

Azhar Commodities Ventures FZE

Responsible Sourcing Policy.

Effective Date: April 8, 2025

1. Introduction

Azhar Commodities Ventures FZE is committed to ensuring the responsible sourcing of gold in line with global standards and guidelines. As part of our commitment to ethical and sustainable business practices, we adhere to the LBMA Responsible Sourcing Programme and the LBMA Responsible Gold Guidance, Version 8 (11.12.2018). This policy outlines the processes and procedures that Azhar Commodities Ventures FZE follows to ensure that gold sourced for importation into the UAE is responsibly mined, ethically traded, and aligned with the highest environmental, social, and governance (ESG) standards.

2. Policy Objectives

The objectives of this Responsible Sourcing Policy are to:

- Ensure that gold sourced by Azhar Commodities Ventures FZE does not contribute to conflict financing or human rights abuses.
 - Uphold international standards, including those outlined by the LBMA, OECD, and other relevant global frameworks, in the sourcing and trading of gold.
 - Establish and maintain a robust supply chain due diligence process that identifies and mitigates risks of sourcing from conflict-affected or high-risk areas.
 - Promote transparency, traceability, and accountability in all transactions related to the sourcing of gold.
 - Ensure compliance with UAE laws and regulations governing the importation and trade of precious metals.
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3. Scope and Coverage

This policy applies to all gold sourcing activities of Azhar Commodities Ventures FZE, including:

- Direct suppliers of gold (e.g., miners, refiners).
 - Intermediaries and trade partners involved in the gold supply chain.
 - Gold sourced from both legal and illegal mining operations.
 - All gold imported into the UAE for trade, processing, and resale.
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4. Due Diligence Framework

Azhar Commodities Ventures FZE adopts a comprehensive risk-based approach to due diligence, as outlined in the LBMA Responsible Gold Guidance, Version 8 (11.12.2018). The due diligence process follows these key principles:

4.1. Establishing and Implementing Risk-Based Due Diligence

- **Identify and assess risks:** We identify and assess risks associated with our gold supply chain, including risks related to conflict financing, money laundering, human rights abuses, and environmental harm.
- **Prevent and mitigate risks:** Where risks are identified, Azhar Commodities Ventures FZE implements measures to prevent or mitigate such risks, including terminating relationships with suppliers involved in illicit activities.
- **Audit and monitoring:** We regularly audit and monitor the supply chain to ensure compliance with this policy and the standards set forth by the LBMA.

4.2. Know Your Supplier (KYS) Policy

- Azhar Commodities Ventures FZE applies a stringent Know Your Supplier (KYS) policy, ensuring that all suppliers are thoroughly vetted for compliance with the responsible sourcing standards.
- Information collected from suppliers includes, but is not limited to, their mining operations, ownership structure, and their adherence to ethical sourcing standards.

4.3. Supply Chain Transparency and Traceability

- We ensure that all gold sourced is traceable through a transparent supply chain, from the point of origin to the point of sale. This includes maintaining detailed records of all transactions and movements of gold.
- Suppliers are required to provide documentation and evidence demonstrating the origin of the gold, including proof of responsible mining practices and compliance with the LBMA Responsible Sourcing Programme.

4.4. Engagement with High-Risk Areas

- For gold sourced from high-risk areas, Azhar Commodities Ventures FZE adheres to the LBMA's guidance on sourcing from such regions. This includes a detailed risk assessment of the region, a thorough evaluation of the supplier's operations, and measures to ensure that gold sourced from these areas does not contribute to conflict financing or human rights abuses.

4.5. Independent Third-Party Audits

- Azhar Commodities Ventures FZE engages third-party auditors to verify compliance with this policy. Independent audits help to ensure that our sourcing practices meet the highest ethical and legal standards.

5. Risk Mitigation and Management

5.1. Risk Assessment

We assess the risks associated with the supply chain using the following methods:

- **Geographic Risk Assessment:** Identification of the origin of the gold and any political or social risks associated with sourcing from that region.
- **Supplier Risk Assessment:** Evaluation of suppliers based on their history of compliance with ethical and legal sourcing practices, as well as their involvement in local or international initiatives related to responsible sourcing.

5.2. Mitigation Measures

- **Suspension of Trade:** Suppliers that fail to meet the requirements outlined in this policy will have their trade relationships suspended or terminated.
 - **Corrective Actions:** Suppliers are required to implement corrective actions if non-compliance is detected, with regular follow-ups and reporting to ensure these actions are completed.
 - **Continuous Monitoring:** Azhar Commodities Ventures FZE continuously monitors the sourcing activities to identify any emerging risks and ensure that appropriate mitigation measures are in place.
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6. Compliance with International Standards

Azhar Commodities Ventures FZE ensures compliance with the following international standards:

- **LBMA Responsible Sourcing Programme** (Version 8, 11.12.2018)
 - **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas**
 - **UAE Laws and Regulations on Precious Metals**
 - **UN Security Council Sanctions**
 - **FATF Recommendations on Money Laundering and Terrorist Financing**
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7. Reporting and Accountability

7.1. Internal Reporting

- Azhar Commodities Ventures FZE maintains internal reporting mechanisms for identifying and reporting risks associated with gold sourcing. Employees are encouraged to report any suspected violations of this policy to the Compliance Officer.

7.2. External Reporting

- We comply with all regulatory reporting requirements related to the sourcing of gold, including submitting necessary documentation to regulatory authorities in the UAE.

7.3. Annual Reporting

- Azhar Commodities Ventures FZE will publish an annual report summarizing our responsible sourcing activities, detailing the effectiveness of our due diligence process, and identifying any actions taken in response to non-compliance.

8. Compliance and Management Authorization

The responsible sourcing practices outlined in this policy will be overseen by the Compliance Officer of Azhar Commodities Ventures FZE, Abiola Jubril Dairo. The policy will be reviewed periodically to ensure that it remains in compliance with the evolving regulatory landscape and best practices in responsible gold sourcing.

By signing below, the undersigned confirms the acceptance and commitment to the Responsible Sourcing Policy for Azhar Commodities Ventures FZE:

Compliance Officer:

Abiola Jubril Dairo

Signature: Abiola Dairo

Date: April 8, 2025

Management:

Signature: Abiola Dairo

Date: April 8, 2025

This policy will be reviewed annually and updated as necessary to remain aligned with industry standards and legal requirements.