



METAL CONCENTRATORS

## Responsible Sourcing Compliance Report

Supply Chain Due Diligence Report

Metal Concentrators SA (Pty) Ltd (MetCon) regards responsible sourcing as a key part of its long-term sustainability goals. We embark on all efforts to ensure credible suppliers and a verifiable supply chain. As part of this effort to ensure that we adhere to the most current thinking on sourcing, we only accept gold, silver, platinum and palladium that we can responsibly source as specified by legislation and our accreditation partners.

We source our precious metals with consideration and care from trusted suppliers who adhere to a strict chain of custody protocol. MetCon will not accept a new source without conducting a comprehensive due diligence process in accordance with the Responsible Jewellery Council's (RJC) and Responsible Minerals Initiative (RMI) international best practice. We never compromise our standards, as we believe responsible practices are the best defence against human rights violations, environmental degradation and reduced economic opportunities for communities along our supply chain.

### Statement of conformance

MetCon hereby affirms its commitment to responsible and ethical business practices in the precious metals refining and jewellery industry. We proudly declare our compliance with the Responsible Jewellery Council's Code of Practice and Chain of Custody Requirements.

As an organization engaged in the refining, design, manufacture, distribution, and sale of refining products and jewellery, we understand the importance of responsible sourcing, sustainable business practices, and ethical conduct throughout the precious metals supply chain. In recognition of these principles, we have diligently reviewed and implemented the RJC Code of Practice and Chain of Custody Requirements as set forth by the Responsible Jewellery Council.

Our commitment to compliance includes, but is not limited to, the following key areas:

Responsible Sourcing: We source our materials from reputable suppliers who share our commitment to ethical and responsible practices, and we are actively engaged in due diligence efforts to ensure the responsible origin of these materials.

Transparency and Traceability: We maintain a comprehensive and transparent record-keeping system that enables us to trace the the material throughout our system and to be able to issue CoC certificates.

Ethical Labor Practices: We uphold ethical labour practices in our operations and require our suppliers to do the same, with a focus on fair wages, safe working conditions, and the absence of child or forced labour.

Environmental Responsibility: We are dedicated to minimizing our environmental impact by implementing sustainable practices in our production processes, minimizing waste, and seeking to reduce our carbon footprint.

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### Metal Concentrators SA (Pty) Ltd

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Compliance Training: Our employees and relevant stakeholders are trained and educated on RJC requirements, and we ensure that all parties involved in our supply chain are aware of and adhere to these principles.

Continuous Improvement: We are committed to ongoing improvement in our responsible sourcing and business practices. We regularly assess and update our procedures to align with industry best practices and RJC standards.

We understand the importance of third-party verification and audits in maintaining the integrity of our compliance efforts. We welcome and cooperate fully with RJC assessments and audits to validate our adherence to the Code of Practice and Chain of Custody Requirements.

## **Summary of activities as defined in the RJC's Code-of-Practice**

### **1. COP 5-14 Responsible Supply Chains and Human Rights**

Our supply chain due diligence was conducted in line with the OECD 5 step guidance.

#### Step 1 – Establish management systems (Management systems, Information gathering, Supplier engagement, Grievance mechanism)

MetCon has implemented Know-Your-Client (KYC), Know-Your-Product (KYP), Supply Chain, Anti-money laundering and Bribery policies and procedures. These policies and procedures are reviewed on an annual basis.

Part of the management system is to gather information using a desk-based approach as well as continued supplier engagement and regular supplier site visits.

A Complaints, grievances and concerns policy in relation to the precious metals supply chain has been implemented and all stakeholders are encouraged to report any matters in relation to the this. No disclosures were recorded for the 2020-2022 period.

#### Step 2 – Identify and assess risks (Red-flagged operations, Risk review and mapping, Risk assessment)

All KYC and KYP procedures are conducted from a risk-based perspective. By using our risk assessment tools, any risks in the supply chain are identified and assessed. The risk profile includes a risk classification per supplier based on a three-level scale. Suppliers are continuously monitored for any changes in their risk profile.

We are also monitoring the elemental analysis of our feedstock and are incorporating these analyses into our supplier risk profiles.

#### Step 3 – Manage risks (Findings report, Engagement and control, Risk management implementation and follow up)

Any change to the supplier risk profile is reported at MetCon's monthly Executive Committee (ExCo) meeting. The ExCo will decide on the appropriate forward action i.e. to either accept, tolerate or reject the risk under the information presented and recommended by MetCon's Compliance Officer, who is also a member of the ExCo. We are engaging with our suppliers regularly; this includes both scheduled and random site visits to understand any changes to their risk profile. During the period 2020-2022, risks were identified at suppliers. Enhanced due diligence procedures were conducted resulting in supplier account closure.

#### Step 4 – Verify due diligence (Third-party audit)

Our last RJC certification audit was conducted in February 2023 by Bureau Veritas and we have received re-certification from the RJC on the new 2019 version of the COP as well as re-certification on the 2017 version of the COC. The new 2019 COP version has been aligned to the OECD Due Diligence Guidance for Responsible Supply Chains and the United Nations Guiding Principles of



Business and Human rights. Our re-certification for both COP and CoC is valid from 20 March 2023 to 20 March 2026 with a mandatory surveillance mid-term audit.

#### Step 5 – Report annually

The Supply Chain and the Responsible Gold policies are available on MetCon's website. The RJC certifications are available on both the RJC and MetCon websites ([www.metcon.co.za](http://www.metcon.co.za)).

Further to the above, MetCon continues to identify opportunities to support communities, to contribute to Social and Economic Development and to focus on developing and training its employees.

MetCon has expanded its provenance claim to include palladium and ruthenium and this is also sourced directly from a London Platinum and Palladium Market (LPPM) member. Our provenance claim is as follows: Metal Concentrators SA (Pty) Ltd declares that the platinum, palladium and ruthenium used in its jewellery and alloy manufacturing process is sourced directly from a London Platinum and Palladium Market (LPPM) member in South Africa.

## **2. COP 15-22 Labour rights and working conditions**

MetCon complies with all relevant labour legislation that governs labour rights and working conditions.

## **3. COP 23-27 Health, safety and environment**

MetCon is compliant with local health and safety regulations. During the 2020-2022 period one (1) LTI was recorded.

### **Conclusion**

MetCon has implemented effective management systems, procedures, processes, and practices to comply with the RJC CoP and CoC requirements.

By issuing this report, we affirm our dedication to ethical, responsible, and sustainable business practices in the jewellery industry, and we pledge to uphold the principles set forth by the Responsible Jewellery Council.

**Date of report: 21 September 2023**