

JK Findings

COMPANY POLICY AND COMPANY MANAGEMENT SYSTEM FOR A RESPONSIBLE SUPPLY CHAIN OF MINERALS FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS

I. POLICY FOR A RESPONSIBLE GLOBAL SUPPLY CHAIN OF MINERALS

Our company commits to a policy of responsible sourcing of minerals from conflict affected and high-risk areas and further commits to refraining from any action that contributes to the financing of conflict. It is our expectation that our suppliers of gold and gold bearing products will support this policy, which we incorporate, when necessary, into our supplier contracts and agreements. We are also committed to a due diligence process for responsible supply chains. Our policy and process is based upon the five-step guidance issued by the Organisation for Economic Cooperation and Development (*OECD Guidance*).¹ It is the goal of our due diligence process to source gold only if it is conflict free.

II. SUPPLY CHAIN DUE DILIGENCE MANAGEMENT SYSTEM

Our objective: to ensure that our management systems are structured for effective supply chain due diligence.

Regarding our Company Management Systems:

- 1) We structure internal management to support our supply chain due diligence process and to ensure that risks are adequately managed.
 - a. We assign authority and responsibility to an employee with the necessary competence, knowledge and experience to oversee our supply chain due diligence process.
 - b. We ensure the availability of resources necessary to support the operation and monitoring of our supply chain due diligence process.
 - c. We have put in place an organizational structure and communication process to ensure that critical information, including our company policy, reaches relevant employees and business partners.

¹ OECD's *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*.

d. We ensure internal responsibility for the implementation of our supply chain due diligence process.

2) Training, as appropriate, is carried out.

Regarding our System of Information Collection and Control over the Mineral Supply Chain

- 1) We create internal documentation and records of our supply chain due diligence processes, implementation, findings and decisions.
- 2) We maintain the information collected above for a minimum of five years. Where possible this information is maintained on a computerized database.
- 3) We maintain internal inventory and transaction documentation that can be retrieved and used to identify gold or gold-bearing products that have been received and gold or gold-bearing products that have been supplied. This includes:
 - a. Information regarding the form, type and physical description of gold and gold-bearing products, e.g., recyclable gold,² gold bullion,³ jewelry manufacturing items and/or products and gold plating solutions.
 - b. Information provided by suppliers regarding the weight and assay of gold and gold-bearing products received, and our own determinations of the weight and assay of gold and gold-bearing products received and supplied;

² "Recyclable gold" means gold that has been previously refined, such as end-user, post-consumer and investment gold and gold-bearing products, and scrap and waste metals and materials arising during refining and product manufacturing, which is returned to a purifier or other downstream intermediate processor to begin a new life cycle as 'recycled gold.'

³ Gold "bullion" is the generic term for purified gold in bar or ingot form.

- c. Supplier details, including “know your counterparty” (KYC) identification. These details are collected and maintained pursuant to our anti-money laundering program.⁴
 - d. Unique reference numbers for gold and gold-bearing products received and supplied.
 - e. Dates of gold receipt and supply, and of purchases and sales.
- 4) We make and receive payments for gold through official banking channels where they are reasonably available. We avoid cash purchases where possible, and ensure that all unavoidable cash purchases are supported by verifiable documentation.
- 5) We cooperate fully and transparently with law enforcement agencies, when required, regarding gold transactions. We provide customs officials, when required, with access to complete information regarding all shipments that cross international borders, or over which they have jurisdiction.

Regarding our Engagement with Suppliers

- 1) We seek to influence our suppliers to commit to a supply chain due diligence policy and process consistent with accepted industry standards.
- 2) We aim to establish long-term associations with suppliers in order to build responsible sourcing relationships with them.
- 3) We communicate to suppliers our expectations on due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas, including that our suppliers should adopt a risk management strategy with respect to identified risks in the supply chain.
- 4) We consider ways to support and build capabilities of suppliers to improve performance and conform to JK Finding’s supply chain policy.
- 5) We are committed to risk management, which may include designing improvement plans with suppliers.

⁴ JK Findings is fully compliant with the anti-money laundering requirements of the USA PATRIOT Act as applied to dealers in jewels, precious metals and precious stones.

