

24GOLD DMCC Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas

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Recognizing that risks of significant adverse impacts which may be associated with extracting, trading, handling, and transporting minerals from conflict-affected and high-risk areas, and recognizing that we have the responsibility to respect human rights and not contribute to conflict, we commit 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, as representing a common reference for conflict-sensitive sourcing practices and suppliers' risk awareness from the point of extraction until end user. We commit to refraining from any action, which contributes to the financing of conflict

We strongly recommend our suppliers to operate in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of minerals from conflict-affected and high-risk areas.

Regarding serious abuses associated with the extraction, transport or trade of minerals

1. While sourcing from, or operating in, conflict-affected areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
 - a. Any forms of torture, cruel, inhuman and degrading treatment;
 - b. Any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
 - c. The worst forms of child labour (see note 1)
 - d. Other gross human rights violations and abuses such as widespread sexual violence;
 - e. War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

Regarding risk management of serious abuses

2. 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 committing serious abuses as defined in paragraph 1.

Regarding direct or indirect support to non-state armed groups (see note 2)

3. 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 (see note 3):

- Illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; (see note 4) and/or
- Illegally tax or extort (see note 5) 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.

Regarding risk management of direct or indirect support to non-state armed groups

4. 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 3.

Regarding public or private security forces

5. We agree to eliminate, in accordance with paragraph 10, 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. (See note 6)
6. 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 forces that are known to have been responsible for gross human rights abuses will not be hired.
7. 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.
8. 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.
9. We will support efforts, or take steps, to engage with local authorities, international organisations and civil society organisations 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.



Regarding risk management of public or private security forces

10. 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 (see note 7). Where we identify a reasonable risk of activities inconsistent with paragraph 8 and 9, we will respond in the same vein.

Regarding bribery and fraudulent misrepresentation of the origin of minerals

11. 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 (see note 8)

Regarding money laundering

12. 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.

Regarding the payment of taxes, fees and royalties due to governments

13. 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 disclosure such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

Regarding risk management of bribery and fraudulent misrepresentation of the origin of minerals, money laundering and payment of taxes, fees and royalties to governments

14. 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 measureable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation (see note 9).



Notes

(1) See ILO convention No 182 on the Worst Forms of Child Labour (1999)

(2) To identify non-state armed groups, companies should refer to relevant UN Security Council resolutions.

(3) “Affiliates” includes negotiators, consolidators, intermediaries and others in the supply chain that work directly with armed groups to facilitate the extraction, trade or handling of minerals.

(4) “Control” of mines, transportation routes, points where minerals are traded and upstream actors in the supply chain means i) overseeing extraction, including by granting access to mine sites and/or coordinating downstream sales to intermediaries, export companies or international traders, ii) making recourse to any forms of forced or compulsory labour to mine, transport, trade or sell minerals, or iii) acting as a director or officer of, or holding beneficial or other ownership interests in, upstream companies or mines.

(5) “Extort” from mines, transportation routes, points where minerals are traded or upstream companies means the demanding, under the threat of violence or any other penalty, and for which the person has not voluntarily offered, sums of money or minerals, often in return for granting access to exploit the mine

(6) “Direct or indirect support” does not refer to legally required forms of support, including legal taxes, fees and/or royalties that companies pay to the government of a country in which they operate (see paragraph 13 below on disclosure of such payments). (7) As detailed in Step 3(D) of Annex I, companies should conduct an additional risk assessment on those risks requiring mitigation after the adoption of the risk mitigation plan. If within six months from the adoption of the risk management plan there is no significant measurable improvement to prevent or mitigate the risk of direct or indirect support to public or private security forces, as identified in paragraph 5, companies should suspend or discontinue engagement with the supplier for a minimum of three months. Suspension may be accompanied by a revised risk management plan, stating the performance objectives for progressive improvement that should be met before resuming the trade relationship.

(8) See OECD Convention of Combating Bribery of Foreign Public Officials in International Business Transactions (1997); and the United Nations Convention Against Corruption (2004).

(9) As detailed in Step 3(D) of Annex I, companies should conduct an additional risk assessment on those risks requiring mitigation after the adoption of the risk management plan. If within six months from the adoption of the risk management plan there is no significant measurable improvement to prevent or mitigate the risks of bribery and fraudulent misrepresentation of the origin of minerals, money laundering and payment of taxes, fees and royalties to governments, companies should suspend or discontinue engagement with the supplier for a minimum of three months. Suspension may be accompanied by a revised risk management plan, stating the performance objectives for progressive improvement that should be met before resuming the trade relationship.