

JSC Shyolkovsky Factory of Secondary Precious Metals

Policy regarding Due Diligence for supply chains of precious metals

1. General provisions

1.1. This Policy is based on the requirements of the London Bullion Market Association (LBMA) and the Organization for Economic Cooperation and Development (OECD) in order to prevent the financing of terrorism, military conflicts, bribery, money laundering and human rights violations in connection with precious metals transactions.

1.2. To comply with the above requirements, JSC Shyolkovsky Factory of Secondary Precious Metals:

- exercises supply chain due diligence and mitigates the risks in connection with gold- and silver bearing materials, the origin of which is in doubt;
- ensures the participation of the management team and personnel in the implementation of this Policy.

2. Basic principles

JSC Shyolkovsky Factory of Secondary Precious Metals in its work is guided by the following principles:

2.1. The principle of countering human rights violations related to precious metals transactions, including:

- any form of torture, inhuman and degrading treatment;
- any form of forced or compulsory labor;
- exploitation of child labor;
- other gross human rights violations;
- war crimes, contribution to conflict, crimes against humanity and genocide.

2.2. The Principle of Serious Violation Risk Management:

- JSC Shyolkovsky Factory of Secondary Precious Metals is ready to immediately suspend or discontinue engagement with gold and silver supplying counterparties in relation to which the risk of involvement in any of the activities specified in clause 2.1 of this Policy has been identified.

2.3. The principle of counteracting direct or indirect assistance to non-state armed groups and persons affiliated with them associated with the extraction, transportation, trade, circulation or export of gold and gold-bearing materials. JSC Shyolkovsky Factory of Secondary Precious Metals is ready to immediately suspend or discontinue engagement with gold and silver supplying counterparties in relation to which the risk of providing direct or indirect support to non-state armed groups and persons affiliated with them has been identified.

2.4. The principle of countering bribery in order to falsify the place of origin of gold and gold-bearing materials. JSC Shyolkovsky Factory of Secondary Precious Metals is ready to suspend or discontinue engagement with gold and silver supplying counterparties violating the principles of countering bribery.

2.5. The principle of counteracting the legalization (laundering) of proceeds from crime, the financing of terrorism and conflicts leading to the violation of human rights. JSC Shyolkovsky

Factory of Secondary Precious Metals is ready to immediately suspend or discontinue engagement with gold and silver supplying counterparties in relation to which the risk of participation in legalization of proceeds from crime, financing of terrorism and armed conflicts has been identified.

2.6. The principle of compliance with environment and sustainability legal requirements.

3. Implementation procedure

3.1. To implement the principles of this Policy, JSC Shyolkovsky Factory of Secondary Precious Metals applies the following internal regulations:

- The Internal Control Policy established in order to comply with high standards of anti-money laundering, terrorism financing, financing of proliferation weapons of mass destruction regulations, and to implement responsible gold and silver supplies.
- The Policy about activities at JSC Shyolkovsky Factory of Secondary Precious Metals in order to comply with requirements of the LBMA Responsible Gold Guidance.

3.2. This Policy and any changes to it are to be approved by the General Director of JSC Shyolkovsky Factory of Secondary Precious Metals.