

## ANNUAL BUSINESS RESPONSIBLE REPORT

Name	SAM Precious Metals
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Contact Details	<a href="mailto:compliance@sampreciousmetals.com">compliance@sampreciousmetals.com</a>
Date of Report	01 July 2022
Reporting Period	Calendar Year 2021
Person Responsible for the report	Sadi Ahmad

### Introduction

SAM PRECIOUS METALS is internationally recognized as an industry leader for bringing global standards of excellence to the UAE and EGYPT precious metals industry. Our goal is to service a few select customers which allows us to tailor our product and infrastructure to service their needs. This applies to product development, customer service, shipping, and each customer's specific needs.

This Document Includes following elements as a part of formal annual reporting for its social compliance, Human Right and Ethical Sourcing Compliances.

- Section A: General Information about the Company:
- Section B: Financial compliance
- Section C: Social Compliance
- Section D: Human Right Compliance
- Section E: OECD compliance Report



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ISO 9001:2015



ISO 14001:2015



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## Section A: General Information about the Company

### Our team – Cooperative & Flexible

SAM PRECIOUS METALS has been operating since September 2021 and since inception the organization is driven by the strict compliance for ethical and social compliance. The SAM Group is striving to achieve accreditation of RJC COP , RJC COC, UAE Good Delivery and many more in coming years.

Our people are our greatest strength - we have an experienced & multifaceted team of refining and compliance experts and specialists. Together we strive to create an environment where we go above and beyond to not only service, but to anticipate our customers' needs and requirements and follow through on them.

## Section B: Financial compliance of the SAM PRECIOUS METALS

### 1. Money Laundering, Terrorism Financing, Other Financial Offences

#### Current Status

- SAM PRECIOUS METALS recognizes the fact that entities in precious metals industry must take on the onus of analysing their potential vulnerabilities to money laundering and implement specific steps that are required for protection against abuse by criminals.
- Strict compliance is ensured at all the entities and compliance officer has been appointed at entity level who in turn reports to SAM PRECIOUS METALS Managing Director on compliance status on a regular basis.
- Know Your Counter Party and other compliance of Due Diligence is followed in line with OECD guidance.
- Ongoing monitoring is carried out along with all stakeholders.



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### Area of concern & Remedial Measures

- Nil As on Date.

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- Nil As on Date.

## 2. Anti-Bribery and Facilitation Payment Policy

- The SAM PRECIOUS METALS shall ensure complete prohibition Bribery and facilitation payment across organization and in all the entities.
- SAM PRECIOUS METALS has published compliance team contact details on website to receive any grievance or complaints.

### Area of concern & Remedial Measures

- Nil As on Date.

## 3. Ethical Sourcing of Gold and Silver

- Our company is concerned about the environment and social impacts of irresponsible mining.
- SAM PRECIOUS METALS has ensured that its suppliers are screened for conflict free supplies.
- We have published the OECD based ethical sourcing policy and we are communicating our policies to all the supply chain partners and pushing them to adopt the same.

### Area of concern & Remedial Measures

- Current concern is lack of awareness about OECD regulation and requirements of sourcing among our upward supply chain mainly in recycled/scrap material supplier. We are working very close with our suppliers to obtain information of supply chain and KYC of supplier's supplier. This will ensure that conflict free metal is sourced.
- We conduct the KYC and due diligence process at periodic interval and transaction monitoring on a regular basis and obtain supplier self-declaration for conflict free supply



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- We have started creating awareness about our Ethical Sourcing requirements for our suppliers through sharing literature and conducting regular trainings.
- We have started the site visits for the upstream suppliers to established strong bonds with our supply chain partners and get more insights about their compliance and practices at the ground level.

## Section C: Social Compliance

### 4. Social Compliance

- We ensure full compliance with all applicable national and, where appropriate, international laws/regulations with respect to employment and labour codes in all our establishment.
- We respect all regulation for child and forced labour, non-discrimination, non-retaliation and others.
- All workman rights are respected and we adhere to freedom of association and collective bargaining regulations.

### Area of concern & Remedial Measures

- No point has been reported in the social compliance of the SAM PRECIOUS METALS where remedial measures are required.
- Entity level remedial measures are taken based on internal and external audits conducted by reputed agencies.

### 5. Health and Safety

- We at SAM PRECIOUS METALS are concerned about the health and safety of employees and are constantly identifying and eliminating any adverse impact of our business processes. Towards this end, we will systematically review our operations to identify sources of health and safety related risks.
- This review uses appropriate standards as required by prevailing laws, expert opinion, and our knowledge of best practices.
- All our staff are trained in the manner required to adhere to these work practices and drills.



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- The health of our staff, exposed to certain hazardous processes, is being monitored periodically through appropriate medical checks, and reviewed using expert inputs for improvements.
- All workplaces are constructed to meet safety standards with local regulations as the minimum standards that will be applicable.

#### Area of concern & Remedial Measures

- Nil as on date, as no accidents are reported in last one year.
- Organization has been blessed and we did not have any fire or any other incidents.

#### 6. Environment Protection

- SAM PRECIOUS METALS is complying with all applicable environmental laws and regulations.
- The impact of our operations on the environment are studied and assessed for compliance with appropriately defined standards and reviewed periodically to mitigate or eliminate any impact.
- Disposal procedures for waste generated are followed in line with the applicable national and international regulations.
- Improvement is seen employee's environmental awareness and performance with the help of detailed policies and procedures, training, and recognition of excellence.

#### Area of concern & Remedial Measures

- Emerging need for sustainable growth and responsible manufacturing is the area for improvements and management has suggested step by step approach to grow in these directions.

#### Section D: Human Right Compliance

#### 7. Human Rights

- SAM PRECIOUS METALS is not and will not interfere in the right of employees to observe tenets or practices based on caste, race, national origin, gender, religion, disability, union membership, or political affiliation.



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- The company strongly discourages any form of sexually coercive, threatening, abusive or exploitative behaviour.
- Any incidents relating to direct or indirect physical, sexual, racial, religious, psychological, verbal, or any other form of harassment or abuse, or any other form of intimidation or degrading treatment will not be tolerated by the company.
- SAM PRECIOUS METALS ensures that none of its suppliers and stakeholder have engaged in any activity which can violate the Human Right Principles.
- We have carried out the Human Right Due Diligence of suppliers and other stakeholders based on risk assessment where necessary.

#### Area of concern & Remedial Measures

- No Area of Concern and Remedial Measures has been raised in the Human right for any of our operating units.
- Supplier’s further upstream compliance with respect to Human Right compliance is monitored with the help of digital status of country for human right compliances and site visits are conducted to review the Human Right compliance at supplier level.
- Annual plan of site survey for all suppliers of recycled metal is made and same shall be executed during the coming years.

#### Section E: Annual OECD Compliance Report

Step 1. Establishing Strong Company Management Systems	
1.A Adopt and clearly communicate to suppliers and the public company policy for the supply chain of mineral originated from conflict affected and high-risk areas.	<ul style="list-style-type: none"> <li>• SAM PRECIOUS METALS has established its sourcing policy, which has been documented and published on the website of the company under Tab of <b>Responsible Sourcing</b>.</li> <li>• OECD and Best Practice Annual communication has been sent to all the active customers and supplier, and their commitments are obtained.</li> </ul>



	<ul style="list-style-type: none"> <li>• Awareness presentation on Ethical sourcing based on OECD guideline has been circulated.</li> <li>• Detailed policy and procedure at entity level has been established based on risk of CAHRA's is done.</li> </ul>
<p><b>1.B Structure internal management system to support supply chain due diligence</b></p>	<ul style="list-style-type: none"> <li>• SAM PRECIOUS METALS has established strong internal risk assessment to ensure that all its supplies are conflict free and ethically sourced.</li> <li>• Company has carried out countrywide risk assessment and supplier wise risk assessment in accordance with the OECD requirements.</li> <li>• Additional responsibility has been assigned to Compliance officer to look over the compliance of Supply Chain policy.</li> <li>• All key employees involved in sourcing and procurement of precious metals have been trained on our Supply Chain policy. Refresher trainings are provided.</li> <li>• List of Suppliers has been maintained along with status of their social and ethical compliance.</li> <li>• Ongoing monitoring of each supply and associated suppliers is carried out with the help of tools such as digital media, web search, review of supply documents, declaration, and market intelligence etc.</li> </ul>
<p><b>1.C Establishing system of controls and transparency over the minerals supply chain.</b></p>	<ul style="list-style-type: none"> <li>• Suppliers are requested to share the information, which is analyzed to identify potential risk of CAHRA's, if any, and understand the ethical sourcing compliance at supplier level.</li> </ul>
<p><b>1.D Stringent Company Engagement with Suppliers</b></p>	<ul style="list-style-type: none"> <li>• As mentioned above, a supplier questionnaire has been circulated and obtained all the necessary information from the customer.</li> </ul>



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	<ul style="list-style-type: none"> <li>• Further we have collected all the vital information about suppliers' upstream suppliers through site visit, review of records maintained by one dedicated customer/suppliers</li> <li>• We have also done meetings with their major suppliers and have communicated OECD 5 step framework.</li> <li>• We have done additional due diligence of the only 1 customer as per our EDD guideline and all the supporting information and documents have been collected.</li> </ul>
<p>1.E Establishing company-level or industry wide grievance mechanism as an early warning risk-awareness system.</p>	<ul style="list-style-type: none"> <li>• We have established the grievance handling policy and procedure at group level and entity level.</li> <li>• Grievance mechanism has been establishing and published on the website of the company under Tab of <b>Contact</b> (which is publicly available).</li> </ul>
<p><b>Step. 2 Identify and Asses the Risk in the Supply Chain</b></p>	
<p>2. Identify and assess the risks in the supply chain and assess risk of adverse impact</p>	<ul style="list-style-type: none"> <li>• We have established a detailed policy and procedure for identification of risk at entity level and group level.</li> <li>• Each entity has appointed an experienced and trained compliance officer to oversee the financial and ethical sourcing compliances.</li> <li>• We have categorized the supply chain into 3 major segments: Primary suppliers, Secondary suppliers, and Open market suppliers.</li> <li>• All suppliers are bifurcated in to this category and open market supplies are considered as potential risk for supplies from CAHRA's and thus step by step information is gathered from this category of supplier as mentioned in point 1.B &amp; 1.C.</li> </ul>
<p><b>Step. 3. Identify and Asses the Risk in the Supply Chain</b></p>	



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<p><b>3.1. Report findings of the supply chain risk assessment to the designated senior management of the company</b></p>	<ul style="list-style-type: none"> <li>• Ongoing monitoring of each supply is done by a compliance officer to confirm it's free from Conflict. Where required Red Flags are raised for seeking additional information and closed after receiving such information to our satisfaction.</li> <li>• Entity level compliance officers shall report all unanswered flags to local management and Group compliance officers.</li> <li>• In the scenario, where information is incomplete or not satisfactory, a Red Flag is raised, and the management initiates a dialogue with the suppliers to ensure full information is obtained.</li> <li>• In case of failure of receiving the information, a procedure for disengagement shall be initiated.</li> </ul>
<p><b>3.2 Device and adopt risk management plan</b></p>	<ul style="list-style-type: none"> <li>• We have formulated the risk management plans at entity level considering individual entities position in the supply chain and position of suppliers in the supply chain.</li> <li>• Entity compliance officer carries out monitoring of each and every business transaction and where required Red Flags are raised and further steps are followed as mentioned above.</li> <li>• A brief of the company's Risk Management Practices has been mentioned in communication of business policy on our website.</li> </ul>
<p><b>3.3. Implement the risk management plan and monitor the performance of the risk mitigation efforts.</b></p>	<ul style="list-style-type: none"> <li>• Entity level and group level monitoring of Red Flags and its effective closure is monitored.</li> <li>• Compliance officer provides period status reports of OECD compliance to the management.</li> </ul>
<p><b>3.4 Internal Training</b></p>	<ul style="list-style-type: none"> <li>• Each entity of the Group provides periodic trainings to the compliance team and all concerned employees involved in the supply chain.</li> </ul>



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<p><b>3.5 Communication</b></p>	<ul style="list-style-type: none"> <li>• Business principle has been published on the website covering all the COP wise policy including Supply Chain Policy of the group.</li> <li>• Over and above Annual communication on Business policy and Awareness on various best practices and expectations from business partners is communicated to all stakeholders.</li> </ul>
<p><b>Step. 4 Optional information on Step 4</b></p>	
<p><b>4.1 RJC COP Audit done on &amp; Done By</b></p>	<ul style="list-style-type: none"> <li>• ISOQAR India, an accredited auditor of RJC, shall conduct audit to verify compliance by end of July 2022.</li> </ul>
<p><b>4.2 Grievance and recommendation</b></p>	<ul style="list-style-type: none"> <li>• Grievance contact cell has been appointed and its contact details are available on the company website.</li> <li>• No grievance has been reported till date.</li> </ul>

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Compliance Officer



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