



金利集团
Jinli Group

Henan Jinli Gold and Lead Group CO., LTD.

LBMA RSG

2022 Refiner's Compliance Report

(Published in May 2022)

河南金利金铅集团有限公司

2022 年度精炼厂合规报告

(2022/01/01-2022/12/31)

Company Name:	河南金利金铅集团有限公司 Henan Jinli Gold and Lead Group CO., LTD.
Location:	中国河南济源市承留镇南勋村 NANXUN VILLAGE,CHENGLIU TOWN,JIYUAN CITY,HENAN PROVINCE,CHINA
Reporting year-end:	December 31th, 2022
Date of Report	January 22 nd , 2023
Senior management responsible for this report	Ms. Si Lijie/Compliance Director

Part I 第一部分

Purpose 目的

为了符合《伦敦金银市场协会负责的白银指南》的要求，避免任何的系统性或广泛性的侵犯人权行为、避免产生冲突，洗钱和打击恐怖主义融资行为，我司通过建立强大的管理体系，采用供应链尽职调查方法对所有供应商进行风险识别和评估，确保本公司的白银供应链完全符合 LBMA 负责任白银指南的要求。

To comply with the requirements of the London Bullion Market Association’s Responsible Silver Guide, avoid any of systemic or widespread human rights violations, conflicts, money laundering and terrorist financing, our company has established a strong management system and using supply chain due diligence methods to identify and evaluate risks for all suppliers, make sure that the company’s silver supply chain fully meets the requirements of the LBMA Responsible Silver Guidelines.

本报告总结了河南金利金铅集团有限公司 2022 财年内（2022 年 1 月 1 日-2022 年 12 月 31 日）对《伦敦金银市场协会负责的白银指南》要求的遵守情况。

This report summarizes the compliance of Henan Jinli Gold and Lead Group CO., LTD. in the fiscal year 2022 (January 1, 2022-December 31, 2022) with the requirements of the < London Bullion Market Association Responsible Silver Guide >.

Part II 第二部分

Company Profile 工厂概况

河南金利金铅集团有限公司成立于 1995 年，是中国民营 500 强企业。企业注册资金 4.5 亿元，占地面积 500 余亩，现有员工 3000 余人。从 2012 年开始，企业连续八年实现产值、销售收入双超百亿元，上缴税收超亿元，2018 年产值突破 200 亿元，2019 年完成产值 270 亿元，2020 年完成产值 400 亿。

金利集团拥有国际先进水平的氧气底吹炉氧化-液态铅渣侧吹炉直接还原-电解铅生产线两条，贵金属冶炼生产线一条，废旧蓄电池生产线三条年处理量达 44 万吨，具备年产电解铅 30 万吨，黄金 10 吨，白银 1500 吨，硫酸 25 万吨，冰铜 1 万吨，次氧化锌 5 万吨，锑白 1 万吨，精铋 1000 吨的生产能力。

金利的主导产品“济金”牌铅锭、金锭、银锭是上海期交所交割品牌;铅锭在伦敦金属交易所 (LME)，银锭在伦敦金银市场协会(LBMA)注册。企业通过了 ISO9001 质量管理体系认证、ISO14001 环境管理体系认证、OHSMS18001 职业健康管理体系认证，国家两化融合管理体系认证。

Henan Jinli Gold and Lead Group Co., Ltd. was established in 1995 and is one of China's top 500 private enterprises.

The company has a registered capital of 450 million yuan, covers an area of more than 500 acres, and has more than 3,000 employees. Since 2012, the company has achieved an output value and sales revenue of more than 10 billion yuan for eight consecutive years, and paid more than 100 million yuan in tax revenue. In 2018, the output value exceeded 20 billion yuan, and in 2019 the output value reached 27 billion yuan, In 2020, the output value will reach 40 billion yuan.

Jinli Group has two international advanced oxygen bottom blowing furnace oxidation-liquid lead slag side blowing furnace direct reduction-electrolytic lead production lines, one precious metal smelting production line, three waste battery production lines with an annual processing capacity of 440,000 tons, and an annual output of electrolytic lead

300,000 tons, 10 tons of gold, 1,500 tons of silver, 250,000 tons of sulfuric acid, 10,000 tons of matte, 50,000 tons of zinc oxide, 10,000 tons of antimony white, 1,000 tons of refined bismuth.

Jinli's leading products "Jijin" brand lead ingots, gold ingots and silver ingots are the delivery brands of Shanghai Futures Exchange; lead ingots are registered on the London Metal Exchange (LME) and silver ingots are registered with the London Bullion Market Association (LBMA).

The company has passed ISO9001 quality management system certification, ISO14001 environmental management system certification, OHSMS18001 occupational health management system certification, and national integration management system certification.

Part III 第三部分

Summary of compliance activities 合规活动总结

第 1 步：建立强有力的公司管理体系

Step 1: Establish strong company management systems

合规声明：

我们严格遵守，无不符项内容。第1步：建立强有力的公司管理体系

Compliance Statement:

We fully obey, and we all match the content of the item. Step 1: Establish a strong corporate management system

公司政策 Company Policy:

合规陈述：

公司于 2019 年 1 月 8 日根据经合组织《受冲突影响和高风险地区矿产负责任供应链尽职调查指南》附件 II,发布了《白银供应链管理政策》、《白银供应链尽职调查规则》以及《白银供应链风险减缓管理办法》，我司的白银供应链政策严格禁止白银供应商有如下行为：

1. 人权侵犯行为，包括使用童工、酷刑、非人道以及侮辱人格对待方式、广泛的使用暴力或其他严重反人权强迫劳动、战争罪、反人类罪或种族灭绝罪；
2. 向非法武装组织或向通过供应链非法控制矿区、交易商、其他中介机构、运输线路的公共或私人安全部队提供直接或间接支持，或在整个供应链内非法征税或敲诈钱财或矿产品（“非法武装组织、公共或私人安全部队”）；
3. 通过贿赂或欺诈掩盖白银原产地；
4. 为遵照政府有关来自受冲突及高风险区域的矿产品的提取、贸易及出口税费要求；
5. 洗钱或恐怖主义融资；

6. 资助冲突；
7. 从事高风险经营业务，例如武器、赌博、古董和艺术品、教派和其领导人；
8. 受益人是政治敏感人物或通缉人员；

《白银供应链尽职调查规则》中规定了内部的组织构架及责任、白银供应链尽职调查规定、白银供应链的风险识别方法和评判标准、交易监控、文件保存、培训以及报告机制。

2022 年度，我司严格按照体系要求完成所有白银供应商尽职调查，并进行风险识别和评估，有效的管控了白银供应链的风险。

额外声明：我公司和供应链无强迫劳动现象存在。

我公司制定了《工薪酬制度》、《禁止强迫劳动政策》《白银供应链管理政策》、《白银供应链尽职调查规则》等相关政策，严格实施确保我公司及现有的供应链上无强迫劳动存在。

同时，公司也将该政策发布在官方网站上，网址为 <http://www.jyjlyl.com/news/9/>

Compliance statement:

The company issued the "Silver Supply Chain Management Policy", "Silver Supply Chain Due Diligence Rules" and "Silver Supply Chain Risk Mitigation Management Measures" on January 8, 2019. Our silver supply chain policy strictly prohibits silver suppliers from the following behavior:

1. Systematic or widespread human rights abuses associated with the extraction, transport or trade of silver, including worst forms of child labour, any forms of torture, inhuman and degrading treatments, widespread sexual violence or other gross human rights violation forced or compulsory labour, war crimes, crimes against humanity or genocide;
2. Direct or indirect support to illegitimate non-state armed groups, public or private security forces which illegally control mines sites, traders, others intermediaries, transport routes through the supply chains or illegally tax or extort money or minerals through the supply chains;
3. Bribery and fraudulent misrepresentation of the origin of silver;
4. Non-compliance with taxes, fees and royalties due to Governments related to mineral extraction, trade and export from conflict affected and high-risk areas;
5. Money laundering or terrorism financing;
6. Contribution to conflict;
7. Higher-risk business activity such as arms, gaming and casino industry, antiques and art, sects and their leaders;

8. Upstream companies or their beneficial owners with significant influence are PEPs;

The “Silver Supply Chain Due Diligence Rules” stipulates the internal organizational structure and responsibilities, silver supply chain due diligence methods, silver supply chain risk identification methods and judgment standards, transaction monitoring, document storage, training and reporting mechanisms.

In 2020, our company completed the due diligence of all silver suppliers in strict accordance with the requirements of the system, and conducted risk identification and evaluation to effectively control the risks of the silver supply chain.

At the meanwhile, the company also posted the policy on the official website at <http://www.jyjlyl.com/news/9/>

内部管理架构 Internal management structure

合规陈述：

公司根据《白银供应链尽职调查规则》建立内部管理体系，明确了管理岗位以及对应的职责，公司设置了一名高级管理人员一名，一名合规风控官，五名合规专员。公司的高级管理人员由黄宪涛（公司副总）担任，风控官由司丽洁（财务处处长）担任，金利合规专员由秦跃强（期货部部长）担任，现货部合规专员由李武卫（供应处处长）担任，进出口部合规专员由李怀武（进出口部长）担任，财务部合规专员由杨家宽（财务处处长）担任，物流部合规专员由蔡振营（物流公司经理）担任。

合规风控官负责组织建立、修改管理政策和制度，并检查或帮助设置于各部门的合规专员完成日常的尽责工作。负责编制和更新《白银供应链尽职调查规则》，审查白银物料采购部门提交的尽职调查结果，评估风险管理策略的有效性，协调黄金、白银供应链的培训，必要时直接向公司高级管理人员汇报相关工作。

高级管理人员负责保留对白银供应链的最终管理职责。需仔细选择并监督合规官员，并提供履行其职责的必要的权利。高级管理人员应批准每一评估为高级风险的新供应链，且应每年回访一次以确定其是否继续这一业务关系。合规专员负责日常工作，设置于现货部和进出口部的两名合规官员负责在签订合同前组织实施对供应商进行评估，监督与合格供应商的交易，并进行年度重估。并在业务谈判和原料采购过程中组织贯彻和落实 LBMA 的白银尽职调查要求。财务的合规专员，负责供应商、销售及代加工的合同审批，从财务专业的角度把控合同和资金；对相关的业务、资金活动进行监督；负责金银物料在精炼厂内部的管理。物流部门的合规专员负责负责接洽原料进入精炼厂或离开精炼厂，实施黄金、白银物流运输过程中的尽责工作。2020 年，金利集团严格执行《白银供应链尽职调查规则》，对供应商进行

风险尽职调查。对所有交易进行监控，以避免与高风险供应商建立关系。同时，合规官员对所有尽职调查发现和结果进行审查，所有的银物料采购合同都经过了财务合规专员的审批。

Compliance statement:

The company established an internal management system in accordance with the "Silver Supply Chain Due Diligence Rules", clarified management positions and corresponding responsibilities, and the company set up a compliance risk control director and five compliance officers. The company's senior management staff is Li Jinfu (deputy general manager of the company)The company's compliance director is Ms. Si Lijie (Director of Finance), the Jinli compliance officer is Mr. Qin Yueqiang (Minister of Futures), the spot department compliance officer is Mr. Li Wuwei (Director of Supply), the import and export department compliance officer is Mr. Li Huaiwu (Minister of import and export), Mr. Yang Jiakuan (Deputy Director of Finance) is the compliance officer of the Finance Department, and Mr. Cai Zhenying (Logistics company manager

) is the compliance officer of the Logistics Department.

The compliance compliance director is responsible for organizing the establishment and modification of management policies and systems, and inspecting or helping the compliance officers set up in departments to complete their daily due diligence work. Responsible for compiling and updating the "Silver Supply Chain Due Diligence Rules", reviewing the results of due diligence submitted by the silver-bearing procurement department, evaluating the effectiveness of risk management strategies, coordinating the training of the gold and silver supply chain, and reporting directly to the company's general manager if necessary.

Senior management is responsible for retaining the ultimate management responsibility for the silver supply chain. It is necessary to carefully select and supervise the compliance officer and provide the necessary rights to perform their duties. Senior management should approve each new supply chain assessed as a senior risk, and should return visits once a year to determine whether they continue this business relationship.The compliance officer is responsible for daily work. The two compliance officers in the domestic Department and the Import and Export Department are responsible for organizing and evaluating suppliers before signing contracts, supervising transactions with qualified suppliers, and conducting annual revaluations. And organize and implement the LBMA silver due diligence requirements during business negotiations and raw material procurement.

The Financial Compliance officer is responsible for approving contracts for suppliers, sales and processing, and controlling contracts and funds from a financial professional perspective; supervising related business and capital activities; and responsible for the management of gold and silver materials within the refinery.

The Compliance Officer of the logistics department is responsible for contacting raw materials to

enter the refinery or leave the refinery, and implement the due diligence in the process of gold and silver logistics transportation.

In 2020, Jinli Group strictly implemented the "Silver Supply Chain Due Diligence Rules" and conducted risk due diligence on suppliers.

Monitor all transactions to avoid establishing relationships with high-risk suppliers.

At the same time, the compliance officer reviews all due diligence findings and results, and all silver material procurement contracts are approved by the Financial Compliance Officer.

可追溯系统和其他供应链参与者的识别 Traceability and identification of other supply chain actors

合规陈述：

公司根据管理体系要求，确定了供应链追溯体系，在业务过程中，收集和保存所有供应商提供的信息，包括合同评审表、合同文本、结算方式、运输过程、重量和检验报告、生产日期、入库时间等。

根据保留的所有记录，可以完成从成品追溯到原料、从原料追溯到成品，并能追溯每个供应商每批产品的采购合同，根据合同内容可以追溯包括贵金属类型、采购重量、分析报告以及相关尽职调查文件等信息。

Compliance statement:

The company has developed a supply chain traceability system in accordance with the requirements of management system. During the business process, it collects and saves all information provided by suppliers, including contract review forms, contract texts, settlement methods, transportation processes, weight and analysis report, production date, storage time, etc.

According to all the records kept, traceability can be completed from finished product to raw materials, from raw materials to finished products, and can be traced to the purchase contract of each supplier and each batch of products. According to the content of the contract, the traceability includes the type of precious metal, purchase weight, analysis report and related information such as due diligence documents.

交易方互动，并协助交易方建立尽职调查能力 Engagement with silver supplying counterparties, and where possible, assisted silver supplying counterparties in building due diligence capabilities

合规陈述：

在与供应商签订合同时，公司每年会对白银供应链中的相关员工进行该规定的培训，并将培训计划纳入年度培训计划当中。涉及白银供应链的员工必须参加，并通过培训签到的形式进行相关培训确认。采用讲解授课方式，并进行考核，现货国内及国际业务部门业务人员依据《白银供应链管理政策》要求，严格按照公司培训学习要求，与所有白银供应合约对方签署《LBMA 合规承诺书》，并进行《问卷调查》以确保他们了解公司 LBMA 管理的要求、供应链政策以及所要求的承诺。在该承诺书中，白银供应合约对方应以书面形式承诺并承认，不存在与矿产开采、运输或贸易有关的严重侵犯人权行为，没有直接或间接支持非国家武装组织，没有直接或间接支持公共或私人安全部队，没有贿赂或虚假误报矿产来源，没有洗钱。此外，还向政府支付与受冲突影响地区和高风险地区的矿产开采、贸易和出口有关的税费和特许权使用费。

2022 年度签约的所有供应商均签署了相关的承诺书。

Compliance statement:

When signing the contract with the supplier, the company will conduct the required training for the employees in the silver supply chain every year, and incorporate the training plan into the annual training plan. Employees involved in the silver supply chain must attend and confirm relevant training through training sign-in. In accordance with the requirements of the "Silver Supply Chain Management Policy" and strictly in accordance with the company's training and learning requirements, the business personnel of the spot domestic and international business departments shall sign the "LBMA Compliance Commitment" with all the counterparties of the silver supply contract, and conduct assessments. Conduct a "questionnaire" to ensure that they understand the company's LBMA management requirements, supply chain policies, and required commitments. In the letter of undertaking, the counterparty of the silver supply contract shall promise and acknowledge in writing that there are no serious violations of human rights related to mineral mining, transportation or trade, no direct or indirect support for non-state armed organizations, and no direct or indirect support for the public Or private security forces, no bribery or false misreporting of the source of minerals, no money laundering. In addition, taxes and royalties related to mining, trade and export of minerals in conflict-affected areas and high-risk areas are paid to the government.

All the suppliers that signed contracts in 2020 have signed the relevant letter of commitment.

交易付款和交易监控 Transaction payment & monitoring

合规陈述：

2022 年度的交易全部采用银行转帐方式，没有现金转帐。

与供应商签订合同时，依据公司发布的《LBMA 白银供应商管理政策》的要求，要求供应商签署《LBMA 合规承若书》《LBMA 调查问卷》等文件，符合各项要求后方可合作。

When signing a contract with a supplier, according to the requirements of the "LBMA Silver Supplier Management Policy" issued by the company, the supplier is required to sign the "LBMA Compliance Statement", "LBMA Questionnaire" and other documents, and can only cooperate after meeting the requirements.

沟通和申诉机制 Communication & Complaint mechanism

合规陈述：

公司建立了申诉机制，合规专员的电子邮件和联系方式均发布在官方网站上，网址为 <http://www.jyjlyl.com/news/9/>，并且申诉机制在含银物料采购过程中均向供应商进行了必要的沟通，内外部利益相关方可以匿名举报有关白银交易过程中的违规行为。工厂设立了意见箱，作为内部员工的举报途径，并由相关人员定期开箱检查汇总举报内容。2022 年度没有举报事件发生。

此外，公司也制定了保护举报人制度，防止对举报人进行打击报复，有效保护举报人的权益。

Compliance statement:

The company has established a grievance mechanism. The email and contact information of the compliance officer are posted on the official website at <http://www.jyjlyl.com/news/9/>, and the grievance mechanism is carried out with suppliers during the procurement of silver-bearing materials, internal and external stakeholders can anonymously report violations in the silver transaction process. The factory has set up a suggestion box as a way for internal employees to report, and related personnel regularly open the box to check and summarize the content of the report. There was no reporting in the year of 2022.

In addition, the company has also established a whistleblower protection system to prevent retaliation against whistleblowers and effectively protect the rights of whistleblowers.

第 2 步：识别和评估供应链风险

Step 2: Identify and assess risks in the supply chain

合规声明:

我们完全遵守, 无不符项内容。第2步: 识别和评估供应链风险

Compliance Statement:

We fully obey, and we all match the content of the item. Step 2: Identify and evaluate risks in the supply chain..

供应链风险识别 Identify risks in the supply chain

合规陈述:

《白银供应链尽职调查规则》中规定了供应商风险识别方法, 涵盖了含银物料从原产地到精炼厂的所有风险, 通过《供应商尽职调查表》识别如下风险, 如供应商基本信息、受益人、原产地信息、负责的贵金属供应链政策、运输过程、反洗钱反资助恐怖主义、贿赂和欺诈、人权侵犯行为、交易监控、支持非政府武装组织等。

识别方法包括, 建立供应链客户档案, 包括: 企业名称、法定代表人、地址、联系方式、营运方式、生产方式、交易合同等; 对既有供应链客户需定期进行核查, 如有新建或变更的客户, 需及时对其进行档案资料检查, 保持档案资料库处于最新状态; 识别每一客户、企业和企业收益所有人, 使用可靠的独立来源文件、数据或者信息来验证其身份; 确定供应链中每一客户、企业和企业收益所有人不在任何政府的洗钱、诈骗或恐怖主义通缉名单上; 定期获取供应链客户商业和财务方面的详细情况、从事白银交易目的及商业运作情况。

Compliance statement:

The Silver Supply Chain Due Diligence Rules specifies the supplier risk identification method, covering all risks of silver-bearing materials from the origin to the refinery. The following risks are identified through the "Supplier Due Diligence Form", such as supplier basic information, beneficiaries, origin information, responsible precious metal supply chain policy, transportation process, anti-money laundering and anti-financing terrorism, bribery and fraud, human rights violations, transaction monitoring, support for non-governmental armed organizations, etc.

Identification method including, Establishing supply chain customer files, including: company name, legal representative, address, contact information, operation method, production method, transaction contract, etc.; Existing supply chain customers need to be checked regularly. If there are new or any changed, we need to check their archives in time to keep the archives database up to date. Identify each customer, business and business owner, and use reliable independent

source documents, data or information to verify their identity. Make sure that every customer, business and business owner in the supply chain is not on any government money laundering, fraud or terrorism wanted list. Regularly obtain the commercial and financial details of customers in the supply chain, the purpose of engaging in silver transactions, and the status of commercial operations.

供应链风险评估 Risk assessment in the supply chain

合规陈述:

在与供应商业务关系建成之前,业务部门需要填写《白银供应链尽职调查表》,依据《白银供应链尽职调查规则》,针对所有的含银物料,进行风险评估。

矿产银: 供应商需要提供含银物料产地信息、采矿证许可证、进出口许可证、采矿情况信息证明、尽职调查文件、此外还应收集营业执照,受益人,资信,财务信息,是否在政府的洗黑钱、已知诈骗分子或恐怖分子名单内等,部分供应商由合规专员到现场调查信息的真实性,以确保评估准确可靠。

我司没有再生银产品的采购。

高风险供应链评估标准如下:

- 1、矿产银或再生银来源于、中转或者运经冲突影响或侵犯人权高风险地区。
- 2、矿产银声称来源于一个已知储量有限、资源有限或预计白银产量有限的国家。
- 3、再生银来源于已知的冲突影响和侵犯人权的高风险地区, 或者有理由怀疑经此地区中转的。
- 4、在白银供应链中的公司或者其他已知的上游公司位于一个有着洗钱、犯罪和贪污高风险的国家。
- 5、在白银供应链中的公司或其他已知的上游公司的收益所有人是政治敏感人物。
- 6、在白银供应链中的公司或其他已知的上游公司积极参与高风险商业活动, 例如武器、赌博、赌业、古董和艺术品、钻石, 宗教和宗教领袖。
- 7、来自、途经的高风险国家和地区, 包括 CFSP 公布的冲突战乱国家和地区、被联合国制裁的国家或地区、FATF 公布的洗钱高风险国家和地区。

评价方法: 以尽职调查表内容为基础, 结合实际收到供应商、客户的对应的资料情况, 以各项目的评价标准进行评价打分, 最终确定风险等级。

2020 年对所有含银物料供应商进行了评估, 共计 36 家。其中国内 31 家, 国外 5 家。根据评估结果, 所有的供应商均判定低风险供应商。

Compliance statement:

Before the establishment of the business relationship with the supplier, the business department needs to fill in the "Silver Supply Chain Due Diligence Form" and conduct risk assessments for all silver-containing materials in accordance with the "Silver Supply Chain Due Diligence Rules".

Mineral silver: Suppliers need to provide information on the origin of silver-containing materials, mining licenses, import and export licenses, mining information certification, due diligence documents, in addition to collecting business licenses, beneficiaries, credit, financial information, whether they are in the government. Some suppliers are included in the list of money laundering, known scammers or terrorists, etc., and some suppliers have compliance specialists to investigate the authenticity of the information on the spot to ensure that the assessment is accurate and reliable.

Our company does not purchase recycled silver products.

The high-risk supply chain evaluation criteria are as follows:

1. Mineral silver or recycled silver originates from, transits or transports through conflict-affected areas or areas with high risk of human rights violations.
2. The mineral silver is claimed to come from a country with limited known reserves, limited resources, or limited estimated silver production.
3. Recycled silver originates from areas that are known to be at high risk of conflicts and human rights violations, or it is reasonably suspected to be transited through this area.
4. Companies in the silver supply chain or other known upstream companies are located in a country with a high risk of money laundering, crime and corruption.
5. Companies in the silver supply chain or other known upstream companies whose income owners are politically sensitive.
6. Companies in the silver supply chain or other known upstream companies actively participate in high-risk business activities, such as weapons, gambling, gambling, antiques and artworks, diamonds, religious and religious leaders.
7. High-risk countries and regions from and through, including conflict and war-torn countries and regions announced by CFSP, countries or regions sanctioned by the United Nations, and high-risk countries and regions for money laundering announced by FATF.

Evaluation method: Based on the content of the due diligence questionnaire, combined with the actual receipt of the corresponding information from suppliers and customers, evaluate and score according to the evaluation criteria of each item, and finally determine the risk level.

In 2022, all silver-containing material suppliers were evaluated, a total of 36. Among them, 31 are domestic and 5 are foreign. Based on the evaluation results, all suppliers are identified as low-risk suppliers.

风险评估结果的汇报 Report risk assessment to the designated manager

合规陈述：

合规专员每季度代表高级管理团队向合规总监和最高管理层提供一份评论报告。高级管理层保留对白银供应链的最终控制权和责任。如果高风险供应商，必须得到最高管理层的批准，并立即停止合作。

Compliance statement:

The Compliance officer provides a commentary report to compliance director and senior management on a quarterly basis, Senior management retains the ultimate control and responsibility for the silver supply chain, if any high risk suppliers, it must be approved by senior management and stop the business immediately.

交易监控 Transaction monitoring

根据管理体系要求，确保对白银供货商供应链上的风险进行交易监督。精炼厂对收到的每批产品接收货运单据，重量单据，检验报告，发票等文本进行检查。合规专员负责交易监控工作，对不符或以任何形式疑似不符的交易背景进行检查，并书面确认调查结果，报告给合规总监。对于不符合要求的含银物料进行隔离，直至风险降低为低风险为止，2022 年度未出现不符合交易监控控制程序的情形。

According to the requirements of the management system, ensure that the risk of the silver supplier's supply chain is monitored. The refinery checks the receipt of shipping documents, weight documents, inspection reports, invoices and other texts for each batch of products received. The Compliance Specialist is responsible for transaction monitoring, checks the background of the transaction that is inconsistent or suspected of being inconsistent in any form, confirms the investigation results in writing, and reports to the Compliance Director. Isolate silver-containing materials that do not meet the requirements until the risk is reduced to a low risk. In 2022, there was no situation that did not meet the transaction monitoring and control procedures.

第 3 步：对已识别的风险实施管理策略

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

合规声明：

我们完全符合第三步：设计和实施一项管理策略应对已识别的风险

Compliance Statement:

In the year ended Dec. 31st 2020, We have fully complied with Step 3: Design and implement a management system to respond to identified risks.

针对已识别的风险实施一项风险管理策略 **a strategy for risk management of an identified risk**

合规陈述

(i) 在继续交易时缓解风险：当对供应商的评估处于低风险时，我们继续从该供应商获得银原料，在合作过程中，逐步对其调查资料进行完善，并逐步协助供应商建立他们的尽职调查体系，帮助他们建立、完善风险管控中的不足。

(ii) 在暂停交易时缓解风险：对低风险供应商的进行合作时，发现可疑的风险使该供应商可能变为中风险供应商，没有取得确定结果之前，暂停与该供应商合作，并调查该可疑风险，直至确定该供应商为低风险供应商，再依据评估结果进行处理。当评估结果为中风险时，需要暂停与该供应商的合作，同时隔离来料。公司的白银库房设置有高风险来料隔离区，以应对突发状况。在规定的 2 周期限内，供应商整改该风险项，解除风险，则恢复交易，如整改达不到要求或者无法解除风险，则最后停止与该供应商合作。

(iii) 停止交易脱离风险：对供应商的评估为高风险，或者与供应商合作时发现高风险项目，则停止与其合作，将评估报告及高风险项汇报给最高管理层，由最高管理层批准停止该供应商资格。

Compliance statement:

(I) Mitigating risks when continuing to trade: when the evaluation of the supplier is at low risk, we continue to purchase the silver raw materials from the supplier, and in the meanwhile, we will gradually improve the investigation data during the cooperation process, and gradually assist the supplier to establish their due diligence system, help them establish and improve their deficiencies in risk management and control.

(li) Mitigating risks when trading is suspended: When cooperating with a low-risk supplier, if a suspicious risk is found that may cause the supplier to become a medium-risk supplier, the cooperation with the supplier is suspended before a definitive result is obtained, and investigate the suspicious risk until it is determined that the supplier is a low-risk supplier, and then deal with it based on the evaluation results. When the evaluation result is medium risk, it is necessary to suspend the cooperation with the supplier and isolate the incoming materials. The company's silver warehouse has a high-risk incoming material isolation area to cope with unexpected situations. Within two-week period limit, the supplier shall take the action and submit the

evidence, if the risk is removed, and the transaction is resumed. If the action plan fails to meet the requirements or the risk cannot be removed, the cooperation with the supplier is finally stopped.

(iii) Stop trading off risk: the evaluation of the supplier is high risk, or if a high-risk item is found when working with the supplier, then stop cooperation with the supplier, and submit the assessment report and high-risk items to the top management, who will approve the suspension of the supplier's qualification.

量化措施, 绩效监督, 重新评估以及定期汇报 Measureable steps, monitoring of performance, periodic reassessment, regular reporting to designated senior management.

合规陈述:

《白银供应链尽职调查规则》中规定了供应链评估量化管理方式。

如果尽职调查的结果是低风险（评分值大于等于 80），该公司在规定的时间内采取了明确绩效目标的改进策略，我们将继续从其处获取白银原料。如果白银供应链尽职调查结果是中风险（评分小于 80 但大于 40）或高风险（评分小于等于 40），这说明可能存在洗钱、恐怖主义融资、助长冲突、侵犯人权的行为，或者存在这种情况的可能性很高，我们将立即停止从其处获取白银原料，直到提供的信息或数据表明其低风险水平。

根据 2022 年的尽职调查结果，无供应商需要进行风险缓解的管理策略。

定期重新评估与持续监控：1、每年，原料采购部门的合规专员组织人员收集供应商信息的所有变更情况，持续监控交易结果并进行年度供应链尽职调查重新评估，以决定是否继续合作。2、采购的每一批次的白银原料在运输、出入库、生产、付款过程都有合规专员的监控。

定期报告：每季度合规专员根据 LBMA 管理的实际情况，向合规总监和最高管理层提交汇报。报告本季度 LBMA 管理体系运行情况总结，提出不足及改进措施。

2022 年，我司采取了量化的手段对供应商进行评分管理，对除新供应商外的所有供应商进行年度补充风险评估。合规总监已对评估结果进行审核。并且每季度向最高管理层提交了报告。

Compliance statement:

The "Silver Supply Chain Due Diligence Rules" stipulates the Measureable steps method of supply chain assessment.

If the result of due diligence is low risk (score value is equal to or greater than 80), the company has adopted an improvement strategy with clear performance goals within the specified time frame, we will continue to obtain silver raw materials. If the silver supply chain due diligence

results are medium risk (score less than 80 but greater than 40) or high risk (score less than or equal to 40), it indicates that there may be money laundering, terrorist financing, conflict promotion, human rights violations, or the probability of high-risk, we will immediately stop obtaining silver raw materials until the evidence submitted by suppliers indicate its low risk level.

According to the results of the due diligence in 2020, no supplier needs a risk mitigation management strategy.

Regular re-evaluation and continuous monitoring: 1. Every year, the Compliance officer of the raw material procurement department organizes personnel to collect all changes in supplier information, continuously monitor the transaction results and conduct an annual supply chain due diligence re-evaluation to decide whether to continue cooperation. 2. Each batch of purchased silver raw materials is monitored by a compliance officer during the transportation, storage, production, and payment process.

Periodic report: Every quarter, the compliance officer submits reports to the compliance director and top management according to the actual situation of LBMA management. The report summarizes the quarterly operation of the LBMA management system, proposes deficiencies and improvement measures.

In 2020, our company took a quantitative approach to score management of suppliers, and conducted an annual supplementary risk assessment of all suppliers except new ones. The compliance director has reviewed the evaluation results. And every quarter to submit a report to the top management.

第 4 步：安排独立的第三方审计

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

合规声明：

我们完全符合第四步：安排独立的第三方审计

Compliance Statement:

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

合规陈述：

上一次审计时间为 2021 年 3 月，审核报告已经上传至我司官方网站 <http://www.jyjlyl.com/news/9/> 本年度我们将继续请必维认证（北京）有限公司进行合理鉴证，本年度的审计将参照 ISAE3000 的方法执行。

Compliance statement:

The last audit time was March 2021, and the audit report has been uploaded to our official website <http://www.jyjlyl.com/news/9/>. This year, we will continue to ask Bureau Veritas (Beijing) Co., Ltd. for reasonable verification. This year's audit will be performed in accordance with the method of ISAE3000.

Step 5: Report on supply chain due diligence

合规声明:

我们完全遵守，无不符项内容。第五步：供应链尽职调查报告

Compliance Statement:

We fully obey, and we all match the content of the item. Step 5: Supply chain due diligence report

合规陈述:

我们的白银供应链政策中列出了有关如何实施供应链尽职调查政策，程序，过程和控制以符合 LBMA 负责任白银指南中特定要求的更多信息和具体细节，该政策可在公司网站 <http://www.jyjlyl.com/news/447.html> <http://www.jyjlyl.com/news/446.html>

Compliance statement:

Further information and specific details of how to perform due diligence systems for supplier chains, procedures, processes and controls have been implemented to align to the specific requirements in the LBMA Responsible Silver Guidance have been set out in our silver supply chain policy, which is available on our company website <http://www.jyjlyl.com/news/447.html>

<http://www.jyjlyl.com/news/446.html>

Part IV 第四部分

Conclusion 结论

管理层结论 **Management conclusion**

我司在截至 2022 年 12 月 31 日的报告年度报告中，实施了有效的管理系统，程序，流程和
实践，以符合 LBMA 负责任白银指南的要求。

我司致力于持续改进，并且将定期对内部发现的所有纠正措施进行监控。持续满足 LBMA 负
责任白银指南的要求。

The company implemented effective management systems, procedures, processes and practices
to conform to the requirements of the LBMA Responsible Silver Guidance, as explained above in
Table 2, for the reporting year ended 31 December 2022.

The company is committed to continuous improvement, and any corrective actions identified will
be monitored internally on a regular basis. Ensure that the management system continue
meeting the requirements of the LBMA Responsible Siler Guidance.

其他 Other report comments

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