



Risk Management Plan Based on OECD Guidelines

1. Identification and Assessment

- **Identify Adverse Impacts:**
 - Regularly monitor and assess the supply chain to identify any actual adverse impacts.
 - Establish clear criteria for identifying adverse impacts, considering factors like severity, probability, and nature of the impact.

2. Immediate Action for Actual Adverse Impacts

- **Resolution and Mitigation:**
 - Upon identifying an adverse impact, take immediate steps to resolve the issue and mitigate the impact.
 - Tailor actions based on the type of impact identified. For example, environmental, social, or governance-related impacts may require different approaches.
- **Serious Impacts:**
 - For serious impacts, disengage with the supplier or temporarily suspend trade until the issue is resolved.
 - Develop a clear process for deciding when and how to disengage or suspend trade, ensuring minimal disruption to operations while prioritizing risk mitigation.

3. Preventive Measures for Potential Impacts

- **Preventive Actions:**
 - Implement preventive measures if there is a potential for an adverse impact, even if no actual impact has been identified.
 - Enhance monitoring and due diligence processes to proactively identify and address potential risks.

4. Consideration of Severity and Probability

- **Scale and Complexity:**
 - Assess the severity and probability of identified risks to determine the appropriate scale and complexity of the due diligence response.
 - Ensure that the risk management plan is proportionate to the company's size and capacity to implement the necessary actions.

5. Enhanced Supplier Engagement

- **Stronger Information Collection:**
 - Strengthen engagement with suppliers to improve information collection and ensure regular updates on identified risks.

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- Develop and maintain robust information systems to track and analyze data from suppliers, enhancing visibility into the supply chain.
- **Regular Updates:**
 - Ensure that the information from suppliers is regularly updated and accurately reflects the current risk landscape.
 - Establish regular communication channels with suppliers to discuss risk management and share updates on potential and actual adverse impacts.

6. Implementation and Review

- **Appropriate to Size:**
 - Design the risk management plan to be realistic and feasible for the company's size and resources.
 - Regularly review and update the plan to reflect changes in the supply chain, regulatory environment, and emerging risks.
- **Continuous Improvement:**
 - Implement a process for continuous improvement, regularly assessing the effectiveness of the risk management plan and making necessary adjustments.
 - Encourage a culture of risk awareness and proactive management throughout the organization.

7. Documentation and Reporting

- **Document Actions:**
 - Keep detailed records of all identified risks, actions taken, and their outcomes.
 - Ensure transparency in reporting on risk management activities to stakeholders, demonstrating commitment to responsible supply chain management.

By following these guidelines, Pafco Jewelry Inc. can develop a comprehensive risk management plan that aligns with the principles outlined in Annex II of the OECD Guidance, ensuring proactive and effective management of potential and actual adverse impacts in the supply chain



Human Rights Policy

Pafco Jewelry Inc.

At **Pafco Jewelry Inc.**, we are deeply committed to safeguarding human rights throughout our operations and supply chain. In alignment with our values and the guidelines set by the Responsible Jewellery Council (RJC), this policy outlines the fundamental principles that guide our approach to ethical business practices and respect for human dignity.

Commitment to Human Dignity & Inclusion

We prioritize the respect and protection of human dignity in all facets of our business. We are devoted to fostering an inclusive environment that celebrates diversity and rejects all forms of discrimination, harassment, and abuse. Every individual connected to our business, whether an employee, contractor, or partner, is treated with fairness and respect, ensuring a work environment free of inequality and exploitation. When hiring we do not discriminate in any way and we accept and encourage employees to share their culture.

Upholding Fair Labor Practices

Pafco Jewelry Inc. strictly adheres to global labor standards to ensure the rights and well-being of workers across our supply chain. We promote fair wages, safe working conditions, and reasonable hours for all. We have a zero-tolerance policy for child labor, forced labor, and any exploitative labor practices. Our commitment extends to monitoring and addressing any potential labor abuses within our network of suppliers and partners.

Ethical Sourcing & Conflict-Free Materials

We are committed to sourcing materials in a responsible and sustainable manner. Pafco Jewelry Inc. ensures that all precious metals and other materials used in our products are sourced without contributing to conflict, human rights violations, or environmental damage. Our suppliers are required to maintain transparent and responsible practices in line with international norms.

Ongoing Transparency & Responsibility

Transparency and accountability are central to our human rights initiatives. We annually engage in the evaluation and management of human rights risks in our operations and supply chain. Pafco Jewelry Inc. fosters open communication with stakeholders and remains accountable for continuously improving our practices. We are committed to regular reviews of our human rights practices, and we encourage feedback to help us better uphold our responsibilities.

By enforcing this Human Rights Policy, **Pafco Jewelry Inc.** aims to contribute to a responsible and ethically driven jewelry industry, ensuring that all individuals involved in our business experience respect, fairness, and dignity.

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This policy will be subject to annual review to ensure ongoing compliance with international standards and evolving best practices.

Name: Michal Kedzierski

Designation: VP of Business Development

Date: 9/23/24

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Pafco Casting Supply Chain Policy on Responsible Sourcing from Conflict-Affected and High-Risk Areas (CAHRAs)

Introduction

Pafco Casting is committed to responsible sourcing and ethical business practices. This policy outlines our commitment to sourcing materials responsibly, particularly from conflict-affected and high-risk areas (CAHRAs). It is designed to address the risks associated with CAHRAs and to ensure compliance with international standards.

Scope

This policy applies to all employees, suppliers, and partners involved in the procurement of raw materials, particularly gold, platinum, and silver.

Policy Statement

1. Responsible Sourcing Commitment

Pafco Casting is dedicated to sourcing materials in a manner that respects human rights, avoids contributing to conflict, and adheres to the highest ethical standards. We are committed to:

- Avoiding the purchase of materials that contribute to armed conflict or human rights abuses.
- Ensuring transparency and traceability in our supply chain.

2. Compliance with International Standards

- **Gold, Platinum, and Silver:** Our gold sourcing practices are aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, including the OECD Supplement on Gold.

3. Due Diligence Steps

We commit to implementing the following due diligence steps as outlined in the OECD Guidance:

- **Risk Assessment:** Conduct thorough risk assessments of our suppliers and supply chains to identify potential risks of contributing to conflict or human rights abuses.
- **Supplier Engagement:** Work closely with suppliers to ensure they understand and adhere to our responsible sourcing requirements.
- **Monitoring and Auditing:** Regularly monitor and audit our supply chains to ensure compliance with this policy and international standards.

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- **Reporting:** Maintain accurate records and report publicly on our due diligence efforts and findings.

4. Integration with Other Policies

This policy is integrated with our broader corporate policies on human rights (COP 6), Know Your Customer (KYC, COP 10), and other relevant policies to ensure a holistic approach to ethical business practices.

Communication and Training

To ensure clarity and compliance, we will:

- **Supplier Notification:** Communicate this policy directly to our immediate suppliers through contracts and other notifications.
- **Capacity Building:** Provide training and support to our suppliers to help them understand and adhere to our responsible sourcing requirements, subject to available resources.

Review and Continuous Improvement

We will regularly review and update this policy to reflect evolving standards and best practices in responsible sourcing. Continuous improvement is central to our approach, and we encourage feedback from all stakeholders to enhance our practices.

Approved by: Michal Kedzierski- VP of Business Development- Pafco Casting

Date: 12/11/2025



Pafco Jewelry Inc.

Supply Chain Due Diligence & Responsible Sourcing Policy**

Version: 1.0

Approved by: Paul Kedzierski, President

Last Reviewed: January 2025

1. Purpose

Pafco Jewelry Inc. is committed to responsible sourcing of precious metals (Gold, Silver, and Platinum) and jewelry components in accordance with the Responsible Jewellery Council (RJC) Code of Practices (2022), the OECD Due Diligence Guidance for Responsible Supply Chains, anti-money-laundering laws, and all applicable U.S. regulations.

This policy establishes the framework used to:

- Identify, assess, and mitigate risks in the precious-metal supply chain
- Prevent contribution to conflict, human rights abuses, money laundering, and environmental harm
- Ensure traceability and transparency in all material flows

2. Scope

This policy applies to all:

- Employees
- Contractors
- Suppliers
- Customers involved in purchasing, sales, casting, manufacturing, refining, or trading precious metals and jewelry components

It covers all materials handled by Pafco, including:

- Gold and gold alloys
- Silver and silver alloys
- Platinum and platinum alloys
- Casting grain
- Scrap metals

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- Semi-finished or finished jewelry components made of precious metals

3. Our Commitments

Pafco commits to:

3.1 Ethical Supply Chains

- Avoid sourcing materials that contribute to conflict, human rights abuses, or illicit activity
- Require suppliers and customers to complete due-diligence forms and provide documentation

3.2 OECD Annex II Compliance

We will not knowingly tolerate:

- Human rights abuses such as forced labor, child labor, or degrading treatment
- Direct or indirect support to armed groups
- Corruption, bribery, or money laundering
- Fraudulent or falsified documentation

3.3 Transparent Business Partners

We collect and maintain:

- Beneficial ownership
- Business registration
- KYC information
- Sanctions screening results
- Supply chain documentation (invoices, delivery notes, metal origin information)

3.4 Monitoring & Risk Management

We assign each supplier and customer a risk rating:

- Low
- Medium
- High

Risks are reviewed annually or sooner if conditions change.

3.5 Corrective Action

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If a high or unacceptable risk is identified:

- Additional information is required
- Enhanced due diligence is performed
- Senior management approves or rejects the business relationship

4. Responsibilities

Role	Responsibility
President (Paul Kedzierski)	Approves major risk decisions; oversees implementation
VP of Business Development (Michal Kedzierski)	Performs due diligence, screening, documentation checks
Operations Team	Ensures proper documentation for incoming/outgoing metals
All Staff	Report any suspicious situations

5. Risk Management Process

5.1 Step 1: Collect Information

- Supplier/customer form
- Business license
- I.D. for individuals
- Beneficial ownership
- AML/KYC questionnaire

5.2 Step 2: Evaluate Risk

We assess:

- Country risk (using EU CAHRA list)
- Material risk (precious metals, scrap metals, refining returns)
- Transaction risk (cash, returns, unusual behavior)
- Reputational risk

5.3 Step 3: Risk Rating

A formal rating is assigned (L/M/H) and recorded in the Due Diligence Register.

5.4 Step 4: Mitigation

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- Request more documentation
- Perform sanctions screening
- Require senior approval
- Stop transactions if necessary

5.5 Step 5: Annual Review

All accounts are reviewed annually or sooner if a red flag appears.

6. Record Keeping

We retain all documentation for **at least 5 years**, including:

- Due-diligence forms
- KYC documentation
- Screening checks
- Supplier/customer risk ratings
- Invoices & transaction trail

7. Training

All employees handling precious metals or documentation are trained annually on:

- Responsible sourcing
- AML
- Red flag detection
- Documentation procedures

8. Policy Review

This policy is reviewed annually by management and updated as needed.

Approved By:

Paul Kedzierski

President, Pafco Jewelry Inc.



Pafco Jewelry Inc.

Human Rights Risk Assessment

Version: 1.0

Last Reviewed: December 2025

Approved By: Paul Kedzierski, President

Human Rights Policy Statement

Pafco Jewelry Inc. is committed to upholding and promoting human rights in accordance with international standards. We prohibit:

- Forced, bonded, or involuntary labor
- Child labor
- Discrimination
- Harassment or abuse
- Unsafe or degrading working conditions
- Retaliation against workers who raise concerns

We ensure:

- Freedom to raise concerns without fear
- Fair working hours and lawful wages
- Safe and healthy workplaces
- Ethical sourcing of precious metals
- Respectful treatment of all employees and partners



Pafco Jewelry Inc. Anti-Money Laundering Policy

Purpose:

Pafco Jewelry Inc. (the Company) is committed to complying with all applicable anti-money laundering laws and regulations to prevent the use of our services for illicit activities, including money laundering and terrorist financing. This policy outlines the measures and procedures the Company adopts to prevent and detect suspicious activities.

Compliance Officer:

The Company designates Michal Kedzierski as the Compliance Officer responsible for implementing and overseeing the AML program. The Compliance Officer will regularly review and update the AML policy to ensure compliance with evolving laws and industry best practices.

Customer Due Diligence (CDD):

1. **Identification and Verification:** The Company will establish and maintain risk-based procedures for verifying the identity of customers, including individuals, entities, and beneficial owners, by collecting appropriate identification documentation.
2. **Risk Assessment:** A risk-based approach will be adopted to assess the level of due diligence required for different customers, transactions, and business relationships based on their risk profile.

Reporting and Monitoring:

1. **Suspicious Activity Reporting:** All employees are required to report any suspicious transactions or activities to the Compliance Officer promptly. The Company will file reports with the appropriate authorities in accordance with applicable laws and regulations.
2. **Transaction Monitoring:** The Company will implement systems for ongoing monitoring of transactions to detect and investigate any unusual or suspicious activities.

Employee Training:

All employees will receive comprehensive training on AML policies and procedures, including identifying red flags and suspicious activities. Training will be provided regularly to ensure awareness and compliance with AML regulations.

Record Keeping:

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The Company will maintain accurate records of customer identification, transactions, and due diligence measures conducted. These records will be securely stored and made available to regulatory authorities upon request.

Third-Party Relationships:

The Company will conduct due diligence on third-party service providers and ensure they adhere to similar AML standards. Contracts with third parties will include clauses that enforce compliance with AML regulations.

Internal Controls and Reviews:

Regular internal audits and reviews will be conducted to assess the effectiveness of the AML program, identify weaknesses, and implement necessary improvements.

Conclusion:

Pafco Jewelry Inc. is committed to the highest standards of integrity and compliance with anti-money laundering laws and regulations. This policy serves as a guide for all employees and stakeholders to maintain a robust AML framework and prevent illicit activities.