

ANNUAL BUSINESS RESPONSIBLE REPORT

For the year 2024

Dated: 1st January 2025

SAM PRECIOUS METALS FZ LLC

Introduction

Established and headquartered in Dubai, the city of gold, SAM Precious Metals is one of the top two gold, silver and other precious metals refineries in the UAE and is globally renowned in the industry with high end and state-of-the-art facilities in Dubai and Egypt. Our vision is to fill the gaps in the precious metals industry by offering state-of-the-art refining services and related products such as bars, coins, chemicals, and other value-added products.

The primary goal of SAM is to create sustainable value for clients, investors, people, society, and other stakeholders, while operating in a culture of responsible sourcing, adhering to regulations, and demonstrating excellence in performance, innovation, governance, trust, and respect.

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



Section A: General Information about the Company

In the heart of UAE's vibrant gold industry, SAM Precious Metals stands as a symbol of innovation, integrity, and craftsmanship. Since its inception in 2018, SAM has redefined the gold industry in the region. Transparency is the hallmark of SAM's process. From sourcing to refining, every step is transparent, every stage is traceable. SAM focuses on making a positive contribution to economic, environmental, and social progress with a view to achieving sustainable development and commit to conduct due diligence in order to identify, prevent or mitigate and account for how actual and potential adverse impacts are addressed. It is a priority for the company to consider wider environmental, social and governance factors and invest into the development of the industry and the wider community. Over the years, SAM has focused to play a positive role in the community and created a culture of responsible business conduct. SAM is a UAE Good Delivery Member for Gold and Silver along with being an RJC Certified Code of Practice and Chain of Custody Entity, which our efforts and contributions towards responsible sourcing and ethical practices. In addition, SAM Precious Metals is proud to be a Fairtrade Certified Member and a Fairmined Authorized Supplier, reaffirming its commitment to ethical sourcing and our support for artisanal and small-scale mining (ASM) communities through fair market access and responsible trading practices. To further strengthen industry transparency and accountability, SAM Precious Metals is also a member of the Responsible Minerals Initiative (RMI) and an active Processors Working Group Participant at the Initiative for Responsible Mining Assurance (IRMA). These affiliations underscore our ongoing leadership in promoting responsible mining, ethical supply chains, and adherence to internationally recognized best practices.

Successful businesses rely on several different types of assets, such as financial capital, real estate, production equipment and powerful technology, but for SAM its human capital is the single-most important asset for value creation. SAM has focused on building a workplace where employees are respected and provided with an appropriate working environment free from any kind of harassment and discrimination.

SAM is committed to innovation, operational excellence, and our vision is to serve a growing global clientele with increased efficiency, scalability, and precision. With cutting-edge technology, enhanced infrastructure, and a larger footprint, SAM is focussed to meet rising demand while upholding the highest standards in quality, compliance, and sustainability.



Section B: Financial compliance of the SAM Precious Metals

1. Money Laundering, Terrorism Financing, Other Financial Offences

- 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 for all stakeholders.

Area of concern & Remedial Measures

- Nil As on Date.

2. Anti-Bribery and Facilitation Payment Policy

- 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 and it further its upstream 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 complete awareness about OECD regulation and requirements of sourcing among our upward supply chain mainly in recycled/scrap material supplier. We are working very closely with our wholesales suppliers to obtain information of supply chain and KYC of sub-suppliers. This will ensure that conflict free metal is sourced.
- We do the detailed KYC and Enhance due diligence at periodic basis and transaction monitoring, supplier self-declaration for conflict free supply is obtained and additional supporting documents and information's are reviewed.
- We have started creating awareness about our Ethical sourcing requirements for our supply chain through sharing literature and conducting training sessions for our suppliers.
- We have started conducting site visits at the suppliers up stream suppliers' level to established strong bonds with supply chain partners and get more insights about the ethical compliance and practices at 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 labour, forced labour, non-discrimination, non-retaliation et
- All work man rights are respected and adhere to freedom of association and collective bargaining regulations.

Area of concern & Remedial Measures

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

5. Health and Safety

- We, at SAM Precious Metals, are concerned about the health and safety of employees and are constantly studying about any adverse impact of our business processes, which are eliminated as soon as possible.
- 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.
- The health of our staff, exposed to certain hazardous processes, is be 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.
- No fire or other incidents were reported.

6. Environment Protection

- SAM Precious Metals is Complying with all applicable environmental laws and regulations.
- The impact of each of our operations on the environment are studied systematically and assessed for compliance with appropriately defined standards and reviewed periodically to mitigate or eliminate such 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 does 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.
- The Company strongly discourages any form of sexually coercive, threatening, abusive or exploitative behaviour.



- Any reported 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 stake holder 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 Stake holders & based on risk assessment where necessary.

Area of concern & Remedial Measures

- No Area of concern & 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: 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.	<p>SAM Precious Metals has established its sourcing policy, which has been documented and published on the website of the company under Tab of Social compliance.</p> <p>Best Endower communication has been sent to all upstream supply chain partners and their commitments are obtained.</p>





<p>1. B Structure internal management system to support supply chain due diligence</p>	<p>SAM Precious Metals has established strong internal risk assessment to ensure that all its supplies are conflict free and ethically sourced.</p> <p>Company has carried out countrywide risk assessment and supplier wise risk assessment in accordance with the OECD requirements</p>
<p>1.C. Establishing system of controls and transparency over the minerals supply chain.</p>	<p>Suppliers are requested to share the information, which is analyzed to identify potential risk of CAHRA's if any.</p>
<p>1.D. Stringent Company Engagement with Suppliers</p>	<p>Regular communication and awareness are carried out with suppliers (upstream suppliers). Ongoing monitoring is carried, and two way communications are carried out to strengthen the supply chain.</p>
<p>1.E. Establishing company-level or industry wide grievance mechanism as an early warning risk-awareness system.</p>	<p>Grievance mechanism has been establishing and published on the web site of the company under Tab of Social compliance.</p>
<p>Step. 2. Identify And Asses the Risk in the Supply Chain</p>	
<p>2. Identify and assess the risks in the supply chain and asses risk of adverse impact</p>	<p>Company has established strong ongoing monitoring system for every transaction and annual Enhanced Due Diligence for KYC and other supply chain information is carried out.</p>
<p>Step. 3. Identify And Asses the Risk in the Supply Chain</p>	
<p>3.1. Report findings of the supply chain risk assessment to the designated senior management of the company</p>	<p>Compliance officer shall review all the transactions and where queries are raised or Red Flag raised to obtain the additional information.</p>





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	Supplier engagement and meetings are carried out to identify ways and means to reduce the potential risk of conflict supplies
3.2 Device and adopt risk management plan	Compliance officer shall seek the additional information and after its review further decision of raising CARA shall be issued.
3.3. Implement the risk management plan and monitor the performance of the risk mitigation efforts.	Compliance officer shall monitor the effectiveness Mitigation actions taken and revised status of the associate risk if any.
3.4 Internal Training	Regular trainings are carried out among all the affected employees.
3.5 Communication	Period communications are sent across the supply chain for increasing awareness about Ethical sourcing as per OECD regulations.
Step. 4. Optional information on Step 4	
4.1 RJC COP Audit done on & Done By	ISOQAR India an accredited auditor from RJC office shall conduct audit in May 2025.
4.2 Grievance and recommendation	Nothing reportable. Grievance contact cell has been appointed and its contact details are available on the company website.

SAM Precious Metals FZ LLC

Compliance Officer



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SAM PRECIOUS METALS FZ-LLC