



SAM PRECIOUS METALS

SAM PRECIOUS METALS

SUPPLY CHAIN POLICY FOR RESPONSIBLE SOURCING OF PRECIOUS METALS

Supply Chain Policy

Version Control (v2.0)
2023



+97148748668 / P.O.BOX485028, DUBAI, UAE. / SAMPRECIUSMETALS.COM / INFO@SAMPRECIUSMETALS.COM



SAM PRECIOUS METALS

INTRODUCTION

SAM Precious Metals is committed to building a better tomorrow by maintaining the highest industry standards of quality, transparency and integrity while meeting the utmost ethical and moral standards pertaining to responsible sourcing. We are fully committed to supply chain compliance and ethical trade and our economic objectives are aligned with social and environmental considerations. We want all SAM Precious Metals employees, business partners and supply chain actors to respect human rights, comply with applicable labour laws of home and host countries and international laws, conventions, and standards to ensure safe working conditions, protect the health and safety of the people and the planet, practice responsible governance and business ethics, and indulge in accountable and secure mining that protects workers, local communities and the environment from adverse impacts.

We understand and recognize the risks and adverse health and environmental impacts associated with the extraction, transport, handling, trading, and export of Gold, Silver, and other precious metals from conflict-affected and high-risk areas (CAHRA). We must ensure that our business does not contribute to/is not associated with any conflict and human rights violations and comply with relevant United Nation sanctions. This policy is an integral part of our contracts and agreements with suppliers/business partners to spread awareness on the requirements of responsible sourcing and to make sure it is understood and implemented throughout the supply chain.

We support the UN Guiding Principles on Business and Human Rights, the Ten Principles of the UN Global Compact, and Voluntary Principles on Security and Human Rights and request our suppliers and business partners to adopt, disseminate and incorporate the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRA, RJC Code of Practices (CoP) Guidance, RJC Chain-of-Custody (CoC) Standard, EBC Rules for Risk Based Due Diligence in the Gold Supply Chain (EBC Rules for RBDG) in their precious metals supply chain operations.

To comply with the legal and regulatory requirements and the prevailing industry international standards on responsible sourcing is of utmost importance to SAM Precious Metals. To realise this and to protect the human rights of workers and the affected communities in our supply chain; and to improve the Environmental, Social and Governance (ESG) performance at the mines and workplace the management of SAM Precious Metals has adopted the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRA and formed the ESG Compliance Team. The ensuing section of this policy details out the key aspects of responsible sourcing.

LABOUR & HUMAN RIGHTS

SAM Precious Metals is committed to protect the human rights of the workers and the affected communities in our supply chain. While sourcing from, or operating in, CAHRA and other vulnerable areas we will neither tolerate nor be a part, assist and facilitate any transactions arising from serious abuses and all form of criminal activities. We continuously strive to improve working conditions and social performance within the supply chain and encourage our suppliers and business partners to work towards achieving this objective.

SAM Precious Metals is committed to conform to the following labour and human rights requirements and urges its suppliers and business partners to do the same:



+97148748668 / P.O.BOX485028, DUBAI, UAE. / SAMPRECIUSMETALS.COM / INFO@SAMPRECIUSMETALS.COM



SAM PRECIOUS METALS

Child Labour: SAM Precious Metals does not employ any person below the local minimum age of employment and appeals to all suppliers and business partners to ensure that they do not hire or engage any child labour as required under ILO Convention No. 182 that clearly defines:

- child to be all persons below the age of 18; and
- worst forms of child labour to prohibit and eliminate work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children, push them into slavery and towards sexual abuse and illicit activities.

Forced or Compulsory Labour: SAM Precious Metals wants suppliers and business partners in their supply chain to end all forms of slavery or practices similar to slavery and not to engage their workers in any kind of forced or compulsory labour/involuntary work and protect them from any kind of debt bondage and serfdom. Business partners and suppliers shall safeguard the supply chain from any such practice. SAM Precious Metals promotes an environment for the workforce to work voluntarily, without any threat of punishment or retaliation.

Freedom of Association: SAM Precious Metals allows its workers to freely associate and collectively bargain cordially as per their legal rights. It recommends suppliers and business partners to grant their workers this privilege.

Non-Discrimination: SAM Precious Metals respects the dignity and worth of every individual, it is an equal opportunity employer and does not indulge in any form of discrimination. We are committed to fair treatment of women workers across our supply chain. It expects all suppliers and business partners to respect this basic human right.

Working Hours: SAM Precious Metals strictly adheres to the local law and industry standards on working hours with one day off in seven. Suppliers and business partners shall comply with all applicable laws. The Company does not support excessive working hours that undermines the well-being and productivity of workers.

Remuneration: SAM Precious Metals ensures that its workforce is paid wages which meet or exceed the minimum wages laid out legally or as per industry standards. It extends all statutory benefits to the workers. Suppliers and business partners should ensure that all legal requirements pertaining to wages and benefits are complied with to secure the basic needs of the workers in the supply chain.

Disciplinary Practices: SAM Precious Metals has always treated all its personnel with dignity and respect. All disciplinary actions are in accordance with law. It does not support or engage in any form of harassment or abuse (both verbal and physical). All suppliers and business partners shall ensure their workers are not subject to any of these coercions.

Serious Abuses: SAM Precious Metals urges its employees, suppliers, and business partners to refrain from indulging in and encouraging any forms of torture, cruel, inhuman, and degrading treatment; and other gross human rights violations like sexual violence.

Criminal Activities: SAM Precious Metals is committed to protect workers from serious human rights abuses and does not tolerate, contribute to, assist with, or facilitate the commission by any party of war crimes or other serious violations of international humanitarian law; and crimes against humanity or genocide.

Non-State Armed Groups: SAM Precious Metals does not tolerate any direct or indirect support to any non-state



+97148748668/P.O.BOX485028,DUBAI, UAE./SAMPRECIUSMETALS.COM/INFO@SAMPRECIUSMETALS.COM



SAM PRECIOUS METALS

armed groups or their affiliates through the extraction, transport, trade, handling, or export of minerals who:

- Illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain, and/or
- Illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
- Illegally tax or extort intermediaries, export companies or international traders.

Public or Private Security Forces: SAM Precious Metals wants to eliminate all forms of illegal mining, taxation and extortion as mentioned in the section on non-state armed forces above and does not want supply chain actors to directly or indirectly support public or private security forces who indulge in such activities in its supply chain. Where we and our supply chain partners/actors engage with public or private security forces the role and responsibility of these forces should be to maintain the rule of law and protect human rights as set out in Voluntary Principles on Security and Human Rights.

HEALTH & SAFETY

SAM Precious Metals is committed to providing a healthy and safe working environment for all personnel employed by it. SAM Precious Metals encourages all its suppliers and business partners to ensure the health and safety of the workers in the supply chain. These measures include adequate ventilation; sufficient protection from dangerous substances and chemicals; provision of personal protective equipment (PPE); hand wash stations; and arrangements for first aid, firefighting, electrical, machine and chemical safety. Safety signs, restricted entry/area markings and directions on usage of PPE should be prominently displayed. Workers should be routinely directed and trained in health and safety, and emergency preparedness.

ENVIRONMENT AND CLIMATE CHANGE

SAM Precious Metals is committed to protecting the environment and preventing climate change. Environmental responsibility is at the centre of how we work and appeal to our suppliers and business partners to join hands and work with us towards realizing this noble cause and making our supply chain green by adopting the following measures:

Environmental Management: Continuously monitor and mitigate the adverse impacts on the environment on account of our operations (blasting, vibration, noise, dust, etc.) including impact on host communities.

Waste Management: Practising proper waste management to minimise contamination that impacts both human health and the ecosystem. Specifically, by responsibly managing tailings waste and waste rock, or mineralised waste. Also continuously work towards reducing, reusing, and recycling both non-hazardous and hazardous waste.

Hazardous Material Management: Identifying and managing potential risks related to transport, handling, storage, and disposal of all hazardous materials including cyanide. Also specifically identify the mercury emissions to the atmosphere arising from our activities and work towards minimising it and eventually phase out the use of mercury.

Biodiversity Conservation: Minimising deforestation arising from our activities, ensuring the protection of flora



+97148748668/P.O.BOX485028,DUBAI, UAE./SAMPRECIUSMETALS.COM/INFO@SAMPRECIUSMETALS.COM



SAM PRECIOUS METALS

and fauna, considering the land access needs of host communities, and facilitating responsible closure of mines.

Continuous Improvements: Reducing our water footprint and recycling, preserving the quality of water resources by not contaminating them, using energy efficiently, minimising GHG emissions, and combating climate change.

GOVERNANCE

Good governance is an integral part of SAM Precious Metals' operations, and we continuously work with our employees, suppliers, and business partners to integrate ethics and integrity in all that we do for which we have undertaken the following measures:

Ethics and Integrity: Drafted the ethical principles to avoid dilemmas and encourage all our employees, suppliers, and business partners to be fair, honest, transparent and accountable in their actions.

Code of Conduct: We have developed and rolled out a code of conduct for our employees, suppliers and business partners setting out the standards we want them to follow. As a minimum, we want all the supply chain actors to adhere to this code and conduct their business ethically and responsibly if they want to be in business with us.

Management Systems: We have developed a robust management system to understand and manage risks and for continuous improvements (refer to the last section of this policy).

Anti-bribery and Corruption (ABC): We appeal to all our supply chain actors to work against corruption in all its forms, including extortion and bribery. This section should be read in conjunction with the AML-CFT Policy.

Legal Compliance: We comply with the home and host country laws and international legal requirements and standards applicable to us and would require our suppliers and business partners to be compliant. Specifically, with the UKBA, FCPA and UN Convention Against Corruption (UNCAC) in the context of ABAC.

MANAGEMENT SYSTEM

Leadership, support, and action are the three pillars of SAM Precious Metals' management system to ensure sustainability and responsible sourcing. Compliance at SAM Precious Metals is driven from the top; spelt out clearly in the Supply Chain Policy for Responsible Sourcing of Gold, Silver, and other precious metals (this policy), Code of Conduct, guided by other policies that are clearly communicated; and actioned in the supply chain, monitored routinely, documented, and disclosed. Suppliers and business partners shall put management systems in place to ensure compliance and effectively communicate, implement, monitor, and report performance.

SAM Precious Metals continuously tracks its labour and human rights performance through establishing effective management systems. All complaints and grievances are addressed judiciously, without retaliation and used as input to further improve the systems and processes.

SAM Precious Metals never sources from illegal mining operations and supports measures to build secure, transparent, fair-trade, and verifiable precious metals supply chains from artisanal miners to markets.



+97148748668/P.O.BOX485028,DUBAI, UAE./SAMPRECIUSMETALS.COM/INFO@SAMPRECIUSMETALS.COM



SAM PRECIOUS METALS

In case of critical non-compliances with this policy SAM Precious Metals will suspend or discontinue with any supplier (counterparty) where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses, criminal and legal offences as defined in this document earlier.

CONTACT DETAILS

For questions and/or concerns related to the supply chain policy, employees, stakeholders, and counterparties can send an email to compliance.officer@sampreciousmetals.com

END OF DOCUMENT

Version Control (V2.0) Date: 26 August 2023	Name	Signature
Document Author:	Mr. Sadi Ahmad Global Head of Legal and Compliance SAM Precious Metals	
Document Approved by:	Mr. Ahmad Riyad Mahmoud Abu Ahmad Deputy General Manager SAM Precious Metals	
Final Approver:	Mr. Sami Riyad Mahmoud Abu Ahmad Chairman SAM Precious Metals	



+97148748668 / P.O.BOX485028, DUBAI, UAE. / SAMPRECIUSMETALS.COM / INFO@SAMPRECIUSMETALS.COM