

## Gold Supply Chain Policy

### Objective

Recognising that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and recognising that we, at Pan Pacific Copper Co.,LTD.(hereinafter referred to as PPC), have the responsibility to respect human rights, environment and sustainability, 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 gold and gold-bearing materials from conflict-affected and high-risk areas. We commit to refraining from any action which contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

### Serious abuses associated with the extraction, transport or trade of minerals

While sourcing from conflict-affected and high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with 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;
- iii) the worst forms of child labour;
- iv) other gross human rights violations and abuses such as widespread sexual violence;
- v) war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

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 these.

### Support for a multilateral cooperation initiative for responsible resource development

As a company conducting resource development operations globally, we support the purposes and activities of the Extractive Industries Transparency Initiative.

### Direct or indirect support to non-state armed groups

We will not provide any indirect support, through the extraction, transport, trade, handling or export of gold and gold-bearing materials, to non-state armed groups or their affiliates who:

- i) illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
- ii) illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
- iii) illegally tax or extort intermediaries, export companies or international traders.

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 above.

## **Public or private security forces**

We, at PPC,

- Agree to eliminate 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.
- Recognise 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 to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
- Require that security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights where any company in our supply chain contracts public or private security forces. In particular, we support the adoption of 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.
- Support efforts 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.
- Support efforts to engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable groups, in particular artisanal miners, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

We will immediately devise, adopt and implement a risk management plan with upstream suppliers to prevent or mitigate the risk of direct or indirect support to public or private security forces, 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. Where we identify high risk activities of upstream suppliers, we will respond in the same vein.

## **Money laundering**

We support efforts 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.

## **Payment of taxes, fees and royalties due to governments**

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.

## **Payment for gold and gold-bearing materials**

We will make and receive payment for gold and gold-bearing materials through appropriate financial institutions unless it is considered unreasonable.

**Bribery and fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to governments**

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.

**Establishment of a confidential grievance mechanism**

We will develop a mechanism which allows all our employees or external stakeholders to anonymously report concerns about our gold supply chain.