

Chugai Mining Co., Ltd.  
Tokyo Plant  
Precious Metal Division

## **Step 5 Report** **(Responsible Minerals Initiative Diligence Report)**

### **1. Corporate Profile**

Chugai Mining Co., Ltd. (CID No.: CID000264)

Mochikoshi Mine Co., Ltd. was established in 1932 and merged with Yakumo Mine Co. and two other companies in 1936, changing its name to the current Chugai Mining Co. Ltd.

The Company owns one refining facility (Tokyo Plant), which is located at 2-12-16 Keihinjima, Ota-ku, Tokyo, Japan. Our smelting facilities produce gold products from gold raw materials.

### **2. RMAP Assessment Summary**

The Tokyo plant underwent a Responsible Minerals Assurance Process (RAMP) assessment from August 22-25, 2023. The period covered by this evaluation is August 20, 2020 to August 11, 2023. The assessment is valid for a period of three years. The assessment was conducted by SCS Global Services. The Company will continue to conduct audits in order to continue to obtain certification in the future.

### **3. Corporate Policy on Supply Chain**

The Company has established a supply chain policy to avoid the use of conflict minerals that may directly or indirectly benefit or finance armed groups in high-risk and conflict areas, or result in other gross human rights violations.

This supply chain policy fully complies with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict and High-Risk Areas (OECD Guidance) and continues to comply with the Supplement on Gold in Annex III. This policy covers all risks identified in Annex II of the OECD Guidelines and applies worldwide.

If any of these risks are identified, we will do everything in our power to address them.

The policy has been reviewed and approved by senior management who have committed to support its implementation. This policy is widely communicated to stakeholders (suppliers, customers, employees, etc.) and is also available on our website (<https://www.chugaikogyo.co.jp/csr/materials/>).

### **4. Corporate Management System**

#### **• Management Structure**

In addition to ensuring compliance with our own supply chain policies, we have established internal due diligence procedures that include the following:

- Oversight of the design and implementation of due diligence programs and risk management practices is the responsibility of our Precious Metals Business Manager.
- The Company has a Due Diligence Program Officer who is responsible for operational coordination between the relevant departments (including sales, manufacturing, and administration) to ensure that the roles and responsibilities of each department with respect to the implementation of the Due Diligence Program and the reporting of identified red flags and potential risks are properly carried out.

- The Company provides annual training on its Due Diligence Management System to key personnel in all relevant departments required for the Due Diligence Program and provides additional training as necessary when the Due Diligence Program is updated.

- Internal Management System

In October 2018, in line with the OECD Guidelines and RMAP, the Company developed and updated the content of its due diligence management system. Since October 2018, the Company have communicated this updated supply chain policy and sourcing requirements to all identified upstream suppliers. We include due diligence requirements as legally binding agreements in contracts with our direct suppliers. We refer you to the RMI Complaints Mechanism for information on how we handle complaints from stakeholders.

- Record Keeping System

We have established that all records relating to our due diligence program will be documented and retained for at least 10 years, and will be stored in a database via a system from April 2019.

## 5. Risk Identification

The Company has a robust process for identifying risks in our supply chain.

Firstly, we have procedures in place to identify CAHRAs by reference to the risks in our supply chain policy. This process includes the resources to be deployed, the conditions that define 'conflict and high-risk areas' and the frequency with which our decisions are reviewed.

In determining CAHRA, we refer to the following resources:

- 1) The Heidelberg Conflict Index, which provides a map of armed conflict locations each year.
- 2) The Fragile State Index, which provides country-specific lists on human rights violations and the rule of law.
- 3) The Financial Action Task Force list of the OECD, which provides a list of high-risk jurisdictions for money laundering, corruption, and other risks.
- 4) EU regulation on conflict minerals (CAHRAs list)
- 5) World Governance Indicators (WGI)

The Company uses its supply chain policy and information from external professional organizations to develop conditions and benchmark indicators for determining CAHRA.

Secondly, we have developed a know-your-supplier (KYS) system that includes information on the legal status and identity of suppliers, supplier mapping, and potential risks.

All the smelters we subcontract with have already completed and returned their KYS to us. Our due diligence program manager, in conjunction with the sales department, checks the information provided by suppliers against the UN Sanctions List. If we find any inconsistencies, errors or incomplete information on KYS forms submitted by suppliers, we will notify the supplier of the areas for improvement and ask them to resubmit the form. Where red flags are identified, we will ask the supplier for further clarification and, where appropriate, remediation of the issues in the documentation. In such cases, all transactions will be suspended and no transactions will be processed until the supplier reports that the problem has been resolved and we have verified and confirmed that the problem has been resolved. No red flags were identified on KYS forms submitted by suppliers during this reporting period.

Thirdly, we require origin information for all material transactions to ensure that we are able to identify the origin of transactions, transport routes, and the names and locations of direct suppliers. In principle, we comply with Japanese domestic laws and regulations, and the majority of our transactions are with domestic suppliers and we do not deal directly with imports from outside Japan. We deal primarily with recycled products and require our suppliers to agree to our supply chain policy in a letter of confirmation.

Fourthly, we check all information collected against CAHRAs, sanctions lists, local laws and internal procurement requirements.

The Company identifies risks according to the four categories mentioned above.

During this reporting period (January 1, 2023 to December 31, 2024), the information collected was periodically reviewed against the items listed in Section 5 (Risk Identification). No red flags were identified or found for all transactions or suppliers.

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