



POLICY
SUPPLY CHAIN DUE DILIGENCE





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Since commencing business in 2016 Zion Precious Metals (Pty) Ltd has obtained a gold license. It is our company policy to be transparent with regards to business dealings with our suppliers and clients. In view of the role of Jewellery / Manufacturer and/or wholesaler with regards to abuse of human rights, its contribution to conflict, money laundering and combating terrorist financing, Zion Precious Metals (Pty) Ltd hereby commits itself to uphold the principles of The OECD Due Diligence Guide for the Supply Chain of Minerals from Conflict-Affected and High-Risk Areas.

It is Zion Precious Metals (Pty) Ltd policy to purchase precious metals from legitimate and ethical sources and that the purchase of such precious metals have not been associated with corruption, crime, armed conflict, misrepresentation of tax and royalty payments or human rights abuse. We will continue to operate our company with honesty and the highest or moral standards in all aspects of our business.

Zion Precious Metals (Pty) Ltd has implemented the abovementioned policy with regards to the purchasing of precious metals.

The Members and staff of Zion Precious Metals (Pty) Ltd all commit to the following principles:

1. With regards to the serious abuses associated with the extraction, transport or trade of minerals while sourcing precious metals we will not tolerate nor profit from, contribute to, assist or facilitate the commission by any party of:
 - i) Any forms of torture, cruel, inhuman and degrading treatment;
 - ii) 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;
 - iii) The worst forms of child labour;
 - iv) Gross human rights violations and abuses such as widespread sexual violence;
 - v) War crimes, violation of international humanitarian laws, crimes against humanity or genocide.
2. Regarding risk management of serious abuse, we will immediately terminate dealings with suppliers that are identified as a risk that they are sourcing from or linked to, any party committing or partaking in the crimes as mentioned above.
3. We will not deal with any suppliers or non-state armed groups that directly or indirectly through the extraction, logistical support, trade, handling or export of minerals, but not limited to procuring minerals from, making payment to or otherwise providing logistical assistance or equipment to, non - state armed groups or their associates who:
 - i) Illegally control mine sites, transportation routes, points where minerals are traded and suppliers;
 - ii) Illegally tax or extort money or minerals from mines, transportation routes or at trading points
 - iii) Illegally tax or extort intermediaries, export companies, or traders.

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- 4) Regarding risk management of direct or indirect support to non-state armed groups we will immediately suspend suppliers that are identified as a high risk in that they are sourcing from or supporting, either directly or indirectly, non-state armed groups as defined in paragraph 3.
- 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 suppliers;
- 6) We recognize that the role of public or private security forces at the mine sites / 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.
- 7) Where we or any company or suppliers must 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 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 to be improved.
- 9) We will support efforts, 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 are extracted through artisanal or small -scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.
- 10) In accordance with the specific position of the company, we will immediately devise, adopt and implement a risk management plan with 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 not support such suppliers.
- 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 purpose of mineral extraction, trade, handling, transport and export.
- 12) We will take steps to eliminate 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 site, along transportation routes or at points where minerals are traded up suppliers.
- 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 disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).
- 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 organizations, 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.



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