

# Precious Metals Supply Chain Policy

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## 1 Foreword

As a leading LBMA accredited Refiner Valcambi conducts all its business' with the highest ethical, moral and social responsibility standards. High integrity, honesty and transparency are the foundations on which our business is built and we require all of our employees to comply with our *Code of Conduct*.

Our business partners are Miners, Scrap dealers, Refiners, Metal traders and Watchmakers which comply with the same values that we apply to ourselves. For over 20 years a philosophy of risk assessment, evaluation, risk monitoring and control has been at the core of our business culture. Everything we do, from sourcing our precious metals feedstock, to trading, manufacturing or delivery of finished products is monitored with regard to possible risks.

We are aware of the dangers of inadvertently getting involved in or contributing to illegal practices which may be connected to the extraction, trading, handling and exporting of minerals from any area but more specifically from conflict-affected and high-risk areas. Our definition of high risk is in accordance with the LBMA Responsible Gold Guidance and the Annex II of the OECD due diligence guidance on conflict minerals. The Compliance officer has the authority to deny any new suppliers classified as high risk. Senior management retains the ultimate control and responsibility for the gold supply chain.

Valcambi's approach and risk policy has been designed and implemented to ensure that our engagements and the way we operate are strictly in accordance with the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas', its 'Supplement on Gold' and the 'LBMA Responsible Gold Guidance' in order to combat abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering (AML) and to combat the financing of terrorism (CFT).

## 2 Our Commitment

Valcambi's commitment includes but is not limited to:

- Combat systematic or widespread abuses of human rights.
- Avoid any contributions to conflict.
- Comply with high standards of anti-money laundering (AML).
- Combat the financing of terrorism (CFT).
- Exclude any direct or indirect support to non-state armed groups and/or illegally acting public or private security forces.
- Avoid bribery and fraudulent misrepresentation of the origin of precious metals.
- Conform with all relevant United Nations sanctions resolutions and domestic laws.

All our commitments are achieved by the application, maintenance and continuous improvement of Valcambi's management systems, processes and procedures.

Valcambi requires all staff involved in the precious metals supply chain to comply with this policy and to strictly implement it through the appropriate management systems in place.

Through the functional mailbox [compliance@valcambi.com](mailto:compliance@valcambi.com) any employees, as well as stakeholders or counterparties, are given the opportunity and encouraged to express any kind of concern over the Precious Metals Supply Chain and any unexpected related risks.

To bring all counterparties and all relevant employees up to date on requirements and practices, an on-going training program is performed on a regular basis.

### 3 The Precious Metal Sourcing Process

Regarding the precious metals sourcing process, Valcambi fully commits to:

1. Neither tolerate, nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
  - a. any forms of torture, cruel, inhuman and degrading treatment;
  - b. any forms of forced or compulsory labor;
  - c. any unlawful form of child labor;
  - d. other severe human rights violations and abuses such as widespread sexual violence;
  - e. war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
2. Not to enter into any business relationship, or immediately suspend or discontinue engagement with precious metals supplying counterparties where we identify a reasonable risk that they are sourcing from, or are linked to, any party committing serious abuses as defined above.
3. Not to tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of precious metals. This includes, but is not limited to, procuring precious metals from, making payments to or otherwise providing logistical assistance or equipment to non-state armed groups or their affiliates who:
  - a. illegally control mine sites or otherwise control transportation routes, points where precious metals are traded and upstream participants in the supply chain; and/or
  - b. illegally tax or extort money or precious metals at points of access to mine sites, along transportation routes or at points where precious metals are traded; and/or
  - c. illegally tax or extort intermediaries, export companies or international traders.
4. Not enter into any business relationship, or immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or are linked to, any party providing direct or indirect support to non-state armed groups as defined above.
5. Exclude any direct or indirect support to illegally acting public or private security forces, as we recognize that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes is solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine sites or transportation routes from interference with legitimate extraction and trade. Should we identify a reasonable risk that any upstream participants in the supply chain directly or indirectly support illegally acting public or private security forces, we will immediately suspend or discontinue engagement with them.
6. Not offer, promise, give or demand any bribes, and resist the solicitation of bribes to conceal or disguise the origin of precious metals, to misrepresent taxes, fees and royalties paid to governments for the purposes of precious metals extraction, trade, handling, transport and export.

7. Support efforts, and/or take steps, to contribute to the effective elimination of money laundering as well as terrorism financing where we identify a reasonable risk of such illegal practices resulting from, or connected to, the extraction, trade, handling, transport or export of precious metals derived from the illegal taxation or extortion of precious metals at points of access to mine sites, along transportation routes or at points where precious metals are traded by upstream participants in the supply chain. In this regard we will immediately report to the Swiss Financial Intelligence Unit any suspicion of any illegal financial transaction we should recognize.
8. Systematically perform enhanced due diligence practices, including the Know Your Customer process, following a risk-based approach before entering into a business relationship with any precious metals supplying counterparties. Conduct, adopting a risk-based approach, appropriate scrutiny and monitoring of the transactions undertaken through the course of the relationship and of the governance structures in place to prevent any risk of illegal activities and implement a management strategy to respond to identified risks.
9. Refuse to source precious metals from illegal mining operations, as well as from any counterparties which do not comply with local and international laws and/or internationally accepted environmental standards and practices.
10. Refrain from any action which might contribute to the financing of conflict and conform with all relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.
11. Only deal through official banking channels for financial and precious metals transactions.
12. Require our business partners and in particular all precious metals supplying counterparties to mutually cooperate by committing to, and acknowledging in writing their compliance with, a supply chain policy consistent with Annex II of the OECD Due Diligence Guidance Model Policy for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas for all interactions with Valcambi.
13. To exclusively work with the world's leading high security transportation and logistics companies adhering to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and its Supplement on Gold.
14. Adequately store and maintain all records and documentation relating to the precious metals supply chain in order to demonstrate that appropriate and on-going due diligence has been followed. The time limit for storage of such information is 10 years or according to local applicable laws.