



VALUE TRADING
Simonsstraat 48
2018 Antwerp, Belgium
T +32 (0)3 221 15 69
www.valuetrading.eu
info@valuetrading.eu

VALUE TRADING: SUPPLY CHAIN POLICY FOR A RESPONSIBLE GLOBAL SUPPLY CHAIN OF MINERALS FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS

| <i>Version control</i> | |
|-------------------------|---------------------|
| <i>Version:</i> | <i>Date:</i> |
| <i>Original Version</i> | <i>8 June 2020</i> |
| <i>Update</i> | <i>14 July 2021</i> |

1 INTRODUCTION

This Supply Chain Policy applies to all precious metals handled by Value Trading and to all of its business partners engaged in refining and trading precious metals.

It does not apply to general procurement (e.g. office furniture, food, energy, etc.) or other transactions outside the precious mineral supply chain.

Value Trading' primary business partners are jewelers and goldsmiths, jewelry manufacturers, brokers, gold exporters and traders, mining companies, as well as currency traders, recovery companies, gold funds, commercial banks, private and professional investors

Our supply chain policy is aligned with the Responsible Minerals Initiative Gold Refiner Standard and Annex II of the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas' (OECD DDG). The Value Trading Compliance Officer has the authority to deny any customer or supplier classified as extreme or high risk in accordance with its Customer Due Diligence Policy.

Value Trading' supply chain policy, as part of its overall compliance policy is designed and implemented to ensure that its engagements and operations are in accordance with the OECD Due Diligence Guidelines (DDG), the OECD DDG 'Supplement on Gold' in order to combat abuses of human rights, to avoid contributing to conflict and to avoid contributing to white-collar crimes. This includes compliance with standards on anti-money laundering (AML) and combatting the financing of terrorism (CFT).

Value Trading has adopted the present supply chain policy, which is consistent with the standards set out in the model supply chain policy in Annex II to the OECD Due Diligence Guidance.



VALUE TRADING
Simonsstraat 48
2018 Antwerp, Belgium
T +32 (0)3 221 15 69
www.valuetrading.eu
info@valuetrading.eu

Value Trading recognizes the risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and recognizes that it has the responsibility to respect human rights and not contribute to conflict. Therefore, it is committed to adopt, widely disseminate and incorporate in contracts and/or agreements with suppliers the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas. Value Trading is committed to refraining from any action which contributes to the financing of conflict and it commits to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

Value Trading does not only stimulate awareness amongst its suppliers and customers but also amongst its employees. When concerns might rise, our employees have the possibility to report their concerns anonymously to the reporting officer.

2 CAHRA

Value Trading continuously monitors whether any mineral from Conflict-Affected and High-risk Areas (CAHRA's) are in its supply chain as part of its compliance process set out in its KYC policy and through due diligence regarding supply chain risks (including identification of type of gold and risk management):

- Supplier identification and verification in accordance with Value Trading's KYC policy;
- Identification of type of counterparty:
 - o Gold supplying refiner, conformant with RMI Standard (or equivalent);
 - o Gold supplying refiner, not conformant with the RMI standard (or equivalent);
 - o Gold aggregator;
 - o Recycler;
 - o Trader;
 - o Investment firm, exchange broker
- Risk-based acceptance, depending on source of gold (mined gold, recyclable gold, grandfathered stock). Alluvial gold, gold ore, gold concentrate, mining by-product and ASM gold are in principle not accepted. With regard to ASM gold, exceptions are made depending on the results of the risk-assessment compliant with the OECD Due Diligence Guidelines);
- Value Trading collects all relevant documentation to assess origin and chain of custody of the minerals in accordance with its customer due diligence policy. Value Trading does not accept gold or gold-bearing material that originates from or has been transported through a CAHRA.



The following guidelines are used when determining if an area, region or country is regarded as a CAHRA:

- <https://www.cahaslist.net/>
- <https://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/conflict-affected-and-high-risk-areas/>
- <http://www.responsiblemineralsinitiative.org/minerals-due-diligence-container/recognized-standards-or-programs/upstream-assurance-mechanisms/>
- Production statistics related to gold production:
 - <http://www.itia.info/>
 - <https://minerals.usgs.gov/minerals/pubs/commodity/gold/index.html> - mcs

Additionally Value Trading tries to mitigate the risk of infiltration of smuggled material into the supply chain by assessing the location of extraction against proximity of high risk areas and/or countries under sanction. If such a risk is identified additional measures will be required from the supplier to protect his supply chain from infiltration.

Value Trading carries out periodic and risk-based reviews of supplier-related documents, data or information as well as additional monitoring in case of triggering events, in accordance with its compliance policy.

3 REGARDING SERIOUS ABUSES ASSOCIATED WITH THE EXTRACTION, TRANSPORT OR TRADE OF MINERALS

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, which means work or service which is extracted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
- Worst forms of child labour¹;
- 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;

4 REGARDING RISK MANAGEMENT OF SERIOUS ABUSES

¹ See LIO convention No 182 on the worst forms of child labour (1999).



VALUE TRADING
Simonsstraat 48
2018 Antwerp, Belgium
T +32 (0)3 221 15 69
www.valuetrading.eu
info@valuetrading.eu

Value Trading will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in clause 3 [Regarding serious abuses associated with the extraction, transport or trade of minerals] of this policy.

5 REGARDING DIRECT OR INDIRECT SUPPORT TO NON-STATE ARMED GROUPS

Value Trading does 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:

- 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 point 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.

To identify non-state armed groups, the relevant UN Security Council resolutions are referred to:

6 REGARDING RISK MANAGEMENT OF DIRECT OR INDIRECT SUPPORT TO NON-STATE ARMED GROUP

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in paragraph

7 REGARDING PUBLIC OR PRIVATE SECURITY FORCES

We agree to eliminate, in accordance with paragraph 10 of the OECD DDG, 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; or illegally tax or extort intermediaries, export companies or international traders.



VALUE TRADING
Simonsstraat 48
2018 Antwerp, Belgium
T +32 (0)3 221 15 69
www.valuetrading.eu
info@valuetrading.eu

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 router from interference with legitimate extraction and trade.

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.

We will support efforts, or take steps, to engage with central or local authorities, international organisations and civil society organisations 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 organisations and civil society organisations to avoid or minimise 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.

8 REGARDING RISK MANAGEMENT OF PUBLIC OR PRIVATE SECURITY FORCES

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, as identified in paragraph 5, 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. Where we identify a reasonable risk of activities inconsistent with paragraphs 8 and 9, we will respond in the same manner.

9 REGARDING BRIBERY AND FRAUDULENT MISREPRESENTATION OF THE ORIGIN OF MINERALS

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.



VALUE TRADING
Simonsstraat 48
2018 Antwerp, Belgium
T +32 (0)3 221 15 69
www.valuetrading.eu
info@valuetrading.eu

10 REGARDING MONEY LAUNDERING

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.

11 REGARDING THE PAYMENT OF TAXES, FEES AND ROYALTIES DUE TO GOVERNMENTS

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 and, in accordance with the company's position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

12 REGARDING RISK MANAGEMENT OF BRIBERY AND FRAUDULENT MISREPRESENTATION OF THE ORIGIN OF MINERALS, MONEY LAUNDERING AND PAYMENT OF TAXES, FEES AND ROYALTIES TO GOVERNMENTS:

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 organisations, civil society 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.

We commit to detect and mitigate risks among others through verification of the origin of the precious metals, verification of the volumes taking into account the volumes mined, enhancing and increasing supplier's awareness and encouraging preventive measures.