

REPORT on the Supply Chain Due Diligence

ASS#: 1/2021 06 / FEBRUARY 2022	General Supply Chain REPORT	Clients Gold and Silver
Andrea Malfanti C&SR Dir.	Date: 25/03/2022 (published)	Approved CEO 20/03/2022

To whom it may concern and

- to the honorable Chief Executive Officer and the members of the board of Directors , External Auditors

The present report is covering the period since the renewal of the COP and the startup of the CoC certification (May 2020) until the present date at the end of February 2022(^)

The elapsed period is due to the early six months where the activation of the CoC was at the early steps with clients , also important one as per dimensions and compliances , weren't properly cooperating with the collection of the information we were asking .

For each and every client it has been necessary to forward and exchange an NDA and even despite that we still had few client reluctant to release to us informations on their supply chain.

It is also wise to consider the great impact that the COVID pandemic and the foreclosures of activities and factories has penalized the proactivity of the companies which they have found themselves in dire situations.

Positively we have been sending to all the clients our supply chain policy and the risk assessment for them to fill it up by themselves containing several questions focusing on the legality of their purchases and their personal knowledge of the provenance of their gold and silver.

We have furthermore inserted questions on the use of **Recycled precious metals** as a part of knowledge but also, considering our choices on this kind of supply, as incentive to promote the use of the recycled metals in the whole chain of manufacturing.

We have delivered our **KYC** and the **Supply Chain Policy** and the **Risk assessment** Due Diligence also to buyers and sellers from which we are not rendering refining services but just selling or buying. We felt nevertheless the duty to complete the whole range and the entire cycle of the precious metals handled or exchanged for whatsoever reason including the trade.

As Arezzo we have formally renewed and précised our Provenance Claim , confirming our choices to avoid any newly mined metals or to participate in any form to the processing chain of mining.

Gold Clients active in the period(^)	nr. 8
Gold and Silver Clients	nr. 11
Silver clients	nr. 5
Mailed KYC and SCP/RAss	nr. 20

RISK Assessment results: CAHRA High Risk = 0

CAHRA Low Risk = 0

Other kind of risk not directly related to Metals Supplies = 0

GENERAL ADVICE : - Due to the Pandemic and the protection policies issued from many companies it has been impossible to follow up personal visits and inspections directly into clients' facilities but we can affirm with reasonably certainty by the personal long lasting knowledge of the managements , of the procedures used and performed and the trend of the very same clients that the replies received are reliable by all means.

- On 20 active clients 10 of them are RJC certified (COP) or RJC members (1) in the progress of the certification .
- 2 of them (buyers /sellers) are LBMA GLD certified
- **No red Flags have been raised**
- **None** of them is purchasing Gold or Silver from CAHRA countries nor from private individuals from wherever
- **All purchases done are documented and invoiced regularly from authorized suppliers**
- **Authorized Suppliers from where the clients are purchasing from are associated to RJC , LBMA , Gold traders association , Thai Gems and Jewelry Association**
- All of them are keeping the record of the transactions done and all the transactions are performed by bank
- On our supplies 100% of Gold (Au) is originated from loss and internal recovery as contractually agreed with clients and then by reprocessing the dispersion left in the remains and recovered in due time or by the recovery of the impurities in the alloys in the normal course of action
- On our supplies Silver (Ag) is originated 100 % from Purchases , losses and recovery as contractually agreed with clients , subsequently reprocessed to recover the dispersion left in the remains in due time or by the recovery of the impurities in the alloys in the normal course of the daily action

On the whole of our supplies the Value of Certified Clients (RJC + LBMA) weighs for as much as 88 % either for Purchases and Sales or loss recovery afterword therefore we can conclude that there is no risk whatsoever in terms of supplies for whatever is concerning the violations of fundamental rights as in the OECD prescriptions and warnings.

Different case would be to ascertain the loyalty to many companies to their provenance claim for the kind of metal used and particularly for the RECYCLED Silver and Gold where in my opinion there are lot of violations, most likely not from our clients but in the market and in the business field , where I suspect many abuses as definition when not totally faked.

Andrea Malfanti 20/February/2022 Bangkok Thailand