



PRECIOUS METALS RESPONSIBLE SUPPLY CHAIN COMPANY POLICY

I. INTRODUCTION

As Nadir Metal Rafineri A.Ş. ("**Nadir Metal**" or "**Company**"), we are aware of the risks associated with the significant adverse effects which may result from the extraction, transport, trade, and export of minerals from conflict-affected and high-risk areas. We are aware of our responsibility to prevent the laundering of proceeds of crime and financing of terrorism, to not contribute to conflicts, to combat with bribery and corruption, to comply with local legislation, and to respect human rights and preserve the environment.

Thus, as Nadir Metal, we are committed to:

- adopt and ensure widespread use of this Policy as a common reference intended to raise risk awareness among suppliers in line with responsible supply practices along the entire process from the point of extraction to the point where minerals are received by end users,
- avoid any kind of action which could contribute to financing of conflicts, and adhere to applicable sanctions of the United Nations, the European Union, the United Kingdom Treasury and the United States of America Department of Treasury, the FATF¹ recommendations and decrees, and also rules of internal laws that implement such decrees, and
- effectively apply our strong management system and meet our national and international responsibilities related to sustainability, environment, social issues and governance as part of our social responsibilities.

This Precious Metals Supply Chain Policy ("**Policy**") draws upon the requirements of the Annex II to the OECD (Organization for Economic Co-operation and Development) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk-Areas, the London Bullion Market Association (LBMA) Responsible Gold and Silver Guidance, and the Borsa İstanbul (BIST) Precious Metals Responsible Supply Chain Compliance Guideline².

¹ <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions>

² <https://www.borsaistanbul.com/files/borsa-istanbul-precious-metals-responsible-supply-chain-compliance-guideline.pdf>



II. PURPOSE AND SCOPE

This Policy has been developed to share with customers the core principles and values embraced by the Company while conducting its activities as well as other reference information from national and international regulations, and to provide guidance on establishing business relations and subsequent processes.

All employees of the Company are responsible for following this Policy as with any other internal policies and procedures.

This Policy consists of the following sections:

- a) Organization and responsibilities
- b) Identification and assessment of risks
- c) Criteria for high-risk supply chain
- d) "Know Your Customer" principle and supply chain review
- e) Monitoring of transactions
- f) Maintaining records of supply chain due diligence
- g) Training
- h) Our Commitments
- i) Conclusion

A. ORGANIZATION AND RESPONSIBILITIES

1. The Company pays great attention to make sure that minerals are derived from legal sources as per its national and international responsibilities. Therefore, the Company complies with national and international law, regulations and guidelines and collaborates with national and international platforms in order to:

- not make any contribution to conflicts,
- ensure that it is not engaged with persons or entities that are involved in laundering of proceeds of crime, financing of terrorism, bribery or corruption,
- not facilitate any direct or indirect support to non-state armed groups,
- oppose and not be associated with child labour, worst forms of child labour, forced or compulsory which means work or service for which said person has not offered himself voluntarily, and work abuse,
- oppose and not be associated with slavery and human trafficking in accordance with the ILO³ Conventions and recommendations, the Universal Declaration of Human Rights and the UN Global Compact⁴,
- oppose and not be associated with gross human rights violations such as physical, verbal, sexual or psychological harassment, bullying, violence, abuse or threats,

³ <https://www.ilo.org/global/lang-en/index.htm>

⁴ The 10 principles of the Global Compact are taken from the universally accepted declarations in the field of human rights, labor rights, environment and anti-corruption. The Global Compact expects companies to understand, support and apply these principles for sustainability. | <https://www.unglobalcompact.org/what-is-gc/mission>



- oppose and not be associated with any discrimination based on factors such as religion, language, race, gender, sexual orientation, color, national or social origin, ethnical origin, age, pregnancy, disability or political view,
- oppose and not be associated with human rights violations or any forms of torture, cruel, inhuman and degrading treatment, war crimes or other serious violations of international humanitarian law (crimes against humanity or genocide),
- ensure compliance with the national environmental, health, safety and labour legislation and/or company policies by taking into account international regulations.

2. The Company is committed to comply with applicable regulations and guidelines, including but not limited to the following, and update its policies and procedures on an as-needed basis during all stages of its mining activities by establishing a review and control-driven organizational structure and a comprehensive management system.

- LBMA, Responsible Gold and Responsible Silver Guidance.
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk-Areas.
- Borsa İstanbul A.Ş., Precious Metals Responsible Supply Chain Compliance Guideline.
- Borsa İstanbul A.Ş., Responsible Supply Chain Compliance Directive.
- Borsa İstanbul A.Ş., Directive on Internal Control System and Compliance Principles of Precious Metals Intermediary Institutions and Refineries.
- The Regulation on Measures Regarding Prevention of Laundering Proceeds of Crime and Financing of Terrorism.

3. The Company operates in good faith, embraces high ethical, moral and social values and engages with only legitimate business partners while conducting its activities in order to protect its reputation.

4. With its organizational structure, the Company has:

- Authorized and tasked the Senior Management, which has the required competence, knowledge and experience, to perform due diligence on supply chain in order to determine its current status and level of compliance.
- Allocated the necessary resources to support execution and monitoring of responsible supply chain processes, assigned an internal control and supply chain compliance officer and developed written procedures to support monitoring activities in accordance with regulations.
- Put the required organizational structure and communication processes in place so that necessary information can be communicated to related employees and suppliers as part of the responsible supply chain. made the required updates where necessary and provided training on such updates.
- Achieved internal accountability to ensure that necessary reviewing, internal control and monitoring of supply chain processes can be carried out.



- Developed a grievance system through which any employee or external stakeholder can raise their concerns regarding mineral supply chain or warn about emerging risks, and published a "Whistleblowing Policy".
- Established a "Compliance Risk Committee" to support supply chain risk management activities.

B. IDENTIFICATION AND ASSESSMENT OF RISKS

Nadir Metal identifies and assesses risks within the context of Responsible Supply Chain.

For this purpose, the Company takes the following criteria into consideration:

- Common human rights violations that may occur during extraction, transport or trade of minerals
- Procurement of minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates
- Bribery
- Fraudulent misrepresentation of the origin of minerals
- Contribution to conflicts
- Money laundering and financing of terrorism
- Failure to make tax, fee and royalty payments in relation to extraction, trade and export of minerals from Conflict-Affected and High-Risk Areas (CAHRAs)

The Company expects its suppliers to comply with the environmental, health, safety and labour legislation of the countries in which they operate. The Company takes the following environmental, social and governance criteria into consideration:

- Air, water, land pollution and incident management plans. Water stewardship, especially in water-scarce and stressed areas
- Non-permitted sourcing from World Heritage Sites and Protected Areas
- Storage, handling and disposal of hazardous chemicals, including mercury and cyanide
- Management of labour issues
- Community engagement and management programs
- Management of business integrity impacts and ethical conduct and supporting the implementation of relevant initiatives such as the Extractive Industry Transparency Initiative (EITI).

Processes related to identification and early detection of the risks which may endanger the existence, development and continuity of the Company and supply chain, assessment of identified risks, implementation of necessary measures and management of risks are detailed in the written procedures of the Company.

The Company has built an effective internal control system for the purposes of risk assessment. This allows the Company to carry out follow-up and control activities and to review whether transactions are performed according to applicable legislation, guidelines, corporate policies and procedures through a risk-based approach.



We will immediately suspend or discontinue engagement with suppliers where we have a serious suspicion, finding or evidence which suggests that they are committing any of the abuses or violations listed or described under the sections "Organization and Responsibilities", "High-Risk Criteria" and "Our Commitments" of this Policy.

As part of its risk management efforts, the Company may, in cooperation with local and central authorities, international or civil society organizations, devise an effective risk mitigation plan which may include measurable improvement plans regarding business partners in order to mitigate the risks associated with identified non-compliances or high-risk situations. Where a significant measurable improvement in terms of prevention or mitigation of risks cannot be achieved within six months after creation of this plan, the Company will suspend or discontinue engagement with the business partner in question for at least three months. Following suspension of engagement, a revised risk management plan will be prepared which contains the performance objectives related to the gradual improvement that must be achieved before the commercial relation can be resumed with that party.

Risk assessment and internal control activities involve reporting the risks, deficiencies, errors and abuses as identified according to the responsible supply chain policy and procedures, other relevant legislation and guidelines as well as the measures to prevent re-occurrence of them to the Senior Management. These risk management, follow-up and control activities are carried out by the internal control and supply chain compliance officer and the Compliance Risk Committee under the supervision and control of the Board of Directors.

C. HIGH-RISK CRITERIA FOR PRECIOUS METALS SUPPLY CHAIN

As part of its precious metal transactions, Nadir Metal takes the following criteria into consideration to determine if a high-risk supply chain exists:

a) For location-based high risks:

- The mined precious metals or recyclable precious metals originate from, have transited or have been transported via a conflict-affected and high-risk area (CAHRA).
- The mined precious metals are claimed to originate from a country through which precious metals from CAHRAs are known, or reasonably suspected, to transit.
- The mined precious metals are claimed to have originated from a country that has limited known reserves, likely resources or expected production levels; recyclable precious metals are declared or claimed to have originated from a country that has limited export capacity or no information could be obtained about their origin.

b) For supplier-based high risks:

- Supplier of the mined precious metals or recyclable precious metals, the supplier's suppliers and/or other upstream actors in the supply chain and/or their ultimate beneficial owners have interests in precious metals from high-risk areas.



- Supplier of the mined precious metals or recyclable precious metals and/or the supplier's suppliers or their owners are politically exposed persons.
- Suppliers of the mined precious metals or recyclable precious metals have been known to have sourced precious metals from a high-risk country in the last 12 months, The documentation provided by suppliers have material inconsistencies or provision of the requested documentation has been refused.
- Supplier of the mined precious metals or recyclable precious metals and/or the supplier's suppliers have activities in a higher-risk business activity such as arms, gaming and casino industry, antiques and art, and sects and their leaders.
- Recyclable precious metals are procured from an unexplained geographical route.
- Supplier of recyclable precious metals operates in a country which is highly risky in terms of money laundering.
- The documentation provided by suppliers of the mined precious metals have material inconsistencies or the provision of the requested documentation has been refused.

c) For product-based high risks:

- Precious metals are sourced from artisanal and small-scale mines (ASM).
- The mined precious metals contribute to catastrophic harm or highly adverse environmental, social and governance (ESG) factors, to the extent that this is able to be identified.
- The mined precious metals are produced by using chemicals, such as mercury, which cause adverse effects on the environment and human health.
- Recyclable precious metals are procured from a refinery that is not accredited by LBMA or a merchant who has a high-risk supply chain or a merchant who has a refinery supply chain that is not accredited by LBMA.

D. KNOW YOUR CUSTOMER (KYC) PRINCIPLES AND SUPPLY CHAIN INSPECTION

We follow the "Know Your Customer " principles in all processes from start to end of our engagement with any supplier. The Know Your Customer process includes identifying, assessing and monitoring all supply chain considerations starting from the origin of minerals. We have a procedure in place that adopts a risk-based approach and allows transactions to be monitored in order to perform thorough transaction-related due diligence.

We transparently operate strong internal review, control and monitoring systems which start with the identification of precious metal supply chain actors. Therefore, as per applicable legislation and guidelines, we require suppliers to provide the necessary information and documentation in all relevant categories, including but not limited their activities, market areas, products and services, payment methods, origins and forms of the precious metals that they supply, along with the Know Your Customer (KYC) forms.

We check the information and documentation received as part of Know Your Customer process before entering into any business relation with both existing precious metal



suppliers and new/potential suppliers. In case of any risky situation which arises/might potentially arise based on the risk criteria determined under the responsible supply chain, we demand additional information/documentation from suppliers for the purposes of enhanced due diligence.

E. MONITORING OF TRANSACTIONS

With a risk-based approach, we review and monitor transactions appropriately to ensure that the transactions done and/or to be done are aligned to the supplier risk profile along the supply chain.

For this purpose, we carry out the following control activities:

- Checking volumes, types and concentrations of products containing precious metals for consistency with previous shipments.
- Monitoring the actual transportation routing for each shipment.
- Verifying physical shipment against shipping/transportation documents (assays, weights, serial numbers).
- Confirming that documents and materials are consistent with each other (purchase order, goods receipt, invoice) and with the KYC information (mine capacity, origin, sources).

Where material inconsistencies or suspicions are identified:

- Precious metals should be physically segregated and secured (until the inconsistencies are resolved).
- An investigation should be undertaken and documented.
- After being documented in writing, findings should be reported to the internal audit and supply chain compliance officer and the senior management.

F. MAINTAINING RECORDS OF SUPPLY CHAIN DUE DILIGENCE

Records of necessary information and documentation regarding the supply chain are stored for 8 years as a minimum.

G. TRAINING

The internal audit and supply chain compliance officer is responsible for organizing training programs. As a minimum, training on relevant topics, including but not limited to the following, are provided on an as-needed basis.

- The concept of Conflict-Affected and High-Risk Area (CAHRA) and other concepts included in the Compliance Guideline
- Responsible Supply Chain legislation, company policies, Know Your Customer Process, risk areas, practices and case studies
- foreign exchange legislation and areas of application
- National and international regulations concerning prevention of laundering proceeds of crime and financing of terrorism



Support may be received from expert instructors if necessary.

H. OUR COMMITMENTS

a) As Nadir Metal, we strive to avoid any potential harmful impact on people and/or environment and carry out our operations with a sense of responsibility to protect the nature and human health and fulfill our social responsibilities.

b) While sourcing from, or operating in, conflict-affected and high-risk areas, we 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, cruel, inhuman and degrading treatment; any forms of forced or compulsory labour ; the worst forms of child labour as defined in ILO Convention no. 182; other gross 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.

We will immediately suspend or discontinue engagement with suppliers where we identify a reasonable risk that they are committing any of the abuses listed above or engaged with any person who are committing or otherwise linked to such abuses.

c) We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

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

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates.

d) We agree to eliminate direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded.

e) We 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.



f) Where we or any company in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.

g) We will support efforts, or take steps, to engage with central or local authorities, international organizations and civil society organizations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.

We will support efforts, or take steps, to engage with local authorities, international organizations and civil society organizations to avoid or minimize the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

h) In accordance with the specific position of the company in the supply chain, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or

mitigate the risk of direct or indirect support to public or private security forces, where we identify that such a reasonable risk exists. In such cases, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan.

i) We will not offer, promise, give or demand any bribes, and will 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 mineral extraction, trade, handling, transport, and export.

j) 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 resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

k) We will ensure that all taxes, fees, and royalties related to mineral extraction, trade, and export from conflict-affected and high-risk areas are paid to governments in accordance with international standards.

l) In accordance with the specific position of the company in the supply chain, we commit to engage with suppliers, central or local governmental authorities, international organizations, civil society organizations and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse



impacts through measurable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

m) We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they providing direct or indirect support to non-state armed groups and/or procuring goods from, or are affiliated to, a party which provides such support.

n) We ensure that payments for purchases of precious metals are made through official banking channels. Any cash payments to be made by the Company may only be made where such payment is approved by the Senior Management and payment information are reliable and verifiable.

As Nadir Metal, we embrace the "zero tolerance" principle for the situations which are not limited to those described in paragraphs "o", "p" and "q" below;

o) We will immediately discontinue engagement with suppliers where we identify a reasonable risk that they are procuring mined precious metals from areas designated as "World Heritage Sites and Protected Areas" by UNESCO.

p) We will not, under any circumstances, engage with a supplier where we identify that such supplier obtains mined or recycled precious metals by violating international sanctions (including but not limited to the sanctions of the United Nations, the European Union, the United Kingdom Treasury and the United States of America Department of Treasury, and FATF).

q) We will not tolerate any business partners or upstream companies that supply mined precious metals or recycled precious metals and/or their ultimate beneficial owners committing money laundering activities, fraudulent activities, acts of terrorism or gross human rights violations or providing direct or indirect support to non-state armed groups.

I. WHISTLEBLOWING

The feedback and opinions of those concerned about this Policy are given importance. Any feedback regarding the Policy can be reported using one of the following channels within the scope of the Whistleblowing Policy. It is our priority to comply with the Protection of Personal Data Law No.6698 while handling of these notifications.

E-mail address : etik@nadirmetal.com.tr & compliance@nadirmetal.com.tr

Address : İstanbul Vizyonpark Genel Merkez Plaza Yenibosna Merkez Mahallesi
Kuyumcular Sokak No:4 İç Kapı No:110 Bahçelievler- İstanbul / Türkiye

Phone number : +90 212 886 7330



J. CONCLUSION

Precious Metals Responsible Supply Chain practices represent both a principle and an obligation for the Company. Employees of the Company are responsible for complying with all applicable laws and regulations, and the Company's policies and procedures. The provisions of Personnel Regulation are reserved. Nadir Metal, closely monitors all developments related to the topics addressed in this Policy and reflects any updates in the national and international legislation and practices in our activities.

K. ENFORCEMENT AND REVISION

Updating this Policy when needed is under the authority and responsibility of the Board of Directors. Updates to the policy are carried out by the Legal and Compliance Unit and submitted to the Board of Directors for approval.

This Policy has been put into force following the approval of the Board of Directors on 05.04.2022.

Date of Board of Directors' Decision	Version No
30.06.2012	(1)
23.06.2015	(2)
11.12.2017	(3)
31.12.2018	(4)
12.05.2020	(5)
28.06.2021	(6)
05.04.2022	(7)

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