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Guangxi Nandan Nanfang Metal Company Limited

Silver Supply Chain Due Diligence Regulations

According to the requirements of the *London Bullion Market Association (LBMA) Responsible Silver Guidance*, and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High- Risk Areas*, the Silver Supply Chain Due Diligence Regulations of Guangxi Nandan Nanfang Metal Company Limited, are hereby formulated to combat systematic or widespread human rights violations, avoid conflicts, and comply with strict anti-money-laundering requirements to combat terrorism financing.


1. Scope

These Measures apply to all suppliers of mined silver and recycled silver of Guangxi Nandan Nanfang Metal Company Limited (hereinafter referred to as ‘the company’). The silver sources involved in these measures include mined silver, recycled silver and Inventory silver (in all forms) produced after 1st January 2018.

2. Terms and Definitions

2.1 Artisanal and Small-Scale Mining (ASM): Formal or informal mining operations characterized by simplified exploration, extraction, processing, and transportation methods. ASM is not capital-intensive but highly labor-intensive. It may include individual miners, men and women working in family units or partnerships, members of cooperatives or other legal entities, enterprises involving hundreds or even thousands of miners. Small-scale mechanized mining may also qualify as ASM.

2.2 Board Committee (or Board-Appointed Committee): A committee vested by

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the board of directors with authority and decision-making power over responsible sourcing matters.


2.3Chain of Custody:A sequential record of entities holding physical or legal custody of minerals as they move through the supply chain, from raw material sources to end consumers.

2.4Conflict-Affected and High-Risk Areas (CAHRA):Areas experiencing armed conflict, widespread violence, or other risks that endanger populations. Armed conflict may manifest in various forms—including international or non-international conflicts—and may involve inter-state wars,liberation struggles,insurgencies,civil wars.High-risk areas may exhibit political instability or repression,weak governance,security threats,collapsed civil infrastructure,systemic violence. Such regions are often marked by pervasive human rights abuses and violations of domestic or international law.

2.5Conflict Financing: Actions that fuel armed aggression between two or more parties, resulting in human rights violations. Conflict actors may include governments,militias,organized crime groups,terrorist organizations.

2.6Due Diligence: The research and analysis conducted on relevant entities to prepare for commercial transactions or sustain business relationships. Refiners must assess risks aligned with OECD Due Diligence Guidance Annex II,Money laundering risks,ESG (Environmental, Social, and Governance) obligations.

2.7Environmental, Social, and Governance (ESG): Compliance with environmental, health, safety and labor regulations or company policies in the country or region where the business operates. ① Violation of environmental management, including: a. Air, water and land pollution and incident management plans; b. Water management, especially in areas with water shortages; c. Unauthorized procurement from World Heritage Sites and protected areas. ② Violation of the storage, handling

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and disposal of hazardous chemicals (including mercury and cyanide). ③ Violation of labor issues, including wages, working hours, collective bargaining, discrimination, diversity, disputes and protection of workers' rights. ④ Violation of community participation and management plans, such as land acquisition and community resettlement, cultural heritage sites and indigenous peoples, closure planning and protection of vulnerable groups. ⑤ Commercial dishonesty and unethical behavior.


2.8 Silver sources: For this guide, there are three possible sources of silver and silver-containing materials. It is recommended to conduct different due diligence procedures.

2.9 Mined Silver (also known as Primary Silver): Refers to silver sourced from Large and/or Medium-Scale Mining (LSM) or Artisanal and Small-Scale Mining (ASM) that has never undergone refining. This term encompasses all silver or silver-bearing materials (regardless of form, shape, or concentration) extracted from mine deposits or production—until fully refined to ≥ 995 purity and manufactured into refined silver products (e.g., bars, granules) for sale.

2.10 Source of Mined Silver: The specific mine location where the silver is extracted.

2.11 Silver Ore: Rock or gravel containing economically viable concentrations of silver. The concentration may be minimal (e.g., 1 gram of silver per ton of ore) but remains commercially exploitable in medium- and large-scale industrial mining. Due to its bulk and weight, silver ore is typically processed near the mine site.

2.12 Silver Concentrate: An intermediate product derived from processing silver ore to achieve higher silver concentration, which still requires further intermediate processing to produce silver bullion. Silver concentrate is usually transported to nearby smelters for bullion production.

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2.13 Silver Bullion: Alloy blocks of newly mined silver, typically produced through large-scale ore processing and smelting at mines, with high silver content (85%–90% purity). This form of mined silver is not yet commercially pure, requiring direct refining and does not need additional intermediate processing before refining.

2.14 Owned Mine: A mining operation owned and operated by the same corporate group.


2.15 Mining By-Product: Silver obtained as a trace component during the extraction of base metals (e.g., lead, zinc, or copper ores).

2.16 Source of Mining By-Product: An exception to the standard "Source of Mined Silver" definition. This refers to the point where trace silver is first separated from its host ore (e.g., at a refinery). Refiners must conduct due diligence to prevent misrepresentation, ensuring that mining by-products are not used to obscure the origin of newly mined silver.

2.17 Recycled Silver: Traditionally includes any silver-bearing material not directly sourced from mining in its first lifecycle. In practice, it covers post-consumer scrap (e.g., end-user products, jewelry, electronics); industrial scrap (e.g., manufacturing waste, refining residues); investment silver (e.g., bars, coins, medals) returned to refiners for reprocessing. This category may also include previously refined silver (e.g., granules, LBMA Good Delivery bars) that re-enters the supply chain for economic recovery or conversion into new products (e.g., recast into 1kg bars).

2.18 Source of Recycled Silver: The point in the supply chain where silver is returned to a refiner, downstream processor, or recycler for reintegration.

2.19 Unprocessed Recyclable Silver: Recyclable silver retaining its original form before reprocessing (e.g., intact bars, jewelry, coins, silverware, machining

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scraps).

2.20 Melted Recyclable Silver: Recyclable silver that has undergone initial melting and casting into crude bars or other shapes (of unspecified dimensions and variable purity) during the first recycling phase.

2.21 Industrial By-product: A material generated during the processing of another material that is not the primary intended product but constitutes a separately useful material. For example, silver refining typically yields low-value by-products such as furnace flue dust, spent crucibles, and floor sweepings.


2.22 Mixed Materials: Materials containing multiple sources (e.g., mined and recycled minerals/metals). Material mixing is not common practice and should be treated as a red flag. Full due diligence on the origin of mixed silver must be conducted in accordance with all requirements of the Responsible Silver Guide ("RSG").

2.23 Official Stockpiles: Silver investment products (bullion, bars, coins, and granules stored in sealed containers) held in vaults of silver banks, central banks, exchanges, and refiners with verifiable dates prior to January 1, 2018. These stocks require no origin determination. This includes inventories held by third parties on behalf of listed entities.

2.24 Verifiable Date: A date that can be confirmed by inspecting the actual date stamp on the product and/or inventory records.

2.25 Silver Supply Counterparty: A silver supplier that engages directly with a silver refiner.

2.26 Human Rights: Rights as defined in the International Bill of Human Rights, comprising: Universal Declaration of Human Rights (1948), International Covenant on Economic, Social and Cultural Rights (1966), International Covenant on Civil and

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Political Rights (1966) with its two Optional Protocols (on complaint procedures and death penalty).Refiners must also consider the UN Guiding Principles on Business and Human Rights. The UN has progressively expanded human rights law to establish standards protecting women, children, persons with disabilities, ethnic minorities, and other vulnerable groups from longstanding widespread discrimination.


2.27 Intermediate Refiner: A non-Good Delivery List (GDL) refiner that processes raw materials before delivery to GDL refiners. Intermediate refiners typically consolidate various material streams (e.g., jewelry scrap, e-waste, and process residues) into viable lots for refining. Entities performing only melting operations do not qualify as intermediate refiners.

2.28 International Cyanide Management Code: A voluntary initiative for the silver mining industry and cyanide producers/transporters serving silver mining operations.

2.29 International Standard on Assurance Engagements (ISAE 3000) Revised: Issued in December 2013 by the International Auditing and Assurance Standards Board for assurance engagements other than historical financial information audits/reviews. The standard requires engagement team members to comply with the IESBA Code of Ethics, requires firms to comply with International Standard on Quality Control 1 (ISQC1).

2.30 Know Your Customer/Counterparty (KYC): The process whereby businesses identify/verify counterparties' identities, establish facts, and develop clear understanding of relationship nature and context.

2.31 Legitimate Artisanal and Small-Scale Mining (ASM): "Legitimate" refers to ASM operations that comply with applicable laws. Where no legal framework exists or is enforced, legitimacy assessments shall consider good faith efforts by ASM miners/enterprises to operate within existing legal frameworks (where available), their


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engagement in formalization processes when opportunities arise (recognizing most ASM miners' limited technical/financial capacity for such actions). In all cases, ASM cannot be deemed legitimate if it fuels conflict; or is associated with serious abuses in mining, transport, or trade.

2.32 Minamata Convention on Mercury: A global treaty aimed at protecting human health and the environment from the adverse effects of mercury. This convention came into effect on August 16, 2017, stipulating that mercury shall not be used in new mines, mercury shall be phased out in existing mines, mercury usage in products and processes shall be eliminated and gradually reduced, control measures shall be implemented for mercury emissions into the air, as well as into land and water, and the industry of informal manual and small-scale silver production shall be regulated.

2.33 Money Laundering: Money laundering is the act of concealing the source of illegally obtained funds. It is a process that makes criminal proceeds appear legitimate. The funds involved can be generated through any number of criminal activities, including drug trafficking, corruption, and other types of fraud. The methods of money laundering vary greatly, ranging from simple to complex.

2.34 Politically Exposed Person (PEP): Current and former individuals who have been entrusted by specific countries to undertake important public functions, as well as their family members and close partners (whether domestic or foreign). These individuals include heads of state or government, senior politicians and government officials, senior managers of state-owned enterprises, and important party officials. The definition of PEP does not intend to cover intermediate or less senior individuals within these categories. Many of the positions held by PEPs may be used for money laundering of illegal funds or other crimes based on abuse of power (such as corruption or bribery). The PEP status does not indicate that criminal activities will

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occur, but the additional risk exposure it brings means that refiners must apply additional AML/CFT measures when establishing business relationships.

2.35Supplier:Refers to any individual or organization that is involved in the supply chain of silver and silver-containing materials.

2.36Sustainable Development:Development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs.


2.37Terrorist financing: This includes providing funds for terrorist activities, terrorists, and terrorist organizations.

2.38World Heritage Site:A landmark or region selected by the United Nations Educational, Scientific and Cultural Organization ("UNESCO") that holds cultural, historical, scientific or other significant importance and is protected by international treaty laws. These sites are regarded as being of great significance to the collective interests of humanity.

2.39Protected Area: A protected area refers to a clearly defined and specifically managed geographical space recognized and managed by law or other effective means, aiming to achieve long-term protection of nature and provide related ecosystem services and cultural values. Protected areas include national parks, wilderness areas, community reserves, nature reserves, and other areas.

2.40Ultimate Beneficial Owner (UBO): Refers to the natural person who ultimately owns or controls a client, and/or the natural person who conducts the transaction on their behalf. It also includes those who exercise ultimate effective control over a legal person or an arrangement (defined as $\geq 10\%$ ownership).

3. Step 1:Establish a strong company management system

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3.1 Silver Supply Chain Due Diligence Policy

Guangxi Nandan Nanfang Metal Company Limited clearly recognize the risks that mining, trading, processing, and exporting minerals in conflict and high-risk areas may have significant adverse impacts, and we are fully aware of our obligation to respect human rights and avoid supporting conflicts. In accordance with the *London Bullion Market Association (LBMA) Responsible Silver Guidance* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, we have established this policy. We commit to strictly adhere to the following Responsible Sourcing Policy for minerals from conflict-affected and high-risk areas and to apply the policy in negotiations and contract fulfillment with suppliers. The policy has been integrated as a fundamental requirement in our procurement and sales activities. We pledge not to engage in or fund any activities that contribute to conflict, comply with relevant United Nations sanctions resolutions, and actively participate in due diligence efforts within the silver supply chain to ensure the legality of silver sources. To this end, we make the following commitments:

1. Adopt a zero-tolerance policy towards gross human rights abuses arising from the mining, transportation, or trading of mineral products:


1.1 Any form of torture or other cruel, inhuman, or degrading treatment.

1.2 Any form of forced or compulsory labor, which means forcing any person to work or provide services under threat and without their voluntary consent.

1.3 The use of child labor.

1.4 Sexual violence and other crimes that violate human rights or constitute human rights abuses.

1.5 War crimes or other serious violations of international humanitarian law, crimes against humanity, or acts of genocide.

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2. Adopt a zero-tolerance policy towards direct or indirect support for non-governmental armed groups (including but not limited to non-governmental armed groups, public or private security forces, or their affiliates engaging in the following actions):

2.1 Illegal control of mining sites, transportation routes, mineral trading points, or upstream suppliers in the supply chain.

2.2 Illegal extortion of money, minerals at mining site entrances, along transportation routes, or at mineral trading points.

2.3 Illegal extortion of intermediaries, export companies, or international traders.


If we determine that an upstream supplier violates any of the above, we will immediately suspend transactions and engagements with that supplier.

3. We promise not to ask for any bribes, resist all forms of temptation, and promise that we will not bribe to underreport taxes and fees payable to the government for activities such as mining, trade, transportation, and export of minerals. We will not, in any way, offer, promise, give, or request bribes or kickbacks to individuals, including government official, customer, supplier, or any other organization. We pledge to pay all payable taxes to the relevant government authorities on time.

4. Adopt a zero-tolerance policy towards non-compliance with regulations regarding taxes, fees, and royalties payable to the government for the mining, trade, and export of minerals originating from Conflict-Affected and High-Risk Areas ("CAHRA").

5. Adopt a zero-tolerance policy towards money laundering, terrorist financing, or any actions that contribute to conflict.

6. Adopt a zero-tolerance policy towards detrimental to environmental, social and governance (ESG) factors.

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6.1 Violations of environmental, health, safety, and labor regulations or company policies in the countries or regions where it operates.

6.2 Violations of environmental management, including: a. Air, water, and land pollution and incident management plans; b. Water management, particularly in water-scarce areas; c. Unauthorized procurement from World Heritage Sites and protected areas.

6.3 Violations of the storage, handling, and disposal of hazardous chemicals (including mercury and cyanide).


6.4 Violations of labor issues, including wages, working hours, collective bargaining, discrimination, diversity, disputes, and protection of workers' rights.

6.5 Violations of community engagement and management programs, such as land acquisition and community resettlement, cultural heritage sites and indigenous peoples, closure planning, and protection of vulnerable groups.

6.6 Commercial dishonesty and unethical behavior.

If we have reasonable grounds to determine that the above risks exist, we will immediately suspend transactions and engagements with the supplier. The company requires our employees, suppliers, and business partners to comply with the above policies and take necessary measures to ensure the implementation of above policies. Guangxi Nandan Nanfang Metal Company Limited is willing to accept supervision from customers and relevant organizations and welcomes suggestions from suppliers and stakeholders regarding the above policies.

If we identify that such risks exist to some extent within the silver supply chain, we will in accordance with the company's Silver Supply Chain Risk Mitigation Management Measures, require suppliers to provide relevant documentation proving compliance, including evidence that they are not involved in money laundering and have paid all payable taxes to the government, thereby containing or reducing the risks. If the *Silver Supply Chain Risk Mitigation Management Measures* is not

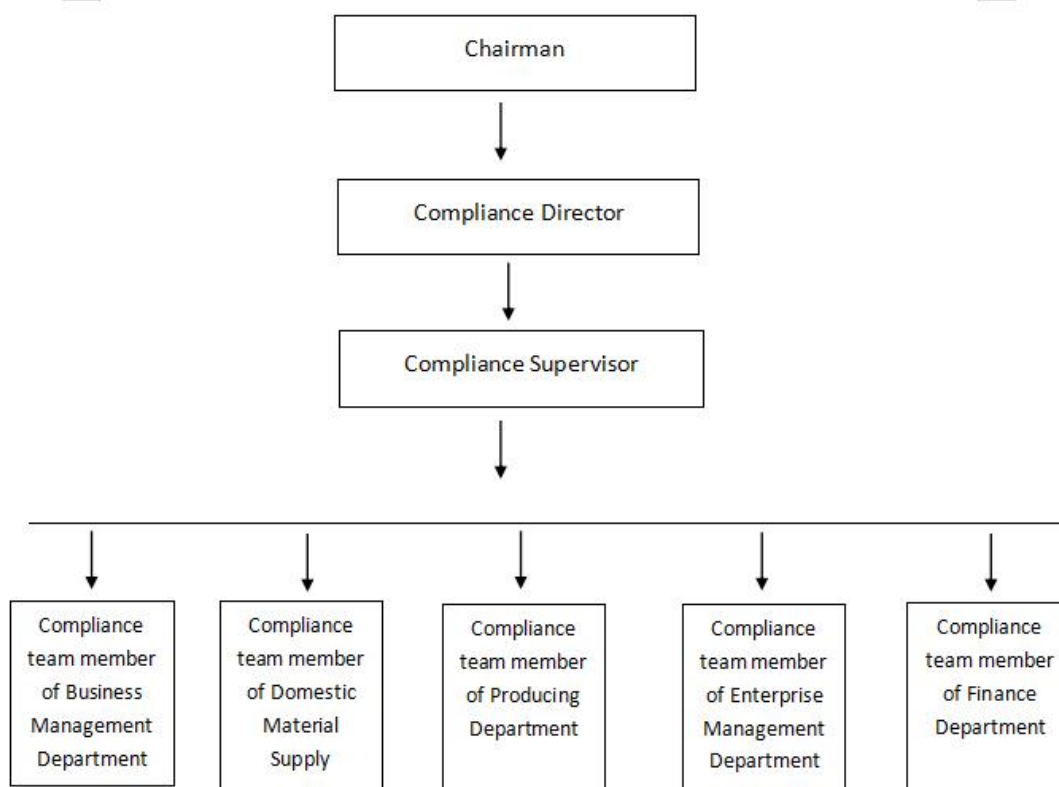
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effective after six months of implementation, we will immediately terminate cooperation with the upstream suppliers.

3.2 Organizational Structure and Personnel Responsibilities

1. Organizational Structure


The company has set up a special organization for silver supply chain due diligence work. Its structure is as follows:



2. Responsibilities of various personnel

2.1 Responsibilities of Chairman

2.1.1 Based on national laws and regulations, customer and industry

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requirements, as well as applicable international standards, be responsible for establishing, implementing, and maintaining the company's due diligence management for the silver supply chain.

2.1.2 Appoint compliance officer to responsible for silver supply chain matters.

2.1.3 Evaluate and supervise relevant departments and personnel who responsible for the system.

2.1.4 Establish an internal accountability system or equivalent mechanism to ensure the effective implementation of the system; evaluate whether key information, including company policies, has an effective structure and communication process to convey to relevant employees and silver supply chain counterparts.

2.1.5 Coordinate the resolution of resource requirements and arising issues during the implementation and operation of the due diligence management system.

2.1.6 Be responsible for organizing the review, approval, and management of information related to the company's silver supply chain due diligence management.


2.1.7 Be responsible for approving whether to collaborate with supply chains/suppliers initially assessed as high-risk, organizing annual re-evaluations and approve whether to continue business cooperation, contract signing, and review supplier.

2.1.8 Conduct at least one annual evaluation of the effectiveness of the silver supply chain due diligence policies and processes to drive continuous improvement.

2.2 Responsibilities of Compliance Director

2.2.1 In charge of and be fully responsible for the silver supply chain due diligence work of the company.

2.2.2 Review the silver supply chain due diligence processes and systems to meet RSG's objectives and the company's risk management requirements.

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2.2.3 Ensure that key information, including company policies, has an effective structure and communication process to convey to relevant employees and silver supply chain counterparts.

2.2.4 Ensure sufficient resources (including capabilities and experience) are available to support the operation and monitoring of the supply chain due diligence processes and systems.

2.2.5 Provide training to employees on supply chain risks (including threat financing and ESG), and develop and update the company's silver supply chain policies and procedures.

2.2.6 Review Know Your Customer (KYC) documents and risk classifications, and request additional documents or information when necessary.

2.2.7 Ensure appropriate measures are implemented for high-risk supply chains or transactions.

2.2.8 Provide appropriate and timely information to the Chairman to fulfill their responsibilities.


2.3 Responsibilities of Compliance Supervisor

2.3.1 Assisted the compliance director in arranging and carrying out the due diligence work of the silver supply chain of the company, assisted the compliance director in supervising and inspecting the due diligence process of the silver supply chain, and collected relevant information.

2.3.2 Regular training of employees on responsibility silver guidelines and supply chain due diligence policies.

2.3.3 Responsible for drafting and revising the company's silver supply chain related policies and guidelines.

2.3.4 Responsible for collecting and summarizing the opinions and suggestions

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of employees on due diligence of silver supply chain.

2.4 Responsibilities of Compliance Officer of Finance Department

2.4.1 Strictly implement supply chain due diligence measures and high-risk silver supply chain evaluation standards.

2.4.2 Be responsible for collecting and preserving sufficient silver supply chain documents.

2.4.3 Completely keep all transactions and financial documents of silver suppliers for a period of at least 5 financial years.

2.4.4 Evaluate the financial data of silver supplier and clarify the purpose and original intention information of their business relations.

2.4.5 Be responsible for collecting and urging importers to complete corresponding due diligence reports.


2.4.6 Verify the qualifications of shipping agents and transportation companies, track and properly keep each shipping document, and analyze and evaluate the transportation routes through which the goods pass.

2.4.7 Conduct regular on-site investigations of major foreign suppliers.

2.4.8 Assist and encourage foreign suppliers to commit and confirm in writing that they comply with the provisions in Appendix II of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High- Risk Areas*.

2.4.9 Be responsible for organization to participate in taking measures such as on-site/remote assessments to reduce risks until risks are eliminated in silver supply chains or transactions where risks have been identified.

2.4.10 Report to the Compliance Supervisor in case of abnormality in the due

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diligence process and silver transaction.

2.4.11 Regularly attends training on the accountability guidelines and supply chain due diligence policy.

2.5 Responsibilities of the Compliance Officer of the Domestic Material Supply Department

2.5.1 Strictly implement the supply chain due diligence regulations and high-risk silver supply chain evaluation criteria.

2.5.2 Be responsible for collecting and maintaining sufficient silver supply chain documents.

2.5.3 Be responsible for collecting and urging domestic suppliers to complete corresponding due diligence reports.


2.5.4 Verify the qualifications of shipping agents and transportation companies, track and properly keep each shipping document, and analyze and evaluate the transportation routes through which the goods pass.

2.5.5 Conduct regular on-site investigations of major domestic suppliers and domestic customers.

2.5.6 Assist and encourage domestic suppliers to commit and confirm in writing that they comply with the provisions in Appendix II of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High- Risk Areas*.

2.5.7 Be responsible for organization to participate in taking measures such as on-site/remote assessments to reduce risks until risks are eliminated in silver supply chains or transactions where risks have been identified.

2.5.8 Report to the Compliance Supervisor in case of abnormality in the due

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diligence process and silver transaction.

2.5.9 Regularly attends training on the accountability guidelines and supply chain due diligence policy.

2.6 Responsibilities of the Compliance Officer of Business Management Department

2.6.1 Strictly implement the supply chain due diligence regulations and high-risk silver supply chain evaluation criteria.

2.6.2 Be responsible for collecting and maintaining sufficient silver supply chain documents.

2.6.3 Be responsible for collecting and urging domestic clients to complete corresponding due diligence reports.

2.6.4 Regular on-site investigations of major domestic clients.

2.6.5 Be responsible for collecting and urging exporters to complete corresponding due diligence reports.


2.6.6 Report to the Compliance Supervisor in case of abnormality in the due diligence process and silver transaction.

2.6.7 Regularly attends training on the accountability guidelines and supply chain due diligence policy.

2.7 Responsibilities of the Compliance Officer of Enterprise Management Department

2.7.1 Strictly implement the supply chain due diligence regulations and high-risk silver supply chain evaluation criteria.

2.7.2 Be responsible for collecting and maintaining sufficient silver supply chain

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documents.

2.7.3 Be responsible for verifying and recording the weight and assay results of each batch of silver products received, analyzing and evaluating whether the data are consistent with the supplier chain; if not, conduct detailed investigation and produce a written investigation report.

2.7.4 Retention of relevant samples which containing silver for at least 3 months.

2.7.5 Report to the Compliance Supervisor in case of abnormality in the due diligence process and silver transaction.

2.7.6 Regularly attends training on the accountability guidelines and supply chain due diligence policy.

2.8 Responsibilities of the Compliance Officer of Producing Department

2.8.1 Strictly implement the supply chain due diligence regulations and high-risk silver supply chain evaluation criteria.


2.8.2 Be responsible for collecting and maintaining sufficient silver supply chain documents.

2.8.3 Be responsible for supervising the production and use of each batch of silver materials and makes corresponding records, and saves these records for at least 3 years.

2.8.4 Report to the Compliance Supervisor in case of abnormality in the due diligence process and silver transaction.

2.8.5 Regularly attends training on the accountability guidelines and supply chain due diligence policy.

3. The company provides ongoing silver supply chain training for all employees involved in the silver supply chain, records the details of these activities, and

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appropriately monitors employee attendance and their understanding of supply chain risks and due diligence processes.

4. The company pays and receives payments for silver through official banking channels and should not engage in any cash transactions. For transactions exceeding \$10,000 in value, the company must pay and receive payments for silver through official banking channels and should not engage in any cash transactions. The only exceptions allowed under this rule include:

4.1 Where applicable, cash purchases exceeding the limit may be made from suppliers who possess government-issued identification and purchase receipts that can be recorded for income tax purposes.


4.2 Cash purchases of legitimate ASM silver, provided that all transactions involving legitimate ASM silver are conducted through formal channels (from the point of export in the producing country to any subsequent counterparties).

4.3 These ASM practices and/or cash transactions below the specified limit must be supported by verifiable information and approved by the Compliance Director.

5. Where appropriate, the company must fully and transparently cooperate with government agencies and provide adequate records and information. Relevant authorities include national or international law enforcement agencies and customs officials.


6. The company must maintain adequate records to demonstrate appropriate and ongoing risk identification, due diligence and traceability. Records must be kept for at least 5 years after the end of the company's reporting year or the minimum time period specified by local regulatory requirements.

3.3 Supply chain traceability system

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To ensure the company maintains full control over its operations and the materials it procures, the company must establish control systems that ensure supply chain visibility and transparency, includes a custody chain or traceability system to determine the origin of silver and the upstream partners involved in the supply chain, as well as mechanisms to track the input of each batch of refined material and the first destination of each batch of product shipments. The traceability system should collect and maintain supply chain information for each batch of mined silver, recycled silver, or other refined materials, including but not limited to:

1. Proof of origin for primary products, such as certificates of origin issued by official channels, audited custody chain documents, blockchain traceability records, formal packing lists, etc.
2. Proof of origin for recycled silver and official stockpiles, such as audited custody chain information, blockchain traceability records, formal invoices, or packing lists, etc.
3. Unique identification information for the input of each batch of refined material and the output of each batch of products.
4. Information on the type and source, weight, grade of refined materials, and the weight and grade of silver products.
5. Import and export forms for high-risk transactions.
6. Shipping/transportation information and documents for the custody chain of refined materials from the source to the company, such as bills of lading/airway bills, proforma invoices, etc.
7. Arrival dates and inspection completion dates.
8. Records of the first destination for each batch of silver product shipments.

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3.4 Engagement with Silver Supply Counterparties

The company is committed to establishing long-term, in-depth cooperation with silver supply counterparties and building responsible sourcing relationships. Where possible, the company will share its due diligence management system experience and relevant information with silver supply counterparties to enhance their due diligence performance.

1.The Domestic Materials Supply Department and Finance Department are responsible for communicating with silver supply counterparties. They must ensure that the company's *Silver Supply Chain Due Diligence Policy* and the requirements and expectations for counterparties to conduct due diligence in accordance with this policy are conveyed to the silver supply counterparties. Counterparties will be required to sign the *Commitment to Compliance with Mineral Supply Chain Due Diligence Policy*. For counterparties that declare they have established a mineral due diligence policy, the company will collect and evaluate the supplier's mineral due diligence policy. If the supplier's due diligence policy assessment aligns with the requirements of company's *Silver Supply Chain Due Diligence Policy*, the company will accept the counterparty's mineral due diligence policy as an alternative document to the commitment letter.

2.The Domestic Materials Supply Department and Finance Department are responsible for communicating with silver supply counterparties, must specify in contracts (or agreements) the requirement to comply with the company's *Silver Supply Chain Due Diligence Policy* and related requirements, or confirm that the counterparty's established mineral due diligence policy aligns with the requirements of company's *Silver Supply Chain Due Diligence Policy*.

3.The company ensures that all silver material suppliers understand and comply with LBMA management requirements, and that suppliers provide written

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commitments confirming the absence of any actions violating OECD requirements. During cooperation, the company will gradually assist suppliers in establishing their due diligence systems and help them improve shortcomings in risk management. Additionally, the company encourages key participants in the upstream and downstream supply chain to engage in due diligence and join industry audits, assist silver supply counterparties or potential suppliers (including legitimate ASM and local traders) to improve their supply chain practices and promoting best practices in responsible sourcing.


3.5 Confidential grievance mechanism

1.The Company has developed a grievance mechanism for mineral supply chain due Diligence management system, which allows stakeholders to express their views on the mining, trading, handling and export of the Company's mineral supply chain.The company has also established a special petition system in Audit Inspection Department, as way for internal employees to report, and the company has formulated a system to protect whistleblowers, prevent retaliation against whistleblowers, and effectively protect the rights and interests of whistleblowers.

2.The complaints channel of company is the email address of the compliance team:qiang.pen@nanfangmetal.com,the internal and external stakeholders can anonymously report the violations in the process of silver transaction.

3.The scope of complaints includes comments, suggestions or complaints from any internal or external stakeholders regarding issues such as human rights violations, conflict facilitation, governance, environmental protection and occupational health and safety, adverse ESG factors in the mining, trade, processing and export of materials covered by the company's products as outlined in the policy.

4.The Enterprise Management Department is responsible for leading the complaints received by this channel and the relevant processing.

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5.All grievances must be based on factual evidence and true content. False information must not be used as the basis for a grievance, and malicious defamation or attacks are prohibited.

5.1 Grievances meeting the following conditions will be accepted:

5.1.1 The risks involve to the company's *Silver Supply Chain Due Diligence Policy*.

5.1.2 Relates to the defects, inconsistencies, or deficiencies in the company's due diligence system.

5.1.3 Include sufficient objective evidence to reasonably support the allegations made by the complainant.

5.1.4 Submitted in good faith.

5.2 The following grievances will not be accepted:

5.2.1 Lacking sufficient objective evidence to reasonably support the grievance.


5.2.2 Not submitted in good faith.

6. Grievance handling:

6.1 Upon receiving a grievance, the Enterprise Management Department will investigate the content of the grievance within five working days and make a determination: to reject or accept the grievance.

6.2 For grievances verified as valid through investigation, the Enterprise Management Department will determine a resolution within fifteen working days. If necessary, they will communicate with stakeholders to identify corrective measures and implement improvements. If the grievance meets the acceptance criteria but the issue does not exist or has already been resolved, no corrective or improvement measures are required.

6.3 Within five working days of completing the grievance handling process, the

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investigation results, resolution, corrective measures and results will be communicated to the complainant (the method of notification will adhere to the principle of complainant protection).

6.4 Information Protection: All grievance information received by the company will be securely stored by a designated officer in the Enterprise Management Department. Disclosure to individuals outside the department is prohibited without the approval of the head of the Enterprise Management Department.

6.5 Complainant Protection: The company will adhere to the principles of fact-based, procedural, confidential, and timely handling of grievances to protect the legitimate rights and interests of complainants. The company will strictly maintain the confidentiality of the complainant's information and commits to not retaliating against complainants in any form due to their grievance. If a breach of confidentiality principles results in harm to the interests of complainants, the company will take appropriate disciplinary action or transfer the matter to judicial authorities.


4. Step2:Identify and Assess Risks in the Supply Chain

4.1 Conduct Supply Chain Due Diligence to Identify Potential Risks

1.Supply chain due diligence follows a risk-based approach, including mapping the supply chain to effectively identify and assess risks. The company must conduct due diligence before establishing new business relationships with silver supply counterparties and during the maintenance of such relationships.

2.Supply chain due diligence: Supply chain due diligence should assess risks related to the location, supply chain, and type of silver-containing materials being procured.

2.1 Location risk identification should include but not limited to:

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2.1.1 Determining the source of silver and promptly recording the source category: mined silver, recycled silver, mining by-products, and official stockpiles.

2.1.2 Determining the source of silver and the general transportation route from the source to the refinery, as well as referencing sanctions lists (such as UN and related sanctions lists), EU CAHRA lists, Heidelberg Barometer, Fragile States Index or similar index, documents from the Office of the United Nations High Commissioner for Human Rights or equivalent agency, the report of Financial Action Task Force (FATF) (including relevant country/region reports), reliable market intelligence on high-risk gold centers/transfer centers and high money-laundering-risk countries/regions.

2.1.3 Verifying that the mine is not located in a World Heritage Site and/or that the supplier provides official proof of permission to mining silver from ASM in specific World Heritage Sites.


2.2 Supplier risk identification: Use the Know Your Supplier (KYS) questionnaire for risk identification, including but not limited to:

2.2.1 Using reliable, independent sources of documents, data, or information to identify and verify the name, physical address, company registration, and license information of the silver supply counterparty.

2.2.2 Utilize government-issued, current, photo-bearing identity documents to identify and verify the Ultimate Beneficial Owner (UBO) (defined as $\geq 10\%$ ownership), authenticate authorized signatories of the silver supply counterparty.

2.2.3 Confirm that the counterparties of the silver supply transactions and their ultimate beneficial owners are not included on any government-listed list of money launderers, or on any known list of fraudsters or terrorists.

2.2.4 Obtain the business and financial details of the counterparties providing

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silver supply, as well as information regarding the purpose and expected nature of the business relationship.

2.3 Material type risk

2.3.1 Risk identification for silver from LSM should include but not limited to: the silver supply counterparty's silver import/export license (if applicable), mining operations (including processing and transportation methods), production data and processing capacity (if available), source and control measures for third-party stockpiles, anti-money laundering and counter-terrorism financing policies and practices (if relevant), bribery and corruption policies and practices (including payments to the government), human rights policies and practices, environmental policies and practices, health and safety policies and practices, labor policies and practices (if not covered by other policies), community engagement plans, ethical and business integrity policies and practices.


2.3.2 Risk identification for silver from ASM should include but not limited to:

2.3.2.1 Suppliers of ASM silver, including a. local artisanal mining teams, associations, or cooperatives (individual miners do not need to be identified), b. ore processing plants, c. aggregators and traders, d. local silver exporters.

2.3.2.2 Whether the mining project can be considered legitimate ASM (i.e., legally registered, based on cooperative/government-recognized/central bank-supported initiatives).

2.3.2.3 Mining operations (including extraction, processing, and transportation methods).

2.3.2.4 The use, storage, and recovery of mercury, and (if applicable) the impact on the environment and the health of individuals involved in silver production, handling, and processing.

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2.3.2.5 Human rights practices and policies (if available), environmental practices and policies (if available), health and safety practices and policies (if available), labor practices and policies (if available), community engagement practices and policies (if available), practices and policies regarding payments to the government (if available).

3. Risk identification for recycled silver should include but not limited to:

3.1 The silver supply counterparty's main markets, products, and customer segments, information on silver and precious metal suppliers, types and forms of purchased precious metals, types and locations of facilities operated (refining, manufacturing, jewelry production, pawnshops, etc.).

3.2 The origin of silver and precious metals processed by the facility.

3.3 Import/export licenses (if applicable), anti-money laundering and counter-terrorism financing policies and practices, anti-bribery and anti-corruption policies and practices, responsible sourcing policies and practices.

4. Transaction monitoring

4.1 The company adopts a risk-based approach to appropriately review and monitor transactions during cooperation with silver supply counterparties to ensure understanding of the supply chain and risk profile.


4.2 Transaction monitoring should include but not limited to:

4.2.1 Checking whether the quantity, type, and grade of silver-containing materials are consistent with the previous batch of goods.

4.2.2 Monitoring the actual transportation route of each batch of goods.

4.2.3 Verifying shipping/transportation documents (inspection, weight, serial numbers).

4.2.4 Confirming that document information (purchase orders, receipts, invoices)

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is consistent with KYS information (mine capacity, origin, source).

4.3 When inconsistencies or suspicions are found, the following measures should be taken:

4.3.1 The relevant silver should be isolated and stored (until the inconsistency is resolved).

4.3.2 An investigation should be conducted and documented.

4.3.3 The investigation results should be reported to the compliance supervisor, compliance director, and chairman.

4.2 Classify the Supply Chain Based on Risk Profile

1. Based on the risk profile identified during due diligence, the supply chain is classified into zero-tolerance supply chains, high-risk supply chains, and low-risk supply chains.


2. Zero-tolerance supply chain assessment criteria: Once zero-tolerance issues are identified, the company must not establish a business relationship with the silver supply counterparty or immediately terminate the existing relationship and notify LBMA. Zero-tolerance supply chain assessment criteria include but not limited to:

2.1 Mined silver comes from areas designated as World Heritage Sites and no explicit authorization has been provided.

2.2 Mined or recycled silver is procured in the manner of violation of international sanctions.

2.3 The silver supply counterparty, other known upstream companies, or their UBO are known money launderers, fraudsters, or terrorists, or have seriously violated human rights, or directly or indirectly support illegal non-state armed groups.

3. High-risk supply chain assessment criteria: When the company identifies a

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high-risk supply chain during the due diligence management process, the company should conduct Enhanced Due Diligence (EDD). High-risk issues for mined silver or silver as a mining by-product should include but not limited to:

3.1 High-risk location: Mined silver or silver as a mining by-product comes from CAHRA or has transited or been transported through such areas, is claimed to come from countries/regions known or reasonably suspected to be transit points for silver from CAHRA, or is claimed to come from countries/regions with limited known reserves, potential resources, or expected production.


3.2 High-risk supplier: The silver supply counterparty or other known upstream companies have shareholders or UBO that meet the criteria for high-risk locations, have UBO who are Politically Exposed Persons (PEPs), engage in high-risk business activities (such as arms, gambling and entertainment, antiques and art, sects and their leaders), are known to have procured silver from high-risk countries/regions in the past 12 months, provide documents with significant discrepancies/inconsistencies, or refuse to provide requested documents.

3.3 High-risk material type: Mined silver or silver as a mining by-product is procured from ASM, uses mercury in production, or causes catastrophic harm or highly adverse ESG factors without appropriate mitigation measures.

4.High-risk issues for recycled silver should include but not limited to:

4.1 High-risk location: Recycled silver comes from CAHRA or has transited or been transported through CAHRA, is claimed to come from countries/regions known or reasonably suspected to be transit points for silver from CAHRA, and/or is claimed to come from countries/regions with limited silver exports.

4.2 High-risk supplier: The silver supply counterparty or other known upstream companies operate in countries/regions with high money laundering risks, have

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shareholders or UBO that meet the criteria for high-risk locations, have UBO who are PEP, engage in high-risk business activities (such as arms, gambling and entertainment, antiques and art, sects and their leaders), are known to have procured silver from high-risk countries/regions in the past 12 months, or have significant and unexplained transportation routes with suppliers or counterparties in the supply chain.

4.3 High-risk material type: Recycled silver comes from intermediate refiners or traders with high-risk supply chains (according to the OECD Due Diligence Guidance) or from counterparties procuring from intermediate refiners with high-risk supply chains (according to the OECD Due Diligence Guidance).

5. Low-risk supply chain assessment criteria: Supply chains that do not meet the criteria for zero-tolerance or high-risk supply chains are classified as low-risk supply chains.


4.3 Conduct Enhanced Due Diligence Measures for High-Risk Supply Chains

1. When the company identifies a high-risk supply chain during the due diligence process, the company should conduct Enhanced Due Diligence management as required by the Silver Guidance. Due diligence measures include but are not limited to:

1.1 Verify the authenticity of KYS records.

1.2 Focus on investigating threat financing risks and specific supply chain due diligence findings.

1.3 Conducted before any transaction takes place, or at least within six months after the start of the business relationship.

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1.4 Conducted by personnel or independent third-party consultants with no conflict of interest and appropriate capabilities. Personnel conducting on-site inspections must report the inspection situation and results truthfully and accurately.

1.5 Consult relevant internal and external stakeholders, if applicable.

1.6 After on-site inspections/investigations, an on-site inspection report should be prepared according to the company's on-site inspection report template.

1.7 Follow up based on the number and severity of issues identified during the investigation/inspection and record them in the improvement plan.

2. Depending on the material type, on-site inspections/investigations or remote online inspections/investigations should be conducted with enhanced due diligence measures, including the following procedures:

2.1 EDD measures for high-risk LSM silver supply chains should include but not limited to:


2.1.1 Conduct KYS activities proportionally for each company in the high-risk supply chain based on conflict locations, from the mine to the refinery (including silver producers, intermediaries, silver traders and exporters, and transporters).

2.1.2 Understand the nature of public or private security services provided in the mining area and supply chain.

2.1.3 Assess the risk of militarization of the mining area and transportation routes and the risk of direct or indirect support for illegal non-state armed groups or public or private security forces.

2.1.4 Review and determine the risk of any party committing serious human rights violations in the mining area, transportation routes, and silver trading and/or export links.

2.1.5 Estimate the number of artisanal and small-scale miners (if any) based on

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producer concessions and: a. confirm their legitimate ASM status; b. assess the risk that silver from third-party source is unknowingly introduced into the producer's operations; c. confirm the relationship between producers and ASM participants to identify instances of conflict or tension.

2.1.6 Complete self-declarations for tax and royalty compliance, if applicable.

2.1.7 Assess payments or compensations made to government agencies and officials, public or private security forces, or other armed organizations at all points in the supply chain from extraction, unless prohibited by law.

2.1.8 Assess compliance with environmental, health, safety, labor, community, and comprehensive business regulations, policies, and best practices.

2.2 EDD measures for high-risk ASM silver supply chains should include but not limited to:

2.2.1 Conduct KYS activities proportionally for each company in the high-risk supply chain based on location, from the ore processing plant or silver aggregator to the company (including cooperatives, silver traders and exporters, and transporters).


2.2.2 Collect information on the government, political, or military connections of ASM suppliers.

2.2.3 Collect evidence of any party committing serious human rights violations in the mining area, transportation routes, and silver trading and/or export links.

2.2.4 Assess the risk of militarization of the mining area and transportation routes and the risk of direct or indirect support for illegal non-state armed groups or public or private security forces.

2.2.5 Assess any conflicts or tensions between LSM and ASM.

2.2.6 Assess the risk, suspicion, or reports of silver from other sources being unknowingly introduced into the silver supply chain and/or misrepresentation.

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2.2.7 Assess the storage, handling, and use of mercury and its impact on the environment and worker health.

2.2.8 Assess the appropriateness of other ESG risk management practices related to issues identified during the initial due diligence.


2.2.9 Assess payments or compensations made to government agencies and officials, public or private security forces, or other armed organizations at all points in the supply chain from extraction, unless prohibited by law.

3. EDD measures for high-risk recycled silver from intermediate refiners should include but not limited to:

3.1 Obtain independent assurance reports on the responsible sourcing practices of intermediate refiners on a compliant and explained basis. The assurance should: a. include an assessment of compliance with the OECD Responsible Sourcing Program; b. be commissioned and completed by the intermediate refiner before the start of a new business relationship.

3.2 Confirm the identity of the intermediate refiner's UBO.

3.3 Refiners indirectly procuring silver from intermediate refiners (e.g., through trading companies) should: a. make their best efforts to identify the intermediate refiner and review due diligence to check whether red flags have been or should have been reasonably identified in the intermediate refiner's supply chain; b. if high risks are identified according to the *OECD Due Diligence Guidance*, the company should audit the intermediate refiner's due diligence process according to the OECD Responsible Sourcing Program; c. if the intermediate refiner's due diligence practices have not been audited or if any high-risk non-compliances are identified through the audit, a risk management strategy should be implemented; d. if no high risks are identified, no additional due diligence is required for the material; e. if the

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intermediate refiner cannot be identified, a risk management procedure should be implemented.

4. EDD measures for high-risk recycled silver from other sources should include but not limited to:

4.1 Verify government watchlist information for each company (including transporters) that is located in high-risk locations for recycled silver and involved in the supply chain between the silver supply counterparties to the refineries.

4.2 Interview selected management and on-site personnel to identify and confirm supply chain due diligence practices, procurement, anti-money laundering, and counter-terrorism financing procedures.

4.3 Assess whether the silver supply counterparty's ability for supply chain due diligence is proportional to the risk.

4.4 Assess the appropriateness of the silver supply counterparty's risk classification method.


4.5 Assess the silver supply counterparty's due diligence records on a commercially confidential basis to confirm that the silver supply counterparty is conducting due diligence management according to its supply chain due diligence policy.

4.6 Assess the silver supply counterparty's on-site inspection methods for high-risk supply chains on a commercially confidential basis.

5. Step 3: Design and Implement Management Strategies to Address Identified Risks

5.1 Identified Risks and Design Risk Management Strategies

1. Based on all the risks identified under the Silver Supply Chain Due Diligence

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Policy. The silver sources involved include mined silver, recycled silver, and various forms of inventory silver produced after January 1, 2018. The Enterprise Management Department is responsible for formulating and implementing risk management strategies to ensure responsible sourcing in the silver supply chain. The company's risk management strategies for identified risks are as follows:

2. Termination of relationship: When evidence of money laundering, terrorist financing, serious human rights violations, direct or indirect support for non-state armed groups, or misrepresentation of mineral origin is found during enhanced due diligence, the company will immediately terminate cooperation with the supplier and report to relevant regulatory authorities and LBMA in accordance with domestic and international legal requirements.

3. Suspension of relationship: When reasonable suspicion of money laundering, terrorist financing, serious human rights violations, direct or indirect support for non-state armed groups, or misrepresentation of mineral origin is found during enhanced due diligence, or when there is a catastrophic ESG impact, the company should suspend cooperation with the supplier. When the company obtains additional information/data from the supplier to refute the initial suspicion or a timely and appropriate response to the ESG impact, cooperation with the supplier may be resumed after approval by the company's compliance committee.

4. Maintain the relationship but execute an improvement plan:

4.1 When the results of enhanced due diligence are not entirely satisfactory, or when it is believed that although there are (1) bribery, (2) non-fraudulent misrepresentation of mineral origin, (3) unpaid taxes, fees, and royalties due to the government, (4) serious violations of local legislation related to the environment, health, safety, labor, and community, and/or there is a high likelihood of highly

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adverse ESG risks, but the silver supply counterparty has made reasonable and diligent management efforts, the company may continue cooperation with the silver supply counterparty.

4.2 The silver supply counterparty should execute an improvement plan approved by the company's compliance committee. The improvement plan includes but is not limited to: (1) risks that need to be controlled, (2) objectives and impacts of risk management, (3) quantitative and/or qualitative performance evaluation indicators, (4) measurable risk mitigation measures, (5) a clear timeline for risk mitigation progress and necessary resources, (6) monitoring and tracking the implementation and completion of the improvement plan; during the implementation of the improvement plan, if significant changes in risks are identified, they should be reported to the compliance committee, and confirm if the improvement plan needs to be adjusted; (7) evaluation of the effectiveness of the improvement plan implementation, conducted at least every 6 months, (8) after the implementation of the improvement plan, monitor and supplement the assessment of risks that need to be mitigated when actual conditions or the supply chain change.


5.2 Monitor the Improvement Plan

1. The compliance team should regularly report the implementation of the improvement plan to the compliance director and chairman.

2. The risk monitoring strategy should identify significant and measurable improvements to eliminate risks within six months of adoption of the improvement plan.

3. Based on the progress made in the first six months, define additional measures in the revised improvement plan.

4. The Domestic Materials Supply Department and Finance Department should

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conduct formal risk management performance evaluations through independent audits, follow-up on-site inspections, or remote reviews, to determine whether appropriate measures have been taken before the improvement deadline.


5. To facilitate monitoring improvement activities, the Domestic Materials Supply Department and Finance Department should communicate with affected stakeholders as appropriate, agree on measurable risk mitigation strategies in the improvement plan, cooperate with stakeholders to promote the implementation of the improvement plan, and monitor and track the performance of mitigation measures. The implementation, monitoring of improvement plans and performance tracking measures should be carried out in collaboration and/or consultation with affected stakeholders, local and central governments, upstream enterprises, international or civil society organizations, and relevant records should be retained.

6. Six months after the implementation of risk management improvements, if measurable improvements are limited or immeasurable improvements, the company shall suspend cooperation with the supplier until the supplier responds to the improvement plan. When risk mitigation and improvements fail, the company shall terminate cooperation with the supplier.

7. The compliance team shall reassess and review whether to maintain business relationships with suppliers at least once a year based on the risk mitigation strategy.

5.3 Reporting of Results

The compliance team retains ultimate control and responsibility for the silver supply chain. The compliance supervisor must report to the compliance director and chairman on the actual and potential risks identified in the company's due diligence management of the supply chain, as well as the proposed risk management strategies, at least once a year. The report shall include, but not be limited to:

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1. Relevant statistical data on high-risk supply chains.
2. Counterparties in the silver supply under risk mitigation strategies and the status of risk mitigation strategies.
3. Reports on the progress and effectiveness of improvement plans.


5.4 Review and Compliance Evaluation of Silver Supply Chain Due Diligence

The compliance team shall organize an annual review of supply chain risk management to evaluate the adequacy, suitability, and effectiveness of the system. Based on the review results, the company shall compile a compliance report on silver supply chain due diligence, disclosing the practices of LBMA silver supply chain due diligence. The compliance supervisor shall prepare the company's silver supply chain due diligence compliance report, which shall be disclosed by the end of the first quarter each year and published on the company's website.

6.Step 4: Third-Party Assurance

1.The Chairman is responsible for approving third-party assurance service providers and must ensure that these providers are independent of the organization and possess the necessary competence, experience, and capabilities to conduct assurance activities. The LBMA has integrated the independence requirements for assurance with the EU mandatory audit firm rotation rules. The company must rotate assurance service providers every ten years on a comply or explain basis, subject to LBMA approval. If audit firm rotation is not feasible, at a minimum, the assurance partner responsible for signing off on the assurance engagement must be rotated.

2. The company must grant the assurance service provider the necessary access to relevant sites, personnel, documents (including management reports from previous

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years), and data to enable them to fulfill their responsibilities.

3. The company is required to conduct annual assurance on its compliance with the RSG within three months of the end of its fiscal year (as stipulated in the assurance criteria section above). This assurance should cover supply chain due diligence activities over the 12-month reporting period.

7.Step 5: Due Diligence Report

The Silver Supply Chain Due Diligence Compliance Report is prepared in accordance with the requirements of the *LBMA Responsible Silver Guidance* and adopts the risk-based due diligence five-step framework outlined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The report includes but not limited to the following information:

1. Company profile and the reporting time period.
2. Disclose an overview of activities conducted during the reporting year to comply with the Responsible Silver Guidance and achieve planned objectives.
3. Disclose the company's compliance with each step of the five-step framework of the Responsible Silver Guidance during the reporting year.
4. Disclose the management's overall conclusion on whether the company compliance with the provisions of the Responsible Silver Guidance and the planned objectives during the reporting year.
5. Disclose EDD measures, methods, practices, and on-site visits adopted during the reporting year to clarify high-risk operations and supply chain conditions, as well as the actual or potential risks identified.
6. Disclose measures, risk mitigation strategies, performance monitoring and

 南方有色 NanFang Non-ferrous	Name of Internal control Document: Silver Supply Chain Due Diligence Regulations		Internal control Version: C
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tracking taken during the reporting year to strengthen the chain of custody or traceability systems for high-risk supply chains, as well as follow-up results after six months.

7. Within the company's acceptable range and in compliance with domestic legal requirements, disclose the number of instances during the reporting year where the company ceased cooperation with suppliers and/or supply chains who did not disclose their identities.

8. The compliance report must be submitted to the LBMA and published on the company's website.

8. The final interpretation rights of this document belong to Guangxi Nandan Nanfang Metal Company Limited