



广西南丹南方金属有限公司  
Guangxi Nandan Nanfang Metal Company Limited

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广西南丹南方金属有限公司

2024年度精炼厂合规报告

(2024/01/01-2024/12/31)

**Guangxi Nandan Nanfang Metal Company Limited**

**2024 Refiner's Compliance Report**

**(Published in February 2025)**



公司名称	广西南丹南方金属有限公司
Company Name	Guangxi Nandan Nanfang Metal Company Limited
公司地址	广西河池南丹工业园区
Location	Nandan Industrial Park, Hechi, Guangxi, China
报告年终	2024年12月31日
Reporting year-end	December 31st, 2024
报告日期	2025年2月6日
Date of Report	February 6, 2025
负责本报告的高级管理层 Senior management responsible for this report	荆涛 合规总监 Mr. Tao Jing Compliance Director  盆强 合规组长 Mr. Qiang Pen Compliance Supervisor



## 第一部分 Part I

### 工厂概况 Company Profile

广西南丹南方金属有限公司始建于1996年，注册资金14.8亿元，总资产71亿元，是一家集矿山开发、有色金属铅、锌、铜、锑冶炼、国际贸易、技术研发、资源综合回收于一体的大型民营企业。公司主要产品为国标1#电解铅，综合回收白银、黄金、次氧化锌、锑、铋、硫酸等副产品。公司目前占地面积2000余亩，员工1000余人。公司目前铅、银、锑、铋的产能在国内同行业排前三位，是广西区内最大的有色金属加工企业。

公司在2002年通过了ISO9001质量管理体系、2012年通过ISO14001环境管理体系和OHSAS18001职业健康体系认证并取得认证证书，2020年通过ISO45001职业健康体系换标认证并取得认证证书。

Guangxi Nandan Nanfang Metal Company Limited was founded in 1996, with a registered capital of 1.48 billion yuan and a total asset of 7.1 billion yuan. It is a large private enterprise which integrates mining and mountain development, non-ferrous lead, zinc, copper, antimony smelting, international trade, technology research and development, and comprehensive recovery of resources. The main products of the company are the national standard 1 # electrolytic lead, the comprehensive recovery of silver, gold, zinc oxide, antimony, bismuth, sulfuric acid and other by-products. At present, the company covers more than 2,000 mu and has more than 1,000 employees. The company has the production capacity of lead, silver, antimony and bismuth among the top three in China, and is the largest non-ferrous metal processing enterprise in Guangxi.

The company passed the ISO9001 quality management system in 2002, the ISO14001 environmental management system and the OHSAS18001 occupational health system certification and obtained the certification certificate in 2012 and passed the ISO45001 occupational health system change certification and obtained the certification certificate in 2020.



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第二部分 Part II

**合规性概述 Compliance Overview**

公司对所有供应商进行尽职的供应链调查，要求所有供应商提供的白银来源合法、合规。

The Company conducts supply chain due diligence for all suppliers, and requires their silver to be legal and compliant.

本报告总结了广西南丹南方有限公司2024年1月1日至2024年12月31日对《伦敦金银市场协会负责任白银指南》要求的遵守情况。

This report summarizes the compliance of Guangxi Nandan Nanfang Metal Company Limited to the requirements of the London Bullion Market Association (LBMA) Responsible Silver Guidance, from January 1, 2024 to December 31, 2024.

**第1步：建立强有力的公司管理体系**

**Step 1 : Establish a strong company management system**

**合规声明 Compliance statement**

我们完全符合第一步：建立强大的管理体系，确保白银供应链尽职调查工作全面落实。

We have fully complied with the first step: Established a strong management system.

**1. 1公司政策 Company Policy**

公司根据《LBMA负责任白银指南》第1.1步所有威胁性融资风险、ESG因素和《经济合作与发展组织关于来自受冲突影响和高风险区域的矿石的负责任供应链尽职调查指南》附件二所列的风险的要求，于2019年7月1日发布了第一版《白银供应链尽职调查政策》及《白银供应链尽职调查办法》，在此期间我们不断地对文件进行了完善。公司承诺严格遵守国家关于职工权利、环境保护、公平交易等各项法律法规，积极参与白银供应链尽职调查工作，在白银生产、贸易过程中出现“任何形式的酷刑、或不人道和有辱人格的待遇”“强迫或强制性劳动”“最恶劣形式的童工”“广泛的性暴力或其他严重侵犯人权的行为”“战争罪、反人类罪或种族灭绝罪”等行为采取



零容忍态度。

白银供应链尽职调查管理体系中规定了内部的组织架构及责任、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。

The company released the first edition of the *Silver Supply Chain Due Diligence Policy* and the *Silver Supply Chain Due Diligence Procedures* on July 1, 2019, in accordance with all threatening financing risks and ESG factors according to Step 1.1 of the LBMA Responsible Silver Guidance, and the requirements for listed risks of Annex II of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. During this period, we have continuously improved these documents. The company is committed to strictly complying with national laws and regulations regarding employee rights, environmental protection, fair trade, and other relevant areas, and actively participates in silver supply chain due diligence. We maintain a zero-tolerance stance towards any form of "torture or inhuman and degrading treatment," "forced or compulsory labor," "the worst forms of child labor," "widespread sexual violence or other serious human rights violations," and "war crimes, crimes against humanity, or genocide" in the production and trade of silver.

The Silver Supply Chain Due Diligence Management System defines the internal organizational structure and responsibilities, due diligence regulations for the silver supply chain, methods and criteria for risk identification in the silver supply chain, transaction monitoring, document retention, training, and reporting mechanisms.

公司严格执行《白银供应链尽职调查政策》及《白银供应链尽职调查办法》，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，合规小组对所有尽职调查发现的结果进行审查，所有的含银物料采购合同都经过了合规总监的审批。

During the reporting period, we strictly implemented the Silver Supply Chain Due Diligence Policy and Silver Supply Chain Due Diligence Regulations and carried out risk due diligence on suppliers. Monitor all transactions to avoid relationships with high-risk



suppliers. At the same time, the compliance team reviews all due diligence findings and results, and all purchase contracts for silver-containing materials have been approved by the compliance director.

公司合规小组严格按照体系要求每年审查一次所有白银供应链的尽职调查、风险识别和评估，有效控制白银供应链的风险，并及时更新发布中英文版的文件，将其传达给所有相关员工网址为：<https://www.nanfangmetal.com>

The compliance team of the company strictly reviews the Due Diligence, Risk Identification and Assessment of all Silver Supply Chain once a year in accordance with the requirements of the system, effectively controls the risks of the Silver Supply Chain, and timely updates and releases the Chinese and English versions of the documents, communicate it to all relevant staff site at: <https://www.nanfangmetal.com>

## 1.2 内部管理架构 Internal management structure

公司董事长为白银供应链尽职调查工作设立了专门的合规小组，明确了管理岗位以及对应的职责，公司包括一名合规总监，一名合规组长和六名合规专员。由于2024年公司组织机构及人事的变动，公司合规小组成员进行了相应的调整，具体如下：公司的合规总监由集团副总经理荆涛担任，合规组长由集团企业管理部企业安环管理科科长盆强担任，财务部合规专员由覃志健、苏少金担任，经营管理部合规专员由杨贵雄担任，原料供应部的合规专员由李钰鑫担任，企业管理部的合规专员由蒙英宁担任，生产部门的合规专员由覃贾担任。合规总监荆涛具有多年的管理工作经验，曾先后荣获广西工业创新大赛优胜奖、广西工匠、广西科学进步一等奖、获得科技成果登记3项、获国家发明专利3项、实用新型专利3项、外观设计专利3项，主持参与实施科技课题（项目）11个，其中国家科技课题（项目）2个，区级科技课题（项目）6个，市级科技课题（项目）3个；在国家、省部级刊物发论文4篇。负责对白银供应链负责任采购管理体系建设提供充足的人力、资金等资源。合规组长盆强熟知负责任供应链政策，有多年的体系管理经验，具有CCAA注册的质量、环境、职业健康安全、能源管理体系审核员资质，负责监督执行供应链的尽职调查流程。他们的职责如下：

The Chairman of the company has established a compliance team for due diligence in



the silver supply chain, identifying management positions and corresponding responsibilities, including a compliance director, a compliance supervisor and six compliance officers. Due to the company organization structure and changes of personnel in 2024, the compliance team members of the company has adjusted accordingly as specific below: the company's compliance director is Jing Tao, deputy general manager of the group. The compliance supervisor is Pen Qiang, section chief of enterprise safety and environment management section which subjects to enterprise management department. The compliance officer of finance department is Qin Zhijian, Su Shaojin. The compliance officer of the business management department is Yang Guixiong. The compliance officer of the domestic material supply department is Li Yuxin. The compliance officer of the enterprise management is Meng Yingning. The compliance officer of the production department is Qin Jia. The Compliance Director Jing Tao possesses extensive management experience. He has successively won the excellence award in the Guangxi Industrial Innovation Competition, the title of Guangxi craftsman, the first prize for Guangxi Scientific Progress, obtained 3 scientific and technological achievements, obtained 3 national invention patents, obtained 3 utility model patents, and 3 design patents. He has held and participated in the implementation of 11 scientific research projects (programs), including 2 national scientific research projects (programs), 6 regional-level scientific research projects (programs), and 3 municipal-level scientific research projects (programs). He has published 4 thesis in national and provincial-level journals. He is responsible for providing adequate human and financial resources for silver supply chain responsible procurement management system construction. The compliance supervisor Pen Qiang is well-versed in responsible supply chain policy and has years of experience in system management. He holds CCAA-registered qualifications as an auditor for quality, environmental, occupational health and safety, and energy management systems. He is responsible for overseeing the implementation of the supply chain due diligence process. Their duties are as follows:

董事长职责



- 1) 以国家的法律法规，客户以及行业和适用的国际标准要求为基础，负责建立、实施和维护公司的白银供应链尽职调查管理。
- 2) 任命合规官负责白银供应链事宜。
- 3) 对负责该体系的相关部门和人员进行评估、监督。
- 4) 组织建立内部问责制或同等作用的制度，确保体系的有效实施；评估包括公司政策在内的关键信息是否有有效的结构和沟通流程，以传达至相关员工和白银供应对手方。
- 5) 协调解决尽职调查管理体系实施和运行中所需资源和出现的问题。
- 6) 负责组织公司白银供应链尽职调查管理信息的审查、批准等。
- 7) 负责审批是否与最初被评为的新高风险供应链/供应商合作，每年组织重新评估审批是否继续业务合作，合同签订及对供应商进行审查。
- 8) 每年至少组织一次评估白银供应链尽职调查政策和流程的有效性，以推动持续改进。

**Responsibilities of Chairman:**

- 1) Based on national laws and regulations, customer and industry requirements, as well as applicable international standards, be responsible for establishing, implementing, and maintaining the company's due diligence management for the silver supply chain.
- 2) Appoint compliance officer to responsible for silver supply chain matters.
- 3) Evaluate and supervise relevant departments and personnel who responsible for the system.
- 4) Establish an internal accountability system or equivalent mechanism to ensure the effective implementation of the system; evaluate whether key information, including company policies, has an effective structure and communication process to convey to relevant employees and silver supply chain counterparts.
- 5) Coordinate the resolution of resource requirements and arising issues during the implementation and operation of the due diligence management system.
- 6) Be responsible for organizing the review, approval, and management of information related to the company's silver supply chain due diligence management.





7) Be responsible for approving whether to collaborate with supply chains/suppliers initially assessed as high-risk, organizing annual re-evaluations and approve whether to continue business cooperation, contract signing, and review supplier.

8) Conduct at least one annual evaluation of the effectiveness of the silver supply chain due diligence policies and processes to drive continuous improvement.

合规总监职责：

- 1) 全面负责公司白银供应链尽职调查工作。
- 2) 审查白银供应链尽职调查过程和系统，以满足 RSG 的目标和公司的风险管理需求。
- 3) 确保包括公司政策在内的关键信息具有有效的结构和沟通流程，能够传达至相关员工和白银供应对手方。
- 4) 确保有足够的资源(包括能力和经验)来支持供应链尽职调查流程和系统的运作和监控。
- 5) 就供应链风险(包括威胁融资和 ESG)对员工进行培训，制定和更新公司的白银供应链政策和程序。
- 6) 审阅了解客户 (KYC) 文件和风险分类，必要时要求提供额外的文件或信息。
- 7) 确保针对高风险供应链或交易执行适当的措施。
- 8) 为董事长履行其职责提供适当和及时的资料。

Responsibilities of Compliance Director:

- 1) In charge of and be fully responsible for the silver supply chain due diligence work of the company.
- 2) Review the silver supply chain due diligence processes and systems to meet RSG's objectives and the company's risk management requirements.
- 3) Ensure that key information, including company policies, has an effective structure and communication process to convey to relevant employees and silver supply chain counterparts.



4) Ensure sufficient resources (including capabilities and experience) are available to support the operation and monitoring of the supply chain due diligence processes and systems.

5) Provide training to employees on supply chain risks (including threat financing and ESG), and develop and update the company's silver supply chain policies and procedures.

6) Review Know Your Customer (KYC) documents and risk classifications, and request additional documents or information when necessary.

7) Ensure appropriate measures are implemented for high-risk supply chains or transactions.

8) Provide appropriate and timely information to the Chairman to fulfill their responsibilities.

合规组长的职责：

1)辅助合规总监安排并开展公司白银供应链尽职调查工作，辅助合规总监监督检查白银供应链尽职调查过程，并收集相关资料。

2)定期对员工进行责任白银准则和供应链尽职调查政策培训。

3)负责起草和修订公司白银供应链相关的政策和方针。

4)负责收集并汇总上报公司员工对白银供应链尽职调查工作的意见和建议。

Responsibilities of Compliance Supervisor:

1)Assisted the compliance director in arranging and carrying out the due diligence work of the silver supply chain of the company, assisted the compliance director in supervising and inspecting the due diligence process of the silver supply chain, and collected relevant information.

2)Regular training of employees on responsibility silver guidelines and supply chain due diligence policies.

3)Responsible for drafting and revising the company's silver supply chain related policies and guidelines.

4)Responsible for collecting and summarizing the opinions and suggestions of



employees on due diligence of silver supply chain.

公司每年将供应链尽职调查管理、LBMA负责任的白银指南培训纳入合规小组年度培训计划当中，通过培训以及会议等方式，必要时外聘老师进行授课，组织公司合规小组成员以及供应商进行培训，培训内容包括《LBMA负责任的白银指南》《LBMA负责任的采购披露指南》以及对供应链风险评估工具：如相关制裁名单、多德一弗兰克法案、欧盟CAHRA名单、海德堡晴雨表、脆弱国家指数或类似的指数、金融行动特别工作组（FATF）的报告，确保公司相关岗位以及合规小组成员熟悉《管理办法》和《LBMA负责任白银指南》等。

2024年共组织了2次培训，培训时间和内容分别为：2024年5月组织学习了《白银指南》（第二版）；2024年10月组织学习了高风险识别工具学习（如海德堡冲突晴雨表、FATF黑名单等）、矿产贸易各环节风险判定和识别内容。参加培训的人员涉及原料采购、进出口管理、财务管理、企业管理等职能，涉及的相关人员100%参加了培训。通过培训我们加深了对供应链风险的认识，明确了出现风险时应采取的措施。培训均进行了签到，保留了培训原始记录。

The company annually incorporates supply chain due diligence management and LBMA Responsible Silver Guidance training into the Compliance Team's training plan. Through training sessions, meetings, and, when necessary, external instructors, the company organizes training for its compliance team members and suppliers. The training content includes the *LBMA Responsible Silver Guidance*, *LBMA Responsible Sourcing Disclosure Guidance*, and supply chain risk assessment tools such as relevant sanctions lists, the Dodd-Frank Act, the EU CAHRA list, the Heidelberg Conflict Barometer, the Fragile Country Index or similar index, and reports of the Financial Action Task Force (FATF). This ensures that relevant company personnel and compliance team members are familiar with the *Management Measures* and the *LBMA Responsible Silver Guidance*, etc.

In 2024, a total of two training sessions were organized, with the timing and content as follows: In May 2024, We organized to study the *Silver Guidance (Second Edition)*; in October 2024, training focused on high-risk identification tools (such as the Heidelberg Conflict Barometer and FATF blacklists) and risk determination and identification at



various stages of mineral trade. All personnel involved in raw material procurement, import/export management, financial management, and enterprise management functions participated in the training, achieving a 100% attendance rate among relevant staff. Through the training, we deepened our understanding of supply chain risks and clarified the measures to be taken in the event of risks. Attendance was recorded for all training sessions, and original training records were retained.

公司所有业务均通过官方银行渠道收款和付款，没有任何现金交易。通过公司基本账户所在的银行网上付款，并打印银行回单作为凭证附件保留至少5年。这些收付款都受到银行及国家财税部门的监督，并且每年进行财务审计。

公司保存供应商营业执照、采矿证等资质验证资料复印件，保存供应商尽职调查表、每一批次过磅单、水分测定原始记录、检测原始记录、检测报告、结算单等相关记录资料，并且保存5年以上。

2024年10月15日，合规调查小组召开会议，讨论了公司尽职调查政策及2024年年度对供应商尽职调查活动开展情况，合规小组成员参加了本次会议。

All business of our company is collected and paid through bank channel, without any cash transaction. Payments are made through the online banking system of the company's primary account, and bank receipts are printed and retained as supporting documents for at least five years. These transactions are monitored by both the bank and national tax authorities, and the company undergoes an annual financial audit.

The company retains copies of supplier business licenses, mining certificate, and other qualification verification documents. We also keep records such as supplier due diligence forms, weight slips for each batch, original moisture measurement records, original testing records, test reports, and settlement documents, all of which are preserved for more than five years.

On October 15, 2024, the compliance investigation team held a meeting and discussed the company's due diligence policy and the implementation of supplier due diligence activities in 2024. The members of the compliance team attended this meeting.



### 1.3 建立内部供应链追溯体系

#### 1.3 Establish an internal supply chain traceability system

##### 供应链可追溯体系 Traceability system of supply chain

公司根据LBMA负责任的白银指南要求，制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，包括报盘、合同评审表、合同文本、运输、重量和检验报告、生产日期、入库时间、结算方式等。

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。

According to the requirements of the LBMA responsible silver guide, the company has developed a supply chain traceability system that collects and saves the information provided by all suppliers in the process of business, including business confirmation, contract review form, contract text, transportation, weight and inspection reports, production date, warehousing time, ways of settlement, etc.

According to all records retained, it is possible to complete the purchase contract of each batch of products from finished product to raw material, from raw material to finished product, and can trace back to each supplier according to the contents of the contract, including precious metal type, purchase weight, analysis report and related due diligence documents, etc.

##### 维护记录 Maintaining records

根据公司《白银供应链尽职调查政策》，所有与供应商相关的资料，包括尽职调查文件、风险评估表、合规文件、合同文本、检测记录、出入库记录等均保存五年以上。

According to the company's Silver Supply Chain Due Diligence Policy, all relevant information related to suppliers, including due diligence documents, risk assessment forms, compliance documents, contract texts, test records, incoming and outgoing records, etc., are kept for more than five years.



**合规专员 Compliance Officer**

公司指定企业管理部盆强为合规专员，负责有关供应链尽职调查管理的所有事项，特别是对供应链尽职调查进行审核，并评估尽职调查是否充分，必要时收集额外文件或信息，确保在高风险供应链或交易采取相应措施。负责有关责任供应链的员工培训，编制并更新供应链政策，并向高级管理人员提供用于履行职责的适当信息。

The company has designated Pen Qiang from the Enterprise Management Department as the Compliance Officer, he is responsible for all matters related to supply chain due diligence management. In particular, it includes reviewing supply chain due diligence, assessing the adequacy of the due diligence, and, when necessary, collecting additional documents or information to ensure appropriate measures are taken for high-risk supply chains or transactions. Pen Qiang is also responsible for employee training on responsible supply chains, developing and updating supply chain policies, and providing senior management with appropriate information to fulfill their duties.

**1.4加强与白银供应商的接触交流**

**1.4 Strengthen company engagement with silver-supplying counterparties**

与供应商签订合同时，业务人员要求白银原料供应商：1）以合同条款形式明确原料供应链条需遵守OECD要求；或2）签署《LBMA合规承诺书》；或3）以其他书面形式确保原料供应链条遵守OECD要求。业务人员需确保所有白银原料供应商都了解并遵守LBMA的管理要求、政策以及所要求的承诺，确保所有白银供应商方都以书面形式承诺，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，没有贿赂或掩盖矿产真实来源地，没有参与洗钱等高风险行为。

本审计年度签约的34家供应商签署了相关的承诺书，另外4家供应商发布的年度相关报告中承诺遵守OECD的要求，在供应链中不存在OECD列明的高风险行为。

When signing the contract with the suppliers of silver material, the business personnel should request them to obey following requirements: 1) Clearly state in the



form of the contract terms that the raw material supply chain shall comply with the requirements of OECD; or 2) in accordance with the requirements of LBMA, Sign the Letter of Undertaking; or 3) ensure that the raw material supply chain complies with the OECD requirements by using any other written form. The business personnel need to ensure that all suppliers of silver material understand and comply with the management requirements, policies and required commitments of LBMA. Ensure that all suppliers of silver materials undertake in writing that there are no serious human rights violations related to mineral mining, transportation, or trade, no direct or indirect support to non-state armed organizations, no direct or indirect support to public or private security forces, no bribery or concealment of the true origin of minerals, and no participation in high-risk activities such as money laundering.

The 34 suppliers in the audit year have signed the relevant commitment letter, the other four issued the annual report commitment to comply with the OECD requirements and no high-risk behavior listed by OECD in the supply chain.

公司遵守EITI的相关政策如《采掘业透明度行动计划》。

The Company complies with the relevant policies of EITI, such as the Extractive Industries Transparency Initiative.

## 1.5 建立机密申诉机制

### 1.5 Establish a confidential grievance mechanism

公司建立了申诉机制，合规小组的邮箱为qiang.pen@nanfangmetal.com，审计监察部电话：0778—7900866。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匿名举报有关白银交易过程中的违规行为。

申诉流程：由企业管理部负责主导本渠道收到的申诉以及相关的处理。收到申诉后，企业管理部在五个工作日内对接收到的申诉内容进行调查并作出判定：拒绝申诉或接收申诉。经调查属实的申诉，企业管理部在十五个工作日内确定处理办法，必要时与利益相关方进行沟通，确定纠正措施并进行整改。符合申诉条件但不存在该申诉的问题或问题已经解决的，无需采取纠正或改进措施。对于公司收到的所有申诉





信息，由企业管理部专门负责人保存相关信息，未经企业管理部负责人同意，禁止向部门以外的人员透露。公司在处理申诉时将遵循事实、程序、保密和及时原则，保护申诉者的合法权益，对申诉者的信息进行严格的保密，并承诺不会因为申诉行为对申诉者采取任何形式的报复，对于未能遵守保密原则导致申诉者利益受到损害的，公司将酌情予以追究或移交司法机关处理。

申诉范围包含任何内外部的利益相关方可就公司产品中涉及的涵盖在办法中的物料的开采、贸易、处理和出口过程中，存在的侵犯人权，助长冲突，治理，环境保护和职业健康安全、不利 ESG因素的问题提出意见、建议或申诉。

2024年公司受理部门未收到外部相关的申诉信息，收到公司内部申诉内容有22项，其中生活后勤问题4项，企业管理问题8项，公司规章制度问题10项，以上问题均已关闭。

A appeal mechanism has been established and the compliance team can be reached out to by writing an e-mail to the address of [qiang.pen@nanfangmetal.com](mailto:qiang.pen@nanfangmetal.com), or calling audit and supervision department's telephone: 0778 — 7900866. In addition, the complaint mechanism has made necessary communication to suppliers in the procurement process of silver materials, and internal and external stakeholders can anonymously report the violations in the process of silver transaction.

The process of appeal: The enterprise management department is responsible for leading the handling of complaint received through this channel and related matters. After receiving a appeal, the enterprise management department will investigate the content of the complaint within five working days and make a determination: reject the appeal or accept the appeal. For appeals verified as valid through the investigation, the enterprise management department will determine a resolution within fifteen working days, communicating with relevant stakeholders when necessary to identify corrective actions and implement improvements. If the appeal meets the criteria but the issue raised does not exist or has already been resolved, no corrective or improvement measures are required. If the conditions for an appeal are met but the problem does not exist or has been resolved, no corrective or improvement measures will be taken. All appeal information received by the





company will be securely stored by a designated officer in the enterprise management department. Disclosure to personnel outside the department is prohibited without the approval of the department head. When handling appeals, the company will adhere to the principles of factual accuracy, procedural compliance, confidentiality, and timeliness to protect the legitimate rights and interests of the appellant. The company will strictly safeguard the appellant's information and pledges not to retaliate in any form against the appellant for filing an appeal. In cases where a breach of confidentiality causes harm to the appellant's interests, the company may impose disciplinary actions or refer the matter to judicial authorities as appropriate.

The scope of appeals includes comments, suggestions or complaints from any internal or external stakeholders regarding issues such as human rights violations, conflict facilitation, governance, environmental protection and occupational health and safety, adverse ESG factors in the mining, trade, processing and export of materials covered by the company's products as outlined in the policy.

In 2024, the company's designated department did not receive any external appeals. However, there were 22 internal appeals, including: 4 related to logistical and welfare issues, 8 concerning enterprise management issues, and 10 regarding company policy and regulation issues. All of these appeals have been resolved and closed.

## 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

我们完全符合第二步：识别和评估供应链风险

We have fully complied with step 2: Identify and assess risks in the supply chain.

公司严格遵守LBMA白银责任指南第二步“供应链风险的识别与评估”的要求，制定了高风险供应链的判定标准，并对识别出来的风险规定了处理程序，充分对供应链中的风险进行识别和评估。

The company strictly complies with the requirements of the of Step 2 *Identification*



*and Assessment of Supply Chain Risks* in the LBMA Responsible Silver Guidance. It has established criteria for determining high-risk supply chains and has defined procedures for addressing identified risks, adequately identify and assess risks in the supply chain.

## 2.1 识别白银供应链中的风险

### 2.1 Identify Risks in the Silver Supply Chain

公司白银来源有两类，一是采购的原料（铅精矿、铅锑精矿、多金属矿、氧化锌浸出渣、硫化物滤饼、硫精矿、铜精矿、银精矿）；二是集团公司内转的含银物料，包括广西南国铜业有限责任公司内转的旋转顶吹炉熔炼渣、白烟尘浸出渣和南丹县南方有色金属有限责任公司内转的铅银渣、废阳极板、多膛炉布袋氧粉、熔炼炉氧粉、氧压浸出铅银渣、中锌高银水渣、硫精矿。广西南国铜业有限责任公司的原料为铜精矿，铜精矿来源为中国、秘鲁、智利、刚果金（已通过第三方做实地评估证实为低风险）、巴西、墨西哥、澳大利亚、土耳其、美国等国家，南丹县南方有色金属有限责任公司原料为锌精矿，锌精矿来源为中国、澳大利亚、秘鲁、美国、玻利维亚、厄立特里亚（已通过第三方做实地评估证实为低风险）、墨西哥、土耳其、巴西、加拿大等国家，该两家公司2024年均通过了LME年审，原料来源稳定，不存在触发高风险警示信号的情况。

公司根据《经济合作与发展组织尽职调查指南》识别相关风险，密切关注来自侵犯人权、武装冲突，以及用于、洗钱、恐怖主义融资等行为的白银。

The company has two sources of silver, one is the purchase of raw materials such as lead concentrate, lead-antimony concentrate, polymetallic ore, zinc oxide leaching residue, sulfide filter cake, sulfur concentrate, copper concentrate, and silver concentrate); and the second is silver-containing materials transferred within the group company, including rotating top-blown furnace slag and white fume leaching residue transferred from Guangxi Nanko Copper Company Limited, as well as lead-silver slag, waste anode plates, multi-hearth furnace bag oxygen powder, smelting furnace oxygen powder, oxygen pressure leaching lead-silver slag, medium-zinc high-silver water slag, and sulfur concentrate transferred from Nandan Nanfang Nonferrous Metals Company Limited. The



raw material for Guangxi Nanko Copper Company Limited is copper concentrate, sourced from countries such as China, Peru, Chile, the Democratic Republic of Congo (it has been verified as low risk through on-site assessment by a third party), Brazil, Mexico, Australia, Turkey, and the United States. The raw material for Nandan Nanfang Nonferrous Metals Company Limited is zinc concentrate, sourced from countries such as China, Australia, Peru, the United States, Bolivia, Eritrea (it has been verified as low risk through on-site assessment by a third party), Mexico, Turkey, Brazil, and Canada. Both companies passed the LME annual audit in 2024, the source of raw materials is stable, and there is no situation that triggers high risk warning signals.

The company identifies relevant risks in accordance with the *OECD Due Diligence Guidance* and closely focus on silver which from human rights violations, armed conflicts, as well as activities such as money laundering and terrorist financing.

#### **供应商信息收集    Collection of suppliers' information**

在与供应商合作之前，原料供应部负责收集国内供应商信息和问卷调查等资料，财务部负责收集国外进口原料的供应商信息和问卷调查等资料。对于国内铅精矿和银精矿、铅锑矿等白银原材料供应商，我们均要求其提供营业执照、采矿许可证等，对其合法性进行证明；对国外进口原料的供应商，我们要求其提供相关的合法性经营证明。原料供应部、财务部还对供应商进行合规性调查，分别向供应商发送问卷调查，以获取相关信息和文件，包括供应商的基本信息、业务活动、管理结构、财务细节和负责的白银供应链等。

Before collaborating with suppliers, the Domestic Material Supply Department is responsible for collecting information and questionnaires from domestic suppliers, while the Finance Department handles the collection of supplier information and questionnaires for imported raw materials from abroad. For domestic suppliers of lead concentrate, silver concentrate, lead-antimony ore, and other silver raw materials, we require them to provide business licenses, mining permits, and other documents to verify their legality. For suppliers of imported raw materials, we request relevant legal business certifications. Both



the Domestic Material Supply Department and the Finance Department conduct compliance investigations on suppliers by sending out questionnaires to gather relevant information and documents, including the supplier's basic information, business activities, management structure, financial details, and responsible silver supply chain practices.

### 供应商风险识别 Risk identification for suppliers

《白银供应链尽职调查管理办法》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，位置风险、供应商风险和物料风险三个方面。在进行交易之前，原料供应部需要对供应商进行风险评估。位置风险包括含银物料来源于或曾运输经过受战争影响或人权遭受侵犯的地区（如需风险较大地区或人权遭受侵犯的地区的详细信息，参考联合国安理会制裁文件、制裁名单(美国、英国、欧盟、联合国及相关制裁名单)、联合国人权事务高级专员办事处或同等机构、金融行动特别工作组(FATF)的报告、海德堡冲突晴雨表、透明国际清廉指数、多德-弗兰克法案第 1502 条、脆弱国家指数或类似的指数、关于高风险黄金中心/转运中心和高洗钱风险国家/地区的可靠市场情报、以及欧盟CAHRAS名单。供应商风险包括：供应商或其上游公司有参与洗钱、犯罪、腐败或其他风险较高的事宜；供应商、供应商上游公司或受益所有人作为政治性公众人物；供应商或其上游公司积极从事高风险商业活动。物料风险主要关注手工和小规模开采矿（ASM）还是大规模开采矿（LSM）。

当上述评判标准任何一条客观存在时，则该白银供应链被判定为高风险供应链。部门合规专员应立即准备资料并上报合规组长，合规组长收集并整理好相关信息材料上报合规总监，由合规总监上报公司高管层并得到授权后审批该高风险供应链的风险级别，并在一定时间内实施所有强化尽职调查，并根据白银供应链风险减缓管理办法做出相应对策。

*The Silver Supply Chain Due Diligence Regulations defines supplier risk identification methods, covering all risks of silver materials from origin to refineries. Through the Supplier Due Diligence questionnaire, risks are identified in three areas: location risk,*



supplier risk, and material risk. Before engaging in transactions, the Domestic Material Supply Department needs to conduct a risk assessment of the supplier. Location risk includes silver-containing materials originating from or transported through regions affected by war or human rights violations (for detailed information on high-risk regions or areas with human rights violations, refer to United Nations Security Council sanctions documents, sanctions lists (US, UK, EU, UN, and related sanctions lists), the Office of the United Nations High Commissioner for Human Rights or equivalent agency, the report of Financial Action Task Force (FATF), the Heidelberg Conflict Barometer, the Transparency International Corruption Perceptions Index, Section 1502 of Dodd-Frank Act, the Fragile States Index or similar index, reliable market intelligence on high-risk gold centers/transfer centers and high money-laundering-risk countries/regions, and the EU CAHRAS list. Supplier risk includes: the supplier or its upstream companies being involved in money laundering, criminal activities, corruption, or other high-risk matters; the supplier, its upstream companies, or beneficial owners is a political public figure; the supplier or its upstream companies actively engaging in high-risk business activities. Material risk primarily focuses on whether the material is sourced from artisanal and small-scale mining (ASM) or large-scale mining (LSM).

When any of the above criteria exists objectively, the silver supply chain is judged to be a high-risk supply chain. The department's compliance officer must promptly prepare the necessary information and report it to the compliance supervisor. The compliance supervisor will then gather and organize the relevant information and materials, submitting them to the compliance director. The compliance director will report to the company's senior management and upon receiving authorization, will approve the risk level of the high-risk supply chain. All enhanced due diligence measures must be implemented within a certain period of time, and corresponding countermeasures should be taken in accordance with the Silver Supply Chain Risk Mitigation Management Measures.

#### 供应商风险评估 Risk assessment in the supply chain



识别方法包括：1) 借助LBMA问卷调查表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、生产方式、营运方式、交易合同等；2) 借助供应链评估表对既有供应链客户定期进行核查评估，如有新建或变更的客户， 需要及时对其档案进行更新，保持档案资料库处于最新状态；3) 使用政府司法 公示平台以及第三方商业信息查询平台所提供的文件、数据或信息来验证其身份， 识别每一客户、企业和企业收益所有人，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。

The identification method includes: 1) Establish the supply chain customer files with the help of the LBMA questionnaire, including: enterprise name, legal representative, address, contact information, production mode, operation mode, transaction contract, etc.; 2) Regularly check and evaluate the existing supply chain customers with the help of the LBMA supply chain assessment form. If there are new or changed customers, their files should be timely updated to keep the archives database up to date; 3) Uses the documents, data or information provided by the government judicial publicity platform and the third-party commercial information inquiry platform to verify its identity, identify every customer, enterprise and enterprise income owner,

and determine that every customer, enterprise and enterprise income owner in the supply chain is not on any government's money laundering, fraud or terrorism wanted list. Regularly obtain details of commercial and financial aspects of supply chain customers, silver trading purposes and business operations of supply chain customers.

在与供应商建立业务关系之前，业务部门需要根据供应链风险识别的结果， 对每一个供应商进行单独的风险评估，填写风险评估表，由相关合规专员签字， 最终由合规总监批复。风险评估结果分两种，高风险和非高风险。

对于高风险供应商，我们将停止交易，封存该供应商所有产品并立即进行尽职调查：实地考察或参观高风险供应链，证实供应链尽职调查结果文件记录是否真实，调查结束后出具现场审计报告。

Before establishing a business relationship with the supplier, the business department





needs to conduct a separate risk assessment on each supplier according to the results of the supply chain risk identification, fill in the risk assessment form, signed by the relevant Compliance Officer, and finally approved by the Compliance Director. There are two kinds of risk assessment results, high risk and non-high risk.

For high-risk suppliers, we will stop trading, seal all products and conduct due diligence immediately. Field visit or visit the high-risk supply chain, verify whether the supply chain due diligence result documents are true, and issue the site audit report after the investigation.

### **交易监控 Monitoring of transactions**

公司建立了交易监控控制程序，对白银供应链交易风险进行监督。进厂每一批原料都需供应商提供货运单据、重量信息、品位信息、发票、付款信息、原产地信息等文件。审计监察部根据实际到厂检测重量及品位对所提供的对应信息逐笔进行核实，财务部和原料供应部根据实际船运信息对货运单据及原产地进行核实，财务部对发票及付款信息进行核实，确保每个供应商所提供文件内容真实准确。如果出现不符合交易程序要求的情形，各部门合规专员需对这些交易进行审查，并向合规总监报告审查结果。本审计年度未出现不符合交易监控控制的情形。

Our company has established a transaction monitoring and control procedure to supervise the transaction risks of the silver supply chain. We require suppliers to provide documents for each parcel of raw materials, including waybill/bill of lading, weight information, assay information, invoice, payment information and origin information. The Audit and Inspection Department verifies the corresponding information provided one by one according to the actual tested weight and assay from our refinery. The Financial Management Department and Domestic Material Supply Department verifies the freight documents and origin according to the actual shipping information, and the Finance Department verifies the invoice and payment information to ensure that the contents of the documents provided by each supplier are true and accurate. In case of noncompliance with the transaction procedures, the department Compliance Officer need to review these



transactions and report the results to the Compliance Director. There is no conformity to the transaction monitoring control in this audit year.

#### 附加保证声明 Additional assurance statement

公司所制定的《白银供应链尽职调查政策》以及《白银供应链尽职调查管理办法》均有专门条款明确规定，我司以及所有白银供应链上的公司不存在强迫劳动的情形。我司遵守与劳工权益保护相关的法律法规，包括但不限于《中华人民共和国劳动法》《中华人民共和国民法典》《中华人民共和国个人信息保护法》等，与所有员工均签订劳动合同，确保所有工作均为员工自愿，并向所有员工提供良好的福利待遇，相关声明请参见：

<https://www.nanfangmetal.com/content/?486.html>。同时向所有白银供应链上的公司宣贯这一要求，让其在所提供的承诺书中保证无强迫劳动的情形，并通过对供应商所在地的现场走访、对供应商员工进行调查访谈、审阅人权报告等确认无强迫劳动的情况。在此，可以负责任地声明我司以及所有白银供应链上的公司均无强迫劳动的情况。

Both the Silver Supply Chain Due Diligence Policy and the Silver Supply Chain Due Diligence Management Measures formulated by our company are clearly stipulated that our company and all of the companies in the silver supply chain have no forced labor situation. We abide by the laws and regulations related to the protection of labor rights and interests, including but not limited to the labor law of the People's Republic of China, the civil code of the People's Republic of China, the personal information protection law of the People's Republic of China, etc. We signed labor contracts with all employees to ensure that all work is voluntary and provide good welfare benefits to all of them, please refer to: <https://www.nanfangmetal.com/content/?486.html> At the same time, all

companies in the silver supply chain have been informed of this requirement, so that they can ensure that there is no forced labor in the letter of undertaking they provided. Through site visits, survey interviews with suppliers' employees and review of human rights reports we can also confirm that there is no forced labor in the supply chain. Here, we





can declare responsibly that neither our company nor any of the companies in the silver supply chain have forced labor.

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

公司合规总监每年向公司高管层提交上一年度白银供应链尽职调查风险评估报告。公司的高管层对白银供应链有最终控制权和最高责任。高管层谨慎选择和监督合规总监，并给予其必要的职权以完成其职责。根据高管层授权，公司合规总监审批每一个被评为高风险的新的供应链，每年重新决定是否继续与之保持商务关系。

The company's compliance director submits an annual silver supply chain due diligence risk assessment report to the company's senior management. Company executives have the ultimate control and the highest responsibility for the silver supply chain. Senior executives carefully select and supervise compliance director and give him the necessary authority to perform his duties. Under executive authority, the company's compliance director approves each new supply chain rated as high risk and decides annually whether to continue business relations with it.

### 2.3 针对高风险供应链采取强化尽职调查措施

#### **2.3 Enhance due diligence measures for high-risk supply chains**

经评估，供应商如果存在上述风险事件，公司会把该供应商定义为高风险供应商，针对高风险供应商公司尽职调查小组会对该供应商进行强化尽职调查，强化尽职调查的程序包括实地考察、对尽职调查结果进一步核实等，在高风险事件没有解除之前，公司不会与其建立任何合作关系，在经确认不存在此类高风险事件后，公司才会与之开展正常的合作。

加强型尽职调查：当公司在尽职调查的过程中识别出高风险供应链时，公司应按白银指南要求进行加强型尽职调查管理，尽职调查措施包括但不限于：①核实KYS记录信息的真实性；②在任何交易发生前进行，或至少在业务关系开始后六个月内进行；③重点调查威胁融资风险以及具体的供应链尽职调查结果；④由与供应商没



有任何利益冲突且具备相应能力人员或独立的第三方顾问进行；⑤进行实地考察的人员必须如实、准确地报告实地考察情况及结果；⑥在适用的情况下，咨询相关的内部和外部利益相关方；实地调查/考察后应根据公司工具中的实地考察报告模板形成实地考察报告；⑦根据调查/考察发现问题的数量和严重程度予以跟进，并记录在改进计划中。

高风险LSM白银供应链的EDD措施应包括但不限于：①对从矿山到精炼厂的基于冲突地点的高风险供应链中的每一家公司（包括白银生产商、中间商、白银交易商和出口商以及运输商）按比例开展 KYS活动；②了解在矿区和供应链中提供的公共或私人安保服务的性质；③评估矿区和运输路线军事化以及为非法非国家武装组织或公共或私人安全部队提供直接或间接支持的风险；④审查确定任何一方在矿区、运输路线和白银交易及/或出口环节犯下任何严重侵犯人权行为的风险；⑤根据生产者特许权估计手工和小规模采矿者(如有)人数，并：a、确认其合法 ASM身份；b、评估第三方来源的白银在不知情的情况下被引入生产商运营过程的风险；c、确认生产者和 ASM参与者之间的关系，以识别冲突或紧张的实例；⑥在适用的情况下，完成税务和使用费合规的自我声明；⑦评估从提取开始在供应链的所有点对政府机构和官员、公共或私人安全部队或其他武装组织作出的支付或补偿，除非法律禁止；⑧评估对环境、健康、安全、劳工、社区、商业综合法规、政策和良好做法的遵守情况。

高风险ASM白银供应链的EDD措施应包括但不限于：①对从矿石加工厂或白银汇集商到公司的基于地点的高风险供应链中的每一家公司（包括合作社、白银交易商和出口商以及运输商）按比例开展 KYS活动；②收集关于ASM供应商的政府、政治或军事联系的信息；③收集有关任何一方在矿区、运输路线和白银交易及/或出口环节犯下任何严重侵犯人权行为的证据；④评估矿区和运输路线军事化以及为非法非国家武装组织或公共或私人安全部队提供直接或间接支持的风险；⑤评估 LSM和 ASM之间的任何冲突或紧张关系；⑥评估有关来自其他来源的白银在不知情的情况下被引入白银供



供应链及/或虚假陈述的风险、怀疑或报告；⑦评估汞的储存、处理和使用以及对环境和工人健康的影响；⑧评估与最初尽职调查中确定的问题相关的其他 ESG风险管理实践的适当性；⑨评估从提取开始在供应链的所有点对政府机构和官员、公共或私人安全部队或其他武装组织作出的支付或补偿，除非法律禁止。

来自中间精炼商的高风险再生银的 EDD措施应包括但不限于：①在确保合规及加以解释的基础上获取关于中间精炼商的负责任采购实践的独立鉴证报告。鉴证应：a. 包括对遵循经济合作与发展组织负责任采购计划的评估；b. 由中间精炼商在新的业务关系开始之前委托 开展并完成；②确认中间精炼商 UBO的身份；③间接（如通过贸易公司）从中间精炼商采购白银的精炼商应：a. 尽其最大努力识别中间精炼商，并审查尽职调查，以检查中间精炼商的供应链中是否已经或应已合理发现危险信号；b. 若根据《OECD尽职调查指南》发现高风险，公司应根据经济合作与发展组织的负责任采购计划对中间精炼商的尽职调查流程进行审核；c. 若中间精炼商的尽职调查实践未经审核，或通过审核确定任何高风险不符合项，则应进行风险管理策略；d. 如果没有发现高风险，则无需对该材料进行额外的尽职调查；e. 若无法识别中间精炼商，则应进行风险管理程序。

来自其他来源的高风险再生银的 EDD措施应包括但不限于：①核查位于再生银的高风险地点且参与白银供应对手方至精炼厂之间供应链的每一家公司（包括运输商）的政府观察名单信息；②采访选定的管理人员和现场人员，以确定和确证供应链尽职调查实践、采购、反洗钱和反恐怖主义融资程序；③评估白银供应对手方对供应链尽职调查的能力是否与风险成比例；④评估白银供应对手方的风险分类方法的适当性。⑤在符合商业信息保密的基础上评估白银供应对手方的尽职调查记录，以确认白银供应对手方是按照其供应链尽职调查政策开展尽职调查管理工作；⑥在符合商业信息保密的基础上评估白银供应对手方高风险供应链的实地考察方法。

在报告审核年度，国内原料来源地为广西、云南和四川等地，国外主要来源地为南美、北美、澳大利亚以及及欧盟等地区。我们共计完成了34家矿产银供应商的尽职调查，其中25家供应商位于中国大陆，9家来自境外。另外，我们对所有中国大陆的



供应商都进行了实地考察。根据风险评估结果，所有34家供应商均为低风险供应商。

对于来自存在高风险国别/地区的土耳其、玻利维亚、保加利亚的含银物料供应链，我们进行了附加强化尽职调查，包括收集了矿山员工的安全健康政策、道德与商业行为规范、社会责任和环境保护等制度及ESG相关工作的开展情况，并进行了远程审核，没有发现高风险行为，经过合规总监审核判定以上供应链均为低风险。

Upon evaluation, if a supplier is found to have any of the aforementioned risk factors, the company will verify that supplier as a high-risk supplier. For high-risk suppliers, the company's due diligence team will conduct enhanced due diligence, which includes on-site investigation and further verification of the due diligence results. Until the high-risk issues are resolved, the company will not establish any cooperative relationship with the supplier. Only after confirming the absence of such high-risk issues will the company proceed with normal business cooperation.

**Enhanced Due Diligence (EDD):**

When the company identifies high-risk supply chains during due diligence, it shall conduct Enhanced Due Diligence (EDD) management in accordance with the Silver Guide requirements. The due diligence measures include, but are not limited to:

1. Verifying the authenticity of KYS (Know Your Supplier) records.
2. Conducting EDD before any transaction occurs, or at least within six months of establishing a business relationship.
3. Focusing on investigating financing risks and specific supply chain due diligence findings.
4. Assigning personnel or independent third-party consultants with no conflicts of interest and appropriate expertise to perform the due diligence.
5. Ensuring that personnel conducting on-site visits truthfully and accurately report their findings.
6. Consulting relevant internal and external stakeholders, where applicable. After on-site inspections, an on-site visit report shall be prepared using the company's standardized template.



7. Taking follow-up actions based on the number and severity of identified issues, and it will be recorded in the improvement plan.

The EDD measures for high-risk Large-Scale Mining (LSM) silver supply chains shall include, but are not limited to:

1. Conduct proportional KYS activities for every company in the conflict-affected high-risk supply chain—from mine to refinery(including silver producers, intermediaries, traders, exporters, and transporters.)
2. Evaluate the nature of public or private security services provided in mining areas and across the supply chain.
3. Assess risks related to: Militarization of mining zones and transport routes direct or indirect support to illegal non-state armed groups or public/private security forces.
4. Review and identify risks of serious human rights abuses by any party in Mining areas, transport routes, Silver trading and/or export processes.
5. Estimate the number of ASM miners (if applicable) based on producer concessions and:
  - a. Verify their legal ASM status
  - b. Assess risks of unknowingly incorporating third-party conflict silver into the producer's operations
  - c. Examine producer-ASM relationships to identify conflicts or tensions.
6. Require self-declarations confirming compliance with tax and royalty obligations.
7. Evaluate payments or compensation made to government agencies, officials, security forces, or armed groups at all supply chain stages (unless prohibited by law).
8. Assess adherence to environmental, health, and safety (EHS) standards, labor and community rights, business integrity laws, policies, and best practices.

The EDD measures for high-risk Small-Scale Mining (ASM) silver supply chains shall include, but are not limited to:

1. Conduct proportional KYS activities for every company in the conflict-affected high-risk supply chain—from ore processors or silver aggregators to the company(including cooperatives, traders, exporters, and transporters.)



2. Gather information on government, political, or military affiliations of ASM suppliers.
3. Collect evidence regarding serious human rights abuses committed by any party in mining areas, transport routes, silver trading and/or export processes.
4. Evaluate risks related to militarization of mining zones and transport routes direct or indirect support to illegal non-state armed groups or public/private security forces.
5. Examine any conflicts or tensions between large-scale mining (LSM) and ASM operations.
6. Assess risks, suspicions, or reports of unknowingly introducing silver from undisclosed sources into the supply chain, misrepresentation of silver origins.
7. Evaluate mercury storage, handling, and usage practices, impacts on the environment and worker health.
8. Assess the adequacy of additional ESG risk mitigation measures related to issues identified during initial due diligence.
9. Evaluate payments or compensation made to government agencies, officials, security forces, or armed groups at all supply chain stages (unless prohibited by law).

The EDD measures for high-risk recycled silver sourced from intermediate refiners shall include, but are not limited to, the following:

1. Obtain an independent assurance report on the intermediate refiner's responsible sourcing practices, ensuring compliance with applicable standards and providing necessary explanations. The assurance process shall:
  - a. Include an assessment of adherence to the OECD Responsible Sourcing Program;
  - b. Be commissioned and completed by the intermediate refiner prior to establishing a new business relationship.
2. Verify the identity of the intermediate refiner's Ultimate Beneficial Owner (UBO).
3. Refiners indirectly sourcing silver from intermediate refiners (e.g. through traders) shall:
  - a. Exercise best efforts to identify the intermediate refiner and review its due diligence to determine whether red flags have been or should reasonably have been detected in its supply chain;





b.If high risks are identified per the OECD Due Diligence Guidance, the company shall audit the intermediate refiner's due diligence process against the OECD Responsible Sourcing Program;

c.If the intermediate refiner's due diligence practices are unaudited or if the audit reveals unresolved high-risk non-compliance, implement a risk mitigation strategy;

d. If no high risks are found, no additional due diligence is required for the material;

e. If the intermediate refiner cannot be identified, initiate a risk management procedure.

The EDD measures for high-risk recycled silver from other sources shall include, but are not limited to, the following:

1.Verify government watchlist information for all entities involved in the supply chain from the silver supplier to the refinery (including transporters) located in high-risk regions for recycled silver.

2.Conduct interviews with selected management and on-site personnel to identify and validate supply chain due diligence practices,review procurement, anti-money laundering (AML), and counter-terrorism financing (CTF) procedures.

3.Evaluate whether the silver supplier's due diligence capabilities are proportionate to the identified risks.

4.Assess the appropriateness of the supplier's risk classification methods.

5.Examine the supplier's due diligence records on the basis of ensuring the confidentiality of business information to confirm compliance with its supply chain due diligence policies.

6.Assess the supplier's on-site inspection methods for high-risk supply chains on the basis of ensuring the confidentiality of business information.

During the audit year, the main sources of domestic raw materials for mineral silver procurement are from Guangxi, Yunnan and Sichuan province. The main foreign sources are from South America, North America, Australia and the European Union. We have completed the due diligence of 34 mineral silver suppliers, of which 25 are from domestic and 9 are outside of mainland China. In addition, we conducted on-site investigation to all suppliers in mainland China. According to the results of risk assessment, all 34 suppliers



are non-high-risk suppliers

For the supply chain of silver-containing materials from Turkey and Bolivia and Bulgaria with high risk countries/regions, we have conducted additional enhanced due diligence which contains ESG related works such as safety and health policy of mine employees, code of ethics and business conduct, social responsibility and environmental protection system. We also kept a remote audit and found no high-risk behavior. After an assessment by the Compliance Director, the suppliers from this region was determined to be low risk.

### 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 the identified risks

#### 合规声明：Compliance statement:

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。

We have fully complied with step 3: design and implement a management strategy to address identified risks.

在继续交易时缓解风险：当对供应商的评估处于低风险时，我司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。

在暂停交易时缓解风险：与低风险供应商合作时，发现可以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，并调查可疑风险，直至确定该风险为低风险供应商，再依据结果进行处理。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。在规定的期限内， 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。

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合规总监/董事长，由合规总监/董事长批准停止该供应商资格。





To mitigate risk while continuing trading: when the supplier's assessment is at low risk, we continue to obtain silver raw materials from the supplier, gradually improve its investigation data in the process of cooperation, and gradually assist suppliers to establish their due diligence system. Help them to establish and improve risk control deficiencies.

Mitigation of risk when suspending transactions: when working with a low-risk supplier, it is found that the possible risk causes the supplier to become a medium-risk supplier, suspend cooperation with the supplier without a definite result, and investigate the suspicious risk until the risk is identified as a low-risk supplier, and then deal with the result. When the assessment is medium risk, suspending cooperation with the supplier while isolating incoming materials. Within the specified time limit, the supplier corrects the risk item, if it removes the risk, we will resume the transaction, if the rectification fails to meet the requirements or cannot relieve the risk, we will finally stop cooperating with the supplier.

Stop transaction and break away risk: if a supplier is assessed as high-risk or if high-risk issues are identified during collaboration, we will stop cooperation with it. The assessment report and high-risk issues will be reported to the Compliance Director/Chairman, who will approve the disqualification of the supplier.

#### **量化手段和绩效评估: Quantitative tools and performance evaluation:**

根据《白银供应商风险缓解管理办法》，如果尽职调查的结果处于低风险，但仍存在轻微不符合时，只要该公司在规定的时间内采取了明确绩效目标的改进策略，我司将继续从其处获取白银原材料。如果白银供应链尽职调查提交的资料不完善，或者不愿意配合的，说明存在洗钱、恐怖主义融资、助长冲突、侵犯人权的行为可能性很高，我司将立即停止从其处获取白银原材料，直到其他信息或数据能够证明其低风险。

在报告审核年度内，除了评估所有供应商尽职调查资料外，我们还对所有中国大陆的供应商都进行了实地考察，并对其员工进行调查访谈，最终确认所有供应商均为低风险。



According to the Silver Supply Chain Risk Mitigation Management Method, if the results of due diligence are at low risk, but there is still a slight nonconformity, as long as that company has adopted a clear performance target improvement strategy within the specified time range, we will continue to obtain silver raw materials from it. If the due diligence submission of the silver supply chain is incomplete or unwilling to cooperate, there is a high risk of money laundering, terrorist financing, fulling conflict and human rights violations. We will immediately stop obtaining silver raw materials from them until other information or data can prove their low risk.

During the reporting audit year, in addition to reviewing all supplier due diligence data, we conducted site visits to all suppliers in mainland China and conducted survey interviews with their employees, all suppliers are low risk.

**定期重新评估与持续监控：Regular reassessment and continuous monitoring:**

每年原料采购部门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。采购的每一批次白银原料在运输、出入库、生产、付款过程都有公司内部流程监控。

The raw material purchasing department collects all changes in supplier information each year, continuously monitors transaction results and conducts annual supply chain due diligence reassessment to determine whether to continue to cooperate. Each batch of silver raw materials purchased is monitored by the company's internal process during transportation, warehousing, production and payment.

**定期报告：Periodic reports:**

财务部/原料供应部合规专员每年向合规总监提交一份评估报告，对本年度白银供应商尽职调查管理体系运行进行总结，包括有关高风险供应链的相关统计数据、风险减轻策略下的对手及风险减轻策略的状况、有关改进计划的进展及有效性的报告。合规总监审核完毕后向公司董事长汇报评估报告。

截止2024年12月31日，我们共计完成了所有34家供应商尽职调查文件的更新工作，



并向合规总监提交评估报告，合规总监已审核评估报告并向董事长汇报。

The officer of Finance Department and Domestic Material Supply Department submit an annual assessment report to the Compliance Director to summarize the operation of the silver supplier due diligence management system during this year. This report includes relevant statistics on high-risk supply chains, the status of counterparties and risk mitigation strategies under risk mitigation strategy, and progress and effectiveness reports on improvement plans. After reviewing the report, the Compliance Director presents it to the company's Chairman.

As of December 31, 2024, we have completed the updating of due diligence documents for all 34 suppliers and submitted the assessment report to the Compliance Director, who has reviewed the report and reported it to the Chairman.

#### **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：Compliance statement:**

我们完全符合第四步：安排独立的第三方审计。

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

上一次审计时间为2024 年3 月，存在问题已经关闭。 审计报告已经上传至公司官方网站<https://www.nanfangmetal.com>。本报告审计期间我们将继续请必维认证（北京）有限公司进行监督审计（合理保证审计），本年度的审计将参照ISAE3000 的标准执行。

The last audit was conducted in March 2024 , all identified problems have been resolved , and the audit report has been uploaded to the official website of our company <https://www.nanfangmetal.com>. This year we will continue to invite Bureau Veritas (Beijing) to supervise the audit, an audit for this year will be conducted in accordance with the ISAE3000 standards.



**第5步：供应链尽职调查报告**

**Step 5: Report on supply chain due diligence**

**合规声明：Compliance statement:**

我们完全符合第五步：供应链尽职调查报告。

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

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，该政策及报告可在如下公司网站上查阅：<https://www.nanfangmetal.com>

Our silver supply chain policy lists additional information and specific details on how to implement supply chain due diligence policies, procedures, processes and controls to meet the specific requirements in the *LBMA Responsible Silver Guidance*, which together with our report can be found on the company websites as follows:<https://www.nanfangmetal.com>

**第三部分 Part III**

**结论 Conclusion**

**管理层结论 Management conclusion**

我司在截止2024年12月31日的年度报告中，实施了有效的管理系统、程序、流程和时间，以符合LBMA负责任白银指南所规定的要求。

我们致力于持续改进，并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。

We implemented effective management systems, procedures, processes and time in our annual report as of December 31, 2024 to meet the requirements of the LBMA Responsible Silver Guidance.

We are committed to continuous improvement and will regularly monitor all corrective actions found internally. Continuously meet the requirements of the LBMA Responsible Silver Guidance.



**其他 Other report comments**

如果相关方对我司《合规报告》有异议或者有建议需反馈，请通过电子邮件  
qiang.pen@nanfangmetal.com联系我们。

If the parties have any objection to our Compliance Report or any suggestions for  
feedback, please contact us by email with the address qiang.pen@nanfangmetal.com.