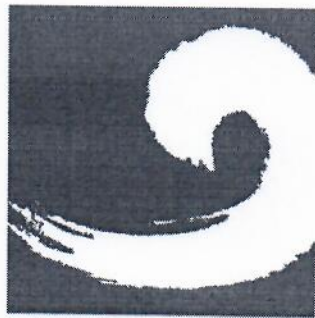




Shandong Gold Smelting Co., Ltd.
Due Diligence Management Compliance
Report of Supply Chain in 2022



SD-GOLD

February 20, 2023



SD-GOLD

Due Diligence Management Compliance Report of Supply Chain of Shandong Gold Smelting Co., Ltd. in 2022

In accordance with the requirements of the ninth edition of the Responsible Gold (Silver) Guidance issued by LBMA, to combat systematic or widespread human rights violations, avoid conflicts, and comply with high standards of anti-money laundering and terrorist financing, the Company has continuously improved the due diligence management system for the gold (silver) supply chain, clarified organizational structures and responsibilities, optimized investigation procedures, and conducted due diligence work through multiple channels. Compliance with the requirements of the *London Bullion Market Association (LBMA) Responsible Gold Guidance* and the *London Bullion Market Association (LBMA) Responsible Silver Guidance* in 2022 by Shandong Gold Smelting Co., Ltd. was summarized in the report.

Company name: Shandong Gold Smelting Co., Ltd.

Address: 888 Longbu Village, Jincheng Town, Laizhou City, Shandong Province

Annual ending date of the report: December 31, 2022

Report date: February 20, 2023

Person in charge of the report: Lin Hong, Financial Director of Company

Contact: 18363811311 Email: linhong@sd-gold.com



I. Company profile

Shandong Gold Smelting Co., Ltd. (hereinafter referred to as the Company), subordinate to Shandong Gold Mining Co., Ltd., is located in Laizhou City, Shandong Province. The Company is dedicated to promoting various management and technological innovation with a complete industrial chain of high-end, efficient, energy-saving, and environmental protection, ranging from mineral resources to gold terminal products to become a gold smelting enterprise with the best technological level, safety and environmental protection, and strongest profitability in the country.

The Company was founded in February 2000 and came on stream in July 2001. In July 2016, it became an independent legal entity through the existence and separation method. On June 1, 2010, Shandong Gold Mining Co., Ltd. invested RMB 658 million in its construction. The 1,200 ton/day gold concentrate comprehensive recycling project, undertaken by the gold smelting firm, is China's largest gold smelting industry project. The benefits of Chinese mineral processing technology led to the adoption of cutting-edge process equipment and automation technology to address the three main technical challenges of energy conservation and environmental protection in production, comprehensive mineral resource recovery, as well as zero discharge of production wastewater, forming a circular economy development model for the gold industry and creating a green industry with energy conservation, emission reduction, and



resource recovery so that a production scale of 1200 tons of gold concentrate per day was reached with a refining capacity of 200 tons per year for standard gold and 100 tons per year for silver.

Shandong Gold Smelting Co., Ltd. is one of the first batch of “enterprises providing standard gold ingot” in China certified by the Shanghai Gold Exchange and the first batch of gold ingot brand registered enterprises in the Shanghai Futures Exchange with the registered trademark of “Taishan” brand for the product. The Company has provided standard gold ingots for Shanghai Gold Exchange since November 2002. The main products were 1000g of AU99.99, 3000g of AU99.95, 100g and 50g of AU99.99 bars for Shanghai Gold Exchange; In July 2006, it became a “standard silver ingot enterprise” of the Shanghai Gold Exchange. In March 2009, the “Shandong Gold” brand series were independently designed and developed to invest in gold and silver products for sale in the social market. Since the launch of “Taishan” standard gold and “Shandong Gold” brand products, the product qualification rate is 100%, with customer complaints of zero and customer satisfaction rate of 100%. For many consecutive years, it has been rated by the Shanghai Gold Exchange as “an advanced enterprise that can provide standard gold ingots”.

On January 14, 2010, it was approved as Good Delivery Refiner for both of Gold and Silver by the London Bullion Market Association (LBMA), and was designated as a high-quality product in the



international gold and silver market, marking that the quality and scale of Shandong gold production reached the international advanced level.

II. Overview of suppliers

The Company's primary raw material sources are divided into recyclable gold obtained from society and gold concentrates produced by the group's largest mines. There are 52 suppliers in total, all of which are domestic low-risk vendors.

III. Overview of compliance

The Company conducted the due diligence supply chain investigation on all counterparties and required that the sources of the raw materials provided by all counterparties shall be legal and compliant.

Step 1: Establish strong company management systems

Compliance Statement with Requirement:

We have fully complied with Step 1: Establish strong company management systems.

The Company strictly abided by the requirements of "establish strong company management systems" in Step 1 of LBMA Responsible Gold and Silver Guidance and has established strong management systems to ensure the full implementation of the supply chain due diligence.

1.1 Due diligence policy for the Company's gold and silver



SD-GOLD

supply chain

In 2022, to further prevent and mitigate risks of conflict-related minerals and/or adverse environmental, social and governance (ESG) factors in the supply chain of the Company, the Company updated its gold and silver supply chain due diligence policy in accordance with the ninth edition of the Guidance in 2022, making it clear that procurement should not involve all threatening financing risks, including Annex II of the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Regions* and expanding to address the requirements for adverse environmental, social, and governance (ESG) factors in the supply chain.

On April 20, 2022, the Company issued and implemented the following document after being approved by the Party Committee, and posted it on the official website (<http://www.sd-gold.com/>).

The Company and its suppliers were required in the policy to strictly abide by the national laws and regulations on employee rights, environmental protection, fair trade and other laws and regulations and vigorously engage in the supply chain due diligence to ensure that the sources of minerals of gold and silver and recycled gold and silver meet the LBMA's due diligence management requirements. Besides, the Company and its suppliers were also required in the policy to make a commitment to reject gold and silver from high-risk areas such as human rights violations, support for illegal non State armed groups or public or



private security forces, bribery, non-compliance with government taxes, fees, and royalties, money laundering, conflict fuelling, non-compliance with environmental and sustainable development legal requirements, conflict areas, terrorist financing, illegal mining, World Heritage sites, and the use of mercury for mining..

In 2022, the Company revised the *Management Measures for Supply Chain Due Diligence* according to the requirements of the ninth version of the Guidance. On April 20, 2022, it was issued and implemented as follows and was published on the official website to ensure the continuous and effective operation of the Company's gold and silver due diligence management system after being approved by the Party Committee.

1.2 Organizational structure of internal management

The Company established a supply chain due diligence management system, clarifying the organizational structure and management responsibilities. The Company set up a Compliance Committee, a Compliance Director, a Compliance Risk Officer, and a Compliance Officer.

The post of Compliance Committee was held by the General Manager of the Company, and the Deputy General Manager of the Company was the Deputy Director. The members of the Committee included the main persons in charge of relevant departments and workshops. The Compliance Committee was responsible for approving



supply chain due diligence policies and systems, compliance reports, and providing sufficient resources to support the operation and monitoring of supply chain due diligence processes and systems.

The post of Compliance Director was held by the Company's Financial Director, who took charge of presiding over the Company's daily supply chain due diligence work, establishing and improving the supply chain due diligence management system, supervising the supply chain due diligence process, coordinating the handling of anomalies in supply chain due diligence, and reviewing compliance reports. Ms. Lin Hong served as the Compliance Director of the Company and currently serves as the financial director of a gold smelting company. She possesses rich experience in financial management, supply chain management, market development as well as gold acquisition.

The Compliance Risk Officer was located in the Audit and Risk Control Department, and the post is held by the person in charge of the Audit and Risk Control Department. He took charge of drafting and updating supply chain due diligence policies and systems, implementing supply chain due diligence measures and zero tolerance, high-risk supply chain assessment standards, guiding, coordinating, and reporting on the Company's risk assessment, response, and implementation, supervising and inspecting the implementation of various departments and assessing them, and reporting on abnormalities in supply chain due diligence with organization for training and other work.



The Compliance Officer was appointed by the Marketing Department, the Second Marketing Department, the Finance Department, the Quality Inspection Center, and the Refining Workshop with responsibility for strictly implementing supply chain due diligence measures and zero tolerance, high-risk supply chain assessment standards, collecting and maintaining sufficient supply chain certification documents, establishing supplier due diligence files, and conducting regular on-site investigations of important suppliers.

In 2022, the Company strictly implemented the *Supply Chain Due Diligence Management Measures*, conducted supply chain due diligence work as required, investigated all supplier qualifications, monitored all transactions, and did not establish relationships with zero tolerance supply chains and high-risk supply chains. In addition, a contract and letter of commitment for suppliers were signed for all raw material procurement businesses (as annexes to the contract) in strict accordance with the approval process specified by the Company. All suppliers promised that the source of raw materials complied with the requirements of the gold and silver guidance. The Company did not encounter any assessment and punishment issues due to poor investigation work or false reporting of materials this year.

1.3 Strong internal traceability system



diligence was completed, and issue a *Letter of Commitment*, promising that the raw materials are legal and compliant, and comply with the requirements of the *Supply Chain Due Diligence Management System*.

1.3.1 Supply chain traceability system

The Company established a set of supply chain traceability systems for distinguishing the types of raw materials according to the *Responsible Gold (Silver) Guidance*, collecting and maintain supply chain information for each batch of products, and assigning unique numbers to each batch of products. Each batch of outbound standard gold ingots was assigned with a unique number with outbound account records, including outbound date, outbound weight, etc., which were sold through the Shanghai Gold Exchange.

1.3.1.1 Incoming material smelting

The Compliance Officer of the Company's Marketing Department investigated the origin of each supplier's raw materials, and immediately reported to the Compliance Risk Officer in case of any abnormalities to reject them. After receiving materials, an acceptance team consisting of the Marketing Department, the Security Department, and the Refining Workshop conducted a preliminary inspection of the raw materials to confirm that they were mine gold and silver and recyclable gold and silver. Each batch of raw materials were assigned with a unique number, weighed, smelted, sampled, and tested with records.

1.3.1.2 Delivery



The Company recovered gold and silver, which was refined before being sent to the Shanghai Gold Market. The gold materials that clients had given to be processed and flowed to the Shanghai Gold Exchange, banking channels, jewelry wholesale display halls, etc. after being processed. Each gold and silver outbound procedure was accompanied by a signed form, which was verified and signed by the appropriate departments and leaders before delivery.

In 2022, incoming materials and delivery were carried out in accordance with management systems and procedures without zero tolerance supply chains and high-risk supply chains found.

1.3.1.3 Process monitoring

The Compliance Officer investigated the supply chain before signing the contract in accordance with the *Supply Chain Due Diligence Management System* included in the KYC questionnaire. The supplier was able to guarantee that the raw materials were legal, compliant, and satisfied the requirements of the *Responsible Gold (Silver) Guidance* by signing the *Letter of Commitment for the Supplier* as an attachment to the contract when the inquiry was finished.

There was an incoming material acceptance form with the product type, weight before and after melting, and desired grade for each batch of incoming materials the supplier delivered. The supplier and the acceptance team signed for confirmation, smelting, sampling, and testing before producing standard gold and allocating a special number for



trading on the Shanghai Gold Exchange. The supplier kept a record of each batch of materials provided in a questionnaire.

1.4 Communication mechanism

1.4.1 Training

The Company incorporates the due diligence management training of supply chain into the Company's annual training plan every year. The Company works on implementing the due diligence management of supply chain through organizing the Company's key posts and Compliance Officer to accept training regarding the requirements and contents of the due diligence management of supply chain and LBMA Responsible Gold and Silver Guidance.

The Marketing Department, the Second Marketing Department, the Finance Department, the Quality Inspection Center, the person in charge of the Refining Workshop, and the Compliance Officer were among the participants in 4 special trainings held in 2022. Training was offered with regard to the *LBMA Responsible Gold and Silver Guidance*, toolkits, due diligence management policies, systems, processes, and disclosure rules, respectively. By interactive inquiry, the training facility produced positive training outcomes.

1.4.2 Internal communication

Every month, the Compliance Team arranges a compliance management meeting to share supply chain-related information internally. It also performs secondary due diligence on suppliers whose due



diligence work is incomplete, sending compliance specialists to suppliers to help them strengthen their upstream and downstream due diligence capacities.

The Company supported the Extractive Industries Transparency Initiative without purchase of mined gold and silver from state-owned enterprises supporting EITI country operations during 2022.

1.5 Establish a confidential complaint mechanism

The Company established a confidential complaint mechanism with the official website platform (<http://www.sd-gold.com/>) to announce phone numbers and email addresses, allowing employees and external stakeholders to express concerns about the supply chain or any new identified risks, protecting employee privacy throughout the appeals process, keeping informant information confidential with prevention of retaliation for any actions. The Company also provided an internal reporting box, regularly opened for inspection by the compliance risk control officer. In 2022, the Company did not receive complaints from employees and external stakeholders.

Step 2: Identify and assess risk in the supply chain

Compliance Statement with Requirement:

We have fully complied with Step 2: Identify and assess risk in the supply chain



SD-GOLD

The Company strictly abided by the requirements of “identify and assess risk in the supply chain” in Step 2 of LBMA Responsible Gold and Silver Guidance, developed criteria for determining zero tolerance supply chains and high-risk supply chains, and formulated procedures for handling the identified risks, fully identifying and evaluating risks in the supply chain. In 2022, zero tolerance supply chains and high-risk supply chains were not found.

2.1 Conduct supply chain due diligence to identify potential risks

According to Annex II of the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Regions* and adverse ESG factors extended to the supply chain, gold smelting company identified relevant risks with close attention to gold from areas such as non-compliance with environmental and sustainable development law requirements, human rights violations, armed conflict, illegal mining, exploitation and utilization of mercury, and from World Heritage sites, as well as for bribery Gold for money laundering, terrorist financing, etc. The Company established a supplier file for each supplier for filling in a KYC questionnaire, completed the establishment of the supplier file before signing a contract with it, and performed a risk rating on it.

Before cooperation, the Company conducted a supply chain due diligence investigation on all suppliers, including three dimensions: location, supply chain, and raw material type. The Company filled in the



SD-GOLD

KYC questionnaire, and required the partners to provide relevant qualification certificates that meet the requirements of the supply chain due diligence management system before conducting cooperation. The Company provided basic information with regard to suppliers, shareholder information, raw material type and origin, precious metal type, investigated information such as settlement methods, and extended the supply chain investigation to the upstream of the supplier as much as possible. Cooperation with suppliers involved in zero tolerance supply chains and high-risk supply chains was refused.

During the cooperation process, the dynamics of supplier business activities were understood and evaluated with supplier information continuously tracked and investigated. The Company made full use of the network to query supplier qualifications, breach of trust, litigation, and penalty through websites such as Tianyancha, China Trial Information Network, and IPE. Our company conducted special due diligence on all suppliers without high-risk customers during 2022.

The above investigation and assessment were attended by members of the compliance team, who evaluated suppliers from their respective areas of responsibility. The Compliance Risk Control Officer summarized and reported them to the Compliance Director for comprehensive review. The review results were reported by the Compliance Director to the Compliance Committee.

At the end of the year, the Compliance Risk Officer summarized the



supply chain due diligence work in 2022, formulated a plan for the next year's work, and formed a compliance report. After being reviewed by the Compliance Director, it was submitted to the Compliance Committee for approval. After approval, it was publicized on the public website. During the 2022, the Company completed all due diligence for the supplier without zero tolerance supply chain or high-risk supply chain found. The survey and assessment results of suppliers in 2022 were low risk.

2.2 Identify zero tolerance supply chains and high risk supply chains

In accordance with the Ninth Edition of the *Responsible Gold (Silver) Guidance* and Annex II of the *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Regions*, the Company developed assessment criteria for zero tolerance supply chains and high risk supply chains, extending to adverse ESG factors in the supply chain. The risk assessment rules covered three dimensions: location, supply chain, and material type.

For location risk, please refer to the international sanctions list approved by the Chinese government, Article 1502 of the Dodd Frank Act, the EU CAHRA list, the Heidelberg Barometer, the Vulnerable Countries Index or similar indicators, the reports of the Office of the United Nations High Commissioner for Human Rights or equivalent institutions, the Financial Action Task Force (FATF) (including relevant country/region



reports) Reliable market intelligence on high-risk gold centers/transit centers and countries/regions with high money laundering risk. Supply chain risk could be identified with the KYC questionnaire in the toolkit. Raw materials were classified into large-scale mining, manual and small-scale mining, and recycled gold and silver in raw material type risk and identified according to the risk identification requirements of each type.

According to the zero tolerance supply chain evaluation criteria specified in the *Supply Chain Due Diligence Management System*, supplier identification was conducted. During the year 2022, the raw materials purchased by the Company did not come from regions designated as world heritage or protected areas, did not come from countries that violate international sanctions (recognized by the Chinese government), did not have supply counterparties, other known upstream companies, or their ultimate beneficiaries were known money launderers. There were no fraudulent or terrorist individuals suspected of committing serious human rights violations without non-state armed organizations that directly or indirectly supported illegal activities as well as fraudulent misrepresentation of mineral sources.

According to the high risk judgment criteria for mineral gold specified in the *Supply Chain Due Diligence Management System*, identification was performed from multiple dimensions, including but not limited to the location of the source or route, whether it is manual or



small-scale mining, whether mercury is used for production, whether it has caused or is highly likely to cause a catastrophic or extremely adverse environmental, social and governance impacts. Through information integration analysis, our Company did not discover a high-risk supply chain of mineral gold during 2022.

According to the high-risk judgment criteria for recovering gold and silver specified in the *Supply Chain Due Diligence Management System*, the high-risk supply chain for recovering gold and silver was not identified during 2022 through multi-dimensional identification.

In summary, zero tolerance supply chains and high-risk supply chains were not found during 2022 with all purchases conducted in an orderly and compliant manner.

2.3 Description of enhanced due diligence

During 2022, there was no high-risk supply chain in the Company's supply chain. Therefore, enhanced due diligence was not conducted.

Under the direction of the Compliance Director, the Company started with a strict control of supply chain risks and conducted an on-site visit to suppliers with specific business locations, including business type, material type, source description, transportation method, quantity of upstream suppliers, transaction payment method, etc. At least on-site visits will be made to certain suppliers once a year.

Step 3: Design and implement a management strategy to respond to identified risks



Compliance Statement with Requirement:

We have fully complied with Step 3: Design and implement a management system to respond to identified risks.

The Company strictly abided by the requirements of “design and implement a management strategy to respond to identified risks” in Step 3 of LBMA Responsible Gold and Silver Guidance. No zero tolerance risk and high risk were not identified and assessed in 2022. Therefore, no supply chain risk mitigation measures were taken.

When a supplier was found to belong to a zero tolerance supply chain or a high-risk supply chain, the Company immediately stopped or suspended the cooperative relationship with its partners.

After suspected high-risk incoming materials are received, they were separately registered and notified to the Refining Workshop. Their raw materials were separately smelted, and not be mixed with other customers during the entire process. Finished gold and silver produced from their raw materials were separately numbered, and stored in the vault in zones with other finished gold and silver. All incoming materials violating environmental and sustainable development principles were regarded as high-risk incoming materials, registered separately, smelted separately, numbered separately, and stored in different regions.

3.1 Involve risk management strategies in identifying risks



SD-GOLD

The Company determined a risk management strategy based on risk assessment, including terminating, suspending, and maintaining relationships.

3.1.1 Confirm termination of relationship and avoid risks

In case that the supplier involved in money laundering, terrorist financing, serious human rights violations, direct or indirect support for non-state armed groups, and false statements about the source of minerals is found in enhanced due diligence, the Company should immediately terminate cooperation with the supplier. For suppliers with cooperation terminated, the Company shall report such situations to relevant departments and LBMA in accordance with applicable domestic and foreign legal requirements.

3.1.2 Confirm the suspension relationship and reduce risks during suspending transactions

In case a supplier is suspected of involvement in money laundering, terrorist financing, serious human rights violations, direct or indirect support for non-state armed groups, misrepresentation of mineral sources, and catastrophic ESG impacts during enhanced due diligence, the Company should suspend the procurement of raw materials from the supplier until more information and evidence are obtained. Once the supplier provides supplementary information/data to refute initial suspicions, or responds promptly and appropriately to address ESG impacts, the process can be resumed with the approval of the Compliance



Director.

3.1.3 Confirm that the relationship with the improvement plan is maintained to reduce risks during continuing the transaction

A supplier can provide a risk solution including a clear improvement plan and schedule in case no potential issues are identified or a small number of issues exist, including bribery, non-fraudulent misrepresentation of mineral sources, non-payment of taxes and royalties payable to the government, serious violations of environmental, health, safety, labor, and community related local legislation, or ESG risks that are highly likely to have a significant adverse impact during enhanced due diligence. In addition, the Company can establish a normal cooperative relationship with the supplier after being reviewed by the Compliance Risk Officer and approved by the Compliance Director. Risk solutions should include clear performance goals, performance evaluation indicators based on quantitative and qualitative analysis as well as reasonable completion dates.

3.2 Risk management strategy

3.2.1 Monitoring improvement plan

Based on the principle of integrity, measures such as measurable steps, performance monitoring, regular reassessment of risks, and regular reporting to the Compliance Director were taken against counterparties when the Company maintained relationships with suppliers and implemented improvement plans.



Significant and measurable improvement measures to eliminate risks in risk monitoring should be identified at least within six months of starting implementation of the improvement plan. Based on the progress achieved over the past six months, additional measures were specified in the revised improvement plan. Performance was formally evaluated to determine that measures were properly implemented by the deadline (e.g., through independent audits, subsequent on-site visits, or remote reviews)

In order to facilitate monitoring activities, stakeholders were consulted, such as local government agencies, upstream companies, international or civil society organizations, and affected third parties, as appropriate, to fully leverage the role of the network.

When improvements were insufficient or there were no quantifiable changes to justify after the initial six months of the improvement relationship, the partnership was put on hold until the supplier complied with the improvement plan. After fruitless attempts to lower risk and enhance performance, the partnership was terminated.

According to the due diligence results in 2022, there was no management strategy for suppliers requiring risk mitigation. All supplier partnerships were ongoing and good without any termination or suspension of relationships.

3.2.2 Regular reassessment and continuous monitoring to ensure effective risk management

The Business Department assumed responsibility for gathering all



updates to supplier data, regularly tracking transaction outcomes, and completing annual supply chain due diligence and reevaluation to determine whether to continue working together.

Each batch of purchased raw materials was monitored by a Compliance Officer during the transportation, warehousing and storage, production, and payment processes. The storage process was followed by the product storage process, and warehousing was reviewed by a Compliance Officer with the warehousing joint signature process followed. The confirmation by a Compliance Officer was followed. The payment process was followed by the economic joint signature business approval process, and reported to the Compliance Director for approval.

3.3 Periodic reports

The Company has established a risk assessment and reporting system, and the Compliance Officer reports the department's due diligence work to the Compliance Risk Officer every month. When it was found in the supply that chain investigation coming from a high-risk area was assessed as a high-risk supply chain, the transaction was stopped and reported to the Compliance Director for approval before being reported to the relevant government departments. In 2022, the Company conducted a risk assessment for all suppliers, and The Compliance Risk Officer summarized the assessment results and submitted a report to the Compliance Director. After the review by the Compliance Director, the report was submitted to the Compliance Committee for approval and was



published on the public website after approval.

Step 4: Arrange for an independent third-party audit of the refiner due diligence

Compliance Statement with Requirement:

We have fully complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence

The Company strictly abided by the requirements of “arrange for an independent third-party audit of the refiner due diligence” in Step 4 of LBMA Responsible Gold and Silver Guidance

The Company hired Shanghai Branch of Bureau Veritas Certification (Beijing) Co., Ltd. to carry out the audit work. The Company performed reasonable assurance services in accordance with international standards, namely ISAE3000, except for the audit or review of historical financial information (ISAE3000). The audit report was posted on the official website of the Company after the annual audit was completed (<http://www.sd-gold.com/>).

Step 5: Annual report on supply chain due diligence

Compliance Statement with Requirement:

We have fully complied with Step 5: Report on supply chain due diligence.



The Company strictly abided by the requirements of “Annual report on supply chain due diligence” in Step 5 of LBMA Responsible Gold and Silver Guidance.

Through the Company’s official website (<http://www.sd-gold.com/>), the Company publicizes the on-site audit summary and evaluation report, due diligence management certificate, supply chain management system, and supply chain due diligence policy of the previous year each year so that other stakeholders can download and obtain them.

IV. Management conclusion

In conclusion, Shandong Gold Smelting Co., Ltd. established and improved a supply chain due diligence management system, identified and evaluated supply chain related risks, designed and implemented risk management strategies, and conducted independent third-party audits of supply chain due diligence work in accordance with the requirements of the *London Bullion and Silver Market Association (LBMA) Guidance for Responsible Gold (Silver)*. The data such as audit results, company policies, systems and certificates of competency was posted on the official website of the Company. Therefore, in the financial year ending December 31, 2022, Shandong Gold Smelting Co., Ltd. fully complied with the *London Bullion Market Association (LBMA) Responsible Gold (Silver) Guidance*.

In the next stage of work, the Company will be committed to



continuous improvement and more effectively integrate the concept of responsible procurement and responsible due diligence process into the internal management systems, procedures, processes and practices of the Company. Any identified corrective actions will be monitored internally on a regular basis. The corrective action plan is communicated separately to the LBMA executive and management of the *London Bullion Market Association (LBMA) Responsible Gold (Silver) Guidance*.

V. Other report comments

If users of this report wish to provide any feedback with respect to this report, please feel free to call 0535-2697916 or 2697917 or send an email to 157620089@qq.com to contact us.

张之利