

Policy of the Bauer-Walser AG regarding the supply chain for gold, silver and PGM

As a company which processes precious metals, Bauer-Walser AG is aware of its responsibility towards companies, society and the environment. The Bauer-Walser AG has an important role to play in the supply chain for gold, silver and platinum group metals (PGM) and is committed to fulfilling its duty of care.

We therefore support international efforts such as of the OECD to prevent the financing of terrorist activities, military conflicts, corruption, money laundering and human rights infringements in connection with precious metal transactions.

To achieve this, among other things, it is necessary to trace back incoming precious metal-containing material to prevent the purchase of material from conflict-affected and high-risk areas (CAHRAs).

Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. **High-risk areas** may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law.

Accordingly, "**conflict minerals**" within the meaning of the Dodd-Frank Act (USA) are also included, i.e. material originating from the Democratic Republic of the Congo (DRC) and the neighbouring states.

Our contribution to these efforts is:

- Our membership in the Responsible Jewellery Council (RJC) and implementation of the principles set out in the Code of Practice (COP) and the Chain of Custody (CoC) standards of the RJC for the implementation of a responsible business practice and conflict-free supply chain policy.
- Strict implementation of the know-your-counterparty principle with all transactions concerning precious metals
- Risk-based monitoring and documentation of the transactions
- No acceptance of primary gold / silver / PGM (mined material)
- Internal and external communication of this policy
- Training of our employees on this subject

Compliance with basic ethical guidelines

We align our economic and social actions with the generally valid ethical and humanitarian principles. This requires the absolute observance of fundamental human rights and respect for cultures or customs and conventions with regard to the employees and also in relation to all those affected by the activities of the precious metal industry. We are committed to promote human rights. No discrimination will be tolerated, for example, based on race, gender, ethnic or social background, religion, age, handicap or sexual orientation.

We undertake to protect our employees from physical, mental, sexual or verbal harassment and to penalise such behaviour. The right to freedom of speech is protected.

Prevention of crimes in connection with the extraction, transport or trading of precious metals (gold, silver and PGM) and material containing precious metals

We strictly reject the participation of any party in the points listed below and will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:

- torture, inhuman, cruel or degrading treatment
- all forms of forced labour
- worst forms of child labour
- serious human rights infringements and abuse
- war crimes or other serious violations of international humanitarian law
- crimes against humanity including genocide

No support, either direct or indirect, for non-state armed groups

We do not tolerate any direct or indirect support (e.g. procuring precious metals from, making payments to or otherwise providing logistical assistance or equipment) to non-state armed groups in connection with the extraction, transport, trade or handling of minerals or material containing precious metals.

Regarding public or private security forces

Where we or any company in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.

Sales tax fraud

Due to the high value of precious metals, they are continuously a target for sales tax fraud with delivery of recycling material to the precious metal refineries. We especially undertake to comply with current legislation governing sales tax and to support the authorities in fighting sales tax fraud.

Prevention of money laundering

We will take appropriate precautionary measures in advance to prevent money laundering activities in connection with precious metal business activities. This is also valid where we recognise a risk of money laundering at any point in the supply chain in connection with the extraction, trade, handling, transport or import or export of precious metals (Au, PGM, silver) or materials containing precious metals. We support the authorities in their efforts to prevent money laundering.

Corruption

We will take appropriate measures to prevent bribery, acceptance of illegal benefits or blackmail. Accordingly, we will not offer, promise, give or require any bribery.

Under no circumstances will we tolerate a violation of the above-mentioned ethical guidelines.

We will identify any business relations with business partners which are in conflict with these standards and will immediately suspend or discontinue them, also in case of a recognised possible risk.

The Bauer-Walser AG company has embedded these requirements for fulfilment of due diligence in its internal work procedures.

Every year this policy is validated for up-to-datedness and reasonableness according to Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains and adjusted as necessary



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