



# POLICY

## – PRECIOUS METALS SUPPLY CHAIN POLICY

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### document information

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Document number	:	POL_SOURCE_001
Version number	:	5.0
Date approved	:	13 July 2024



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## 1. ACKNOWLEDGEMENT OF RESPONSIBILITY

It is necessary for all participants in the gold and silver industry to adopt policies and processes that combat systemic or widespread abuses of human rights, avoid contributing to conflict, comply with high standards of anti-money laundering, negate terrorist financing practices, and align with environmental, world heritage / protected area, sustainability as well as Environmental Social and Governance (ESG), responsibilities. Our Precious Metal Supply Chain policy is anchored on the Responsible Sourcing Program (RSP) which is framed by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas".

In addressing ESG factors in the primary gold and silver supply chain, Refiners should make enquiries on policies and practices implement the relevant toolkit. Such engagement is designed to promote compliance, stewardship and continuous improvement throughout the supply chain, thereby monitoring and potentially mitigating the various ESG risks.

Refiners should also assist in establishing processes to promote responsible mining and sourcing practices throughout the supply chain and assist gold supplying counterparties or prospective suppliers, including legitimate Artisanal and Small-Scale Miners (ASM) and local traders, in improving their supply chain practices.

Given the above, Rand Refinery is committed to ensuring that ALL gold and silver, in any form, that is processed through our operations is responsibly sourced and, hence, conforms to the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" (OECDG) and the London Bullion Market Association (LBMA) Responsible Gold Guidance (latest revision) and Responsible Silver Guidance (latest revision).

## 2. PURPOSE STATEMENT

"Rand Refinery is opposed to activities (extraction, transport or trade of precious metals) which, directly or indirectly, finance or benefit armed conflict and the extreme levels of violence which contribute to abuses of human rights. Further, Rand Refinery is in support of entities that responsibly mine, extract or process gold and silver without compromising Environmental, Social and Governance (ESG) factors and is in support of Sustainable Environmental Goals. Rand Refinery will use LBMA Toolkit (or customisations thereof) provided to implement the requirements of the guidance issued.

**Threat Financing** - Consequently, Rand Refinery commits to refrain from knowingly sourcing gold and silver bearing material from regions, operations and individuals which / who contribute to the financing of conflict and further commits itself to complying with the relevant sanctions, recommendations, and protocols from other appropriate supra-national bodies in this regard.

In the event that gold and / or Silver bearing material is sourced from Conflict Affected and High Risk Areas (CAHRA's), Rand Refinery will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of any forms of: torture, inhuman and degrading treatments, , forced or compulsory labour, the worst forms of child



labour, widespread sexual violence or other gross human rights violations, war crimes, or other crimes against humanity or genocide.

As regards its precious metals supply chain, Rand Refinery will not tolerate any direct or indirect support to illegitimate non-state armed groups or public or private security forces which illegally control mines, sites, traders or other intermediaries, and transport routes through the supply chains, or illegally tax or export monies or minerals through the supply chains.

Rand Refinery will apply a robust “Know Your Customer”, “Know Your Product” and “Anti Money Laundering” policy to identify upstream participants where dealings with such actors would be in contravention of this policy and would represent money laundering or other related criminal activity. Rand Refinery will not engage with suppliers identified in this way and will not accept refining or smelting deposits from such suppliers.”

Rand Refinery will not trade with parties who partake in bribery and / or fraudulent misrepresent the origin of the precious metal, and those that materially breach compliance of their host country’s taxes, fees and royalties related to mineral extraction, trade and export. Similarly Rand Refinery will not trade with parties involved with money laundering or terrorist financing.

**ESG Factors** – in terms of its precious metals supply chain Rand Refinery will refrain from knowingly sourcing gold and silver bearing material that is not in compliance with environmental, health, safety and labour regulations in the country of operation and / or company policy. Rand Refinery will not source material from entities that fail to perform environmental management as regards air, water and land pollution, and who fail to provide water stewardship, especially in water scarce / stressed areas. Rand Refinery will not knowingly source material from World Heritage Sites, and similarly if sourcing does take place in Protected Areas this will be done in accordance with local regulatory or legislative frameworks.

Rand Refinery will encourage the appropriate storage, handling and disposal of hazardous chemicals and will engage with upstream participants to encourage them to comply with the International Cyanide Management Code. Rand Refinery will also encourage appropriate policies and practices as regards remuneration, working hours, collective bargaining, diversity, dispute resolutions, and health and safety of workers.

Rand Refinery will review and support efforts around community engagement and management thereof, specifically on issues such as land acquisition and community resettlement, indigenous people, mine closure planning and safeguarding vulnerable populations.

Rand Refinery will encourage the management of business integrity and ethical conduct, and support the implementation of relevant initiatives such as the Extractive Industry Transparency Initiative (EITI) which strengthens public and corporate governance and accountability by providing disclosure of data regarding how extraction rights are awarded and how revenues make their way through governments to the benefit of the citizens they serve.

**Engagement with Counterparties** - Rand Refinery will to the extent possible engage with upstream producers: to promote responsible mining and extraction practices, improve the



current operational and safety practices, minimise adverse impacts on biodiversity and the natural habitat, encourage compliance with the relevant cyanide management codes, and if used, coach in establishing processes for the safe and responsible use of mercury or a viable alternative.

Finally, Rand Refinery will strive to assist legitimate small-scale miners and artisanal producers to build secure, transparent and verifiable gold supply chains from mine to market. Rand Refinery will work with Government Departments, Agencies, NGO's and Official Aggregators in this regard, provided suitable point of origin and custodian evidence can be provided and the relevant risks documented above can be suitably assessed.

**Establish a Traceability System** - Rand Refinery will, to the extent possible, develop and maintain systems that will allow full supply chain traceability throughout our processes to support a current and future product portfolio that represents our commitment to the development of Responsible Gold and Silver products.

**Management Structures** – the Rand Refinery board has mandated the Customer Risk and Compliance Committee (CRCC) to manage, monitor and enforce its Responsible Sourcing program. While the Sourcing Department working under the guidance of the Responsible Gold and Silver Compliance Officer, and the various other appointed Compliance Officers across our supply chain, are responsible for the implementation and running of the Responsible Sourcing program. In terms of independent assurance an external audit is commissioned by the CRCC annually. The company uses technological system to manage risk and escalate issues of concern. Further, certain services have been outsourced for scanning market and managing incorrect feedback. Rand Refinery has appropriately assigned responsibilities to support the LBMA programs. **Grievance Mechanism** – Rand Refinery will develop and maintain a mechanism that allows any employee or external stakeholder to raise concerns over its precious metals supply chain. Such mechanism will be accessible, independent, respectful and transparent and contribute towards lessons learnt. Such a mechanism will be readily available on a variety of interfaces.

## 2.1. Disclosure and Awareness

This Precious Metals Supply Chain Policy will be made available to the public together with the Compliance Report and where applicable the Public Interest Report. All disclosure shall be compliant with the LBMA Disclosure Guidance.

## 3. RELATED POLICIES AND REFERENCES

Related to this policy the following references are valid:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (latest revision).
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas – Supplement on Gold (latest revision).
- LBMA Responsible Silver Guidance, Version 2, 1 November 2023
- LBMA Responsible Gold Guidance, Version 9, 1 January 2022



- Supply Chain, Anti-Money Laundering and Know Your Customer policy for depositing customers
- LBMA toolkits (latest revision)
- Disclosure Guidance Document (latest revision)

## 4. SCOPE

The London Bullion Market Association (LBMA) has developed a Responsible Gold Guidance (RGG) and Responsible Silver Guidance (RSG) which enables refiners to institute all of the requirements of the OECDG by following a five-step risk-based framework:

- i. Establish strong company management systems,
- ii. Identify and assess risk in the supply chain,
- iii. Design and implement a management strategy to respond to identified risks,
- iv. Arrange for an independent third-party audit of the supply chain due diligence,
- v. Report on supply chain due diligence.

## 5. LEGISLATIVE AND/OR BUSINESS CONTEXT

Rand Refinery will adhere to the requirements of the LBMA RGG and LBMA RSG.

Note: Conformance with the LBMA RGG and RSG is mandatory for all Good Delivery refiners who wish to maintain LBMA Good Delivery accreditation.

Rand Refinery will follow the reporting mechanism and correct escalation in dealing with the exposure of risk.



## 6. CHANGE CONTROL

UPDATED	DATE UPDATED	KEY CHANGES MADE	VERSION N°
T Pelser	2015/01/14	Minor changes provided by CH and RC	2
C Horsley	2016/01/28	Annual revision	3
J McPherson	2017/08/01	Annual revision	4
J McPherson	2018/01/01	Minor changes as per Exco approval	5
J McPherson	2018/01/25	Added 'and silver' next to Responsible Gold and added silver guidance Reference version 1	6
J McPherson	2018/12/04	Added Environmental Sustainability Goals information and referencing LBMA Responsible Gold Guidance V8	7
J McPherson	2019/03/11	Annual revision	8
J McPherson, T. Nkosi	2020/01/30	Continued Annual Revision	8a
A Hefer	2020/08/17	New format	1.0
C Jiyane	2021/07/16	Uploaded to SharePoint	2.0
J McPherson/ C Jiyane	2022/02/14	Incorporate version 9 requirements, referenced toolkits and changed the name of the policy	3.0
J McPherson/ C Jiyane	06/02/2023	Update for comments	4.0
J McPherson/ C Jiyane	14/02/2024	Annual Revision – minor edits RSGv2	5.0

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