

## **RESPONSIBLE PRECIOUS METALS POLICY**

Fighting serious abuses of human rights, avoiding contributing to conflict over its supply chain and complying with high standards of anti-money laundering (AML) and combating terrorist financing (CFT) are corner stones of the EMTC Commodities' operating procedures.

Customers of the EMTC Commodities, which refine, manufacture, trade or distribute precious metals must apply the same policy and comply with the LBMA Responsible Gold Guidance for any type of precious metals handled. The LBMA Responsible Gold Guidance follows the five steps framework for risk based due diligence of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

This policy will be implemented through a comprehensive management system that encompasses strict risk based due diligence before entering into new commercial relationships as well as continuous monitoring of transactions on a risk-based approach.

**EMTC Commodities conducts audit checks of the below procedures as a part of the Agreed Upon Procedures, by an external audit.**

As part of our Responsible Precious Metals Policy, EMTC Commodities commits to:

- 1) Neither tolerate, contribute to, assist with or facilitate the commission of:
  - Any forms of torture, cruel, inhuman and degrading treatment;
  - Any forms of forced or compulsory labour;
  - Illegal and/or unacceptable forms of child labour;
  - Other human rights violations and abuses such as widespread sexual violence
  - War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
- 2) Immediately suspend or discontinue engagement with our counterparty where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined above.
- 3) Support measures to build secure, transparent, fair-trade and verifiable gold supply chains from miners to market.
- 4) Never source from illegal mining operations. EMTC Commodities commits to work with only appropriately certified industrial and semi-industrial mines.



- 5) Not tolerate any direct or indirect support to non-state armed groups 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.
- 6) Immediately suspend or discontinue engagement with upstream suppliers where we identify a probable occurrence that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined above.
- 7) Recognize that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
- 8) Immediately suspend or discontinue engagement with upstream suppliers where we identify a probable occurrence that they are sourcing from, or linked to, any party providing direct or indirect support to public or private security forces with illegal practices or committing human rights abuses.
- 9) Not offer, promise, give or demand any bribes, and resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of minerals extraction, trade, handling, transport and export.
- 10) Establish strong company management systems to fight serious abuses of human rights, to avoid contribution to conflict over our supply chain and to comply with high standards of anti-money laundering (AML) and combating terrorist financing (CFT).
- 11) Perform appropriate due diligence on a risk-based approach over our counterparties before doing any business and ongoing monitoring of the relationship in order to assess the risk of contribution to conflict, money laundering, terrorist financing and serious human rights abuse:
  - Perform a Supply Chain Assessment (as per **LBMA Supply Chain Assessment Form**)
  - Perform a Due Diligence Check (as per **LBMA Due Diligence Checklist**)
  - Perform a KYC Check (as per **LBMA KYC Questionnaire Form**)
  - Perform a Site Visit Check (as per **LBMA Site Visit Report Form**)
- 12) Ensure that appropriate scrutiny and monitoring of transactions are undertaken applying a risk-based approach. EMTC Commodities will perform Site Visits to the supplying industrial and semi-industrial mines at least once a year in order to verify that required compliance with LBMA and OECD requirements are maintained.
- 13) Maintain adequate records to demonstrate that appropriate and ongoing due diligence have been followed. The records are to be kept for at least 5 (five) years.
- 14) Make and receive payments for precious metals transactions through official banking channels.
- 15) Take steps to contribute to the effective elimination of money laundering and terrorism financing. Should we suspect or have reasonable grounds to suspect that the funds or the precious metals are the proceeds of a criminal activity, or are related to terrorist financing we shall promptly report our suspicions to the local financial intelligence unit (FIU).
- 16) Establish long-term relationships with precious metals suppliers and customers in order to build and support a responsible supply chain.

- 17) Encourage our suppliers of precious metals to take appropriate steps to ensure that the provisions of this policy are communicated to their employees and their own supply chain and to urge our suppliers to commit to a gold supply chain policy consistent with Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains. We would require our customers and suppliers of physical metals to sign the **Responsible Gold Letter** (as per attached form).

EMTC Commodities has put in place the following e-mail address [responsiblemetal@emtc.lu](mailto:responsiblemetal@emtc.lu) allowing any employee, supply chain actor, or stakeholder to voice any concerns over the supply chain or newly identified risk.



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