

Corporate Policy on Precious Metals Material Sourcing

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Chugai Mining Co., Ltd. is based on the Responsible Business Alliance code of conduct and corporate social responsibility. As part of such activities in the area of precious metals material sourcing, we work toward responsible precious metals material sourcing that is based on consideration for human rights, environment, ethical concerns, etc. In accordance with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals and the Act on Prevention of Transfer of Criminal Proceeds law in Japan, we strive to source minerals responsibly and reasonably guarantee that our business does not involve or contribute to human rights abuses, direct or indirect support to non-state armed groups, direct or indirect support to public or private security forces, money laundering, illegal transaction or conflict in conflict-affected and high-risk areas nor funding to terrorists.

Human rights abuses include the following.

1. Any forms of torture, cruel, inhuman and degrading treatment;
2. 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;
3. The worst forms of child labour;
4. Other gross human rights violations and abuses such as widespread sexual violence;
5. War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

Establishment of Management System

We have established and implemented continuous responsible precious metals management system to conduct the risk assessment (Due Diligence) of and response to precious metals material supply chain and promote responsible precious metals management.

Assessment of Sourced Materials and Suppliers

Under the responsible precious metals management system, we continuously assess (Due Diligence) supply chain and transport risks of precious metals sourcing and keep the records properly. At the same time, our management will review and make sustainable improvements. If conflict risk or suppliers' human rights abuses, funding for terrorists, money laundering or illegal transaction, or the possibility of such risk in high-risk area is found, we will work on mitigating the risk. If we find that risk mitigation is not possible, we will stop purchasing or transaction immediately.

Implementation of Education and Training

We continuously provide all employees engaged in responsible precious metals management necessary education and training.

Monitoring and Recording of Transactions

We monitor that all incoming precious metal materials align with information received from suppliers, and keep the records properly as well as conduct due diligence on our suppliers.

Implementation of Third-Party Audit

In accordance with RMI Guidance of responsible supply chain management system and the state of implementation, we continuously improve our system as appropriate and undergo independent third-party audit regularly.