

Responsible Sourcing (Precious Metals) Policy

Policy Statement

The Gold Corporation (**Corporation**) is aware of the threat financing and sustainability risks associated with extracting, trading, handling, exporting, and refining precious metals on a global scale and is committed to respecting human rights and complying with all applicable social, environmental and governance factors for precious metal suppliers including:

- Compliance with environmental, health, safety and labour regulations in the country of operation.
- Environmental management, including:
 - Air, water, land pollution and incident management plans.
 - Water stewardship, especially in water scarce and stressed areas.
 - Unauthorised sourcing from world heritage sites and protected areas.
- Storage, handling, and disposal of hazardous chemicals, including mercury and cyanide.
- 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.

The Corporation does not engage with suppliers:

- Identified with systematic or widespread human rights abuses with the extraction, transport, or trade of precious metals, including:
 - Any forms of torture, or inhuman and degrading treatment.
 - Forced or compulsory labour.
 - Child labour.
 - Widespread sexual violence or other gross human rights violations.
 - War crimes, crimes against humanity or genocide.
- Identified to 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 extort money or minerals through the supply chains.
- Related with:
 - Money laundering, terrorism financing, or bribery.
 - Contribution to conflict.
 - Fraudulent misrepresentation of the origin of precious metals.
 - Non-compliance with taxes, fees and royalties due to governments related to mineral extraction, trade and export from Conflict-Affected and High-Risk Areas (**CAHRAs**).

The intent of this policy is to comply with the London Bullion Market Association (LBMA) Responsible Gold Guidance and Responsible Silver Guidance and the OECD Due Diligence Guidance Minerals Annex II.

Scope

The policy covers precious metals the Corporation receives for refining.

Organisation and Responsibilities

The policy is supported by the Corporation's Responsible Sourcing of Metals Program (**RSM Program**), which contains operational details of the policy and governance structures, which align with a three lines model being:

- First line: Area's responsible for accepting precious metal from suppliers, conducting initial and ongoing due diligence, monitoring lodgement transactions and business development opportunities.
- Second line: Risk and Compliance Team together with other areas that support the First Line and assures relevant obligations are met, through direct assurance activities or other monitoring activities performed by other teams.
- Third line: Internal Audit perform an annual audit, rotating through different aspects of the RSM Program providing regular assurance over first- and second-line activities.

Identification and Assessment of Risk Factors

The Corporation considers three categories of risks against threat financing and sustainability factors:

- Supplier: Supplier identification and ultimate beneficial owners (**UBO**) in line with the Corporation's anti money laundering and counter terrorism financing program (**AML/CTF Program**), incorporating any additional requirements with LBMA obligations.
- Location: Origin of the precious metals and its transportation route to the refinery.
- Material: Types of precious metals including the scale of mine sites and production methods.

Know Your Counterparty (KYC) Processes

The Corporation conducts AML/CTF assessments to identify supplier risks and conducts RSM assessments to identify location risks and material risks.

The AML risk rating determines the supplier risk ongoing monitoring frequency. Supply chain changes, which are related to the location and material type, trigger an update of the RSM assessment.

Transaction Monitoring

The Corporation monitors every deposit transaction to identify any unusual behaviour. Transaction monitoring activity includes:

- Volumes, metal types and assay results for consistency.
- Changes of transportation routes.
- Consistency between documentation provided and physical deliveries.

High-Risk Supply Chains

The Corporation has:

1. Zero tolerance for precious metals originating from world heritage sites, international sanctions, or suppliers whose UBO's have been implicit in serious human rights abuses, or financial crimes.
2. Low appetite for high-risk supply chains, however, will assess the following factors to determine whether specific risks are acceptable with enhanced due diligence:
 - Precious metals that originate from:
 - CAHRA including being transported through these areas.
 - Countries with limited known reserves, likely resources or expected production levels.
 - Suppliers that have:
 - Shareholders, UBO's or other precious metal interests in high-risk locations.
 - Activities in other high-risk industries such as arms, gaming, antiques and art.
 - Have been known to have sourced precious metal from high-risk countries in the last 12 months.
 - Material discrepancies or inconsistencies in the documentation provided or have refused to provide requested documentation.
 - Precious metals that are:
 - Sourced from offshore artisanal mining operations or through an intermediary supplier with a high-risk supply chain.
 - Produced with the use of mercury or other known highly adverse sustainability factors.

An acceptable high risk supply chain is subject to an enhanced due diligence, including an on-site visit, to substantiate and clarify all factors that resulted in a high-risk rating.

The Corporation commits to addressing and managing any residual issues with the supplier. If the supplier cannot adopt a measurable improvement plan and achieve the progress within 6 months, the Corporation will consider suspending or discontinuing relations with the supplier.

Record Maintenance

All supplier due diligence records are retained in accordance with the Corporation's Record Keeping Plan, as required under the *State Records Act 2000*.

Employee Training

The Corporation provides training on the responsible sourcing of precious metals. Relevant employees must complete the initial training within one month of commencing at the Corporation, and refresher training every 12 months.

Grievance Mechanism

The Corporation encourages internal and external stakeholders to report any responsible sourcing related misconduct to the external whistleblowing service provider, Your Call.

- Contact phone: 1300 790 228 (weekdays, 9am-12pm EST, excluding public holidays)
- Email: yourcall.com.au/report.
- Organisation ID: GCP.
- Whistleblowing Policy: perthmint.com/about/policy-and-governance/.