



AUSTRAL

INTERNATIONAL

DMCC

**PRECIOUS RESPONSIBLE METAL
SUPPLY CHAIN POLICY**

Preamble

"AUSTRAL INTERNATIONAL DMCC" conducts all its business to the highest ethical, moral and social responsibility standards. Integrity, honesty and transparency are the foundation of our business.

Policy Statement

This Policy is relating to sourcing of conflict-free metals by **"AUSTRAL INTERNATIONAL DMCC"**. This policy shall elaborate due diligence requirements for its precious metals and miner suppliers in line with OECD.

The company has adopted five-step framework for risk based due diligence minerals in supply chain.

OECD Five-step framework

1. Establish strong company management system.
2. Identify and assess risk in the supply chain.
3. Design and implement a strategy to respond to identified risks.
4. Carry out independent third party audit of supply chain due diligence at identified points in the supply chain.
5. Report on supply chain due diligence.

The Company shall act in accordance with the OECD guideline & RJC guidelines for ensuring ethical supply chain for its gold & PGM metals.

It is the responsibility of Compliance Officer & Senior Management jointly to know and understand the relevant legislations, financial offences related legal, regulatory and internal requirements as applicable for the precious metal source by the organization.

The Compliance Officer shall follow all 5 steps of OECD and ensure Red flags are raised wherever applicable and necessary corrective actions are taken as per company Risk Management Programs.

Senior management is responsible to review this policy on annual basis.

Scope

This Supply Chain Policy applies to all precious metals handled by **"AUSTRAL INTERNATIONAL DMCC"** and to all of its business partners engaged in mining, refining, manufacturing and trading precious metals.

It does not apply to general procurement (e.g. office furniture, food, energy, etc.) or other transactions outside the precious mineral supply chain.

Our business partners are/might be the (prospective) miners and mining companies, scrap dealers, refiners, metal traders, jewellers, watchmakers, banks and other financial intermediaries, central banks, mints, numismatic dealers. From the beginning, a philosophy of risk assessment, evaluation, risk monitoring and control has been at the core of our business culture. All material and potential risks are monitored and

mitigated in everything we do, from sourcing our precious metals feedstock, to refining, trading, manufacturing or delivery of finished products.

We are aware of the risks of inadvertent involvement in or contribution to illegal practices that may be associated with the extraction, processing, trading, handling and exporting of precious metals from any area but more specifically, from conflict-affected and high-risk areas (CAHRAs).

Our definition of high-risk is aligned with the Annex II of the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas' (OECD DDG), the LBMA and the LPPM Responsible Guidance.

"AUSTRAL INTERNATIONAL DMCC's" Compliance Officer has the authority to deny any new business partners classified as 'high risk' in accordance to the definitions above. Senior management retains ultimate control and responsibility for Company's engagement in precious metals supply chains in accordance with the Company's Compliance Manual describing the due diligence performed on business partners.

Company's Supply Chain Policy is designed and implemented to ensure that our engagements and operations are in accordance with the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas' (OECD DDG), the OECD DDG 'Supplement on Gold', the Responsible Jewellery Council standard, the Fairtrade and Fair-mined standards, the 'LBMA Responsible Gold Guidance', the 'LBMA Responsible Silver Guidance' and the 'LPPM Responsible Platinum/Palladium Guidance' in order to combat systematic or widespread abuses of human rights, to avoid contributing to conflict and to avoid contributing to white-collar crimes. This includes compliance with standards on anti-money laundering (AML) and combatting the financing of terrorism (CFT) and the engagement in avoiding non-compliances with the environmental and sustainability legal requirements.

Management Commitment

- The Company is fully committed to ensure that OECD framework and 5 step guidance is followed across all centres for sourcing of Gold & PGM metals both for raw gold and gold articles and accessories.
 - The Company has identified the applicable national and international legislations/regulations relating to ethical sourcing of precious metal and appointed a Compliance Officer with sufficient seniority and competence to ensure effective implementation of this policy.
 - This policy shall demonstrate the commitment of organization and shall provide guidance to suppliers about the OECD requirements and day to day compliance expected from the supply chain.
 - List of approved suppliers shall be maintained and necessary information of upstream supply chain & declaration from vendors to be obtained and updated on at least on annual basis.
 - Compliance Officer will have to review ongoing compliance by scrutinizing all the supply documents and wherever practically possible origin/source of metal shall be obtained by way of document trail or self-declaration by vendor.
 - Compliance Officer shall raise red flags where needed and will obtain the necessary clarifications and if not satisfied will take suitable actions as per companies risk management plan. Record of red flags and actions thereof shall be discussed with management from time to time.
- "AUSTRAL INTERNATIONAL DMCC"** recognises the material risks associated with extracting, trading, handling, exporting, and refining precious metals. These risks are heightened when those metals are sourced from conflict-affected and high-risk countries. Profits generated by these

operations may directly or indirectly finance or facilitate conflict and contribute to related abuses of human rights. These risks have the potential of being introduced into our supply chains and operations.

This Responsible Metals and Supply Chain Policy (Policy) sets out our commitment to managing relationships with suppliers and customers from all countries to mitigate human rights risks associated with our operations. As part of our mitigation actions, we take into account social, ethical, environmental and governance considerations, as well as conducting appropriate due diligence on our suppliers' and customers' supply chains.

As an organisation, "**AUSTRAL INTERNATIONAL DMCC**" is committed to respecting human rights and opposes slavery in all its forms. We endeavour to operate our business activities in a manner consistent with the United Nations Guiding Principles on Business and Human Rights, and with the Voluntary Principles on Security and Human Rights.

The **COMPANY** is committed to complying with all applicable international standards and legal obligations, including environmental and sustainability requirements in the sourcing of our precious metals. In particular, our precious metal supply chain due diligence procedures are compliant with the standards required under the LBMA's Responsible Sourcing Programme (LBMA Programme) and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict and High-Risk Areas (OECD Guidance).

Compliance with the standards required by the LBMA Programme and the OECD Guidance is achieved by:

- Committing to this Policy and creating sufficiently detailed and meaningful processes to provide visibility and transparency over precious metal supply chains to allow the organisation to manage associated risks.
- Adequately training applicable staff on the Responsible Metals and Supply Chain Management System to ensure the effective application of this Policy.
- Actively encouraging staff and contractors to report any suspicious dealings or transactions and environmental issues to management and/or the Compliance Officer as outlined in internal policies or by the whistle-blower hotline.
- Monitoring transactions for compliance with this Policy and keeping appropriate records to an auditable standard.

"AUSTRAL INTERNATIONAL DMCC" is committed to :

- Implementing know your customer, anti-money laundering and counter-terrorism financing procedures and performing due diligence to ensure supply chain accountability and traceability. This includes requirements for customer and supplier identification and due diligence procedures, in compliance with the LBMA Programme, OECD Guidance and the AML/CFT Law prevailing in UAE.
- Continuous improvement of our Responsible Metals and Supply Chain Management System designed to respond to identified risks within a supply chain presented by a certain customer or supplier to prevent or mitigate adverse impacts from a business relationship.
- In line with the LBMA Programme, where adverse findings are identified in relation to a supplier during due diligence, addressing those findings with the supplier and establishing an improvement plan. In the event of non-compliance or insufficient improvement within a reasonable time, suspending or discontinuing business relations with the supplier.
- Performing enhanced due diligence at the time of engaging with a supplier or with a mine site operating in a high or very high risk jurisdiction.
- Engaging and strengthening relationships with customers, central or local governmental authorities, upstream companies, international organisations, civil society and affected third parties, as

appropriate, to improve and track performance of responsible mining and sourcing practices with a view to prevent or mitigate risks of adverse impacts through measurable steps taken in reasonable timescales.

- Not tolerating, profiting from, contributing to, assisting with, or facilitating the systematic or widespread human rights abuses associated with the extraction, transport or trade of gold, including:
 - a) any form of torture, cruel, inhuman, and degrading treatment;
 - b) forced or compulsory labour;
 - c) worst forms of child labour;
 - d) widespread sexual violence or other gross human rights violations; and
 - e) war-crimes, crimes against humanity or genocide.
- Not tolerating any direct or indirect support for non-state armed groups, public or private security forces who illegally control mine sites or transportation routes, or any other elements of the supply chain, or illegally tax or extort money or minerals through the supply chain.
- Not offering, promising, giving, demanding or accepting any bribes from any individual, government and private organisations to conceal the origin of precious metals or taxes, fees and royalties paid to governments for the purposes of precious metal extraction, trade, handling, transport, and export or otherwise fraudulently misrepresent the origin of any precious metals or payments made.
- Immediately suspending or discontinuing engagement with any suppliers that are identified as having a reasonable risk of sourcing from, or being linked to, any party committing serious human rights abuses and/or providing direct or indirect support to non-state armed groups as described above.
- Taking steps to contribute to the effective management of money laundering and terrorism financing risks, identifying reasonable risks of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of precious metals derived from the illegal taxation or extortion of precious metals at points of access to mine sites, along transportation routes or at points where precious metals are traded by upstream suppliers.
- Supporting the payment to governments of all taxes, fees, and royalties related to precious metal extraction, trade and export from conflict-affected and high-risk areas.
- Communicating this Policy to customers and suppliers and obtaining their agreement to abide by and conform to the ethics and standards of the Policy during the period of the engagement and encouraging them to commit to their own supply chain policy consistent with Annex II of the OECD Guidance.

Beyond the Regulations

Our ultimate goal is to supply our customers with responsible gold, which is why compliance with the RJC standards for environmental protection and corporate social responsibility are particularly important. These are essential for local communities and for that reason we take care about the supplier's process environmental impact, promoting responsible and sustainable practices. Responsible gold is, for us, not only synonym of compliance with standards but means also involvement in local community development.

