

## **Company Policy on Procurement of Precious Metal Raw Materials**

Chugai Mining Co., Ltd. will fulfill its obligations to society by promoting initiatives for responsible procurement of precious metal raw materials in consideration of human rights, the environment, and ethics in accordance with the RBA Code of Conduct and Corporate Social Responsibility (CSR) in the sourcing of raw materials for precious metals.

We will promote the responsible procurement of precious metals by complying with "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" and national laws, and by providing reasonable assurance that we do not directly or indirectly support non-government armed groups, directly or indirectly support any non-governmental or private security forces, engage in or contribute to money laundering, illegal transactions, or contribute to conflict or funding of terrorism.

We will implement risk avoidance measures as set forth in Annex II of the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" against the risks set out below.

We will also undertake to comply with the Annex (Supplement on Gold).

1. Any forms of torture, cruel, inhuman and degrading treatment;
2. Any forms of forced or compulsory labor, i.e., labor or rendering of services which is forced by any person under threat of punishment and which is not performed voluntarily by the person concerned;
3. The worst forms of child labor;
4. Other gross human rights violations and abuses including widespread sexual violence;
5. Money laundering or terrorist financing;
6. War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide;
7. Non-payment of taxes, fees and royalties to governments;
8. Bribery and fraudulent misrepresentation of the origin of raw materials; and
9. Direct or indirect support to non-state armed groups;

- **Establishment of management system**

In order to address the precious metal raw material supply chain and to conduct risk assessments (due diligence), we will appoint a manager to promote the establishment of an ongoing management system for the procurement of precious metal raw materials.

- **Assessment of procurement channels and suppliers, and implementation of management reviews**

Under a responsible precious metal management system, we will continuously conduct risk assessments (due diligence) of our precious metal procurement channels and supply chain, and properly store and manage the records of such assessments.

At the same time, management reviews are conducted by the management team to ensure sustainable improvements.

If a supplier is found to be involved in or likely to be involved in conflict or human rights abuses, terrorist financing, money laundering, or illicit transactions in high-risk areas, and we are unable to mitigate those risks, we will immediately cease purchases or transactions. After that, we will conduct no transactions unless the basis for remediation of the problem is provided for the identified transaction and we certify that the problem has been resolved.

- **Implementation of education and training**

We will provide ongoing education and training as required for all personnel involved in responsible precious metal management.

- **Monitoring and record keeping of transactions**

We will monitor incoming precious metal raw materials for consistency with information obtained from suppliers, and maintain records appropriately.

- **Third-party audits**

In accordance with the RMI guidance, we will arrange for an independent third-party audit on the responsible supply chain management system and implementation status on a regular basis.

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