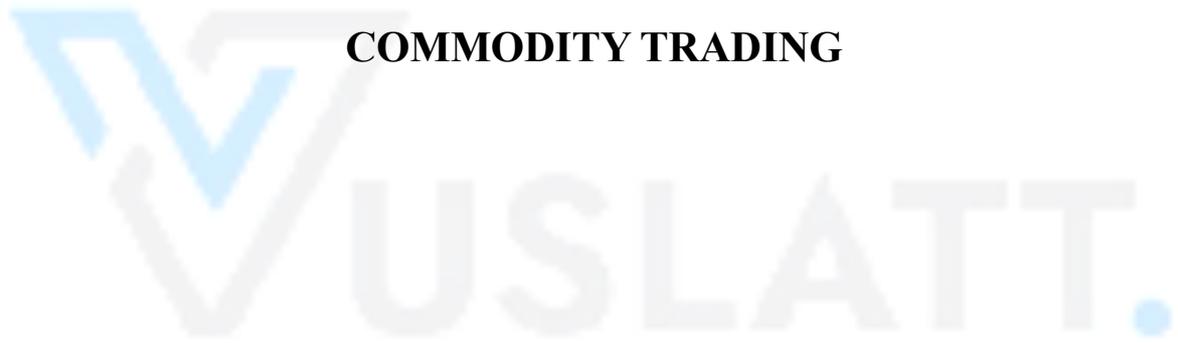


**SUPPLY CHAIN POLICIES AND PROCEDURES FOR
COMMODITY TRADING**



1. INTRODUCTION

The responsible sourcing of minerals and metals is crucial to ensuring that the entire supply chain is free from human rights abuses, environmental harm, and illegal activities. The company must follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, which is a framework designed to ensure commodities are sourced responsibly from sources. This document outlines comprehensive procedures for implementing responsible sourcing practices in alignment with the OECD framework.

2. OECD DUE DILLIGENCE FRAMEWORK OVERVIEW

The OECD Due Diligence Guidance consists of five key steps:

- 2.1 Establishing strong company management systems
- 2.2 Identifying and assessing risks in the supply chain
- 2.3 Designing and implementing a risk management plan
- 2.4 Carrying out independent third-party audits
- 2.5 Reporting on supply chain due diligence

3. RESPONSIBLE SOURCING PROCEDURES

3.1 Establishing Strong Company Management Systems

A robust management system is the foundation for effective due diligence. The refinery must establish clear policies, structures, and processes for responsible sourcing, including:

Senior Management Commitment: Ensure that the management team, including the Board of Directors, is committed to implementing the OECD due diligence framework and promoting responsible sourcing throughout the organization.

Due Diligence Policy: Develop and implement a written due diligence policy outlining our company's commitment to responsible sourcing, aligned with the OECD guidelines. This policy should include:

- A commitment to compliance with local and international laws, including environmental, labour, and human rights regulations.
- A zero-tolerance policy for sourcing from conflict-affected or high-risk areas, where human rights abuses or illegal activities (e.g., money laundering) are present.
- Commitment to transparency in the supply chain.
- Due Diligence Officer: Appoint a senior executive or a team responsible for overseeing and implementing the due diligence policy, with sufficient authority and resources to carry out their responsibilities.

3.2. Identifying and Assessing Risks in the Supply Chain

Risk identification and assessment should be conducted regularly to understand and manage the risks of sourcing. The company shall:

Establish a Traceability System: Develop and implement systems to trace the origin of commodity supplied to the company. This includes:

- *Supplier identification:* Record the identity, ownership, and business operations of all suppliers.
- *Supply chain mapping:* Understand the flow of commodity from the mine or other upstream sources to the company, ensuring transparency.

Risk Assessment Procedures: Evaluate the risks associated with each commodity source by assessing the following:

- *Geographical Risks:* Identify and assess whether the commodity comes from regions or areas known for conflict, human rights violations, or environmental damage.
- *Supply Chain Integrity :* Assess the risk of illegal or informal commodity entering the supply chain, including commodity from unregulated or artisanal mining operations.
- *Political and Security Risks:* Identify potential risks from political instability, armed conflict, or organized crime affecting the commodity supply chain.
- *Human Rights and Labour Practices:* Assess whether the commodity is sourced from areas where there are reports of forced labour, child labour, or other human rights abuses.

- *Supplier Due Diligence*: Require suppliers to conduct their own due diligence on the origin of their commodity. This includes requesting declarations and documentation that show compliance with human rights standards and environmental regulations.

4. DESIGNING AND IMPLEMENTING A RISK MANAGEMENT PLAN

Once risks are identified, the company shall develop a risk management plan to mitigate and manage those risks. This plan will include:

Mitigation Measures: For high-risk sources, the company should implement measures such as:

- Engaging in dialogue with suppliers to understand their operations and work together to improve conditions.
- Supporting and encouraging suppliers to transition to certified, responsible mining operations (e.g., Fair mined, Responsible Jewellery Council standards).
- Avoiding sourcing from areas that are classified as high-risk or conflict-affected until proper remediation measures are implemented.

4.1 Risk Mitigation for Artisanal and Small-Scale Mining (ASM): If sourcing from ASM operations, ensure that:

- Proper labour conditions are in place.
- Environmental protection measures are adhered to.
- Commodity is responsibly sourced by ensuring traceability, transparency, and engagement with local communities.

4.2 Supply Chain Audits: The company shall mandate regular third-party audits to assess whether suppliers are complying with the OECD due diligence procedures. Audits should cover:

- Risk assessments of the supply chain.
- Documentation of compliance with environmental and human rights standards.
- On-the-ground assessments of mining conditions, worker safety, and other operational factors.

4.3 Conflict-Free Certification: Work with certification schemes such as the LBMA Responsible Guidance or the World Council's Conflict-Free Standard to confirm that sourced commodity is conflict-free.

4.4 Carrying Out Independent Third-Party Audits

To ensure the effectiveness of the due diligence process, the company shall:

- Conduct periodic third-party audits to verify the company's compliance with its due diligence processes. Audits should assess:
- The traceability system for all commodities supplied.
- The accuracy of risk assessments and mitigation strategies.
- The company's adherence to ethical and environmental standards.
- Publish the results of these audits, demonstrating accountability and commitment to responsible sourcing practices.

5. REPORTING ON SUPPLY CHAIN DUE DILLIGENCE

The company shall establish transparent and accessible reporting mechanisms to demonstrate its due diligence efforts, including:

5.1 Annual Reporting

Provide an annual report detailing the steps taken to implement the OECD guidelines, the results of audits, and the status of any high-risk sourcing situations.

- Disclose information on suppliers and supply chain transparency.
- Address any significant issues or risks encountered in sourcing commodities.

5.2 Stakeholder Engagement

Actively engage with stakeholders, including NGOs, government agencies, and industry groups, to discuss challenges and improvements in responsible sourcing practices.

5.3 Continuous Improvement and Feedback Mechanism

The company shall establish a feedback mechanism to ensure continuous improvement in its responsible sourcing practices:

- **Internal Feedback:** Create internal channels for employees to report concerns related to the supply chain, unethical practices, or human rights violations.
- **External Feedback:** Collaborate with civil society organizations, governmental bodies, and industry associations to improve sourcing practices and align with global standards.

Establishing a comprehensive and responsible commodity sourcing procedure aligned with the OECD Due Diligence Guidance ensures that the our company upholds the highest ethical standards. By following these procedures, the company can mitigate risks associated with sourcing commodities, comply with international frameworks, and contribute positively to the industry's overall commitment to sustainability, ethical practices, and human rights.