

«Approved»

by Board of Directors
of Kyrgyzaltyn OJSC
dated December 27, 2023
(seal of Kyrgyzaltyn OJSC)

Minutes No.57

Responsible Supply Chain Policy on Gold

Kyrgyzaltyn OJSC's supply chain transparency policy complies with the requirements of the LBMA Responsible Gold Guidance, as well as Appendix P of the Organization for Economic Co-operation and Development (OECD) Guidelines. (ref: <http://www.oecd.org/corporate/mne/GuidanceEdition2.pdf>).

Kyrgyzaltyn OJSC actively cooperates with government agencies in order to identify the presence/absence of a license from counterparties for the extraction, processing, transportation, sale (trade) and export of precious metals.

Kyrgyzaltyn OJSC has a firm policy regarding the identification of sources of precious metals and has the right to refuse to purchase them if they were obtained as a result of illegal mining operations.

Kyrgyzaltyn OJSC has the right to refuse cooperation if precious metals were associated with human rights violations, money laundering and participation in armed conflicts.

Kyrgyzaltyn OJSC:

- carries out its activities honestly and transparently;
- positions itself against corruption, fraud, money laundering and terrorist financing;
- maintains ethical, moral and social standards;
- establishes fair, responsible business relationships with all contractors, employees and stakeholders.

Kyrgyzaltyn OJSC has implemented a Responsible Supply Chain Policy on Gold based on the **Know Your Customer** process in order to prevent Kyrgyzaltyn OJSC from participating in illegal operations related to the mining, processing, transportation, trading and export of precious metals in the regions Conflict Affected High Risk (**CAHRA**)

Kyrgyzaltyn OJSC has defined the following mandatory criteria for a high-risk supply chain:

- 1) Mined gold/refined gold originates/transported through high-risk, conflict-affected or human rights abused areas (CAHRA);

- 2) The gold mined shall originate from a country that has limited known reserves, preferably resources, or expected levels of gold production;
- 3) Refined gold must originate from a country that is known to have gold from conflict-affected or human rights-affected areas (CAHRA);
- 4) The counterparty supplying the gold or other known mining companies are located in a country that poses a high risk of money laundering, crime or corruption;
- 5) The counterparty supplying gold or other known mining companies or their beneficial owners are politically exposed persons;
- 6) The counterparty supplying gold or other well-known mining companies have active high-risk business activities, such as military activities, gaming and casino industries, antiques or art, diamond trading, cults and their leaders.
- 7) The counterparty supplying gold does not comply with the requirements of legislation in the field of environmental protection and protection;
- 8) Gold is obtained through artisanal mining;
- 9) Mined Gold or Recycled Gold are produced using mercury;
- 10) Mined Gold or Recycled Gold comes from areas containing World Heritage Sites.

Kyrgyzaltyn OJSC strives:

1. Not to allow, facilitate or participate in any form of:
 - torture or inhuman and degrading treatment;
 - forced or compulsory labor;
 - child labor;
 - violations of human rights;
 - war crimes against humanity or genocide.
2. Not to establish relationships, and immediately terminate them, with suppliers associated with any serious violations listed above.
3. Not to allow direct or indirect support of illegal non-state armed groups, public or private security forces that:
 - illegally control mines, facilities, traders or other intermediaries, and transport routes through supply chains;
 - illegally tax or extort money or minerals through supply chains.
4. Not to establish relationships with, and immediately cease all interactions with, business associates associated with any institutions and/or persons that provide direct or indirect support to non-state armed groups in operations.

5. Not to support directly or indirectly illegally operating non-state, public or private security forces that commit offenses (clause 1) or act illegally (clause 3), since the role of public or private security forces is to maintain the rule of law (protection of human rights, ensuring the safety of workers, premises and equipment) in mining mines and/or surrounding areas and/or along transport routes.

5.1. Not to establish relationships with, and immediately stop interacting with, any participants in the supply chain if their routes of activity pass through areas affected by military conflict and high-risk areas with mining of fields and transport routes, or other risks of violence and harm to people, human rights violations, national or international law

6. Not to establish relationships with, and immediately cease to interact with, any participants in the supply chain that directly or indirectly support illegally operating non-state or private security forces, as well as supporting extortion in any form, extortion of money or minerals through the supply chain.

7. To prevent any form of bribery of persons, including government officials, customers, suppliers, contractors or any other organizations, and oppose the extortion of bribes in order to conceal the origin of precious metals, provide distorted information about taxes, fees and deductions paid in republican budget, for the purpose of extraction, processing, transportation, trade and export of precious metals.

8. To prevent money laundering related to the mining, processing, transportation, trading or export of precious metals and take measures to support combating the financing of terrorism.

9. Not to establish relationships, and immediately terminate them, with suppliers who do not comply with the requirements of legislation in the field of environmental protection.

10. To apply effective methods to verify the presence and assessment of environmental policies and practices of the counterparty.

11. To apply effective transaction monitoring approaches based on identified risks in order to prevent any danger of illegal activity.

12. To properly maintain and carefully review all records of precious metals transactions.

13. To conduct trainings, seminars and conferences to educate your employees about this Policy.

Kyrgyzaltyn OJSC complies with the guarantees of labor rights and freedoms of citizens established by the labor legislation of the Kyrgyz Republic:

1. Creates favorable working conditions to achieve optimal coordination of the interests of the parties to labor relations within the team, as well as the interests and rights of contractors and their employees.

2. Ensures the mandatory and permissible conditions of the internal labor regulations approved by the Minutes of the Board of Kyrgyzaltyn OJSC No. 56 dated November 02, 2021 (including relevant updates):

- procedure for hiring and dismissing employees;
 - staff appointments;
 - working time and rest time;
 - basic rights and responsibilities of the employee;
 - basic rights and obligations of the employer;
 - protection of personal data of employees;
 - incentive and penalty measures;
 - trade secret;
 - internal office rules.
3. Signs a collective agreement regulating social and labor relations in the organization and concluded in writing between employees and employers represented by their representatives.
 4. Shows intolerance to discrimination based on gender, race, language, disability, ethnicity, religion, age, political or other beliefs, education, origin, property or other status, as well as other circumstances not related to the employee's business qualities and the results of his/her work.
 5. Prevents any form of forced labor.
 6. Ensures settlement of labor disputes and protection of workers' rights.
 7. Pays fair remuneration for work.

Kyrgyzaltyn OJSC complies with the requirements of the Safety Rules when handling poisonous toxic pollutants (hereinafter referred to as PTP), including mercury and cyanide, approved by PPKR No. 576 dated October 29, 2019. The Safety Rules apply to the following processes relating to PTP:

- production of PTP, sale (purchase) of PTP, use of PTP, storage of PTP, disposal of PTP, including their neutralization or disposal, including mercury and cyanide.

Kyrgyzaltyn OJSC takes into account and strives to comply with the International Cyanide Management Code, in addition to existing regulatory requirements (www.cyanidecode.org). When interacting with mining producers, Kyrgyzaltyn OJSC encourages them to voluntarily comply with the International Cyanide Management Code at their mines.

Kyrgyzaltyn OJSC complies with and fulfills the requirements of the legislative framework of the Kyrgyz Republic when establishing and implementing Programs for community involvement and management (land acquisition and resettlement of communities, cultural heritage sites and indigenous peoples, protection of vulnerable groups, etc.):

1. In cases of land acquisition and resettlement of communities, Kyrgyzaltyn OJSC relies on national laws and legislative acts regulating ownership rights to land/real estate, namely

the Constitution, Civil Code, Land Code, Law on State Registration of Rights to Real Estate and transactions with it, as well as other regulatory legal acts of the Kyrgyz.

2. Kyrgyzaltyn OJSC strictly complies with the requirements of the Law of the Kyrgyz Republic dated July 26, 1999 No. 91 “On the protection and use of historical and cultural heritage.” Historical and cultural heritage are historical and cultural monuments associated with historical events in the life of the people, the development of society and the state, works of material and spiritual creativity that are of historical, scientific, artistic or other value. Preservation of historical and cultural heritage is one of the priorities of Kyrgyzaltyn OJSC.
3. Kyrgyzaltyn OJSC pays attention to meeting the needs of the local population near the mines, providing them with social and material assistance, support and education of vulnerable groups of the population, in particular children, youth, women, indigenous peoples and the poorest segments of the population, which is a necessary condition for ensuring sustainable development.

Bishkek

2023