Assessment Type	☑Main Assessment	☐Tracking Assessment			
Assessment Result	☐AAA	☐AA	☑A	☐B	☐C
Assessment Firm	China Quality Mark Certification Group				
Assessor	Lu Da, Zhang Sen				

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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.

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1. Assessed Party

Company Name	China Tin Smelter Co. Ltd.
Refiner Name	Laibin Huaxi Smelting Co., Ltd.
Location	Laibin He 'nan Industrial Park
Profile Number	DDMSC-CNSn0076

2. Assessment Results

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

3. Assessment Scope

Materials	Tin		
LME-listed Brand	JH		
Types of Materials	☑ Mine materials	☐ Recycled materials	☐ Both
Assessment Period	☑ 12 months: (07/01/2023-06/31/2024)		

	☐ 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's headquarters (China Tin Group Co., Ltd.) has formulated and approved the *Manual for Responsible Mineral Supply Chain Management*, in line with the requirements of the *Chinese Due Diligence Guidelines for Mineral Supply Chain*.
Structure appropriate internal management systems	The Company has appointed the chief person responsible for supply chain due diligence management and the management representative, and set up a cross-departmental working group on supply chain due diligence management, which is tasked with operating the supply chain due diligence management system. Responsibilities for due diligence management have been assigned to relevant management and employees. However, the organizational structure and responsibilities allocation require further refinement.

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Establish a system of controls and transparency over the supply chain	The Company has established a supply chain control and transparency system and developed *Tin Raw Material Procurement Management System* and *Responsible Procurement Control Procedure* to collect and understand the company's mineral supply chain traceability information. For suppliers that trigger warning signs, the company 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*, and required suppliers to sign a Receipt Letter to ensure that they comply with policies consistent with the company's supply chain due diligence management policy.
Establish a company level grievance mechanism and/or participate an industrial level grievance mechanism	The Company has established the *Grievance Mechanism for Supply Chain Due Diligence* which includes record, response and settlement of the grievance. The Company has identified and committed to participating in the 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 *Identify conflict-affected and high-risk areas* and the *CAHRAs Identification Procedure and Risk Determination*, and conducted warning sign review on suppliers. The Company has developed and implemented an information verification procedure, and verified information by collecting the *Supply chain identification questionnaire* and *Supply Chain Traceability Form* from the suppliers. Further improvement is needed in the completeness of information collection for supply chain traceability.

When warning signs are identified, companies shall conduct an on-the-ground assessment of the corresponding supply chain	The Company has developed the *Scope of Risk Assessment* which can be used to guide field assessment. During this assessment period, the company did not identify warning signs in the supply chain.
Assess risks in the supply chain	The Company has conducted a supply chain risk assessment and formed a *Supply Chain Risk Assessment Form*.
Step 3: Risk Prevention and Mitigation	
Report risk assessment results internally	The Company's supply chain risk assessment results can be reported to senior managers.
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*, further efforts are need to strengthen in communication and cooperation with muti-stakeholders such as suppliers and industry organizations to monitor the implementation of the *Risk Management Plan* and promote the supply chain partners to improve the level of due diligence management.
Supplementary assessment of risks that need to be mitigated. Supplementary assessment can also be conducted after actual circumstances have changed	The Company has clearly stipulated that it will conduct continuous monitoring and additional assessment of risks that need to be mitigated when there are changes in the actual situation or supply chain during implementation of the *Risk Management Plan*.

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Step 4: Internal and External Assessment	
Companies should establish internal assessment system, to continuously monitor and manage due diligence performance	The Company has developed an *Internal Assessment Plan* and established an internal assessment team to conduct the internal assessment. The abilities of internal assessors and the adequacy and effectiveness of the internal audit need to be further improved.
Companies should designate the second or third party to conduct assessment when applicable	It's the second time for the company to participate in the independent third-party assessment of tin supply chain due diligence management.
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 the *China Tin Group Co., Ltd. 2023-2024 Annual Supply Chain Due Diligence Management Progress Report.*

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 *China Tin Group Co., Ltd. 2023-2024 Annual Supply Chain Due Diligence Management Progress Report.* Link: Click here.
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