

## **Precious Metals Procurement Policy**

### **1. Scope:**

This policy applies to Asahi Refining which includes Asahi Refining USA Inc., Asahi Refining Canada Ltd and Asahi Refining Florida LLC. Asahi Refining has a global reach, and we pride ourselves on our reputation for acting with integrity and honesty wherever we do business. We greatly value our reputation and believe that it is one of our many competitive strengths. Asahi Refining is dedicated to working with suppliers and with Asahi Refining staff at all levels to limit risk and protect the integrity and reputation of our industry.

As an LBMA Good Delivery Refiner, Asahi Refining monitors the sources of all precious metals accepted into our Salt Lake City and Brampton refineries to ensure that we comply with all applicable laws, including the US's Money Laundering Control Act, USA PATRIOT Act, and Canada's Proceeds of Crime (Money Laundering) and Terrorist Financing Act, as well as the principles established in the LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance which follows the five step framework for risk based due diligence as defined by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas.

As a leader in the precious metals industry, Asahi Refining recognizes the unique role that we must play in the development, implementation and continuous improvement of systems designed to detect and prevent commercial activities that contribute to the financing of armed groups, human rights abuses, money laundering, terrorist financing and other illegal activities. Asahi Refining constructively works with our precious metal suppliers to ensure they are aware of our Precious Metals Procurement Policy and that the materials they deliver to Asahi Refining do not contribute to such illegal activities.

Asahi Refining maintains responsible sourcing policies that establish a strong company management system and one that is capable of identifying and assessing the risks within the Asahi Refining supply chain. Asahi Refining maintains a risk mitigation strategy designed to respond appropriately to identified risks. Asahi arranges for an independent third-party audit of the supply chain due diligence on an annual basis and publicly reports on our achievements each year.

## **2. Commitments:**

### **Regarding serious abuses associated with the extraction, transport or trade of minerals:**

It is Asahi Refining's policy to not transact business with any supplier of precious metals that may directly or indirectly finance or benefit from slavery, forced or compulsory labour, human trafficking, torture, worst forms of child labour, other gross human rights violations and abuses such as widespread sexual violence, war crimes or other serious violations of international humanitarian law as well as war crimes, crimes against humanity or genocide.

### **Regarding direct or indirect support to non-state armed groups:**

Asahi Refining will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. This includes but is not limited to illegally controlling mine sites, or transportation routes, illegal taxation or extortion of money or minerals along routes or at the mine site and includes the illegal taxation or extortion of intermediaries, export companies or international traders.

### **Regarding public or private security forces:**

Asahi Refining recognizes the important role public and private security forces must play in maintaining rule of law at the mine sites and surrounding area, including transportation routes. This includes safeguarding of mine works, facilities and equipment as well as the protection of human rights.

Asahi Refining will support efforts, or takes steps, to engage with local authorities, international organisations to avoid or minimise the exposure of vulnerable groups.

### **Regarding bribery and fraudulent misrepresentation of the origin of minerals:**

Asahi Refining will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origins of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.

### **Regarding Money Laundering:**

It is the policy of Asahi Refining to prohibit the use of its businesses and services for money laundering, terrorist financing or other illegal activities conducted through commercial transactions, including those with suppliers of precious metals. We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering to exist with the Asahi supply chain.

### **Regarding the payment of taxes, fees and royalties due to government:**

Asahi Refining will ensure all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments through the verification of client declarations and import and export documentation.

**Regarding environment, social and governance:**

Asahi Refining will endeavour to minimize its environmental impacts and pursue environmentally conscious operations in which an optimal balance can be achieved between environmental practices and economic values.

It is the policy of Asahi Refining to not transact business with any supplier of precious metal that has proven to have a direct disregard for environmental rules and regulations within their region or an indirect disregard for knowingly allowing or supporting others within their supply chain to violate regional environmental regulations. This includes but is not limited to:

- Unauthorised extraction of minerals from Protected Areas
- Water stewardship, particularly in water scares or stressed areas
- Storage, handling and disposal of hazardous materials
- Management of labour issues, including remuneration, working hours, collective bargaining, discrimination, diversity, disputes and safeguarding of workers.
- Community engagement and management programmes (land acquisition and community resettlement, cultural heritage sites and indigenous people, closure planning and safeguarding of vulnerable populations).
- Management of business integrity and ethical conduct and supporting the implementation of relevant initiatives such as the Extractive Industry Transparency Initiative (EITI).

**Risk management:**

Asahi Refining will investigate, suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that a supplier is sourcing from, or linked to, any party committing such abuses as note above and as stated in the OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas, Annex II. We operate two risk management processes, firstly during on-boarding and secondly daily automatic screening of counterparties against:

- Sanctions & Enforcements
- Politically Exposed Persons
- Adverse Media

**Human Rights:**

Even though Asahi Refining USA Inc., Asahi Refining Canada Ltd and Asahi Refining Florida LLC. operate in highly regulated jurisdictions we fully commit to respect Human Rights and in particular the UN Human Rights Guiding Principles for Business and expect our employees contractors, suppliers and other third parties to also comply.

**3. Governance:**

We require that all Asahi employees, contractors, suppliers and other third parties comply with this policy. Where issues are detected we will take appropriate measures to protect our integrity and reputation up to and including termination of employment or contracts.