

**Valcambi has not received any gold from the mines mentioned by Berne Declaration - brief details of the process followed by Valcambi while dealing with its suppliers and buyers.**

**What are the commitments of Valcambi regarding the transparency of the precious metal's provenience?**

Valcambi attaches great importance to our obligation to responsibly and transparently source precious metals. This includes but is not limited to:

- continuous verification and compliance audits of our entire supply chain by independent auditors,
- periodical certification through a number of third-party and independent assurance processes,
- strict compliance with the guidance and principles developed by the Organization for Economic Co-operation and Development (OECD), the London Bullion Market Association (LBMA) and the World Gold Council (WGC).

Valcambi's significant efforts in this area also include the Know Your Product (KYP) process.

Valcambi also engages with NGO's and actively shares and works on strategies to develop mining projects especially of artisanal mines in order to protect the workers at the mine site, their families and improve working conditions and wages.

**Which measures are undertaken by Valcambi in case of doubts regarding the performance of precious metals' suppliers?**

In case doubts or accusations arise regarding the performance of one of our suppliers, Valcambi asks the supplier to address the accusation and provide an in-depth explanation. If Valcambi is not convinced and any further questions remain and the accusations appear to hold merit or in case they are not adequately addressed, Valcambi conducts an additional investigation to evaluate if the supplier has complied with our standards of safety, environmental and social performance. If in its audit Valcambi feels the supplier has not complied with the required standards then Valcambi immediately removes the supplier from its supplier list and stops accepting any supplies from the supplier on an immediate basis.

**What are the systems and Know your Client (KYC) and Know your Product (KYP) norms followed by Valcambi while establishing a new relationship?**

Before conducting any business with any counter party, it is a must as per the rules defined by the Board of Valcambi that a strict and complete KYC and KYP check must be performed.

The KYC and KYP processes allows Valcambi to identify the people or organisation, the countries and the material involved in the supply chain. If any of the participants in the supply chain cannot be satisfactorily documented Valcambi cannot enter into any business with the new counter party. Once the counter party has been approved, it will be re-evaluated and reviewed on an annual basis.

Valcambi's detailed and continuously updated processes are prepared and based on the most recent domestic and international laws, regulations and business ethics and practice in regards to identifying business partners (KYC) and the origin of the gold (KYP).

- The identification of the business partner is called the Know Your Client process (KYC). Here it is required for a new supplier or a buyer to submit information with regards to the beneficial ownership, the shareholders structure, the origin of funds used to sustain the business and many other details, these details are thoroughly examined and evaluated by the legal and compliance team and the management of Valcambi to ascertain whether the details submitted by the client correspond to law and do satisfy also all the other standards Valcambi has committed to. After the documented findings have been positively approved by the Legal and Compliance department it will be continued with the Know Your Product (KYP) process.

- In the KYP process Valcambi investigates the supply chain from the business partner to the mine where the gold is extracted from and whether the source of material is legal and valid and whether the counter party is entitled to operate the mine and how he must conduct the operations. The Government licences for exploration and mining, the Export licences and others to confirm that the mine is recognized by the local authorities and operates according to the applicable regulations. The client is requested to sign a Statement of Conformance for the delivered material.

#### **What does the mining licence and export licence mean?**

- The mining licence contains the permission to operate and mine legally in a certain area during a defined period. The licence regulates how the licence holder must operate in respect to environment and human resources (i.e. no persons below the age of 18 years can access the mine) and confirms that the mine is recognized by the local authorities and has to operate according to the applicable laws and regulations.
- The export licence entitles the company to export the mined goods to other countries.

#### **What does the Statement of Conformance (SOC) mean?**

- Herein the client confirms and declares that the gold and gold-bearing material supplied is conflict free and has been produced by [a mine/mines] which [is/are] in conformance with the OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas and the Supplement on Gold and in accordance with the Dodd-Frank Act's Section 1502 on conflict minerals requirements.

Confirming and signing the Statement of Conformance means also to agree with and strictly adhere to the rule that no children can be employed at mine site and no child labour will be tolerated.

Valcambi did follow all the procedures as described above and where required we have insisted to receive a list of mines from where the gold is going to originate from. We receive the mining and export licences from these mines and obtain the Statement of Conformance (SOC) for these mines. The refining prices quoted are fair market prices.

Based on the facts of the report and accusation made by the Berne Declaration we have thoroughly audited our records and we can confidently state that none of the gold received by Valcambi has originated from any of the 5 mines mentioned by Berne Declaration.

The statement of Berne Declaration that Valcambi has failed to investigate the origin of gold and therewith would have infringed both international standards as well as its own supply chain policies are both unsubstantiated and false and Valcambi rejects these allegations.

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