

The Conflict-Free Sourcing Initiative

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September 30, 2016

Mr. Dmitriy L. Melnikov, General Director  
Solikamsk Magnesium Works OAO  
9 Pravda Street, 618540,  
Solikamsk, Perm Region (Permskiy Krai)  
RUSSIA

Dear Mr. Melnikov,

Thank you for your participation in the Conflict-Free Sourcing Initiative's (CFSI) Risk-Based Audit Program.

The CFSP has received the documentation required for continued participation in the Risk-Based Audit Program. This documentation was reviewed by CFSI and determined to be satisfactory. As a result, your compliance status will be updated for the period of 29 September 2016 – 29 September 2017.

Please note that your next on-site audit should take place on or before 29 September 2018.

Thank you for participating in the Conflict-Free Smelter Program.

Sincerely,

CFSI Conflict-Free Smelter Program



An initiative of the EICC and GeSI



November 24, 2015

Mr. Dmitriy L. Melnikov, General Director  
Solikamsk Magnesium Works OAO  
9 Pravda Street, 618540,  
Solikamsk, Perm Region (Permskiy Krai)  
RUSSIA

Dear Mr. Melnikov,

The Conflict-Free Sourcing Initiative (CFSI) is pleased to inform you that Solikamsk Magnesium Works OAO (the “Auditee”) has been accepted into the Risk-Based Audit Program. Solikamsk Magnesium Works OAO’s Conflict-Free Smelter Program (CFSP) determination of compliant will now be extended until September 29, 2018.

During the years the Auditee does not have in-person audit, the Auditee must complete the following requirements:

- Submit a Line Item Summary and Mass Balance Calculation. The Line Item Summary must include country of origin classification (L1/L2/L3/DRC and/or R/S) for all materials since the last CFSP on-site audit or annual LIS statement.
- Submit a Declaration of Sourcing, which will be provided to you by the CFSP.
- A company representative with purchasing authority must complete the CFSP web-based training, and notify the program of the name of the person(s) taking the training.

As a condition of acceptance in the program, the Auditee must notify CFSP immediately of changes to sourcing practices, including:

- Non-secondary materials or secondary materials originating from outside the smelter’s own country (includes L1, L2 or L3 classification).
- Secondary materials supplier changes from being a 100% recycler to mixing inputs that include non-secondary materials.

As a reminder, CFSP reserves the right to conduct an on-site audit at any time within the compliance period, including sooner than three (3) years. Examples of how this right may be exercised include and are not limited to the following:

- Smelter/refiner facility’s location country is no longer classified as Level 1
- Smelter/refiner no longer meets the CFSP Risk-Based Audit Program eligibility requirements



- Credible information is reported that suggests possible non-compliance to the OECD Due Diligence Guidance for Responsible Supply Chains or Minerals from Conflict-Affected and High-Risk Areas

Welcome to the program! If you have any questions, please email [hamster@eiccoalition.org](mailto:hamster@eiccoalition.org).

Thank you for participating in the Conflict-Free Smelter Program.

Sincerely,

Conflict-Free Smelter Program



**An initiative of the EICC and GeSI**