



**RESPONSIBLE  
PRECIOUS METAL  
SUPPLY CHAIN POLICY**

## **Preamble**

**“AL Naser International”** 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 relates to sourcing of conflict-free metals by **“AL Naser International”**. This policy shall elaborate due diligence requirements for its precious metals and miner suppliers in line with OECD.

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

### **OECD Five-step framework**

1. Establish a 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 guidelines & RJC guidelines for ensuring an 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 for reviewing this policy on an annual basis.

## **Scope**

This Supply Chain Policy applies to all precious metals handled by **“AL Naser International”** and to all 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, jewelers, 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 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.

**"AL NASER INTERNATIONAL's"** Compliance Officer has the authority to deny any new business partners classified as 'high risk' in accordance with 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 ensuring that OECD framework and 5 step guidance is followed across all centers 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 company's risk management plan. Record of red flags and actions thereof shall be discussed with management from time to time.

**“AL NASER INTERNATIONAL”** recognizes 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 to be 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 consider social, ethical, environmental and governance considerations, as well as conducting appropriate due diligence on our suppliers' and customers' supply chains.

As an organization, **“AL NASER INTERNATIONAL”** is committed to respecting human rights and opposes slavery in all its forms. We endeavor 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. Our precious metal supply chain due diligence procedures are compliant with the standards required under the LBMA's Responsible Sourcing Program (LBMA Program) 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 Program 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 organization 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.

**“AL NASER INTERNATIONAL” is committed to:**

- Implementing know your customer, Anti-Money laundering and counterterrorism 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 Program, 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 Program, 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 organizations, 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 labor;
  - c) worst forms of child labor;
  - 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 organizations 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 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 of the supplier's process environmental impact, promoting responsible and sustainable practices.

Responsible gold is, for us, not only synonym of compliance with standards but also means involvement in local community development.

Date of update: January 02, 2024  