

SUPPLY CHAIN DUE DILIGENCE POLICY

1. Scope

CHIMET S.p.A. undertakes to carry out the recovery and refining of precious metals starting from materials coming exclusively from legitimate and ethical sources and transactions, respecting the environment, not associated with the financing of terrorism, conflicts and abuses of human rights. Therefore it adopts the following Policy according to the principles of the OECD Guideline for due diligence, as well as the LBMA and LPPM Guidelines for responsible sourcing and RJC standards.

2. Commitments against direct or indirect financing of illegal activities in conflict-affected and high-risk areas

- Neither tolerate, contribute to, assist with or facilitate the commission by any party of:
 - any forms of torture, cruel, inhuman and degrading treatment;
 - any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
 - illegal and/or unacceptable forms of child labour;
 - other human rights violations and abuses such as widespread sexual violence;
 - war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

Immediately suspend business relationships with customers and suppliers for which the aforementioned risks have been reasonably identified.

- Not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals who: illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; illegally tax or extort intermediaries, export companies or international traders.

Immediately suspend business relationships with customers and suppliers for which the aforementioned risks have been reasonably identified.

- Eliminate, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.
- Recognise that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
- Commit to or require - where any company in supply chain contract public or private security forces - that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.
- Support efforts, or take steps, to engage with central or local authorities, international organisations and civil society organisations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.
- Support efforts, or take steps, to engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.
- Immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces committing human rights abuses and illegal practices as above described and the risk of not engagement with authorities and organizations on activities above described. Suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan. Respond in the same vein where is identified a risk of inconsistency with activities of local authorities, international organisations and civil society organisations.

- Not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.
- Support efforts and contribute to avoid and disclose money laundering and financing of terrorism where we identify a reasonable risk of money-laundering and financing of terrorism resulting from, or connected to the supply and distribution chain of precious metals.

3. Environment, health, safety and rights of workers (ESG) factors considered in the qualification of counterparties of gold and other mining precious metals

- Compliance with the laws applicable to the environment and health, safety and rights of workers in the countries of operation
- Environmental management of air, water, land and incidents
- Water stewardship, especially in water scarce and stressed areas
- Unauthorized sourcing from Protected Areas and World Heritage Sites
- Storage, handling and disposal of hazardous chemicals, including mercury and cyanide
- Management of labor issues, including remuneration, working hours, collective agreements, discrimination, diversity, disputes and safeguarding of workers
- Community engagement and management programs in development and growth plans
- Managements of business integrity and ethical conduct, supporting the implementation of relevant initiative.

4. Management System

- Establish strong management systems according to LBMA Responsible Gold and Responsible Silver Guidance and LPMM Responsible Platinum and Palladium Guidance and Code of Practice and Chain of Custody of Responsible Jewellery Council including Know Your Customer process
- Assign roles and responsibilities for responsible sourcing
- Perform due diligence of counterparties before start any business and perform ongoing monitoring of the transactions in order to assess the risk of contribution to conflict, money laundering, terrorist financing, serious human rights and environmental abuse and implement a strategy to respond to identified risk.
- Maintain records of the supply chain documentation to demonstrate that appropriate and ongoing due diligence have been followed.
- Plan a continuous training programme for all staff involved in the precious metals supply chain.

Chimet S.p.A. put in place the following e-mail address quality@chimet.com allowing any employee, supply chain actor, or stakeholder to voice concerns over precious metals supply chain or any newly identified risk.

Badia al Pino, 14/02/2022
Chimet S.p.A.

Amministratore Delegato
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